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STRATEGY–STRUCTURE DYNAMICS IN BUSINESS MANAGEMENT: WHAT IS NEW?
A Contemporary Conceptual Framework for Organisational Adaptation, Digital Transformation and Artificial Intelligence

Onyiro Christopher Enyinnaya, PhD
Gregory University Uturu, Abia State, Nigeria
Onyirochristopher@gmail.com
https://orcid.org/0009-0003-8564-5077

ABSTRACT

The relationship between organisational strategy and structure is a foundational concern in strategic management. Classical research established the importance of matching organisational structure to strategic direction, particularly as firms grow, diversify and enter new markets. However, the business environment has changed substantially as organisations increasingly operate through digital technologies, artificial intelligence, data-driven decision-making, platform ecosystems, flexible work arrangements and rapidly changing competitive environments. These developments raise an important question: What is new about strategy–structure dynamics in contemporary business management? This conceptual paper revisits the strategy–structure relationship in light of recent developments in strategic management and organisational design. It argues that the traditional proposition that structure follows strategy remains useful but is insufficient for explaining organisations operating under conditions of digital transformation and environmental turbulence. Contemporary organisations increasingly experience a reciprocal and iterative relationship in which strategy shapes structure while structure, capabilities, technologies and information flows simultaneously shape strategic possibilities. Recent research on digital transformation indicates that firms are moving toward more malleable organisational designs capable of continuous adaptation, while emerging research on artificial intelligence demonstrates that automation and AI can affect decision-making authority and organisational design. The paper develops the concept of Strategic–Structural Co-evolution (SSC) and proposes Structural Adaptability Capability (SAC) as a potentially important contemporary construct. The framework suggests that organisational structure should no longer be regarded merely as an administrative mechanism for implementing strategy. Instead, structural adaptability may itself constitute a dynamic capability through which firms sense opportunities, reconfigure resources, experiment with business models and renew strategic direction. The paper further argues that AI introduces a new dimension into the strategy–structure relationship because it can alter information-processing capacity, decision rights and the location of managerial authority. Recent research has provided evidence and theory indicating that automation can influence centralisation and delegation decisions, while AI can augment strategic decision-making. The paper contributes to strategic management by integrating strategy–structure alignment, dynamic capabilities, digital transformation, organisational agility and AI-enabled decision-making into a contemporary conceptual model. It proposes theoretical

propositions and an empirical research agenda, with particular relevance to SMEs and organisations in emerging economies.

Keywords: Strategy, organisational structure, strategy–structure alignment, strategic management, organisational design, structural adaptability, dynamic capabilities, digital transformation, artificial intelligence, organisational agility, SMEs, entrepreneurship, emerging economies.

1. INTRODUCTION

The relationship between strategy and organisational structure has been one of the most enduring subjects in business management. Organisations develop strategies to determine where and how they will compete, while organisational structures determine how responsibilities, authority, information and resources are arranged to execute those strategies.

The classical strategy–structure perspective provides a relatively straightforward sequence:

Strategy → Structure → Performance

Under this view, managers formulate strategy and subsequently design an organisational structure capable of implementing it.

This perspective remains influential. However, contemporary organisations increasingly operate in environments where strategic assumptions can change rapidly. Digital transformation, artificial intelligence, platform businesses, global supply networks, technological disruption and changing customer behaviour have increased the need for organisations to adapt continuously.

Recent literature on digital transformation indicates that firms are increasingly moving toward more malleable organisational designs that support continuous adaptation, while digital business ecosystems are becoming increasingly important to organisational change.

This creates a theoretical problem.

If organisations continuously adapt their structures, then structure cannot simply be regarded as the consequence of strategy.

Organisational structure can itself influence:

- information flows;
- knowledge creation;
- innovation;
- decision speed;
- resource allocation;
- employee behaviour;
- technology adoption;
- strategic experimentation.

Consequently, organisational structure can affect the strategic options available to managers.

The relationship can therefore be expressed as:

Strategy ↔ Structure

rather than simply:

Strategy → Structure

The emergence of artificial intelligence makes this relationship even more complex. Recent research has examined how AI affects strategic decision-making, while research on automation shows that technological automation can affect the degree to which organisations centralise or decentralise decisions.

This paper therefore asks:

What is new about strategy–structure dynamics in contemporary business management?

The purpose is not to reject classical strategy–structure theory but to extend it.

The paper proposes that contemporary strategy–structure dynamics can be understood through five developments:

1. Strategy and structure increasingly co-evolve.
2. Structural adaptability can become a strategic capability.
3. Digital technologies mediate strategy–structure relationships.
4. AI can influence decision rights and organisational authority.
5. Organisations increasingly compete through ecosystems rather than isolated internal structures.

2. BACKGROUND TO THE STUDY

The strategy–structure relationship emerged from observations that organisational growth and strategic diversification often create administrative problems.

As firms expand, simple functional arrangements may become inadequate.

A firm that operates a single product line may coordinate activities through a relatively simple structure.

However, a diversified corporation may require separate divisions because different products, markets and geographical areas create different managerial requirements.

The classical literature therefore established an important principle:

Organisational design should reflect strategic requirements.

However, organisational design research has subsequently developed substantially.

Recent scholarship notes that organisational structure can be conceptualised in different ways, including as an arrangement of activities, a representation of decision-making and an arrangement of legal entities. This conceptual diversity is important because different forms of structure may have different implications for strategy and organisational change.

The contemporary organisation is also less likely to resemble a stable hierarchy.

A modern firm may combine:

- permanent employees;
- temporary teams;
- outsourced activities;
- technology platforms;
- strategic partners;
- freelancers;
- AI systems;
- suppliers;
- customers;
- innovation ecosystems.

The organisation's effective structure may therefore extend beyond the formal organisational chart.

This development requires a broader understanding of strategy–structure dynamics.

3. PROBLEM STATEMENT

The traditional strategy–structure perspective assumes that managers can identify strategic objectives and then design an appropriate structure.

This assumption becomes problematic when strategic conditions change continuously.

Organisations may experience:

- technological disruption;
- economic uncertainty;
- changing consumer preferences;
- new competitors;
- regulatory changes;
- supply-chain disruptions;
- digital transformation;
- AI-driven innovation.

Under these conditions, a structure that was appropriate yesterday may become inappropriate tomorrow.

The problem is therefore not simply structuralmisalignment.

It is continuousstrategic–structuralmisalignmentandrealignment.

An organisation may possess an appropriate strategy but lack a structure capable of implementing it.

Alternatively, the organisation may possess a flexible structure that generates strategic possibilities that were not part of the original strategy.

This produces a feedback relationship:

Strategy affects Structure

and

Structure affects Strategic Possibilities**.**

Recent research reinforces the importance of this issue. A systematic review of digital transformation research found that digital transformation is associated with movement toward organisational designs that enable continuous adaptation and with broader digital business ecosystems.

4. RESEARCH GAP

Despite extensive literature on strategy and structure, several gaps remain.

4.1 The relationship remains frequently treated as linear

The proposition that structure follows strategy remains useful, but contemporary conditions suggest that the relationship is increasingly reciprocal.

4.2 Digital transformation is often treated separately

Strategy research, organisational design research and digital transformation research have frequently developed as related but distinct streams.

Recent scholarship increasingly calls for their integration.

4.3 AI creates a new organisational-design problem

AI is not simply another technology.

It can affect:

- information processing;
- decision-making;
- managerial work;
- automation;
- coordination;
- organisational authority.

Recent research specifically examines the relationship between AI and strategic decision-making.

Research on strategic automation also suggests that greater automation can influence centralisation decisions.

4.4 Structural adaptability requires greater theoretical attention

Organisational agility is increasingly discussed in digital transformation research, with recent literature conceptualising agility around rapid response, proactive adaptation and resource reconfiguration.

However, there remains an opportunity to conceptualise structuraladaptabilityitself as a distinct organisational capability.

5. PURPOSE OF THE STUDY

The purpose of this paper is to develop a contemporary conceptual explanation of strategy–structure dynamics.

Specifically, the paper seeks to explain how strategy and organisational structure interact under conditions of:

- digital transformation;
- artificial intelligence;
- organisational agility;
- environmental turbulence;
- business model innovation;
- ecosystem competition.

6. OBJECTIVES OF THE STUDY

The objectives are to:

1. Examine the traditional strategy–structure relationship.
2. Review contemporary developments in organisational design.
3. Examine the influence of digital transformation on strategy–structure dynamics.
4. Analyse the emerging influence of AI on organisational decision-making.
5. Develop the concept of strategic–structural co-evolution.
6. Propose structural adaptability as a dynamic capability.
7. Develop theoretical propositions for future empirical research.
8. Identify implications for managers and entrepreneurs.
9. Discuss implications for SMEs and emerging economies.

7. RESEARCH QUESTIONS

The paper addresses the following research questions:

RQ1

How has the strategy–structure relationship evolved from a linear alignment perspective toward a dynamic relationship?

RQ2

How does digital transformation reshape organisational structure and strategy?

RQ3

How does AI affect decision-making authority and organisational design?

RQ4

Can structural adaptability be conceptualised as a dynamic capability?

RQ5

How can strategy–structure co-evolution influence organisational performance?

RQ6

How might these dynamics differ in SMEs and emerging economies?

8. CONCEPTUALISING STRATEGY

Strategy represents the pattern of decisions and actions through which an organisation seeks to achieve objectives and create value.

Strategic decisions commonly concern:

- markets;
- products;
- customers;
- resources;
- capabilities;
- competitive positioning;
- innovation;
- partnerships.

Strategy therefore provides organisational direction.

However, strategy is not necessarily a static plan.

In turbulent environments, strategy can evolve as organisations learn.

This is important because if strategy changes continuously, organisational structure must also possess the capacity for adaptation.

9. CONCEPTUALISING ORGANISATIONAL STRUCTURE

Organisational structure concerns the arrangement of:

- authority;
- responsibility;
- roles;
- activities;
- communication;
- coordination;
- decision-making.

Traditional dimensions include:

Centralisation

The degree to which decision-making is concentrated.

Decentralisation

The extent to which authority is distributed.

Formalisation

The degree to which rules and procedures govern organisational activities.

Specialisation

The degree to which organisational tasks are divided among specialised roles.

Integration

The mechanisms used to coordinate specialised activities.

These dimensions remain important, but contemporary organisations increasingly require structures that can change as circumstances change.

10. CLASSICAL STRATEGY–STRUCTURE THEORY

Chandler's work remains an important foundation for strategy–structure research.

His historical analysis demonstrated that organisational growth and strategic diversification often required changes in administrative structure.

The central logic can be represented as:

Strategic Change

↓

Administrative Complexity

↓

Structural Change

↓

Improved Strategic Implementation

This framework explains why organisational structure must reflect strategic requirements.

However, it does not fully explain situations where structural innovations generate new strategies.

For example, a new cross-functional structure may create knowledge-sharing capabilities that allow the organisation to discover a new market.

Here, structure precedes strategic change.

11. CONTINGENCY THEORY

Contingency theory provides an important extension.

The theory rejects the assumption that one organisational structure is universally effective.

Instead, organisational effectiveness depends on contextual conditions.

Relevant conditions include:

- environmental uncertainty;
- technology;
- organisational size;
- strategy;
- task complexity.

This perspective is particularly relevant to digital organisations.

A highly standardised structure may be appropriate for repetitive operations but less appropriate for innovation.

Conversely, a highly flexible structure may support innovation but create coordination challenges.

The central issue is therefore fit.

However, contemporary environments introduce a further problem:

Fit can change rapidly.

Therefore, organisations need not only structural fit but also the ability to restore fit when conditions change.

This is where structural adaptability becomes important.

12. DYNAMIC CAPABILITIES

Dynamic capabilities provide an appropriate theoretical foundation for this argument.

Teece's dynamic capabilities perspective focuses on the organisation's ability to sense opportunities, seize them and reconfigure resources.

The framework is particularly relevant because strategy–structure adaptation involves resource reconfiguration.

If an organisation identifies a new digital opportunity, it may need to:

- develop new skills;
- create new teams;
- change reporting relationships;
- invest in technology;
- establish new partnerships.

These are structural and capability changes.

Recent research continues to link dynamic capabilities with digital transformation and organisational agility. For example, contemporary research describes organisational agility as involving rapid responses and resource reconfiguration in dynamic environments.

13. FROM STRATEGY–STRUCTURE ALIGNMENT TO CO-EVOLUTION

The central theoretical shift proposed in this paper is from alignment to co-evolution.

The alignment perspective asks:

Does the organisational structure fit the strategy?

The co-evolution perspective asks:

How do strategy and structure continuously influence one another?

The difference is important.

Under alignment:

Strategy → Structure

Under co-evolution:

Strategy ↔ Structure

Under contemporary digital conditions:

Environment ↔ Strategy ↔ Structure ↔ Technology ↔ Capabilities

The organisation therefore becomes a dynamic system rather than a fixed structure.

14. STRATEGIC–STRUCTURAL CO-EVOLUTION

This paper defines Strategic–Structural Co-evolution (SSC) as:

The continuous reciprocal process through which organisational strategy and structure mutually influence, adapt to and reshape one another in response to environmental changes, technological developments and organisational learning.

The construct has four major characteristics.

14.1 Reciprocity

Strategy affects structure and structure affects strategy.

14.2 Continuity

Adaptation is ongoing rather than occasional.

14.3 Learning

Organisations learn from structural experimentation.

14.4 Reconfiguration

Structures can be repeatedly modified.

15. WHAT IS NEW?

This section represents the principal contribution of the paper.

The question is not whether the relationship between strategy and structure exists.

That relationship is well established.

The question is:

What has changed sufficiently to require a new understanding of the relationship?

The paper identifies seven developments.

15.1 Structure is becoming a strategic capability

Traditionally, structure is often treated as an organisational arrangement.

This paper proposes that the ability to change structure effectively may itself be a strategic capability.

A firm capable of rapidly reorganising teams, decision rights and resources may respond faster than a firm whose structure is difficult to change.

Therefore:

Structural Adaptability Capability (SAC)

may represent a new construct for strategic management research.

16. DIGITAL TRANSFORMATION AS A STRUCTURAL FORCE

Digital transformation changes not only technology but also organisational design.

Recent systematic research identifies movement toward more malleable organisational designs capable of continuous adaptation.

Digital technologies can facilitate:

- real-time information;
- remote collaboration;
- automated processes;
- cross-functional coordination;

- data-driven decisions;
- platform ecosystems.

Consequently, digital transformation can alter both strategy and structure.

A firm may adopt a digital strategy and subsequently discover that its existing structure cannot support it.

It may therefore create:

- digital divisions;
- cross-functional teams;
- technology leadership positions;
- agile teams;
- data governance structures.

17. DIGITAL TRANSFORMATION AND ORGANISATIONAL AGILITY

Digital transformation and organisational agility are closely connected.

Recent literature defines organisational agility in terms of rapid response and proactive adaptation, supported by effective resource reconfiguration and decision-making.

This creates an important distinction.

Agility

The organisation's ability to respond quickly.

Structural adaptability

The organisation's ability to modify the arrangements through which response occurs.

An organisation may be agile because employees make rapid decisions, but if its formal structure cannot adapt, its agility may eventually become constrained.

This suggests:

Structural adaptability → Organisational agility

rather than treating the two concepts as identical.

18. ARTIFICIAL INTELLIGENCE AS A NEW STRUCTURAL VARIABLE

AI introduces another dimension.

Historically, managers were responsible for collecting and analysing information.

AI can now assist with:

- forecasting;
- market analysis;
- customer segmentation;

- strategic evaluation;
- risk analysis;
- resource allocation.

Research published in *Strategy Science* found that AI can augment strategic decision-making and reported evidence concerning the ability of contemporary language models to generate and evaluate strategies in experimental settings.

This does not mean that AI should replace managerial judgement.

It means that the location of information processing within organisations is changing.

That change can affect structure.

19. AI AND DECISION-MAKING AUTHORITY

One of the most important new questions is:

How does AI change who decides?

Research on strategic automation directly addresses this issue.

Dogan, Jacquillat and Yildirim's theoretical work indicates that automation can affect organisational decision-making structures and that greater access to automation can lead to increased centralisation under some conditions.

This finding is particularly important for strategy–structure theory.

It suggests that technology does not automatically produce decentralisation.

The effect may depend on:

- information availability;
- uncertainty;
- organisational structure;
- managerial incentives;
- automation capability.

Thus:

Technology → Decision Architecture → Structure

becomes an important research pathway.

20. HUMAN–AI ORGANISATIONS

The organisation of the future may increasingly involve three forms of actors:

1. Humans;
2. digital technologies;
3. AI systems.

This changes the conventional organisational model.

Traditional:

Managers → Employees

Emerging:

Managers ↔ Employees ↔ AI Systems

AI can become part of the organisation's information-processing infrastructure.

This raises questions about:

- accountability;
- trust;
- managerial control;
- decision rights;
- human oversight;
- organisational learning.

These issues represent an important new frontier in strategy–structure research.

21. THE RISE OF NETWORK ORGANISATIONS

Organisational boundaries are also changing.

Firms increasingly depend upon:

- suppliers;
- universities;
- technology providers;
- start-ups;
- customers;
- consultants;
- logistics partners;
- financial institutions.

The organisation is therefore increasingly embedded within an ecosystem.

This means that structure should not be examined only within the formal firm.

Researchers should also investigate **inter-organisational structure**.

22. PLATFORM STRATEGY AND STRUCTURE

Platform organisations demonstrate the changing nature of organisational boundaries.

Traditional businesses primarily produce and sell products.

Platform businesses coordinate interactions among multiple groups.

Their strategic success depends on:

- governance;
- data;
- network effects;
- trust;
- ecosystem coordination.

The structural requirements are therefore different.

Platform strategy may require:

- ecosystem managers;
- data governance;
- technology governance;
- partner management;
- platform rules.

This creates a broader conception of organisational structure.

23. BUSINESS MODEL INNOVATION

Business model innovation provides another mechanism through which strategy and structure interact.

A change in the business model can require changes in:

- resources;
- capabilities;
- employees;
- technology;
- processes;
- partnerships.

At the same time, organisational capabilities can enable new business models.

The relationship is therefore:

Structure → Capabilities → Business Model

and:

Business Model → Structural Requirements

This reinforces the co-evolution perspective.

24. STRATEGY–STRUCTURE DYNAMICS IN ENTREPRENEURIAL FIRMS

Entrepreneurial firms provide a useful setting for examining these dynamics.

Early-stage firms often possess:

- centralised decision-making;
- informal communication;
- flexible responsibilities;
- founder-driven strategy.

As the organisation grows, these characteristics may become insufficient.

The organisation may require:

- delegation;
- formal processes;
- professional management;
- specialised roles;
- performance measurement.

However, excessive formalisation may reduce entrepreneurial flexibility.

The challenge is therefore:

How can entrepreneurial firms formalise enough to grow without eliminating the flexibility that created their early advantage?

25. STRATEGY–STRUCTURE DYNAMICS IN SMEs

SMEs are especially important because structural adaptation may be constrained by limited resources.

SMEs may lack:

- specialist managers;
- capital;
- technology;
- analytical capacity.

At the same time, their relatively small size can facilitate:

- rapid communication;
- flexible decision-making;
- close customer relationships.

Structural adaptability may therefore be particularly valuable for SMEs.

Future empirical research could investigate whether:

Structural Adaptability → Strategic Agility → SME Performance

26. EMERGING ECONOMIES

The strategy–structure relationship may differ in emerging economies.

Firms may face:

- institutional uncertainty;
- financing constraints;
- infrastructure limitations;
- informal markets;
- regulatory changes;
- supply-chain challenges.

Consequently, firms may combine formal structures with informal networks.

This produces hybrid organisational arrangements.

For example:

Formal organisational structure + family networks + community relationships + digital platforms

may jointly constitute the effective operating structure of an enterprise.

This suggests that future strategy–structure research should pay greater attention to institutional context.

27. NIGERIAN CONTEXT

Nigeria provides a particularly useful setting for investigating strategy–structure dynamics.

Nigerian SMEs operate in an environment characterised by entrepreneurship, technological change and significant institutional and infrastructure challenges.

Businesses may need to adapt rapidly to:

- changing customer demand;
- financing conditions;
- supply-chain disruptions;
- technological developments;
- regulatory environments.

For Nigerian SMEs, strategic adaptation may therefore require simultaneous changes in:

- organisational structure;

- technology;
- partnerships;
- business models;
- leadership practices.

This creates an opportunity to test the proposed Strategic–Structural Co-evolution framework empirically.

28. PROPOSED CONCEPTUAL FRAMEWORK

The framework developed in this paper contains eight elements.

Stage 1: Environmental turbulence

Changes in:

- technology;
- markets;
- regulation;
- competition;
- customer preferences.

↓

Stage 2: Strategic sensing

Management identifies opportunities and threats.

↓

Stage 3: Strategic choice

The organisation determines its response.

↓

Stage 4: Structural adaptation

The organisation changes:

- authority;
- roles;
- teams;
- processes;
- networks.

↓

Stage 5: Capability development

Structural change creates or modifies:

- knowledge;
- innovation;
- learning;
- technological capability.

↓

Stage 6: Business model adaptation

The organisation changes how it creates, delivers and captures value.

↓

Stage 7: Performance

Outcomes include:

- innovation;
- efficiency;
- growth;
- resilience;
- competitiveness.

↓

Stage 8: Strategic renewal

Performance feedback and environmental change stimulate another cycle.

29. FIGURE 1: STRATEGIC–STRUCTURAL CO-EVOLUTION MODEL

ENVIRONMENTAL TURBULENCE

↓

STRATEGIC SENSING

↓

STRATEGIC CHOICE

↓

STRUCTURAL ADAPTATION

↓

CAPABILITY DEVELOPMENT

↓

BUSINESS MODEL CHANGE

↓

PERFORMANCE

↓

STRATEGIC LEARNING

↓

STRATEGIC RENEWAL

↺

Digital transformation and AI influence the entire cycle.

30. STRUCTURAL ADAPTABILITY CAPABILITY

The second major conceptual contribution is Structural Adaptability Capability (SAC).

The paper defines SAC as:

The organisational capacity to deliberately and repeatedly modify roles, authority, coordination mechanisms, workflows, teams and external relationships in response to strategic and environmental change.

SAC differs from general organisational flexibility.

Flexibility describes the ability to respond.

Structural adaptability specifically concerns the reconfiguration of organisational arrangements through which response occurs.

31. DIMENSIONS OF STRUCTURAL ADAPTABILITY

The construct may contain six dimensions.

31.1 Decision adaptability

The ability to change where decisions are made.

31.2 Role adaptability

The ability to modify employee roles as strategic requirements change.

31.3 Coordination adaptability

The ability to establish new mechanisms for collaboration.

31.4 Resource adaptability

The ability to move resources between activities.

31.5 Network adaptability

The ability to create and modify external relationships.

31.6 Technological adaptability

The ability to integrate new technologies into organisational processes.

32. THEORETICAL PROPOSITIONS

Proposition 1

Strategic change is positively associated with organisational structural change when existing structures are perceived as inadequate for implementing new strategic priorities.

Proposition 2

Structural adaptability strengthens the relationship between strategic change and organisational performance.

Proposition 3

Digital transformation increases the importance of structural adaptability by accelerating changes in information flows, coordination and decision-making.

Proposition 4

AI adoption influences the relationship between organisational structure and strategic decision-making by altering information-processing capacity and decision rights.

Proposition 5

Business model innovation mediates the relationship betweenstrategic–structural adaptationandorganisationalperformance**.**

Proposition 6

Environmental turbulence strengthens the relationship between structural adaptability and organisational agility**.**

Proposition 7

Structural adaptability is positively associated with organisational innovation when supported by clear accountability mechanisms**.**

Proposition 8

The institutional environment moderates the relationship between structural adaptability and organisational performance**.**

33. RESEARCH MODEL

A potential empirical model is:

Environmental Turbulence

↓

Strategic Adaptation

↓

Structural Adaptability

↓

Organisational Agility

↓

Business Model Innovation

↓

Organisational Performance

With:

Digital Transformation and **AI Capability**

acting as important contextual or moderating variables.

34. METHODOLOGICAL PROPOSAL FOR FUTURE RESEARCH

The proposed framework can be tested using a mixed-method design.

Phase One: Qualitative Study

Multiple case studies could be conducted among SMEs.

Interviews could involve:

- business owners;
- CEOs;
- senior managers;
- technology managers;
- employees.

The interviews could examine:

- strategic change;
- organisational restructuring;
- digital transformation;
- AI adoption;
- decision-making;
- business model innovation.

35. PHASE TWO: QUANTITATIVE STUDY

A questionnaire could be developed to measure:

Strategic adaptation

The degree to which firms change strategic priorities.

Structural adaptability

The degree to which firms modify organisational arrangements.

Digital transformation

The extent to which digital technologies are integrated into business processes.

AI capability

The firm's ability to deploy AI in relevant organisational activities.

Organisational agility

The firm's ability to respond rapidly to change.

Business model innovation

The extent to which the organisation modifies value creation and capture mechanisms.

Performance

Possible measures include:

- growth;
- innovation;
- profitability;
- market performance;
- resilience.

36. DATA ANALYSIS

Researchers could employ:

- descriptive statistics;
- correlation analysis;
- regression analysis;
- mediation analysis;
- moderation analysis;
- structural equation modelling.

For qualitative data, thematic analysis could identify patterns concerning:

- structural change;
- strategic change;
- AI adoption;

- organisational learning.

Longitudinal data would be particularly valuable because the central argument concerns **dynamics** rather than static relationships.

37. MANAGERIAL IMPLICATIONS

The proposed framework provides several implications.

37.1 Managers should monitor structural fit continuously

Managers should not wait for major organisational crises before assessing structural suitability.

37.2 Digital strategy should include organisational design

Digital transformation should not be treated solely as an IT project.

It may require changes to:

- authority;
- processes;
- roles;
- skills;
- governance.

Recent research similarly emphasises the connection between business strategy and digital transformation strategy.

37.3 AI adoption should include organisational redesign

AI adoption can affect decision rights, information processing and managerial responsibilities.

It should therefore be accompanied by organisational-design considerations.

37.4 Flexibility requires governance

An organisation should not pursue flexibility without accountability.

The appropriate objective is:

Flexible structure + clear accountability + strategic direction

38. IMPLICATIONS FOR ENTREPRENEURSHIP

Entrepreneurs should recognise that organisational structure changes as ventures grow.

An informal founder-centred structure may be appropriate during early stages.

However, growth can require:

- delegation;
- specialised roles;
- formal systems;
- technology;
- professional management.

Entrepreneurs therefore need to develop structural adaptability rather than simply increase structural complexity.

39. IMPLICATIONS FOR SMEs

For SMEs, structural adaptability may provide a way of achieving flexibility without excessive bureaucracy.

SMEs could create:

- temporary project teams;
- cross-functional teams;
- digital collaboration systems;
- strategic partnerships;
- external advisory networks.

These arrangements may provide capabilities that would otherwise require large internal departments.

40. IMPLICATIONS FOR BUSINESS SCHOOLS

Business education should increasingly integrate:

- strategy;
- organisational design;
- digital transformation;
- AI;
- entrepreneurship;
- innovation.

Students should be taught not simply to design a structure but to understand **how structures evolve**.

This is particularly important for managers entering organisations undergoing digital transformation.

41. CONTRIBUTION TO THEORY

The paper contributes in five principal ways.

Contribution 1: Strategic–Structural Co-evolution

The paper develops a framework in which strategy and structure continuously influence each other.

Contribution 2: Structural Adaptability Capability

The paper introduces SAC as a potentially distinct dynamic capability.

Contribution 3: Digital mediation

The paper places digital transformation within the strategy–structure relationship.

Contribution 4: AI and decision rights

The paper incorporates AI-enabled information processing and automation into organisational design.

Contribution 5: Emerging-market perspective

The framework creates opportunities for examining strategy–structure dynamics in SMEs and emerging economies.

42. WHAT IS NOT NEW?

A credible academic contribution must distinguish its contribution from established knowledge.

The following ideas are **not new by themselves**:

- strategy and structure are related;
- structure should support strategy;
- organisations need flexibility;
- environmental uncertainty affects organisational design;
- digital transformation changes organisations;
- dynamic capabilities support adaptation.

These propositions already have substantial literature.

The novelty of the present paper lies in their integration into a specific contemporary argument:

The capacity to continuously reconfigure organisational structure may itself constitute a dynamic strategic capability through which organisations and their strategies co-evolve under digital and AI-enabled conditions.

This distinction is important.

43. WHAT IS NEW IN THE PROPOSED FRAMEWORK?

The paper's proposed novelty can be summarised as follows:

Traditional perspective	Proposed contemporary perspective
Structure follows strategy	Strategy and structure co-evolve
Structure is relatively stable	Structure is continuously reconfigurable
Technology supports operations	Technology influences organisational design
Human decision-makers	Human–AI decision systems
Internal organisational boundaries	Ecosystem and network structures
Periodic restructuring	Continuous structural adaptation
Structure as arrangement	Structure as strategic capability

This table summarises the central theoretical shift.

44. LIMITATIONS

The study is conceptual and does not test the proposed relationships with primary data.

The proposed construct of Structural Adaptability Capability requires empirical validation.

Future research should therefore examine:

- measurement validity;
- discriminant validity;
- causal relationships;
- cross-industry differences;
- cross-country differences.

The effect of AI on organisational structure should also be examined empirically rather than assumed to be uniform.

Recent research itself indicates that the effect of automation on centralisation can depend on organisational structure and uncertainty.

45. FUTURE RESEARCH AGENDA

45.1 AI and organisational hierarchy

Future studies should examine whether AI adoption leads to flatter or more centralised organisations under different conditions.

45.2 Structural adaptability measurement

Researchers should develop validated scales for measuring SAC.

45.3 SMEs

Future studies should investigate whether structural adaptability improves SME resilience and performance.

45.4 Emerging economies

Comparative research should examine how institutional conditions influence strategy–structure adaptation.

45.5 Digital ecosystems

Researchers should examine how organisational structures extend across ecosystem boundaries.

45.6 Longitudinal research

Future studies should observe organisations across multiple periods of strategic and structural change.

46. CONCLUSION

The strategy–structure relationship remains fundamental to strategic management.

However, the contemporary business environment requires an extension of the classical perspective.

Digital transformation, AI, platform business models, organisational agility and ecosystem competition have changed the conditions under which firms design and implement strategy.

The classical proposition that structure follows strategy remains relevant but is no longer sufficient as a complete explanation.

This paper therefore proposes a Strategic–Structural Co-evolution perspective.

The central argument is that strategy influences structure while structure simultaneously influences strategic possibilities.

The organisation is consequently not simply a structure that implements strategy.

It is a system in which:

strategy, structure, technology and capabilities continuously interact.

The paper further proposes Structural Adaptability Capability as a potentially important construct for contemporary strategic management.

Structural adaptability involves the ability to change:

- decision rights;
- roles;
- teams;
- coordination mechanisms;
- resources;
- networks;
- technological arrangements.

The importance of this capability is amplified by digital transformation.

Recent research indicates that digital transformation is associated with increasingly malleable organisational designs and continuous adaptation.

AI adds another dimension because it can influence information processing and strategic decision-making. Recent research has shown that AI can augment strategic decision processes, while research on automation indicates that technology can influence the distribution of decision-making authority.

The emerging organisation is therefore likely to be characterised less by a permanently fixed hierarchy and more by a capacity for controlled structural reconfiguration.

The key question for contemporary management is consequently no longer simply:

"What structure best fits our strategy?"

Instead, the more appropriate question is:

"How can our organisation continuously reshape strategy and structure together as technology, markets, capabilities and competitive conditions change?"

This question provides a promising research agenda for strategic management, entrepreneurship, organisational design and business research.

For SMEs and firms in emerging economies, it is particularly important because structural adaptability may provide a mechanism for responding to resource constraints and environmental uncertainty while exploiting opportunities created by digital technologies.

Ultimately, the paper proposes that competitive advantage in turbulent environments may depend not only on possessing valuable resources and choosing appropriate strategies, but also on possessing the organisational capability to reconfigure the structure through which those strategies are developed and executed.

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