# EFFECTS OF PROJECT ORGANIZATIONAL STRUCTURES ON AN ORGANIZATION'S PERFORMANCE: A CASE OF NYANKOBA TEA FACTORY, NYAMIRA COUNTY

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## **DECLARATION AND RECOMMENDATION**

This research report is submitted for the award of Masters' degree in Master of Arts, Project management.

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## DEDICATION

This research report is dedicated to my lovely son Theon Kipkirui, Cherono Ivyn, my father and mother and all my siblings for their love, support and understanding. I also dedicate this work to all my friends who encouraged me throughout the study.

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## ABSTRACT

The study focused on the effects of project organizational structure on an organization's performance: a case of Nyankoba tea factory, Nyamira County guided by four specific objectives namely: To establish the extent to which communication affect organization structures on organization performance in Nyankoba Tea Factory, to determine how supervision affects organization structures on organization performance in Nyankoba Tea Factory, to find out how leadership affects organization structures on organization performance in Nyankoba Tea Factory, and finally to establish whether motivation affects organizational structures on organization performance in Nyankoba tea factory. The target population will be 123 respondents and only 94 respondents was sampled randomly for the study. Questionnaires were employed to collect data from respondents, which were then analyzed both qualitatively and quantitatively using frequencies and presented in form of frequency distribution tables. The study was of great significance to management in assisting to better understand how project organizational structures that enhances organizational performance. The findings revealed organization structures significantly influenced organization performance of Nyankoba Tea Factory. The findings also revealed the variables that were studied namely communication, supervision, leadership and motivation had an influence in organization performance. The study made the following recommendations: The type of structure adopted by an organization has its merits and demerits. Hence, there is need to encourage organizations to adopt a structure whose merits outweigh its demerits based on organization's operating environment. The study recommends a study on how these other organizational structures influences performance of organizations and also recommends a replica of the study to be carried out within the context of another field other than tea factories for comparative purpose.

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#### **CHAPTER ONE**

#### INTRODUCTION

## **1.1 Background of the Study**

Organizational structure as how job task is formally divided, grouped and coordinated (Sablynski, 2003). Project organizational structure is used by various firms as a control mechanism to effect work outcomes, to ensure that the required tasks are performed effectively and efficiently, and to assist the attainment of organizational goals and objectives. Project organizational structure describes the internal characteristics of an organization. These internal characteristics receive attention since they are critical to organizational failure and success, and one of these is organizational commitment.

High performance organization is called organic organization that is designed to bring out the best in people and create an exceptional capacity to deliver high results (Dalton, 2000). Organic organization refers to a dynamic, loosely controlled, organization capable of modulating size and activities based on changing external and internal demands (Ledbetter, 2003). Organizational structure can be viewed as the way responsibility and power are allocated inside the organization and work procedures are carried out by organizational members.

Ledbetter (2003) investigated the effect of organizational structure on Organizational effectiveness in Texas Grand Prairie Fire Department. The results have shown that environment, technology, size, strategy, goals, culture and philosophy impact on organizational structure and a definite connection is between organizational effectiveness and organizational structure. Hao and colleagues (2007) studied about the relationship between organizational structure and performance, especially through organizational learning and innovation, based on evidence from Austria and China. The findings have shown that in a hi-technology or knowledge intensive industry, organizational structures affect organizational performance mainly through innovation and organizational learning. But in traditional industry, such as labor- or capital-intensive industry, organizational structure impacts organizational performance mainly through innovation.

In 2009, Seykora showed that the edge organization operating in a high trust environment produces the most accurate results in the least amount of time. Additionally accuracy performance in the rigid hierarchy was more resilient than the flexible edge structure to change in trust level. Kasrai and Alirahimi (2009), in an investigation which conducted in retirement

organization in Iran, showed that there is a significant and negative relationship between complexity and effectiveness of communication.

Aghajani and others (2013) found the significant relationship between organizational structure and employee creativity in Saveh Pars Company. Also the results have shown the significant relationship between the level of formalization, complexity, centralization and creativity of employee. Shaemi Barzoki and colleagues (2013) determined organization's structure dimensions effect on organizational trust. They found that formalization, standardization, hierarchy of authority, centralization and professionalism dimensions had affected organizational trust and complexity, specialization, employee ratio and management ratio dimensions didn't affect organizational trust in this company.

Organizational commitment will enhance the success of an organization by making employees dedicated to the achievement of its goals. The success of any organization can be predicted by its success in raising and maintaining employees' commitment. High levels of commitment contribute to positive attitudes and behaviors in organizations (Chughtai and Zafar, 2006).

Employees in all organizations want to work in an environment of trust and respect where they feel they are making a real contribution to organizational goals and objectives. They want to be able to have the opportunity to show management that they can accomplish a task with the creativity obtained from working in teams. There is a consensus in the literature reviewed that trust and job satisfaction are essential elements to an organizations success. Trust between individuals and groups within organizations are a highly important ingredient in the long-term stability of the organization and the well-being of its members (Srivastava, 2013).

Many organizations still operate within "traditional" hierarchical structures which can have a detrimental effect on productivity and the flow of information because each employee is only accountable to one person. It also can result in what is called the "silo mentality." In a traditional "one person, one boss" organizational structure, information is restricted, and co-operation between employees and other departments is stifled (Dancer, and Raine, 2010). This traditional hierarchical structure becomes progressively more problematic as organizations become more specialized and require employees with specific areas of expertise. To capitalize fully on their increasingly complicated nature, many organizations are currently using more complex structures.

An organizational climate of trust enables employees to surface their ideas and feelings, use each other as resources, and learn together. Without trust people have a tendency to keep to themselves, rather than share their thoughts, which inhibits creativity (Jordan, 1999). Individuals want to work in an environment of trust and respect where they have the ability to make contributions to the organizational goals and objectives.

Past studies indicate many causes of project failure, such as a poor definition of the objectives, an inadequate project schedule, too much uncontrolled change, insufficient control, a lack of resources, ineffective communication, an unclear role of the participants, a lack of top management support, too many teams focusing on technical solutions and neglecting the people (customer, user), etc. (The Standish Group in Young & Jordan, 2008).

A matrix organisation is particularly important, where responsibility for the project is shared between the project managers and line managers. The advantages of a matrix organisation include the more direct contact among different disciplines, the fact that people can work on a variety of problems, a strong technical base can be developed, and much more time can be devoted to complex problem-solving, and shared authority and responsibility. Yet, it has also some weaknesses: a two-boss syndrome and dual reporting, management co-operation is required, the balance of power between the functional and project organisation, and a conflict of priorities amongst different projects (Forsberg et al., 2005).

The project manager has total responsibility and accountability for the project's success. The functional departments, on the other hand, have the functional responsibility to maintain technical excellence in the project. Each functional unit is headed by a line manager whose prime responsibility is to ensure that a unified technical base is maintained and that all available information can be exchanged for each project. Line managers must also keep their people aware of the latest technical developments in the industry.

They want to be able to have the opportunity to show management that they can accomplish a task with the creativity obtained from working in teams. High performance organizations offer individuals the opportunity to obtain the level of success they desire (According to the U.S. Department of Labor Office of the American Workplace, 1994). Hence, it is necessary to determine the effects of project organizational structures on employee motivation and this study seeks to shed light on the extent to which project structures effects on an organizational performance.

#### **1.2 Statement of the Problem**

Project organizational structure describes the formal arrangement of jobs and tasks in organizations (Robbins and Coulter, 2007); it describes the allocation of authority and responsibility, and how rules and regulation are executed by workers in firms (Nahm et al., 2003). Organizational structures, behavior of employees based on acceptance, interpretation of common organizational values has relatively low importance, so strong, and developed organizational culture is not very important (zadar, 2013).

Notably, every modification of the formal organizational set-up has an effect on the behaviour of the organization's participants. As pointed out by Drucker, there is no single, perfect type of organizational design. Each structure has its strengths, limitations and specific applications (Drucker, 1999). In Nyankoba factory, many changes have been adopted over time. These changes have necessitated a review in project organizational structures that influence the organization performance. There has been no research study of organizational structures at Nyankoba tea factory over time. For an organization to remain relevant it should regularly assess its organization structures. While organizational structures, policies and culture are intertwine with organization performance, its relationship with organization performance has received a lot of research interest (see for instance, Ogbonna & Harris, 2000; Rousseau, 1990; Kotter & Heskett, 1992; and Marcoulides & Heck, 1993).

This study sought to determine the relationship between components of project organizational structures and organization performance. The study employed Mintzberg's Classical Theory of Organizational Configurations and Dual-Factor Theory – Frederick Herzberg that implicitly explains the organizational structures and organization performance. Therefore, this study not only seeks to fill the existing gap in literature, but to provide relevant finding on effects of organization structure on organization performance to Nyankoba Tea Factory management.

#### **1.3 Purpose of the Research**

The purpose of this study was to determine the effects of project organizational structure on organization's performance: case of Nyankoba tea factory, Nyamira County in order to shed light on how organizations' structures effects on an organization's performance.

## 1.4 Objectives of the Study

This research was guided by four specific objectives as outlined below:

- 1. To establish the extent to which communication affect organization structures on organization performance in Nyankoba Tea Factory.
- 2. To determine how supervision affects organization structures on organization performance in Nyankoba Tea Factory.
- 3. To find out how leadership affects organization structures on organization performance in Nyankoba Tea Factory.
- 4. To establish whether motivation affects organizational structures on organization performance in Nyankoba tea factory

## **1.4.2 Research Questions**

- 1. This research sought to answer the following questions:
- 2. To what extent does communication affect organization structures on organization performance in Nyankoba Tea Factory?
- 3. To determine how supervision affects organization structures on organization performance in Nyankoba Tea Factory?
- 4. To find out how leadership affects organization structures on organization performance in Nyankoba Tea Factory.
- 5. To establish whether motivation affects organizational structures on organization performance in Nyankoba tea factory?

## 1.5 Significance of the Study

The study was of great significance to management in assisting to better understand the type of project organizational structure that gives employees adequate motivation which in turn effects on organizational productivity.

The study on the effects of project organization structures on organization performance brings in new knowledge to the field of research and other related disciplines. Secondly, departments that exercise project management and especially on organization structure on organization performance was aided by this study in making informed decisions that relate to adoption of appropriate project management practices to ensure successful completion of projects. Thirdly, other public institutions acquire an informed research study in order to achieve organization projects goals that meet global standards while maintaining the core objective of the organization thus building a good reputation through the appropriate project management practices.

Fourthly, project organization structures are aided by the study in understanding and employing the various proactive methods in projects success and saving on costs as they participate in organization performance by putting the relevant project management practices in place. Finally, Organization entities find it not only essential to conform to projects policies but also ways on how to come up with better practices for the realization of success of various projects on a universal scale.

## **1.6 Scope of the Study**

The study was carried out in Nyankoba tea factory, Nyamira County for three months. The study will focus on the effects of project organizational structure on organization's performance. The employees from the departments of administration, procurement, sales and marketing and finance within the factory were the respondent. The study focused on the effects of project organizational structures on organization performance. The research design used was a case study of Nyankoba tea factory. The focus was on four independent variables namely communication, leadership, supervision and motivation on the project organization structures that affects organization performance. The study took a period of three months at a cost of Kshs 169 620.

#### **1.7Limitations**

The limitations to this study included some respondents who were shy about giving information about their organization thinking it was for commercial use and they can be therefore be victimized but they were assured of confidentiality and that the given information were purely for academic purposes.

#### **1.8 Delimitation of the Study**

Except for the purpose of comparison, the study delimits the organizational structure to Nyankoba Tea Factory in Nyamira County. The study used a small sample and cannot therefore,

be generalized. The findings however were replicated to other organizations with similar characteristics.

### 1.9 Assumptions\_

The following assumptions was made when carrying out the study, that the respondents will be truthful when responding to the questionnaire items. The entire selected respondent reported to work when the research was being carried out and the instruments used was valid and reliable.

## **1.10 Definition of Terms**

Matrix Structure	Any organization that employs a multiple command system that	
	includes not only a multiple command structure but also related	
	support mechanisms and an associated organizational culture and	
	behaviour patterns" (Davis and Lawrence, 1977).	

**Project Organizational Structure** Is the system of task differentiation and integration (Nzuve, 2001).

Performance	Performance is associated with quantity of output, quality of
	output, timeliness of output, attendance on the job, efficiency of
	the work completed and effectiveness of work completed (Poisat,
	2006).

CommunicationIt is a continuous process between the two parties involved and it<br/>occurs in many levels, such as intra-individual<br/>level (Keith, 2014).

 Supervision
 is the relationship between senior and junior members of

 a profession that is evaluative extend over time, serves to

 enhance the skills of the junior person, monitors the

 quality of services offered by the junior person and,

 act as
 gate keeping to the profession. (Bernard &

Goodyear 1992, 2004)

Leadership	This term refer to the chain of command in an organisation from	
	which authority flows. People in leadership are those	
mandated to	undertake certain duties over other employees and	
are also allowed	to distribute duties and responsibilities to junior	
employees.		

Motivation is the force within an individual that account for the level, direction, and persistence of effort expended at work. Young (2000)

## 1.11 Organization of the Study

This chapter discusses the background of the study, problem statement, research questions and objectives of the study. Others are the scope, relevance, delimitation and limitation of the study.

The remaining parts of the study have been arranged into two chapters. Chapter two presents the previous literature on the research topic and the model adopted by the study.

The third chapter covers the profile of the study area and the methodological issues. Under methodology, the research design, sample and sampling procedures used sources of data, the methods adopted for the collection and analysis of the data will be specified and described.

The fourth chapter (data analysis, presentation and interpretation) contains; introduction, questionnaire return rate, effects of organizational structures on communication, leadership, supervision and customer service. The fifth and the last chapter is (summary, conclusion and recommendation) contains introduction, summary of the study, conclusion, recommendation and suggestions for further studies.

## **CHAPTER 2**

#### LITERATURE REVIEW

#### 2.1 Introduction

This chapter entails the following: Theoretical framework, Empirical framework and conceptual framework.

#### **2.2 Empirical Literature**

This part will review what other scholars have done regarding the study area and the possible critique. Organizations need structures in order to collect and disseminate information for resolving conflicts, guiding independent actions and decision making process which in turn leads to increased productivity. Employees in all organizations want to work in an environment of trust and respect where they feel they are making a real contribution to organizational goals and objectives. They want to be able to have the opportunity to show management that they can accomplish a task with the creativity obtained from working in teams.

## 2.2.1 Communication and Organizational performance

Communication is a process of transmitting information from one person to another. It's a means of bringing about change. It is the mainstream of any organization growth. There is need form interaction and understanding of management-employee relations this will bring about increased performance of all parties involved in the communication process or chain. According to Banihashemi (2011), communication as a medium, a means to performance ends, or as constitutive, as the end in itself.

According to Stephen (2011), communication is a critical factor in directing and mobilizing the workforce towards the accomplishment of the organizational goals or objectives. By creating understanding it enhances co-operation and promote effective performance. According to Williams (2007) smart managers understand that the end effective, straight forward communication between managers and employees is essential for success.

According to (Mckinney, Barker, Smith& Davis,2004) communication is essential to effective team performance and communications for any organization is like blood flow in the human body. Therefore any organization that understands the importance of communication uses it in their organizational environment. Since, it ensures coordination of factors of production and most importantly material and human elements of organization as an efficient network of change and advancement.

Organizational structure as the formal system of authority relationships and tasks that control and coordinate employee actions and behavior to achieve goals in organizations through effective communication (Jones, 2013). Organizational structure describes the formal arrangement of jobs and tasks in organizations (Robbins and Coulter, 2007); it describes the allocation of authority and responsibility, and how rules and regulation are executed by workers in firms (Nahm et al., 2003).

The need to adopt to a changing environment calls for flexible organizational design. In order to respond quickly to environmental changes, work groups are organized around particular work groups. An organization's ability to pursue its objectives rests upon its efficient performance. In this dissertation, such efficiency is perceived in line with the praxeological concept of efficiency (Rummler and Brache, 2000). The efficiency so construed largely depends on the design and functioning of the organizational structure (Kaczmarek, 2010).

Many organizations still operate within "traditional" hierarchical structures where each employee reports to one person, typically in the same department (e.g., an IT employee reports to the IT department manager). This structure can have a detrimental effect on productivity and the flow of information because each employee is only accountable to one person. It also can result in what is called the "silo mentality." In a traditional "one person, one boss" organizational structure, information is restricted, and co-operation between employees and other departments is stifled (Dancer, and Raine, 2010).

Several studies emphasize that effective communication can enhance organizational outcomes (Garnelt, Marlowe, & Pandey, 2008; Pandey & Garnelt, 2006). Communication influence on the perception and opinions about persons, communities, organizations, governments, and even society. As a managerial tool, communication is frequently expected to share information with

members, to coordinate activities, to reduce unnecessary managerial burdens and, rules and ultimately to improve organizational performance. (Eunju Phd, 2009).

Husain (2013) identified that the role played by communication during change in the business organizations as essential for successful change management. The employees are the key sources to bring about change in organizations. To encourage employees for desired change, organizations must address the apprehensions and issues related with them. Job insecurity should be decreased and a sense of community should be created so that employees may feel their responsibilities. The need for change and its advantages will motivate the staff to participate in change plan and execute it.

According to Kibe (2014) investigated the effects of communication strategies on organizational performance. Adescriptive research design was used in this study. 132 questionnaires were distributed employees. The findings of this research showed the importance of both the theoretical level and practical level. It concluded that for any organizational performance to be effective, an open communication environment should be encouraged. Oncemembers of the organization feel free to share feedback, ideas and even criticism at every level it increases performance.

Bery, Otieno ,Waiganjo&Njeru (2015), explored the effect of employee communication on organization performance in Kenya's horticultural sector. This study was carried out in flower farms in Kenya. The population of this study was all flower farms in Kenya which were the 14 flower farms registered in the KFC directory (2013) and based in Naivasha. A total of 2460 respondents were targeted by the study out of which 1888 responded giving a response rate of 76.7%. Correlation and regression analysis were used to test on the relationship between the variables of the study. The study found that communication facilitates exchange of information and opinion with the organization,that communication helps in improving operational efficiency thus improving organization performance. It concluded that organizations should develop effective communication strategies since it will facilitate passing of information both within and outside the organization thus improving performance.

Communication has crucial impacts or among work groups in that organizational communication is a channel to flow information, resources, and even policies. "Organizational communication can be broadly defined as communication with one another in the context of an organization (Eisenberg & Good all, 1997; Shockley-Zalabak, 2006)" as cited by (Eunju, 2009). This type of communication, in turn, includes activities of sending and receiving message through various layers of authority, using various message systems, and discussing various topics of interest to the group we belong to or the company we work for.

Organizational communication research has mainly been conducted both in the business management field and in the communication field; however, researchers in the public administration field have provided little knowledge about organizational communication and its roles and effects (Eunju, 2009).

Several studies emphasize that effective communication can enhance organizational outcomes (Garnelt, Marlowe, & Pandey, 2008). Communication influence on the perception and opinions about persons, communities, organizations, governments, and even society. As a managerial tool, communication is frequently expected to share information with members, to coordinate activities, to reduce unnecessary managerial burdens and, rules and ultimately to improve organizational performance.

Rajhans (2012) opined in a study" effective organizational communication : a key to employee motivation and performance" that organizational communication plays a vital role in employee motivation and performance as real changes are taking place in modern organizations which confront the new reality of tighter staffing , increased workloads, longer hours and a greater emphasis on performance, risk-taking and flexibility.

Today's organizations are run by multi and cross functional teams which show little tolerance for unquestioned authority. To deal with this situation, the art of persuasion and the effort to find the correct emotional match with your audience is necessary. This match means that it is not enough for communication to be a one-way ticket(Torrington and Hall, 1991) as cited in Rajhans 2012. Importantly, the relevance of communication keeps advancing as the world becomes a Global village. The need to become visible to the world has made many organizations to embrace new technology that would increase organizational performance. There are also many issues affecting communication ranging from difference in sex, role of silence, inference of government and

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cross- cultural inference. Therefore it becomes important to emphasize on innovation and

effective use of communication medium or channel to bring about high performance rate. Hence any breakdown in communication process or chain can have serious adverse effects on organizational performance.

Bery, Otieno ,Waiganjo&Njeru (2015), explored the effect of employee communication on organization performance in Kenya's horticultural sector. This study was carried out in flower farms in Kenya. The population of this study was all flower farms in Kenya which were the 14 flower farms registered in the KFC directory (2013) and based in Naivasha. A total of 2460 respondents were targeted by the study out of which 1888 responded giving a response rate of 76.7%. Correlation and regression analysis were used to test on the relationship between the variables of the study. The study found that communication facilitates exchange of information and opinion with the organization, that communication helps in improving operational efficiency thus improving organization performance. It concluded that communication is a major determinant of organization performance.

#### 2.2.2 Supervision and Organizational Performance

Traditionally, when people talk about "supervision" they are usually referring to the managerial or leadership function of overseeing the productivity and progress of employees – typically the employees who report directly to the supervisor. But, Bernard, (2005) defines supervision as the ability of superiors to influence the behaviour of subordinates to take a particular course of action. It is the art of influencing people towards achieving organizational goals. He further clarifies that quality of supervision therefore refers to the effectiveness of the superiors in influencing the behaviour of the subordinates in taking a particular course of action.

Supervision is a delicate and often misunderstood function that can have a variety of effects on employees' productivity. In some situations, supervision can help improve results, while in others it can be a distraction to the effectiveness of the staff. Appropriate supervisory intervention and a good supervisor/supervisee relationship in the workplace can consistently improve employees' productivity. But, as research clearly demonstrates, it is not only in the best interest of the employee, but also the business, to pay close attention to the supervisor/supervisee relationship. This relationship is critical to the success of the employee and ultimately the organization. We need to have well trained supervisors who are prepared to provide the necessary and appropriate guidance, structure, and encouragement to their staff.

Hoobler (2006), notes that having proper training and tools to accomplish a company task seem like common sense, but it is often overlooked or underestimated by managers. It is essential that managers/ supervisors understand how to identify skill and tool deficiencies. It is also critical to keep your personal skill levels on par with the ever changing world of technology and trend. Supervisors should always encourage their workers to have input on training. Managers have an obligation to set standards, but should be receptive to new ideas. In addition, supervisors must ensure that subordinates maintain accountability for company tools and identify deficiencies to you as the supervisor (Burton, 2006).

Supervisors need to always be fair and consistent with all of their subordinates. Being firm with an employee means they understand that there are grave consequences if they either violate policy or fail to meet company standards or goals (Byrne, 2003). It is very difficult to be totally impartial when dealing with a high performer versus a low performer, but it is one of the most important traits to have as a supervisor. There is loss of valuable respect from your co-workers if you are ever deemed to give anyone preferential treatment. Once you lose this respect, it is almost impossible to regain.

Being consistent is one area that is often underestimated by managers and supervisors. Being consistent is critical to how subordinates perform. As a manager, it is important to be professional when confronted by an angry employee, by remaining calm and consistent with policy in order to remain professional. Therefore, being consistent is one of the greatest assets to the manager or supervisor.

Cropanzano (2003) notes that all employees are important and will contribute when they feel their inputs are important to the company. If they perceive a lack of interest from management, they will cease future input. When an employee understands that his input is valuable, he will look for ways to keep improving. Their inputs are very valuable to the success of your company. Supervisors should encourage creative thinking through a formal or informal reward system (Cropanzano, 2003).

According to Rupp (2003), trust and verification are critical for supervisors whose trust can only be earned but it is important to verify. This is also a form of impartial customer feedback. When a supervisor delegates authority, it shows trust in the ability of the employee. Supervisors who believe in their employees allow them to perform at their peak. High performers understand the importance of mutual trust and will not threaten it with poor performance.

Supervisors should appreciate the importance of preparing their subordinates to grow professionally. Not all employees want to become managers, but all employees want some type of advancement. It could be pay-structured advancement or promotion in title only. However, it is important to provide them with information on how to improve themselves in the company. In addition, It is important that the information be in written form so that there is no ambiguity.

According to Pagon (2002), the basic need to feel appreciated for work performed is important. When an employee feels appreciated, he/she will work even harder for the company. When a subordinate completes a task and does it well, it should be appreciated. Supervisors should not assume that their subordinates understand how they feel about their work. A simple compliment for a job well done from the supervisor or manager motivates the subordinate to even perform better and does not cost a penny.

In organizational commitment literature the scope of the studies were elaborated and researchers confirmed that employees might commit to organizations, superiors, jobs, and working units (Wasti & Can, 2008). Employees feel more close to superior than organization, when they see the organization as a whole (Wasti and Can, 2008). According to Bentein, Stinglhamber, and Vanderberghe (2010), employees who display higher levels of organizational commitment are rewarded by their supervisor and for this reason it might increase their commitment to the organization. Moreover, employees who are under the influence of supervisor will show more loyalty to their superior than to the organization (Cheng et al., 2003). Even though there are several commitment type, commitment to superior is the most influential one.

According to Cheng et al. (2003) whether an employee decides to stay or to quit and feels satisfied or unsatisfied, the commitment to his/her supervisor would be considered as an important factor, in addition to his/her organizational commitment. They also found a positive relationship between supervisory commitment and job performance.

Supervision is an extremely vital part of a workplace that intends to maximize its success potential. It naturally follows, then, that poor supervision in a workplace is one of the primary obstacles to achieving potential success by an organization. After all, employees, no matter their task, must have the proper instruction and training to ensure that they are doing their jobs correctly, and with minimal risk of error or injury (Leiter, 2001). According to Roberson (2008), when a company has poor supervision, there is not enough responsibility for taking action for the prevention of problems, mistakes, accidents, and injuries. Poor supervision removes a very

important part of the employee support process, eliminating the opportunity for reference, learning, and safety. After the initial training has been completed, supervision remains necessary for continuing skill and knowledge development among employees. It is for this reason that many organizations today refer to their supervisors as coaches.

Productivity is essential in ensuring that employees are motivated and committed to their jobs. Traditionally, managers monitor their employees' productivity/performance through quarterly or annual performance reviews. These sessions allow managers and employees to discuss the employee's strengths and weaknesses exemplified over the course of the review period. However, other activities are required to monitor employees' productivity because supervision improves employee productivity (Hinkin, 2000).

Tracey (2000) notes that poor supervision opens the door for unethical behaviours within an organization. With poor supervision, employees commonly feel that their work is not valued by the company, and loyalty is difficult to form – if it forms at all. Without loyalty, employees are more likely to deviate from acceptable business practices. Such activities can include theft, decreased employee effort, using equipment without authorization, and falsifying documents, among other things. Goal development is important in supervision because effective goal-setting activities in employee supervision are directly associated with higher employee satisfaction and performance. Having clearly defined target motivate employees to work toward their expected achievements. In turn, employees are evaluated by managers based on their performance throughout the period under review (Harris, 2007).

Providing regular supervision for subordinates increases employee productivity and overall performance. Regular supervision acts as a continuous monitoring mechanism. At this time, supervisors should compare employees' work performance against the standards and expectations. Supervision sessions also allow employees to express concerns and ask questions as things come up, rather than having to wait all year to touch base at their annual review. By being available to connect with employees, managers monitor productivity on a more consistent basis. In turn, they detect concerns and resolve issues arising more promptly.

Offering employees feedback on their work is an effective way of monitoring their progress and letting them know how well they performed a particular task or project, which is a form of supervision. Furnishing employees with constructive notes make them feel their work is valued and appreciated, without having to meet in a formal setting (Harris, 2007).

Formal performance reviews are individual meetings between supervisors and their employees. Prior to the meeting, the supervisor fills out an evaluation form that scores the employee's performance based on professionalism, quality of work, organizational skills, timeliness and productivity (Shaw, 2007). When the supervisor meets with employees, the results of the evaluation are shared and the supervisor summarizes what the employee's strengths are, as well as which areas need to be improved.

Poor supervision does not only mean that there is not enough supervision; it can also be the exact opposite – too much supervision. When employees feel as though they are being too heavily policed, they get the feeling that the company does not trust or respect them. This increases tension in the workplace and decreases overall employee morale (Zivnuska, 2007).

If a supervisor is not present enough, or is too overbearing, then the reaction from employees will only be fear, resentment, and displeasure in their work (Pagon, 2002). The productivity will not be as good as expected, and the employee turnover will increase. In an organization that intends to maximize its performance and profits, a quality supervisory team should be employed and trained to ensure the very finest results from their individual employee groups. These supervisors should have their own support system, and their importance should be made very clear, to ensure the highest degree of productivity.

Supervision involves helping subordinates to extend their understanding and professional skills (Byrne, 2003). Effective supervision in the workplace acts as a motivating factor and increases job satisfaction, leading to high productivity and hence profitability. However, lack of supervision in the workplace has far-reaching negative impacts on employees' safety, productivity, morale and performance.

## 2.2.3 Leadership and Organizational Performance

It is considered that a company's success is due to organizational performance, employee job satisfaction and employee affective commitment (Drucker, 2007). Some researchers have suggested that leaders motivate and help their employees to be competitive by using effective leadership styles (Bass, Rigio, 2006). Therefore, the leader's use of effective leadership styles is due to promote standards of excellence in the professional development of the members of the organization.

Effective leadership also involves motivation, management, inspiration, remuneration and analytical skills. When all these are present, the organizations record increased employee

satisfaction that positively that positively influences the productivity and the profits. The positive effect of leadership on organizational performance was measured by some researchers (Sila, Ebrahimpour, 2005) through human resources (turnover rate and job performance), organizational effectiveness (cost and quality) and financial performance (market share, profit, return on asset).

To increase the organizational performance a leader must have the ability to promote creativity and innovation, stimulate the subordinates to challenge their own value systems and improve their individual performance. A number of studies on leadership styles (Bass, Riggio, 2006) suggest that the practices of the transformational leadership have a positive impact on the organizational performance.

According to Richard and Clifford (2008), transformational leaders in order to achieve the desired performance: actively engage the subordinates' personal value systems and provide ideological explanations which connect subordinates' identities to the collective identity of their organisation, thus increasing the subordinates' intrinsic motivation to perform their job; articulate an important vision and mission for the organisation, so increasing subordinates' understanding of the importance and values associated with desired organizational performance; raise the performance expectations of subordinates' so increasing their willingness to transcend their self interests in the name of the collective entity.

Scott and Peter (2009) mention that by providing intellectual stimulation, transformational leaders encourage subordinates to adopt generative and explorative thinking process. They stimulate their subordinates to think about old problems in new ways and encourage them to challenge their own values, traditions, and beliefs. The transformational leader wants to achieve results beyond what is normal and sets higher corporate goals by inspiring a sense of importance of the team's mission, stimulates employees to think innovatively about a problem or task, and places the group goals over personal self-interest.

Transformational leaders' behaviours are influential in motivating the employees, to make them more aware of the task outcomes, they stimulate their order needs and develop their self – interest for the organization's performance. In his study on the transformational leadership practices in Russian companies; Elenkow (2002) examined the former impact on organizational performance. Using a Multifactor Leadership Questionnaire, he analysed the leadership

behaviour of 253 leaders. The analysis underlined a strong correlation between transformational leadership practices and organizational performance.

In their study on the connection between the transformational leadership style and organizational performance, Zhu, Chew and Spanger (2005) identified within 170 companies from Singapore, a positive relationship between the transformational leadership and the organizational performance. They also demonstrated that effective human resources management arbitrates the relationship between leadership and performance through increased commitment, higher motivation and intellectual motivation. Moreover, a positive relation between the long-term income growth and transformational leadership was depicted in a study on 94 companies investigating the impact of transformational leadership practices on the financial performance of the organization in terms of profitability, increased sales or revenue and stock measures (Roi, 2006).

Moore (2007) in his research within the United Way of America organization found out that there is a significant positive relationship between female transformational leaders and the revenue element of organizational effectiveness. In another study on leadership styles and organizational performance, Kieu (2010) on 151 companies from IT industries underlined that transformational leadership relates positively and significantly to organizational performance. The study used a Multifactor Leadership Questionnaire (5X) and it revealed that transformational leadership is a stronger predictor for the performance, satisfaction and commitment within organizations by building commitment, empowerment and demanding a higher degree of respect and trust for the leader. Intellectual stimulation and inspirational motivation were found to improve the organizational performance.

#### 2.2.4 Motivation on Organizational Performance

Young (2000) suggest that motivation can be defined in a variety of ways, depending on who you ask. Therefore motivation is the force within an individual that account for the level, direction, and persistence of effort expended at work." Halepota (2005,) defines motivation as "a person's active participation and commitment to achieve the prescribed results". Halepota further presents that the concept of motivation is abstract because different strategies produce different results at different times and there is no single strategy that can produce guaranteed favorable results all the times."

According to Antomioni (1999), "the amount of effort people are willing to put in their work depends on the degree to which they feel their motivational needs will be satisfied. On the other hand, individuals become de-motivated if they feel something in the organisation prevents them from attaining good outcomes. People are motivated by how much they want something and how likely they think they are to get it he suggest that motivation leads to efforts and the efforts combined with employees ability together with environment factors which interplay's resulting to performance. This performance interns leads to various outcomes, each of which has an associated value called Valence.

According to Wiley (1997) at some point during our lives, virtually every person may have to work. He claims that working is such a common phenomenon that the question "what motivates people to work is seldom asked. Wiley went on to say that "we are much more likely to wonder why people climb mountains or commit suicide than to question the motivational basis of their work". Therefore, exploring the altitudes that employees hold concerning factors that motivate them to work is important to creating an environment that encourages employee motivation. From the much amount of literature available on employee motivation, it is clearly evident that a lot of surveys regarding employees and what motivates them have been undertaking. These employee motivation surveys have been conducted in many different job situations, among different categories of employees using different research methods and applications

#### 2.3 Organizational Performance

Firm performance may be affected of different factors such as company management, investment opportunities, justice, commitment, or leaders. To achieve the desired product and service in limited time, quality, and cost in a kind of way means that organizational performance and this also means efficiency. Fuentes et al. (2004) studied about the relationship between performance and total quality management (TQM), and organizational performance is comprised of three dimensions, namely; financial, operational, and employee performance, and they considered organizations as an open system which means organizations environment such as dynamism, munificence, and complexity may have influence on its performance.

Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). According to Richard et al (2009), organizational performance encompasses three specific areas of firm outcomes: (a) financial performance (profit, return on assets, return on investments, etc.); (b) product market

performance (sales, market share, etc); (c) shareholder return(total shareholder return, economic value added, etc.).

According to Beirut, (2003) Performance is referred to as being about doing the work, as well as being about the results achieved. It can be defined as the outcomes of work because they provide the strongest linkage to the strategic goals of an organization, customer satisfaction and economic contributions. Jain, Apple & Ellis (2015) defines Performance is an act or process of carrying out actions and activities to accomplish an intended outcome. We live in a performance-based culture whether in our personal or professional lives. To achieve improvement in any given performance however, one must first know what defines a quality performance. It is therefore important to understand the factors that play a relevant role in any performance. Performance of an individual, group, organization, system, or component. It can involve a review of processes, strategies, approaches, and parameters to track performance against intended targets.

O'Boyle & Hassan, (2014) measured performance on bases of capabilities in carrying out obligations by personnel in an organisation. Bayle & Robinson (2007) suggest there are three principles that performance depends upon: the system of governance; the quality of the organisation's network (affiliations, supporting bodies); and the positioning of the organisation within its particular sport.

The study refers to these principles as 'The Strategic Performance Mix'. At the operational level, Bayle & Robinson (2007) study suggests there are three further performance issues that facilitate overall organisational performance: forms and levels of professionalisation; the presence of a participatory organisational culture; and adopting apartnership approach. Performance means quality, condition, or function. According to Shafique, Ahmad, Abbas&Hussain(2015) Organizational performance was not only the outcome it was continuous process of different activities. Capabilities were the effort to do activities, which were the processes that lead to the organizational performance.

In comparing public sector organizations, with their peers in the private sector are different. It means maximization of Profit is not desired and the ability of such organizations to lower revenues, and overall, there are no agreed indicators to performance measurement. For this reason some scholars know performance measuring impossible in public sector. Hence some

scholars have also begun to focus on the performance of these entities with a number of studies in recent years affording attention to various performance issues within these organisations such as governance (Shilbury, Ferkins,&Smythe, 2013) their performance through effective policymaking and analysis of some key performance indicators.

#### 2.4 Theoretical Literature

The study was grounded on two theories which seem to conform to it:

### 2.4.1 Mintzberg's Classical Theory of Organizational Configurations

According to Mintzberg's classical theory of organizational configurations, direct managerial supervision, whereby an employee reports to and is instructed by one boss, represents one of the primary coordination mechanisms in an organization (Mintzberg, 1979). Based on this principle, until the mid-twentieth century, an overwhelming majority of organizations were structured hierarchically, with clear-cut dependencies between superiors and their subordinates.

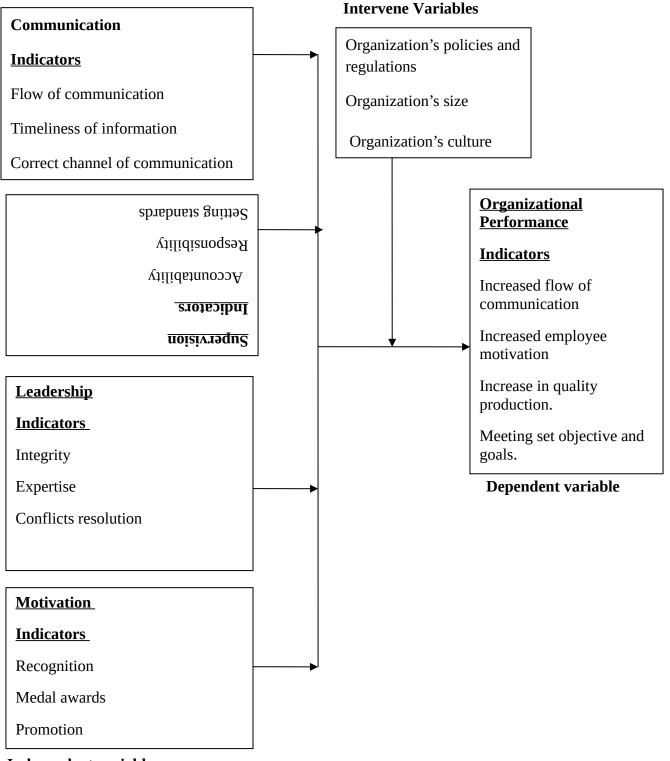
Traditional hierarchies are built based on a single criterion (dimension), such as (Mullins, 2005): 1) purpose or function in the organization, 2) product or service, 3) geographical location, 4) nature of the work, 5) common time scale, 6) skills of employees, 7) customer target group. This theory is found crucial for this data as it gives insight into organizational structures.

#### 2.4.2 Dual-Factor Theory – Frederick Herzberg

Another theory that seem to conform to this study is dual factor theory. The theory was advanced by Frederick Herzberg believed as cited by Nzuve (2007). He argued that there were certain factors that a business could introduce that would directly motivate employees to work harder Motivators are more concerned with the actual job itself. For instance how interesting the work is and how much opportunity it gives for extra responsibility, recognition and promotion. Hygiene factors are factors which 'surround the job' rather than the job itself.

Herzberg believed that businesses should motivate employees by adopting a democratic approach to management and by improving the nature and content of the actual job through certain methods. Such as: Job enlargement, Job enrichment and Empowerment. This theory is also good because it takes a participative approach of employees in decision making.

## **2.5 Conceptual Framework**





## **Figure 1: Conceptual Framework Source: Researcher, (2018)**

In the conceptual framework, communication, supervision, leadership and motivation are independent variables which are believed to impact on organizational structures hence influencing organizational performance. In communication the indicators are flow of communication, timeliness of information and correct channel of communication. The indicators for supervision are responsibility, accountability and setting of standards, for leadership are integrity, expertise and conflict resolution. Finally motivation has recognition, awards and promotion as the indicators.

Intervening variables are organization's policies and regulations, organization size and culture that are believed to intervene independent and dependent variables. In dependent variable which is organization performance, the indicators are meeting the set goals, meeting the set objective and increase in quality production.

## 2.6 Summary of Literature Review

The main effects of organization structures on organization performance that was studied in this research report were communication, supervision, leadership and motivation as the independent variables. Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). According to Richard et al (2009), organizational performance encompasses three specific areas of firm outcomes: (a) financial performance (profit, return on assets, return on investments, etc.); (b) product market performance (sales, market share, etc); (c) shareholder return (total shareholder return, economic value added, etc.).

## **CHAPTER 3**

## **RESEARCH METHODOLOGY**

## **3.1 Introduction**

This chapter presents the research methodology that was used. It covers the research design, target population, sampling procedure, data collection methods, validity of the research, reliability of the research, data analysis method and ethical consideration.

## 3.2 Research Design

Descriptive research will be used to carry out the research. Descriptive research is used to obtain information concerning the current status of the phenomena with respect to variables or conditions in a situation. The respondents will be expected to give responses on the effects of project organizational structures on an organization's performance in Nyankoba tea factory, Nyamira County. The method is crucial for this study because the issue at hand requires to be described and the phenomenon analyzed for conclusions. The design is appropriate because according to Mugenda & Mugenda (2003), descriptive research design enables subjects to give more information on the issue of interest to the researcher.

Research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in the procedure (Orodho, 2005). This study adopt descriptive research design because it seeks to understand the current status of Nyankoba tea factor regarding the project organizational structures on organization performance.

## **3.3 Target Population**

The target population for the study is defined by Best and Kahn (2008) as all individuals bearing similar characteristics of interest to the researcher. The target population of the proposed study was 123 employees of in Nyankoba tea factory, Nyamira County, drawn from department of administration, procurement, sales and marketing and finally finance departments according to the organizational organ gram.

Respondent type	Population	Sample size
Administration	26	21
Procurement	38	29
Sales and marketing	38	30
Finance	21	14
Total	123	94

 Table 3.1: Target Population

## 3.3 Sample Size and Sample Selection

## 3.3.1 Sample Size

Mugenda & Mugenda (2003) observed that the purpose of sampling is to secure a representative group which enable the researcher to gain information about an entire population when faced with limitations of time, funds and energy. The target population of the proposed study was 123 employees of in Nyankoba tea factory, Nyamira County, drawn from department of administration, procurement, sales and marketing and finance departments according to the organizational organ gram.

The sample size for this study was computed using the simplified formula proposed by Yamane (1967) for proportions where confidence level is 95% and  $P \ge 0.5$  are assumed. Thus the sample size is calculated using the formula;

$$n = \frac{N}{1 + N(e)^2}$$

Where N = the population and

e = 0.05 is the level of precision (Yamane, 1967).

Therefore, the sample size that was given by  $n = 123/1 + 123(0.05)^2 = 94.073$  which was rounded off to 94 respondents. The derived sample size is then distributed in the sampling frame.

#### 3.3.2 Sample selection

The top management, middle level management and other relevant departments within each section will be treated as strata. Finally, simple random sampling will be used to pick actual respondents from each stratum after which data is collected by a way of questionnaires from the resultant sample that was selected from the department of administration, procurement, sales and marketing and finance.

#### 3.4 Data collection Instrument

The researcher used both primary and secondary sources to collect data for this study. The primary data was sought due to its nearness to the truth and ease for control over errors (Mutai, 2000). The questionnaires were done in such that it is probing in nature. In this case, the researcher administered questionnaires, with mainly closed ended questions to the sampled respondents. Secondary data was sourced by referring to existing materials such as, financial reports, journals, other empirical researches in the area and any other relevant document that relates to the role of logistics on green procurement.

#### 3.4.1 Data collection procedures

A Questionnaire was the main instrument of data collection, since it is easier to administer, economical in terms of time and money and also permit a greater depth of response (Mugenda and Mugenda, 2003). A questionnaire with closed-ended and open- ended questions consistent to the objectives of the study will be administered to the selected sample.

The researcher personally collected data from the selected sample and in cases where the sampled respondents are unable to answer the questionnaire, the researcher interpreted for them in a local language using the same questionnaire.

Date and time for administration of the instruments was done in consultation with the management. Areas of confidentiality, anonymity, intentions of the study and how the information was used were explained to the respondents.

#### **3.4.2 Pre-Testing of the Instruments**

The questionnaires were pre-tested through a pilot study in a sample simplified formula proposed by Yamane (1967) for proportions, where confidence level is 95% and  $P \ge 0.5$  are assumed. In Bourgie's book (2009) which he notes is representative for piloting in a selected sample of respondents in the neighboring tea factory (Kiamokama tea factory) to avoid respondent contamination (Kothari, 2007).

#### 3.4.3 Validity of the Research Instruments

The questionnaires was piloted before the actual data collection to ensure that the questions achieve the anticipated responses from the respondents and where modification was necessary; the same was done before the actual data collection.

Kothari (2009) explains validity as the most critical criterion that indicates the degree to which an instrument measures what it is supposed to measure. The validity of the research instruments was attained via the pilot study and the restructuring the questionnaires to reflect the objectives of the study after the pilot study.

#### **3.4.4 Reliability of the Research**

Reliability tells how well a test measures what it is supposed to measure. Tuckman (1978) says that one way to test reliability is to give the same people the same test more than one occasion and then compare each person's performance on both occasions. Reliability is a measure to a degree to which a research instrument yields consistent results or data after repeated trials, Mugenda & Mugenda (2003).

The reliability of the research instruments was attained via the pilot study and the restructuring of questionnaires to reflect the objectives of the study after the pilot study.

#### **3.5 Data Collection Procedure**

According to Kothari (2005) data collection procedures comprises of steps and actions necessary for conducting research effectively and the desired sequence of these steps. The researcher sought permission from the relevant authorities including the National Council for Science and Technology which was presented at Nyamkoba tea factory before engaging the respondent. The respondents were drawn from the department of administration, procurement, sales and marketing and finance. Data was collected using a questionnaire and respondent assured for confidentiality of the information obtained.

#### 3.6 Data Analysis Methods.

The collected data was thoroughly examined and checked for completeness and comprehensibility. The data was then be coded, summarized and tabulated.

Data analysis was done with the aid of the computer software Statistical Package for Social Scientists (SPSS) version 22.Descriptive statistical measures such as, frequencies, percentages, means and standard deviations was used to give glimpse of the general trend of the data. Inferential statistics involving the use of correlation analysis was used to determine the nature of the relationship between variables at a generally accepted conventional significant level of  $P \leq 0.05$  (Gall, Borg & Gall, 2003). The results was tabulated, interpretted and discussed.

## **3.9 Operational Definition of Variables**

## Independent Variable

Objective	Variable	Indicators	Measure	scale
To establish the extent to which communication affect organization structures on organization performance in Nyankoba Tea Factory	Communication	Flow of communication Timeliness of information Correct	Know if it affects organization performance	Nominal Ordinal
To determine how supervision	Supervision	channel of communication	Know if it	Nominal
To determine how supervision affects organization structures on organization performance in Nyankoba Tea Factory	Supervision	Accountability Responsibility Setting standards	affects organization performance	Ordinal
To find out how leadership affects organization structures on organization performance in Nyankoba Tea Factory	Leadership	Integrity Expertise Conflicts resolution	Know if it affects organization performance	Nominal Ordinal
To establish whether motivation affects organizational structures on organization performance in Nyankoba tea factory.	motivation	Awards Promotion Recognition	Know if it affects organization performance	Nominal Ordinal

#### **3.10 Ethical consideration**

Neumen (2006) points out that ethics in research is a set of principle that reveal what is or is not legitimate to do in research practise. The data that was collected was purely for academic purposes and permission was sought from the relevant authorities. Informed consent from each research participant was sought and utmost privacy, confidentiality and dignity was maintained at all levels of the study.

### **CHAPTER FOUR**

#### **RESEARCH FINDINGS AND DISCUSSIONS**

#### 4.1 Introduction

This chapter discusses the research findings (data analysis, presentation and interpretation). The study sought to determine the effects of project organizational structure on an organization's performance: case of Nyankoba tea factory, Nyamira County. The study was successful as the researcher targeted 94 respondents but only 85 questionnaires was answered to the questionnaire items and returned making a response of 90.4% response rate. This response rate was satisfactory. Cooper and schindler(2003), states that a response rate of between 30% to 80% of the total sample size can be used to represent the opinion of the entire population.

#### 4.2 Questionnaire Return Rate

The study was successful as the researcher targeted 94 respondents but only 85 questionnaires was answered to the questionnaire items and returned making a response of 90.4% response rate.

Respondent type	Sample size	Response rate	Return rate (%)
Administration	21	19	20.2
Procurement	29	26	27.7
Sales and marketing	30	27	28.7
Finance	14	13	13.8
Total	94	85	90.4

 Table 4.1: Questionnaire Return Rate

## 4.3 Background Information of Respondents

## **4.3.1Age Representation of Respondents.**

The ages of the respondents 1-25 years were 3 respondents representing 3.6%, age 25 - 30 years were 17 respondents representing 20%, age 30 – 40 years were 37 respondents representing 43.4%, age 40 – 50 were 25 respondents representing 29.4% and 50 - 60 were 3 respondents representing 3.6%. Most of the respondents that was sampled were of the age 30 – 40 years that filled the questionnaire.

Age(years)	Frequency	Percentage (%)
1-25	3	3.6
25-30	17	20
30-40	37	43.4
40-50	25	29.4
50-60	3	3.6
Total	85	100

## Table 4.2: Age Representation of Respondents

## 4.3.2Gender Representation of Respondents

On gender aspect, the study established that out of 85 respondents, 22 respondents representing 25.9% were females while 63 respondents representing 74.1% were males. This showed that there were more males than females. This information was presented in the table below:

Gender	Frequency	Percentage

Male	63	74.1
Female	22	25.9
Total	85	100

 Table 4.3: Gender Representation of Respondents

4.3.3 Education Representation of Respondents.

On education aspect, the study established that out of 85 respondents, 4 respondents representing 4.7% were primary school levers, 18 respondents representing 21.2% were secondary school levers, 25 respondents representing 29.4 were from colleges, while 38 respondents representing 44.7% were from university. This study showed that most of the respondents were from universities hence most employees at Nyankoba Tea Factory are professionals on different fields like administration, procurement, sales and marketing and finance where respondent were drawn.

Age(years)	Frequency	Percentage (%)
Primary	4	4.7
Secondary	18	21.2
College	25	29.4
University	38	44.7
Total	85	100

**Table 4.4: Education Representation of Respondents** 

#### 4.4 General information.

In this study, four factors namely; the effects of communication, supervision, leading and motivation on organizational performance were studied. The presentation of findings was done through descriptive statistics using frequencies and percentages. It is worthy to note that, 85 respondents filled and returned the questionnaire of the sample size of 94 respondents.

# 4.4 .1 Effects of communications on project organizational structure in organization performance

The respondents were required to give their opinion as regards to the extent to which communication affects organizational structures on organization performance and the results were tabulated in table 4.5

Communication	SA	Α	Ν	D	SD	TOTAL
	(%)	(%	(%	(%)	(%)	(%)
Our organization have good structures that enable good flow of information to the entire staff	45.9	41.2	2.4	10.5	00	100
During growth, we experience structural improvement in communication and administrative channels	14.1	47.1	30.6	5.9	2.3	100
My workmates are sincere in communication with fellow team members	52.9	31.8	5.9	9.4	00	100
We have a functional notice board	58.8	17.6	00	21.2	2.4	100
We have a functional complain, complement and suggestion box	27.1	61.2	11.7	00	00	100

#### SA-Strongly Agree A-Agree N-Neutral D-Disagree SD-Strongly Agree

#### Table 4.5: Communications on project organizational structure

In the study 45.9% strongly agreed that they have good communication structures that enable good flow of information to the entire staff, 41.2% agreed, while 2.4% were neutral and 10.5% disagreed of good flow of information. 14.1% strongly agreed that during growth, they experience structural improvement in communication and administrative channels,47.1% also agreed while 30.6% were neutral, 5.9% disagreed and 2.3% strongly disagreed of any structural improvement during growth. 52.9% strongly agreed that they are sincere in communication with fellow team members, 31.8% were also in agreement while5,9% were neutral,9.4% disagree being sincere in communication with fellow team members. 58.8% strongly agreed having a functional notice board and 17% also in agreement, while 21.2% disagreed and 2.4% strongly

disagreed. 27.1% strongly agreed to have a functional complain, complement and suggestion box and 61.2% also agreed while11.7% were neutral.

These findings were in agreement to Stephen (2011), who established that communication is a critical factor in directing and mobilizing the workforce towards the accomplishment of the organizational goals or objectives. By creating understanding it enhances co-operation and promote effective performance. For instance, one of the focal determinants of their success is a well-selected, effectively implemented and smoothly functioning organizational structure (Galbraith, 2014). Notably, every modification of the formal organizational set-up has an impact on the behaviour of the organization's participants. It affects their productivity and communication (Stewart, 1999).

As pointed out by Drucker, there is no single, perfect type of organizational design. Each structure has its strengths, limitations and specific applications (Drucker, 1999). In a traditional "one person, one boss" organizational structure, information is restricted, and co-operation between employees and other departments is stifled (Dancer, and Raine, 2010). Oldham and Hackman (1981) hypothesized that organizational structure could be viewed as "significantly affecting the overall amount of challenge and complexity (autonomy, skill variety, task identity, task significance, feedback) in the employees' jobs" and that "job challenge and complexity are seen as directly influencing employees' reactions to the work and the organisation" Oldham and Hackman (1981).

Many empirical studies support the notion of a relationship between organizational structure and job characteristics as perceived by the employees in those jobs. Pierce and Dunham (1978), for example, found that formulization and centralization were significantly and negatively related to employee descriptions of autonomy, task identity, and feedback and skill variety. Ford (1976) found that the size of the organisation has a significant effect on the 'routineness' of employees' tasks. The number of hierarchical levels in an organisation has been found to have a significant effect on the complexity of the work, with workers in organizations with many formal hierarchical levels tending to perform jobs that were more "substantially complex" (i.e. requiring more thought and independent judgment (Kohn 1971). Perhaps conflicting results have been found by Gannon and Paine (1974) who showed that employees in flat organizational hierarchies

described their jobs responsibilities as "more adequate" than employees in tall hierarchies. Finally, Rousseau (1978) found generally negative relationships between four properties of departmental structure (i.e. size, number of levels, centralization and formalization) and job characteristics and employee satisfaction.

## 4.4.2 Effects of supervision on project organizational structure in organization performance.

In the second objective, the study sought to determine the effects of supervision on organizational performance and the results were tabulated in table 4.7

Supervision	SA	A	Ν	D	SD	TOTAL
	(%)	(%	(%	(%)	(%)	(%)
I am free to disagree with my immediate supervisor	41.2	55.3	00	3.5	00	100
My supervisor is competent in doing his job	29.4	49.4	18.8	2.4	00	100
My supervisor maintain group unity and facilitate control	21.2	41.1	9.4	27.1	1.2	100
My supervisor issues instructions and maintain discipline	14.1	81.1	2.4	2.4	00	100
I am responsible and accountable to my supervisor.	3.5	91.8	1.2	3.5	00	100

#### SA-Strongly Agree A-Agree N-Neutral D-Disagree SD-Strongly Agree

#### Table 4.6: Supervision on project organizational structure

In the study 41.2% strongly agreed that they were free to disagree with their immediate supervisor, in agreement also were 55.3% while 3.5% disagreed.29.4% strongly agreed that their supervisor were competent in doing his job, also 49.4% agreed while 18.8% were neutral, 2.4% disagreed. 21.2% strongly agreed that their supervisor could maintain group unity and facilitate control and also 41.1% agreed while 9.4 were neutral, 27.1% disagreed and 1.2% strongly disagreed. 14.1% strongly agreed that their supervisor do issue instruction and maintain discipline, also 81.1% also agreed, while 2.4% were neutral and 2.4% disagreed.3.5% strongly agreed that they were responsible and accountable to their supervisor, also in agreement were

91.8% while 1.2% were neutral, 3.5% disagreed being responsible and accountable to their supervisor.

These findings were in agreement to Roberson (2008), who argued that, when a company has poor supervision, there is not enough responsibility for taking action for the prevention of problems, mistakes, accidents, and injuries. Poor supervision removes a very important part of the employee support process, eliminating the opportunity for reference, learning, and safety. After the initial training has been completed, supervision remains necessary for continuing skill and knowledge development among employees. It is for this reason that many organizations today refer to their supervisors as coaches.

In addition, it is pertinent to note that the organization realizes the importance of supervision in realization of performance. This was attested by the fact that the entire 85 respondents representing90.4% were of the view that they had different supervisors depending on tasks available. These results conformed to Tracey (2000) who noted that poor supervision opens the door for unethical behaviours within an organization. With poor supervision, employees commonly feel that their work is not valued by the company, and loyalty is difficult to form – if it forms at all. Without loyalty, employees are more likely to deviate from acceptable business practices.

Oldham and Hackman's (1981) study went one stage further than the research cited above and suggested that both job characteristics and personal attributes may act as mediators between organizational structure and employee reactions. The 'attraction-selection framework', as it was termed by Oldham and Hackman, proposed that "organizations with certain structural properties or conditions attract and/or select employees with particular personal and background attributes". They then suggest that "employee reactions to the work and the organisation are, in large part, explained by the personal attributes of the employees; that is, individuals with different personal and background attributes have different work attitudes and behaviours" (Oldham and Hackman, 1981).

The study therefore tested the effects of four structural properties – size, number of hierarchical levels, formulization and centralization – on seven employee reactions – internal work communication, growth satisfaction, general satisfaction, social satisfaction, supervisory

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satisfaction, security satisfaction and pay satisfaction – mediated by five job characteristics – skill variety, task identity, task significance, autonomy and feedback – and three personal attributes – gender, age and education. After analyzing the data collected from 2,960 employees from 36 organizations, Oldham and Hackman concluded that the findings "strongly suggest that the relationship between an organization's structure and performance. Moreover, the results showed that that "the combined framework, which includes both personal and job characteristics as mediators, is more effective in explaining structure-reaction associations than frameworks using either the employees' personal attributes or job characteristics alone as mediators".

#### 4.4.3 Effects of leadership on project organization structure in organizational performance.

On this aspect, the respondents argued that the organization's performance depended on sound leadership by the organization's management as indicated in table 4.6

Leadership	SA	Α	Ν	D	SD	TOTAL
	(%)	(%	(%	(%)	(%)	(%)
My leaders respond positively to changes in strategic direction to meet market demands	9.4	72.9	5.9	11.8	00	100
My leader analyses work flow to establish clear policies and procedures	11.8	84.7	1.2	2.3	00	100
My leader have expertise, experience and wisdom to complete job task	23.5	68.2	3.5	3.5	1.3	100
My leader have the capacity to solve problems such as product defects, low customer satisfaction or high costs	17.6	54.2	10.6	9.4	8.2	100
My leader do communicate frequently in giving strategic directions	49.4	44.7	2.4	3.5	00	100

SA-Strongly Agree A-Agree N-Neutral D-Disagree SD-Strongly Agr	SA-Strongly Agree	A-Agree	N-Neutral	<b>D-Disagree</b>	SD-Strongly Agre
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### Table 4.7: Leadership on project organizational structure

In the study, 9.4% strongly agree that their leader respond positively to changes in strategic direction to meet market demands.72.9% were also in agreement, while 5.9% were neutral, 11.8% disagreed any positive response.11.8 strongly agreed that their leader analyses work flow to establish clear policies and procedure, 84.7% also agreed, while 1.2%were neutral, 2.3% disagreed. 23.5%strongly agreed that their leader had expertise, experience and wisdom to complete job tasks and 68.2% also agreed, while 3.5% were neutral, 3.5% disagreed and 1.3% strongly disagreed.17.6% strongly agreed that their leader had the capacity to solve problems such as product defects, low customer satisfaction and high cost, in agreement also were 54.2%, while 10.6%were neutral, 9.4% disagreed and 8.2%stronly disagreed. 49.4 strongly agreed that their leader do communicate frequently in giving strategic directions and 44.7% also agreed while 2.4% were neutral, 3.5% disagreed of any frequent communication on strategic directions.

This was attributed to the size of the organization and formulation of organizational strategies is done by the top management. These findings were in agreement to past researchers who established that leaders motivate and help their employees to be competitive by using effective leadership styles (Bass, Rigio, 2006). Therefore, the leader's use of effective leadership styles is due to promote standards of excellence in the professional development of the members of the organization.

Effective leadership also involves communication, management, inspiration, remuneration and analytical skills. When all these are present, the organizations record increased employee satisfaction that positively that positively influences the productivity and the profits. The positive effect of leadership on organizational performance was measured by some researchers (Sila, Ebrahimpour, 2005) through human resources (turnover rate and job performance), organizational effectiveness (cost and quality) and financial performance (market share, profit, and return on asset e.t.c)

# 4.4.4 Effects of motivation on project organizational structure in organization performance.

The respondents were to give their opinion as regards to the effect of motivation on organizational performance. Their opinions are tabulated in table 4.8 below;

Motivation	SA	Α	Ν	D	SD	TOTAL
	(%)	(%	(%	(%)	(%)	(%)
My leader is a positive example who motivate me towards achieving the mission and objective of	5.9	84.6	7.1	1.2	1.2	100
our organization Those who perform their duties well are rewarded and motivated	7.2	80.0	8.2	2.3	2.3	100
We are always offered opportunities for career advancement.	14.1	44.8	23.5	14.1	3.5	100
Our organization embrace and recognizes creativity that reduces cost production from	1.2	62.4	32.9	3.5	00	100
employees We are always motivated towards achieving our set goals and objectives.	8.2	82.4	4.7	3.5	1.2	100

#### SA-Strongly Agree A-Agree N-Neutral D-Disagree SD-Strongly Agree

#### Table 4.8: Motivation on project organizational structure

In the study, 5.9% strongly agree that their leader was appositive example who motivates them towards achieving the organization mission and objective, in agreement also were 84.6%, while 7.1% were neutral, 1.2% disagreed and 1.2% strongly disagreed.7.2% strongly agreed that those who performed their duties well were rewarded and motivated and 80.0% also agreed, while8.2% were neutral, 2.3% disagreed and2.3% strongly disagreed.14.1% strongly agreed that they were given opportunities for career advancement, also 44.8% agreed, while 23.5% were neutral14.1% disagreed and 3.5% strongly disagreed.1.2% strongly agree that their organization embraced and recognizes creativity that reduces cost production from employees, 62.2% also agreed while 32.9% were neutral, 3.5% disagreed. 8.2% strongly agreed the they were always motivated towards achieving their set goals and object, in agreement also were 82.4% while 4.7% were neutral, 3.5% disagreed and1.2% strongly disagreed of any motivation.

These findings were in agreement to Antomioni (1999) who argued that, "the amount of effort people are willing to put in their work depends on the degree to which they feel their

motivational needs will be satisfied. On the other hand, individuals become de-motivated if they feel something in the organization prevents them from attaining good outcomes.

#### **CHAPTER FIVE**

## SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### **5.1 Introduction**

This chapter looked at the summary of findings, conclusion, recommendations and areas for further research drawn from the study. The responses were based on the objectives of the study which were: To establish the extent to which communication affect organization structures on organization performance in Nyankoba Tea Factory, to determine how supervision affects organization structures on organization performance in Nyankoba Tea Factory, to find out how leadership affects organization structures on organization performance in Nyankoba Tea Factory, and finally to establish whether motivation affects organizational structures on organization performance in Nyankoba tea factory.

#### 5.2 Summary of findings

The findings were summarized among major variables: communication, supervision, Leadership and motivation.

In the study, the first objective on how communication affect organizational structures found out that 45.9% strongly agreed that they have good communication structures that enable good flow of information to the entire staff, 41.2% agreed. 14.1% strongly agreed that during growth, they experience structural improvement in communication and administrative channels, 47.1% also agreed. 52.9% strongly agreed that they are sincere in communication with fellow team members, 31.8% were also in agreement. 58.8% strongly agreed having a functional notice board and 17% also in agreement. 27.1% strongly agreed to have a functional complain, complement and suggestion box and 61.2% also agreed. These findings were in agreement to Stephen (2011), who argued that communication is a critical factor in directing and mobilizing the workforce towards the accomplishment of the organizational goals or objectives. By creating understanding it enhances co-operation and promote effective performance.

The second objective on how supervision affect organizational structures on organization's performances found out that 41.2% strongly agreed that they were free to disagree with their immediate supervisor, in agreement also were 55.3%.29.4% strongly agreed that their supervisor were competent in doing his job, also 49.4% agreed. 21.2% strongly agreed that their supervisor could maintain group unity and facilitate control and also 41.1% agreed. 14.1% strongly agreed that their supervisor do issue instruction and maintain discipline, also 81.1% also agreed.3.5% strongly agreed that they were responsible and accountable to their supervisor, also in agreement

were 91.8%.These findings were in agreement to Roberson (2008), who argued that, when a company has poor supervision, there is not enough responsibility for taking action for the prevention of problems, mistakes, accidents, and injuries.

On the third objective; the effects of leadership on organizational structure, the study established that, organizational structure had more influence on organizational performance. This was evident as 9.4% strongly agree that their leader respond positively to changes in strategic direction to meet market demands.72.9% were also in agreement.11.8 %strongly agreed that their leader analyses work flow to establish clear policies and procedure, 84.7% also agreed. 23.5%strongly agreed that their leader had expertise, experience and wisdom to complete job tasks and 68.2% also agreed.17.6% strongly agreed that their leader had the capacity to solve problems such as product defects, low customer satisfaction and high cost, in agreement also were 54.2%. 49.4 strongly agreed that their leader do communicate frequently in giving strategic directions and 44.7% also agreed. These findings were in agreement to past researchers who suggested that leaders motivate and help their employees to be competitive by using effective leadership styles (Bass, Rigio, 2006). Therefore, the leader's use of effective leadership styles is due to promote standards of excellence in the professional development of the members of the organization.

On this fourth objective, the respondents were opined that motivation is one of the functions of organizational performance. This was evident as 5.9% strongly agree that their leader was a positive example who motivates them towards achieving the organization mission and objective, in agreement also were 84.6% .7.2% strongly agreed that those who performed their duties well were rewarded and motivated and 80.0% also agreed.14.1% strongly agreed that they were given opportunities for career advancement, also 44.8% agreed.1.2% strongly agree that their organization embraced and recognizes creativity that reduces cost production from employees, 62.2% also agreed. 8.2% strongly agreed that they were always motivated towards achieving their set goals and objectives, in agreement also were 82.4%. These findings were in agreement to Antomioni (1999) who argued that, "the amount of effort people are willing to put in their work depends on the degree to which they feel their motivational needs will be satisfied. On the other hand, individuals become de-motivated if they feel something in the organization prevents them from attaining good outcomes.

#### **5.3 Conclusion**

The study concluded that organizational structure has an influence on performance of organizations. The organization was divided into departments for easy communication, supervision, leadership and motivation with each department headed by a supervisor. The results found that there are many other independent variables other than the one that was studied. In Nyankoba Tea Factor there was an effect on organizational structure that influenced the organization performance base on the four variables that was studied namely communication, leadership, supervision and motivation.

The study concludes that respondents agreed communication was a critical factor in directing and mobilizing the workforce towards the accomplishment of organization goals and objectives as per Stephen (2011). Nyankoba Tea factory have good structures that enable good flow of information to the entire staff, they improve their communication structures during growth and work mates are sincere to each other affecting their organization performance positively.

The study also found out that the employees were free to disagree with their immediate supervisor, who maintain group unity and facilitate control at the same time issues instructions and maintain discipline. The respondent also agreed that they were accountable and responsible to their supervisor.

The study further revealed, the respondents agreed that their leader had the expertise, experience and wisdom to complete job tasks, could analyze work flow to establish clear policies and procedures, could solve problems such as product defects, low customer satisfaction or high cost and communicate frequently in giving strategic directions. 84.6% of the respondent agreed that their leader was a positive example who motivates them towards achieving the mission and objective of the organization. They were motivated and rewarded when they perform their duties well. Opportunities for career advancement were also offered to them. The sturdy therefore conclude that the variables that were studied namely communication, supervision, leadership and motivation has effects on organizational structures that affect organization performance.

#### **5.4 Recommendations**

The study made the following recommendations: The type of structure adopted by an organization has its merits and demerits. Hence, there is need to encourage organizations to

adopt a structure whose merits outweigh its demerits based on organization's operating environment.

#### 5.5 Areas for Further Study

The study looked at how organizational structures influenced performance in terms of profitability. Hence, there is need for a study to determine how organizational structures adopted enhance competitiveness of businesses. The study looked at only four variables and their effect on performance. But, there are other variables influencing organizational performance. Hence, the study recommends a study on how these other organizational structures influences performance of organizations and also recommends a replica of the study to be carried out within the context of another field other than tea factories for comparative purpose.

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## **APPENDIX I**

## BUDGET

EQUIPMENT/ACTIVITY	DESCRIPTION	UNIT	NO. OF	ESTIMATED
		COST	UNITS	AMOUNT (KSH.)
Proposal	Typing and printing	Ksh.20	45 pages	Ksh. 900
Photocopying proposal	4 photocopies	Ksh.5	180 pages	Ksh.900
Internet services	Approx. 2500 minutes	Ksh.2 per minute	2500 minutes	Ksh. 5,000
Photocopying questionnaire	95 questionnaires	Ksh.20	95 copies	Ksh.1,900

Data collection	Travel to and fro research area	Ksh.1500	50	Ksh.75,000
SPSS computer package	Data analysis	Ksh. 20,000	1	Ksh.20,000
Report typing and printing	Typing and printing	Ksh. 20	100pages	Ksh.2,000
Report photocopying	4 photocopies	Ksh.5	400 pages	Ksh.2,000
Stationary	Binding proposal and report	Ksh.100	10 copies	Ksh.1,000
	Pens and books	Approx. Ksh.5,000	-	Ksh. 5,000
	Flash Disk	Ksh.1,500	2	Ksh. 3,000
Airtime	45days	Ksh.500	45days	Ksh.22,500
Report publication of results	Publication	Ksh.15,000	1	Ksh.15,000
Contingencies	10% of the total	-	-	Ksh. 15420
	TOTAL	1	1	KSH.169,620

## **APPENDIX II**

### LETTER OF TRANSMITTAL

Date.....2018

#### TO WHOM IT MAY CONCERN;

Dear sir/madam

## **RE: REQUEST FOR COLLECTION OF RESEARCH DATA**

I, Winnie Chepkoech Ngetich, Reg. No. L50/83466/2015 is a post graduate student at school of continuing and distance education, University of Nairobi. I am conducting a research study title 'effect of project organization structure on organization performance: a case of Nyankoba tea factory, Nyamira County'.

Kindly assist by filling in the attached questionnaire. The information given will be treated in strict confidence, and will be purely used for academic purposes. A copy of this finding report will be availed upon your request. Your assistance and cooperation will be highly appreciated. Thank you in advance and God bless you.

Yours Faithfully

Winnie Chepkoech Ngetich

## **APPENDIX II**

## **QUESTIONNAIRE**

Dear sir/ madam

I am a student at University of Nairobi doing a Master of Arts degree in Project Planning and Management (PPM). I am kindly requesting you to provide information in the questionnaire for my research study. The information provided will be kept confidential and be used only for research purposes.

## **Part 1: personal information**

Please fill in the dashes below in respect of the following items.

1. Name of th	e factory.					
2. Your physi	ical addres	55	•••••			
3. Age 0-25		25-30		30-50	50-50	
4. Gender	Male		Fema	ale 🔲		

5. Education Primary Secondary College University

## Part 2 communication on project organizational structure in organization performance

- 6. How do you pass information?
  - a) Face to face
  - b) Telephone
  - c) Email
  - d) Letters

<b>SA-Strongly Agree</b>	A-Agree	N-Neutral	<b>D-Disagree</b>	SD-Strongly Agree

S/NO.	Communication	SA	A	N	D	SD
7	Our organization have good structures that enable good flow of information to the entire staff					
8	During growth, we experience structural improvement in communication and administrative channels					
9	My workmates are sincere in communication with fellow team members					
10	We have a functional notice board					
11	We have a functional complain, complement and suggestion box					

# PART 3 Effects of leadership on project organization structure in organizational performance.

## SA-Strongly Agree A-Agree N-Neutral D-Disagree SD-Strongly Agree

S/NO.	Leadership	SA	Α	Ν	D	SD

12	My leaders respond positively to changes in strategic direction to meet market demands			
13	My leader analyses work flow to establish clear policies and procedures			
14	My leader have expertise, experience and wisdom to complete job task			
15	My leader have the capacity to solve problems such as product defects, low customer satisfaction or high costs			
16	My leader do communicate frequently in giving strategic directions			

# Part 4 Effects of supervision on project organization structure in organizational performance.

SA Strongly Agroo	Δ Δακοο	N Noutral	D Dicagroo	SD Strongly Agree
SA-Subligiy Agree	A-Agree	in-incuti ai	D-Disagi ce	SD-Strongly Agree

S/NO.	Supervision	SA	A	N	D	SD
17	I am free to disagree with my immediate supervisor					
18	My supervisor is competent in doing his job					
19	My supervisor maintain group unity and facilitate control					
20	My supervisor issues instructions and maintain discipline					
21	I am responsible and accountable to my supervisor.					

# Part 5 Effects of motivation on project organizational structure on organization performance.

## SA-Strongly Agree A-Agree N-Neutral D-Disagree SD-Strongly Agree

S/NO.	Motivation	SA	A	N	D	SD
22	My leader is a positive example who motivate me towards					
	achieving the mission and objective of our organization					
23	Those who perform their duties well are rewarded and					

	motivated			
24	We are always offered opportunities for career			
	advancement.			
25	Our organization embrace and recognizes creativity that			
	reduces cost production from employees			
26	We are always motivated towards achieving our set goals			
	and objectives.			

## Thank you

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Activity	January	February	March	April	June	July	August	September	October
Identification									
of the research									
problem									
Proposal	<u></u>								
Writing									
Proposal									
presentation									
Pre-test of									
questionnaire									
Distribution of									
Questionnaire									
Data									
collection,									
compiling and									
analysis									
Report									

## Time Schedule - Research plan 2018

presentation				
1				