

Effect of Strategic Organizational Structure on Performance of National Council of Persons with Disabilities in Rwanda: A Case Study NCPD

Emmanuel Ndayisaba¹, Dr. Patrick Mulyungi²

¹Student, Jomo Kenyatta University of Agriculture and Technology

²Lecturer, Jomo Kenyatta University of Agriculture and Technology

Abstract: Organizations are formed by groups of people with the purpose of achieving goals and objectives. Better results are created as a consequence of organizational structure to achieve organizational performance. This study aimed at analyzing the effect of strategic organizational structure on performance. Specifically, it intended to: assess the effect of structure on organizational growth; identify the effect of structure on organizational effectiveness; and examine the effect of structure on organizational innovativeness at the NCPD. This study is beneficial for the NCPD management and other practitioners, and remains an issue of widespread interest. Moreover, it benefits other organizations, and proposes concrete recommendations to ensure proper structures for long-term performance. It was a cross-sectional study using both quantitative and qualitative methods. The target population includes the 8,490 registered persons with disabilities living in Kigali City. As sample size, 138 persons with disabilities were selected in order to answer the questionnaire. A focus group of ten (10) persons were selected for interviews and discussions. For validity and reliability of research instruments, the pilot study was conducted in a similar organization and amendments to instruments were done where necessary. The questionnaire's content consistency was assessed by experienced researchers. Data analysis used the Statistical Package for Social Sciences (SPSS, Version 25.0.0.0), edited and coded. As results, based on cumulative answers, 533(77.25%) respondents were in disagreement that the structure has an effect on the organizational growth, while 157(22.75%) respondents were in agreement with all assertions about the organizational growth. There was insignificant effect of structure on organizational growth because the organization could not expand, hire more employees, add more departments and engage more departmental managers. Respondents confirmed the inexistence of greater productivity, greater utilization of resources or increase of efficiency. Findings of the study showed that analyses based on cumulative answers revealed that 566(82.03%) respondents disagreed and 124(17.97%) respondents agreed that the structure had an effect on the organizational effectiveness. In other words, 82.03% of respondents disagreed that organizational structure has an effect on organizational effectiveness, while 17.97% of respondents stated the contrary. Based on cumulative responses, the results showed that 131(18.99%) respondents agreed with the organizational innovativeness, while the majority of 559(81.01%) respondents disagreed with organizational innovativeness assertions. It can be concluded that the performance of an organization largely depends on its structure. In other terms, organizational structure significantly affects organizational performance; it affects performance in its growth, effectiveness and innovativeness objectives. When a clear organizational structure exists, employees perform better, responsibilities are well-attributed and performance increases. Having a well-designed structure is a precondition for long-term performance. This study recommends that management should critically analyze the effectiveness and efficiency of the organizational structure as an important predictor of performance. Proper structures should be put in place in order to achieve set goals and objectives; and non-performing organizations should redesign their structures in order to attain the expected performance.

1. Introduction

Strategic organizational structure across the world has attracted many researchers and created debate among organizational managers and academic world. Managers who intend to design organizational structure usually face difficult decisions as they must choose among a big number of tasks and departments. The first decision focuses on individual jobs, the next two decisions focus on departments or groups of jobs, and the fourth decision considers the issue of delegation of authority throughout the structure (Al-Qatawneh, 2014). Zheng *et al.* (2010) consider an organizational structure as a tool used for control mechanism to affect employee work outcomes, to ensure that the required tasks are performed effectively and efficiently, and to assist the attainment of organizational goals and objectives. It describes the internal characteristics of an organization which receive attention since they are critical to organizational failure and success, and one of these is organizational performance. According to (Teixeira *et al.*, 2012), organizational structure determines the pattern of communication as well as the formal lines of interaction between individuals within organisations. A good structure

does not by itself produce an expected performance. Poor organizational structure aids poor performance irrespective of the ability of the manager. It restricts individual growth, self-fulfillment and psychological health of the workforce resulting in failure, frustrations and conflict which hinders organizational growth and development (Daft *et al.*, 2010). There is a relationship between organizational structure and job satisfaction because the organizational structure affects employee job satisfaction which in turn affects the productivity (Olajide, 2015). Therefore, the extent to which an organizational structure reduces ambiguity for an employee and clarifies problems such as what the employee is supposed to do, how the employee is supposed to do it, who the employee reports to, who the employee should meet in the event of problems; in all affects their attitudes to work and equally motivates employees to higher performance. Some researchers opine that organizational structure has a positive relationship with organizational performance and others like Awino (2015), Diego and Juan (2013) reported negative relationship. However, it is important to know that organizational structure is a formal system of task and reporting relationships that control, coordinates and motivates employees so that they cooperate and work

together to achieve organizational goals (Esra and Ozgur, 2014). Just what is organizational structure? It is how job tasks are formally divided, grouped, and coordinated within an organization. When managers develop or change the structure, they are engaged in organizational design, a process that involves decisions about six key elements including work specialization, departmentalization, chain of command, span of control, centralization and decentralization, and formalization (Teixeira *et al.*, 2012).

Organizational performance, on the other hand, is an indicator which measures how well an enterprise achieves its objectives (Jones, 2013). Organizational performance can be assessed by an organization's efficiency and effectiveness of goal achievement. Organizational performance comprises the actual output or results of an organization as measured against its inputs (Nwachukwu, 2012). Organizational performance measures allow companies focus attention on areas that need improvement by assessing how well work is done in terms of cost, quality and time (Ringim *et al.*, 2012). According to Heilman & Kennedy-Philips (2011) and (Agbim, 2013), organizational performance is measured on three dimensions: organizational growth, organizational effectiveness, and organizational innovativeness. The major managers and scholars' challenge, therefore, is finding the strategic organizational structure enhancing optimal performance.

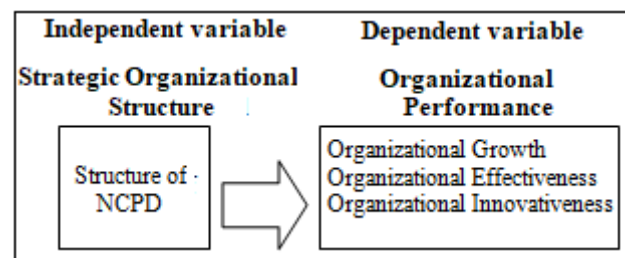
2. Statement of the Problem

Managers who design organizational structures face difficult decisions. There are the six signs of poor organizational structure in local organizations including: low productivity, unequal workload, unclear lines of communication, lack of teamwork, slow decision making, and lack of innovation (Nedal *et al.*, (2013). Similarly, the need for more accepted empirical evidence on the effect of organizational structure on performance at the NCPD (2013) in Rwanda has become imperious considering its big size. It gathers all persons with disabilities in Rwanda, with three (3) organs: General Assembly, Executive committees from cell to national level. Therefore, managers of the NCPD face challenges related to the organizational structure of their organization including: designing office space, keeping employees connected, lack of coordination due to unclear responsibilities, excessive conflict among internal groups, poor work flow throughout process, reduced responsiveness and proliferation of extra-organizational units (Wyman, 1998). Further, many organizational flaws can be related to an inappropriate structure chosen in order to reach desired goals and objectives. Thus, the organizational structure does not support the management to achieve its objectives through strategic implementation. It does not link strategy and structure (Gupta, 2015). The lack of initiative to initiate required changes motivated this study aiming at examining the effect of strategic organizational structure on performance.

3. Objective of the Study

To assess the effect of organizational Structure on the Performance of NCPD

4. Conceptual Framework



5. Research Design

A research design is the set of methods and procedures used in collecting and analyzing measures of the variables specified in the research problem. This is a cross-sectional study using both quantitative and qualitative methods. Definitely, cross-sectional studies involve data collected at a defined time (Olsen *et al.*, 2010). The investigator measures the outcome and the exposures in the study participants at the same time. Quantitative method involves the use of numerical and statistical measurements. It is based on testing a theory measured with numbers and analyzed using statistical techniques. Quantitative method was used to test the relationships between variables using numbers. Qualitative method described human experiences which needed in-depth interviews (Peersman, 2014).

5.1 Target Population

The target population comprised the number of registered persons with disabilities and categorized by the NCPD in Kigali City (8,490 persons). Data from EICV3 show that the proportion of households headed by persons with disabilities has raised from 8 to 10% (6,900 households) and the distribution of these is even across all provinces (NISR, 2012).

5.2 Sample Size and Sampling Technique

As for quantitative method, to calculate the sample size required, the study used the model of Glenn (2013) by means of the formula below:

$$n = [z^2 \times \frac{(p \times q)}{d^2}]$$

Where:

n = sample size

z = linked to 95% confidence interval (use 1.96)

p = expected prevalence of persons with disabilities in Rwanda (10%) = 0.10 (NISR, 2012)

q = 1 – p (expected non-prevalence): 1 – 0.10 = 0.90

d = relative desired precision (5%) = 0.05 It is the level of precision, sometimes called sampling error, the range in which the true value of the population is estimated to be).

$$n = [1.96^2 \times \frac{(0.10 \times 0.90)}{0.05^2}]$$

$$n = 3.8416 \times \frac{0.09}{0.0025} = 138 \text{ Respondents}$$

Thus, sample size n = 138 persons with disabilities, active members during the study period. As for the qualitative method, a focus group comprising ten (10) persons with

disabilities were selected and interviewed under the guidance of the researcher as a facilitator. Focus group discussion (FGD) was used to increase the depth of the enquiry and revealed all aspects of the phenomenon (Peersman, 2014).

Probability sampling technique was used, whereby participants were accessed on the basis of their availability at the NCPD national office (Gasabo District). The purposive sampling technique (also called judgment sampling), a non-probability sampling, was used to select the focus group members.

Inclusion criteria: Both male and female persons with disabilities, aged 18 years and above, able to speak coherently, were included in the study.

Exclusion criteria: Persons with disabilities aged less than 18 years and those who were not able to talk coherently were excluded from this study.

5.3 Data Collection Instruments

Questionnaire and face-to-face interviews were used for data collection. The questionnaire was originally written in English and translated in Kinyarwanda. Questions were related to the effect of strategic organizational structure on performance. The questionnaire comprised of four sections according to specific objectives of the study including: (a) Demographic characteristics of respondents; Effect of strategic organizational structure on growth; Effect of strategic organizational structure on effectiveness and; Effect of strategic organizational structure on innovativeness at the NCPD in Rwanda. The focus group methodology employed interview technique (Interview guide). Ten persons with disabilities were asked to interact, discuss and provide personal experiences. Therefore, focus group members discussed about the above-mentioned specific objectives of the study, and simultaneously, a tape recorder was used to collect group members' comments and personal experiences (Canals, 2017).

6. Research Findings and Discussion

Table 1: Effect of organizational structure on the performance of NCPD

Effect of structure on the NCPD's growth	Agree		Disagree	
	Freq. (N=138)	Percent (%)	Freq. (N=138)	Percent (%)
Organic structure leads to greater productivity	33	23.91	105	76.09
Structure improves greater utilization of resources	23	16.67	115	83.33
Structure promotes flexibility, technological adaptability and team work which increases efficiency	30	21.74	108	78.26
Mechanistic organisations are characterized by a rigid hierarchy; high levels of formalization; a heavy reliance on rules, policies, and procedures slows organizational growth	36	26.09	102	73.91
A good structure can lead to organizational effectiveness	35	25.36	103	74.64
Grand Total	157	22.75	533	77.25

Source: Primary data

Table1 shows that five questions were designed in the questionnaire to determine the effect of organizational structure on the NCPD's growth. Above findings of analyses based on cumulative answers disclose 533(77.25%) respondents who disagreed and 22.75% of respondents who agreed that the structure has an effect on the organizational growth. The majority of respondents were in disagreement with all assertions about the organizational growth, a major factor that resulted from the NCPD's structure. The effect of structure on growth was not significant because the organization could not expand, hire more employees, add more departments, or engage more departmental managers. There were no greater productivity, greater utilization of resources or increase of efficiency.

These assertions are supported by Nwachukwu (2012) that organizational growth will be gauged by how well an organization fulfills its overall goals and objectives. Similarly Barney (2011) holds up that, although having access to objective performance data of organizations is becoming difficult, and cautionary advice has been given when measuring performance of private organizations, especially when managers are not well disposed to revealing detailed accounting data of their organizations' performance. Therefore, efforts should be intensified to investigate what drives organization's performance within the organization context. As a result, subject measures of performance or

self-reporting performance measures such as overall objective fulfillment or overall perceived performance is adopted (Nandakumar *et al.*, 2010). Growth is a vital indicator of a flourishing organization. Some factors like characteristics of managers, access to resources like finance and manpower which affect the growth of the organization and differentiate it from a non-growing organization. Growth is a function of the decisions a manager makes like how to grow internally or externally and where to grow in domestic market or international market. An organization growth is related to size as well as other specific characteristics like financial structure and productivity. The gender of the founder, the amount the capital required at the time of starting the business and growth strategy of the organization are very important factors in predicting growth in an organization. Apart from human resources, growth can be predicted on the basis of commitment of the person starting a new organization (Gilbert *et al.*, 2006).

9.1 Regression Analysis

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.802 ^a	0.764	0.643	241
Predictors: (Constant), Structure of NCPD				
a. Predictors: (Constant), Organization performance				

R-square is equal to 0.764(76.4%). This implies that 80.2% variations in organization structure have been captured by the model above, since the p value is 0000, this means that organization structure influence the organization structure in NCPD.

The rule of Thumb is that, usually an R square of more than 50% is considered as better. This study proves the rule of Thumb the R^2 is (76.4%). In this study the rule of thumb is that, usually an R square of more than 50% is considered as better, this implying that organization structure has an impact on organization performance in NCPD.

Table 3: ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	24.612	1	6.401	6.321	.000a
	Residual	0.742		136		
	Total	32.355		0.01		
				137		
a. Predictors: (Constant), Structure of NCPD						
b. Dependent variable: Organization Performance.						

Table 4: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
1 (Constant)	1.610	.673		2.391	.019	.268	2.951
Structure of NCPD	.832	.078	.802	11.484	.000	.357	.000

a. Dependent Variable: Profitability (Net profit & Liquidity)

From coefficient table above, the researcher came up with following regression equation in order to justify the study.

Y = Profitability

B_1 = Constant Term

B_1 = Beta coefficients

X_1 = Structure of NCPD

$Y = 1.610 + 0.832 X_1$ (Structure).....Equation (i)

The results indicate that NCPD Structure have a relationship with organization performance. The significance is 0.000 which indicates that there is positive relationship (0.832) between NCPD structure and NCPD performance. The beta of structure of NCPD is .832, which means that an unit change in NCPD structure leads to a 0.832 units increase in NCPD performance while keeping other variable constant.

7. Conclusion

It can be concluded that the performance of an organization largely depends on its structure. In other terms, organizational structure significantly affects organizational performance; it affects performance in its growth, effectiveness and innovativeness objectives. When a clear organizational structure exists, employees perform better, responsibilities are well-attributed and performance increases. Having a well-designed structure is a precondition for long-term performance.

8. Recommendation

This study recommends that management should critically analyse the effectiveness and efficiency of the organizational structure as an important predictor of performance. Proper

Table 3 shows the overall significance of the regression estimation model. It indicates that the model is significant in explaining the relationship between organization structure and performance of NCPD at 5% level of significance. Analysis of Variance shows that f-calculated is greater than f – critical that is $6.321 > 0.00$. This implies that the regression equation was well specified and therefore the co-efficient of the regression shows that there is a strong relationship between organization structure and performance of NCPD. The analysis of variance of the predictors of the model has a significance of 0.000.

structures should be put in place in order to achieve set goals and objectives. Further, non-performing organizations should redesign their structures in order to attain the expected performance.

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