

# Level of Communication and Locus of Decision-Making in Organizations: The Influence of Nature of Formalization and Level of Horizontal Integration

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**Abstract:** Structure and processes are core variables in understanding organizational effectiveness. This paper assesses the influence of the nature of formalization and level of horizontal integration on the level of communication and locus of decision-making in organizations. The paper is drawn from a study of two Kenyan universities, namely the Moi University and the University of East Africa (UEA), Baraton. The study utilized a cross-sectional survey design that was descripto-explanatory in nature to identify attributes of the study population using a small sample of individuals. Independent samples t-test was used to test whether or not there was any significant difference in organizational structure and organizational effectiveness between public and private universities. The study used a sample of 365 participants (300 from Moi University and 65 from UEA-Baraton). Based on the study findings, it was concluded that high performing organizations move beyond conventional approaches and continually re-examine their approach to effectiveness assessment in the context of current and emerging market forces. The necessity for integration increases with increased environmental complexity, diversity and change. Therefore, it was recommended that horizontal integration is necessary in order to resolve conflicts, to ensure that the objectives and functioning are in consonance with overall organizational goals and strategies by developing rules and procedures, training, liaison roles and use of professional committees involving managers from different specialized units. Moreover, since formalized rules and procedures, together with centralized decision-making, hinder employees from thinking outside the box, it was recommended that decision-making be decentralized to specialized sub-units and employees be encouraged to exert more efforts in achieving organizational goals by identifying whether or not the existing organizational structure is supportive for them.

**Keywords:** Level, Communication, Locus, Decision-making, Organizations, Nature, Formalization, Horizontal Integration

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## I. Introduction

According to Verma and Jain (2001), multi-dimensionality of organizational effectiveness is a result of the multiple values and preferences with which an organization is approached. The objective of understanding why organizations have structures yet vary in effectiveness has been studied by Ritchie and Ran (2006). They examined the processes of organizational adaptation and competitiveness in Argentinean context in a longitudinal approach. From their review of literature, they observe that researchers and experts have tried to develop a diagnostic model for establishing the correlation amongst various parameters affecting organizational effectiveness. Among the parameters are centralization, complexity, integration and coordination, span of control, and hierarchy of authority.

## II. Nature of Formalization

The nature of formalization is the degree to which workers are provided with rules and procedures that deprive versus encourage creative, autonomous work and learning (Miner, 1982; Cameron, 1986). The existing literature on organizational structure divides formalization as high versus low whereby a high level of formalization is related to a mechanistic structure and a low level of formalization is related to an organic structure. The literature on effectiveness generally assumes that a high degree of formalization has a negative relationship with innovation (Damanpour, 1991), while flexible work rules facilitate effectiveness (Pierce & Delbecq, 1977). Although formalization reduces ambiguity and provides direction to employees, it is not without disadvantages. A high degree of formalization may actually lead to reduced innovativeness because employees are conditioned to behave in a certain manner.

In fact, strategic decision-making in such organizations often occurs only when there is a crisis. A formalized structure is associated with reduced motivation as well as slower pace of decision-making (Fredrickson, 1986). Adler and Borys (1996) conceptualize formalization into coercive and enabling. This is because the attitudinal and behavioural outcomes among employees are attributed to the type of formalization enforced in the organization and hence a conceptual understanding of this construct among top management is deemed crucial (Adler & Borys, 1996). Besides, the different attitudinal and behaviour outcome of formalization

originates from the selection process. For instance, an accurate selection process, which takes into account job congruence or person-job fit element, may mitigate negative attitudinal or behavioural outcomes.

Adler and Borys (1996) introduce four features that embody enabling and coercive dimensions, namely repair, internal transparency, global transparency, and flexibility. In an enabling situation, repair means allowing employees to adjust or make necessary changes to the workflow to enhance production process while in a coercing circumstance employees have to follow the standardized work procedure and any deviation from it cannot be tolerated. However, as noted by Damanpour (1991), some researchers emphasize the need for well-established, rigid purpose and clearly specified work rules for the successful introduction of total quality management in organizations.

The work of Nahm *et al.* (2003) reveals that, depending on its nature, formalization may be restrictive or supportive of decentralization, flexibility and autonomous work. Nahm *et al.* (2003) quote a manager who claims that even though ISO-9000 substantially increases the amount of formalization as measured by written rules and procedures, the nature of it actually facilitates the decentralization of decision-making authority to lower operators. In this case, formalization becomes a tool that assists managers to cope with problems and issues rather than a boundary that prescribes solutions (Miner, 1982).

The level of formalization in this paper focuses on the nature of formalization that describes an organic structure as having rules and procedures that encourage creativity, autonomous work and learning, and a mechanistic or inorganic structure as having rules and procedures that deprive employees of such opportunities. Decision-making leads to knowledge creation which is an organization's extension to its capabilities and, therefore, decision-making transforms the individual or organizations' potential into the commitment to participate fully. Consequently, effectiveness of communication is determined by the extent of organizational knowledge and decisions for sharing and eventual performance. Organizations are in constant flux, out of which the potential for the emergence of novel practices is never exhausted. As such, organizational members follow rules but how they do so is a contingent cum local matter. It is a commonly held belief that people are less satisfied with their work in highly structured organizations. Organizational effectiveness, therefore, is viewed as an output achieved with minimal or no strain. Hence it was hypothesized that organizational effectiveness is a result of how the organizations deal with the nature of formalization within the structure.

### **III. Number of Layers in Hierarchy**

The numbers of layers in hierarchy is the degree to which an organization has many versus few levels of management (Walton, 1985). In a traditional command and control model, an expanding hierarchy may be a by-product of the systems and is justified by the need to control behaviour. However, in a commitment model, the management system tends to be flat, relies upon shared goals for control and lateral information rather than position, and minimizes status differences (Walton, 1985). Doll and Vonderembse (1991) state that employees organize self-directed work groups as part of this approach so that they can learn from one another, respond flexibly to changing markets, and provide value to customers. The effectiveness literature generally assumes that hierarchical levels increase links in communication channels, making communication between levels more difficult and inhibiting the flow of innovative ideas that could lead to effective organizations. Hierarchies are preferred for optimal coordination but lack agility due to the high formalization of rules and procedures characteristic of such a structure (Jimenez & Lockheed, 1995). However, according to Klein and Sorra (1996), the hierarchy remains one of the most prevalent structures found in contemporary organizations.

Mintzberg (1983) argues that training and indoctrination take formal power away from the top of the hierarchy and concentrate it with the operators and their immediate supervisors, thus shifting the locus of decision-making low in the structure. The more learning, knowledge-based work, and knowledge sharing present in the organization, the more decentralized and flatter the organization. To shift the locus of decision-making from a high to low in the organization, managers must train and educate their employees and immediate supervisors to enhance their ability and to provide the kind of formalization that will not discourage, but rather facilitate and encourage autonomous work and learning. A hierarchy with few layers forces organizations to shift decision-making downwards in the organization (Walton, 1985), and it enables the rapid transfer of information and ideas across the remaining levels of the hierarchy (Hull & Hage, 1982; Damanpour, 1991). To shift the locus of decision-making from the top to the bottom of the organization, organizations have to achieve a high level of horizontal integration (Gerwin & Kolodny, 1992). In this environment, cross-functional groups and teams, a characteristic of high level of horizontal integration, share knowledge and make effective decisions rapidly.

### **IV. Level of Horizontal Integration**

The level of horizontal integration is the degree to which departments and workers are functionally specialized (low level of horizontal integration) compared to being integrated in their work skills and training (i.e. high level of horizontal integration) (Davenport & Nohria, 1994; Gerwin & Kolodny, 1992). In accordance

with the spirit of division of labour, industrial firms usually separate functional departments so that work may be carried out in a sequential manner. In order to respond to the changing environment and to provide value to customers, workers are brought together in work teams, cross-functional teams, and task forces. Employees are usually cross-trained to understand the entire process better and are responsive to changing needs of customers (Vonderembse *et al.*, 1999; Jeffrey *et al.* 2005).

According to Mitchell *et al.* (2011), completely rational decision-making involves identifying alternatives, projecting the probabilities and outcomes of alternatives, and evaluating the outcomes according to known preferences. Employees feel appreciated when given the autonomy to decide. Decision-making within the specialization of activities enables an organization to respond to the changing environment (Kimberly & Rottman, 2007). The features of the environment of decision-making will be such that the structure and clarity of organizational goals impinge on preferences and choices and the amount of information about the methods and processes by which the goals are to be attained. Organizational processes constitute the ability of management to facilitate this. Therefore, it was hypothesized that organizational effectiveness is as a result of proper decision-making.

Communication plays a larger role in improving organizational life and organizational input. People do not behave in rational way if access to all of the information needed to make rational decisions are not availed and, therefore, tend to make irrational decisions. Communication is primarily a mechanical process in which a message is constructed and encoded by a sender, transmitted through a channel, then received and decoded by the receiver. Distortions, represented as any differences between original and the received messages can lead to misrepresentation or non-performance. It was, therefore, hypothesized that effectiveness can be achieved through proper communication.

## **V. Locus of Decision-making**

The locus of decision-making is the degree to which decisions are made higher versus lower in the organizational hierarchy (Daft, 1995). Walton (1985) states that firms operating under the control model of management emphasize management prerogatives and positional authority and allocate status symbols to reinforce the hierarchy. Organizations operating in uncertain environments should delegate decisions to the level where workers may quickly adjust to the changing situations and provide value to their customers. When organizational uncertainty is high, strategic decision-making authority may be centralized (Paswan *et al.*, 1998), but operational decision-making authority should be decentralized (Daft, 1995; Boerman & Bechger, 2006).

The locus of decision-making has a direct effect on organizational processes. Badore (1992) argues that involvement and empowerment are part of the modern paradigm for success in organizations. Organizational processes such as quality improvement efforts, quality service etc. can be facilitated when organizations give lower level employees discretion in decision-making (Koufteros *et al.*, 1998). Each of these activities depends on planning, preparation and coordinated actions by lower level employees. Beyer and Trice (1978) observe that centralization inhibits the implementation of innovation but that decentralization facilitates it. This suggests that successfully implementing organizational practices is predicated on a sufficient degree of decentralization in decision-making, that is, a low locus of decision-making.

Additionally, other scholars argue that while decision-makers in organizations frequently make good decisions rooted in stable and consistent preferences, such consistency in outcomes is not always the case. Mitchell *et al.* (2011) say that in hostile environments, managers make erratic decisions and in dynamic environments, managers make less erratic decisions. As such, decision processes underpin observed configurations of environmental and structural features and link these configurations to effectiveness. Conversely, Kimberly and Rottman (2007) argue that effectiveness is the outcome of a variety of decisions taken by one or more groups of organizational actors. Kimberly and Rottman (2007) assert that the approach sees organizations as evolving through time in response to, or in anticipation of, both external and internal forces.

Elsewhere, Huber and McDaniel (1986) argue that the nature of current and future organizational environments requires use of a design that responds to the increasing frequency and criticality of the decision-making process. Hence the focal concept is that organizations should be designed primarily to facilitate the making of organizational decisions.

The locus of decision-making can be impacted by the nature of formalization and nature of horizontal integration. By having decision-making from top to bottom of the organization, an organization should achieve a high level of horizontal integration, where knowledge sharing leads to rapid decision-making. Shifting decision-making from high to low in the organization requires training and educating the operators in order to enhance their ability and to provide the kind of formalization that will not discourage, but facilitate and encourage, autonomous work and learning. Hence it was hypothesized that decision-making correlates with organizational effectiveness.

Formalization, on the other hand, that discourages creative and autonomous work and learning, imposes constraints on communication and decision-making. The ISO, for example, increases the amount of formalization as measured by written rules and procedures, which should facilitate the decentralization of decision-making. This then will assist managers in dealing with problems and issues rather than a boundary that prescribes solutions (Nahm *et al.*, 2003). It is, therefore, hypothesized that nature of formalization either deprives or facilitates employees in decision-making.

## **VI. Level of Communication**

The level of communication is the degree to which vertical and horizontal communication is slow, difficult and limited versus fast, easy and abundant (Doll & Vonderembse, 1991). It consists of all processes by which information is transferred and received (Graham & Bernett, 1998; Terry, 2008). In a control model of management, vertical and horizontal communication would increase and the nature of vertical communication would change. Vertical communication would shift from primarily command and control to information and knowledge transfer. These changes become the basis for increased learning and responsiveness to customer requests. For organizations to be effective, it is necessary that internal communication facilitates dispersion of ideas within an organization and increases their amount and diversity (Abraham *et al.*, 2003; Gatti, 2011; Cheney *et al.*, 2004). A meta-analysis of the effectiveness literature suggests a positive link between internal communication and effectiveness (Damanpour, 1991).

According to Pearce and Robinson (2003), the 21<sup>st</sup> century organizations will increasingly see their organizational structure become an elaborate network of external and internal relationships. Pearce and Robinson add that the accelerated pace of complexity of business will continue to force organizations to push authority down through increasingly horizontal management structure. Mullins (2004) asserts that the structure of an organization affects not only productivity and economic efficiency but also the morale and job satisfaction of the workforce.

The level of communication also seems to be impacted by other dimensions of organizational structure (Rudolph & Welker, 1998; May & Mumby, 2005). A mechanistic structure with a nature of formalization that discourages creative and autonomous work and learning imposes constraints on communication. In this environment, there is a limited number of authorised channels of communication. This in turn limits vertical communication, and it may severely restrict or eliminate communication across the value chain. An organic structure stimulates cross-functional communication by creating an internal environment that encourages creativity and learning and that rewards the results of effective communication. As the number of layers in the hierarchy is reduced, vertical communication is enhanced and responsiveness to customer request is increased. With fewer levels, fewer people are involved in the communication chain so that both speed and accuracy increase (Hull & Hage, 1982). As organizations achieve a high level of horizontal integration, which includes knowledge sharing and training, the level of communication should increase (Damanpour, 1991). As the knowledge of each person in the organization expands, it becomes faster and easier for people from different functional areas to interact because foundational knowledge is understood by all participants.

A high level of communication facilitates coordinated actions, which is critical to the successful implementation of any radical innovation (Daft, 1995). The creation of organizational practices depends on fast, easy and abundant communication across the value chain and up the hierarchy (Walton, 1995). Organizational processes such as meeting deadlines, adhering to scheduled times, meeting the needs of the employees, building customer relationships are based on a high level of communication. Since communication facilitates dispersion of ideas within an organization; lack of it courses distortions in the performance of employees due to either lack of information or distortions in the presentation of it. As a result, the expected output may not be achieved as desired. An organization will not come to life unless communications effectively link all the parts of the system together and co-ordinate their activities. The decisions of management must be made known to employees, and some kind of control system must be arranged to ensure that these decisions are acted on. The decisions themselves should be based on a flow of information reaching management from all parts of the organization.

A defined organizational structure can increase the effectiveness of communication within the organization. A well-defined communication network can ensure that every person who needs to see a piece of information has access to it in time to make an appropriate decision. In the case of an organizational emergency, utilizing the communication portion of an organization's structure can ensure that important data is transferred to the decision-makers and that they can make key decisions to help keep the organization competitive. Effective communication complements managerial effectiveness in organizations and is also a means to achieving organizational objectives. Thus, communication is a key mechanism for achieving integration and coordination of activities of specialized units at different levels in the organization.

The above constructs are described in Table 1 below.

**Table 1:** List of Sub-dimensions for Organizational Structure

DIMENSIONS	DEFINITIONS
Nature of formalization	The degree to which workers are provided with rules and procedures that deprive versus encourage creative, autonomous work and learning
Level of horizontal integration	The degree to which departments and workers are functionally specialized versus integrated in their works, skills, and training
Locus of decision-making	The degree to which decisions are made high versus low in the organizational hierarchy
Level of communication	The degree to which high vertical and horizontal communications are slow, difficult, and limited versus fast, easy, and abundant versus slow, difficult

Source: Adapted from Nahm et al. (2003)

## VII. Materials And Methods

The research was carried out in Moi University and University of Eastern Africa-Baraton both in Kenya. The two universities were targeted because they are both situated in a rural setting, accredited by the Commission for Higher Education (CHE), are members of the Inter-University Council of East Africa (IUCEA), Association of Commonwealth Universities (ACU), and the Association of African Universities (AAU).

Moi University is a public university. Its Main Campus is endowed with ample land located in Uasin Gishu County, 310 kilometres northwest of Nairobi. The Main Campus is located 36 kilometres South East of Eldoret town on a 1,632.04 hectares of land which was originally a wattle tree plantation formerly owned by EATEC (Moi University Calendar, 1996/1997). Its other campuses include Annex Campus (School of Law) located 5 kilometres South of Eldoret on a 45.4-hectare land, Town Campus situated within Eldoret town, off Eldoret-Iten road, and Eldoret West Campus situated five kilometres on the Eldoret-Turbo road. The University also has eight satellite campuses and Constituent Colleges distributed across the country.

University of East Africa, Baraton was established on December 21, 1978 as a private university owned, managed and run by the Seventh-Day Adventist Church. It is situated in Kapsabet Municipality, Nandi County, 9km off the main Eldoret-Kapsabet-Kisumu highway. It is situated on 339 acres of land about 50km from Eldoret town in the western side of the Nandi County. The Eldoret International Airport is only 35km away, a forty-minute ride to the institution. Baraton University has five schools with 18 academic departments and seven administrative departments (Moi University Calendar, 1996/1997).

The study employed a cross-sectional survey design that was descripto-explanatory in nature since the study focused on constructing the causal relationships of variables as having explanatory objective that can be implemented by analysing quantitative data or qualitative information (Saunders *et al.*, 2007; Zikmund, 2000). The study targeted employees (teaching and non-teaching staff) of Moi University, as well as those of the University of Eastern Africa- Baraton. Table 2 below presents the total number of teaching and non-teaching employees in both institutions.

**Table 2:** Survey Target Population

Institution	Teaching	Non-teaching	Total
Moi University	934	1096	2030
UEA-Baraton	293	130	423
<b>Total</b>	<b>1227</b>	<b>1226</b>	<b>2453</b>

Source: Moi University Human Resource Records (2011); UEA-Baraton Human Resource Records (2011)

In order to ensure a high rate of response, the research opted for a sample size of 365 which is approximately closer to the desired sample size of 344. This was necessary so as to take into consideration the non-responses. Stratified random sampling proportionate to strata size was employed in the selection of the 365 respondents. In this case, the author stratified the population into teaching and non-teaching staff. Employment numbers were used to randomly pick the respondents from each stratum to participate in the study. This was achieved using proportionate sampling of both the non-teaching and teaching staff from the two universities. Consequently, a total of 300 respondents were sampled from Moi University and comprised 138 teaching staff and 162 non-teaching staff. Similarly, a total of 65 respondents were sampled from the University of Eastern Africa-Baraton, and consisted of 45 teaching staff and 20 non-teaching staff. Simple random sampling method was used to identify the teaching and non-teaching staff to be selected from each university population. Thus each of the 934 teaching staff from Moi University was assigned a number from 001 to 934. Random numbers were then picked to identify the required 138 teaching staff.

The primary data for the study was obtained through a questionnaire. Secondary data was obtained from existing literature under the topic and title of study. These included written information such as organization policies obtained from records/reports and/or University Calendar, published and unpublished books, journals, theses and dissertations, Ministry of Education documents, the internet, and previous research works done by other scholars. Two main tools were used to collect data, namely the questionnaire and a document analysis protocol.

Organizational processes were measured indirectly using four domains, namely team work, information processing and technology, management support and quality improvement efforts. Organizational effectiveness was measured indirectly using four dimensions. These were: productivity, stability, resource acquisition, and human resource satisfaction and development. Institutional organization structure was measured indirectly using four dimensions. These were: nature of formalization, level of horizontal integration, level of communication and locus of decision making (as adapted from Nahm *et al.*, 2003).

The data obtained was first screened and cleaned for missing values, normality and outliers. First, the Principal Components Factor Analysis (PCA) was used to determine the factor structure of the constructs. Construct means and standard deviations were computed to examine the variance in responses within constructs. The Shapiro-wilk test together with the normal Q-Q plots were used to help explain the normality of the data. Inter-variable correlation was then used to establish the degree of linear relationship between the study variables. Independent samples t-test was used to compare the mean differences in organizational structure and organizational effectiveness between the two groups drawn from the two universities. Multiple regression analyses were conducted to test whether nature of formalization and level of horizontal integration were antecedents of level of communication and locus of decision making respectively.

### VIII. Results And Discussion

Means and standard deviations for the variables were obtained for both UEA-Baraton and Moi University. The purpose was to compare the prevailing status of the antecedents, independent and dependent variables in the two universities.

#### Nature of Formalization and Level of Horizontal Integration as Antecedent Variables

Nature of formalization and level of horizontal integration were treated as antecedents to level of communication and locus of decision-making. Nature of formalization was measured using 5-items while level of horizontal integration was measured using 6-items. The response to items was elicited using a 5-point Likert scale ranging from 1-strongly disagree to 5-strongly agree. The results were as presented in Table 3 below. The results suggest that the prevailing levels of nature of formalization and horizontal integration are more elaborate in UEA-Baraton as compared to Moi University.

The mean response for UEA-Baraton ranged from 2.90 for the item “the nature of formalization discourages creative and autonomous work and learning” to 3.88 for the item “rules and procedures that guide quality improvement efforts are in place”. On the contrary, the mean response for respondents from Moi university ranged from 2.94 for the item “rules and procedures are clear on how employees can experiment with their jobs” to 3.19 for the item “rules that guide quality improvement efforts are in place”. This implies that whereas most of the respondents from UEA-Baraton were agreeable with the status of the nature of formalization in their institutions, a majority of respondents from Moi University appeared to remain neutral in their perceptions.

**Table 3:** Descriptive Statistics for Antecedent Variables

Antecedent Variables	Institution			
	UEA-Baraton		Moi	
	M	SD	M	SD
<b>Nature of Formalization</b>				
Rules and procedures are clear on how employees can make suggestions for changes	3.79	.977	3.15	1.139
Rules and procedures are clear on how employees can make job changes	3.52	1.075	3.02	1.187
Rules and procedures are clear on how employees can experiment with their jobs	3.81	1.001	2.94	1.158
Rules and procedures that guide quality improvement Efforts are in place	3.88	.874	3.19	1.125
The nature of formalization discourages creative and autonomous work and learning	2.90	1.192	3.10	1.108
<b>Level of Horizontal Integration</b>				
Tasks are performed through cross-functional teams	3.56	.895	3.13	1.035
Employees are assigned to work in cross-functional teams	3.68	.918	3.11	.931
Employees are trained to work in cross-functional Teams	3.54	.874	3.03	.930
Employees are required to work in cross-functional Teams	3.94	.873	3.20	.994
Managers are assigned to lead various cross-functional teams	3.78	.918	3.18	.944
Most important tasks are carried out by cross-functional teams	3.62	.92	3.22	1.051

Note: 1-strongly disagree, 2-disagree, 3-neutral, 4-agree, 5-strongly agree

Source: Survey Data (2012)

The same scenario was manifested regarding level of horizontal integration. The mean response to all the items for UEA-Baraton respondents was approximately 4 indicating agreement with the items; however, the mean response for all the items from Moi University respondents was approximately 3 which indicate that most of the respondents remained neutral on most of the items. Besides, the variations in response for UEA-Baraton

respondents were smaller compared to variations in Moi University responses. This shows greater consistency in agreements for the UEA-Baraton sample.

**Level of Communication and Locus of Decision-making**

Two dimensions of organizational structure, namely: level of communication and Locus of decision making were conceptualized as the independent variables in the present study. Level of communication was measured using a 6-item sub-scale while locus of decision-making was measured using a 7-item sub-scale. Respondents were asked to indicate their agreement/disagreement to the given items. As shown in Table 4, the mean response scores for both level of communication and locus of decision-making were close to 4 for the UEA-Baraton sample, but close to 3 for the Moi University sample.

This implies that levels of communication and locus of decision-making were perceived higher in UEA-Baraton as compared to Moi University. In particular, regarding level of communication, respondents from UEA-Baraton tended to agree that strategic decisions are quickly passed on to relevant work groups (M=3.65, SD=0.988); communication between different hierarchy levels is easy (M=3.77, SD=0.899); employees easily interact and communicate with upper management (M=3.85, SD=0.777); clear communication channels exist between departments/schools (M=3.94, SD=0.826); and that information received about the goings on in the institution is satisfactory (M=3.62, SD=0.932). On the contrary, the mean response for all these items from Moi University respondents indicated a neutral stance.

Similarly, regarding locus of decision making respondents from UEA-Baraton tended to agree that work teams have control over their jobs (M=3.58, SD=0.915); employees are encouraged to suggest changes on existing rules and procedures (M=3.83, SD=0.901); employees are encouraged to be creative in dealing with problems (M=3.88, SD=0.808); employees are involved in writing policies and procedures (M=3.75, SD=0.988); and senior executives make most decisions to ensure that the institution is consistent in its actions (M=3.83, SD=0.810). On the contrary, apart from senior executives making most decisions to ensure that the institution is consistent in its actions (M=3.79, SD=1.052), respondents from Moi University chose to indicate neutral to the other locus of decision making items. This shows that while the levels of communication and locus of decision making were perceived high in UEA-Baraton, this was not the case in Moi University.

**Table 4:** Descriptive Statistics for the Independent Variables

Independent Variables	Institution			
	UEA-Baraton		Moi	
	M	SD	M	SD
<b>Level of Communication</b>				
Strategic decisions are quickly passed on to relevant work groups	3.65	.988	3.17	1.032
Communication between different hierarchy levels is easy	3.77	.899	3.13	1.103
Employees easily interact and communicate with upper management	3.85	.777	2.85	1.088
Undistorted horizontal and vertical communication exists and allows for sharing of facts and feelings	3.46	.939	2.82	1.102
Clear communication channels exist between departments/schools	3.94	.826	3.33	1.110
Information received about the going on in the institution is satisfactory	3.62	.932	2.93	1.178
<b>Locus of Decision-making</b>				
Employees handle job-related problems by themselves	3.46	.896	3.10	1.043
Work teams have control over their jobs	3.58	.915	3.22	.927
Employees are encouraged to suggest changes on existing rules and procedures	3.83	.901	2.78	1.103
Employees are encouraged to be creative in dealing with problems	3.88	.808	2.98	1.102
Employees are involved in writing policies and Procedures	3.75	.988	2.95	1.169
Senior executives make most decisions to ensure that the institution is consistent in its actions	3.83	.810	3.79	1.052
Work is done through informal discussions rather than formal rules	3.27	.992	3.10	1.094

Note: 1-strongly disagree, 2-disagree, 3-neutral, 4-agree, 5-strongly agree

Source: Survey Data (2012)

**The Moderating Effect of Organizational Processes**

The study conceptualized that the relationship between organizational structure and organizational effectiveness is moderated by organizational processes. Consequently, organizational processes were measured via four sub-dimensions. Teamwork was measured using four items and the mean response ranged from 3.60 (SD=0.995) for the item “the competitive pressures are handled by all concerned” to 3.92 (SD=0.904) for the item “institution has a strong corporate culture and positive work climate” in the case of UEA-Baraton. However, the mean response ranged from 3.07 (SD=1.116) to 3.33 (SD=1.063) in the case of Moi University.

The mean scores for the three items measuring information processing and technology were higher for the UEA-Baraton sample (ranging from 3.98 to 4.23) than Moi University sample (ranging from 2.92 to 2.99). This implies that information processing and technology was perceived higher in UEA-Baraton than it was perceived in Moi University.

Management support was measured using three items and results (Table 5) revealed that UEA-Baraton respondents tended to agree that management encourages new ideas (M=3.94, SD=0.978); management provides the necessary equipment and conducive environment (M=3.88, SD=0.784); and the quality efforts by the institution presents an integrated management philosophy (M=3.90, SD=0.748). For the Moi University sample, the mean response in these items ranged from 2.82 (SD=1.164) to 3.02 (SD=1.115), which implies that management support was perceived more positively by the UEA-Baraton sample than the Moi University sample.

Results (Table 5) on quality improvement indicate that the level of agreement with the various items was higher in the UEA-Baraton sample than in the Moi University. For the UEA-Baraton sample, the mean response ranged from 3.48 (SD=0.874) for the item “corrective measures are carried out on all complaints registered” to 3.98 (SD=0.852) for the item “evaluations of course and instructor are carried out frequently”. On the contrary, for the Moi University sample, the mean response ranged from 3.02 (SD=1.014) for the item “the internal quality systems allow for satisfaction to all stakeholders” to 3.40 (SD=1.101) for the item “all departments have quality objectives that are achievable”. In addition, the values of the standard deviations were smaller for the UEA-Baraton sample than for the Moi University sample. This shows that responses from the UEA-Baraton sample were more consistent than responses from the Moi University sample.

**Table 5:** Descriptive Statistics for the Moderating Variable

Moderating Variables	Institution			
	UEA-Baraton		Moi	
	M	SD	M	SD
<b>Teamwork</b>				
Institution has a strong corporate culture and positive work climate	3.92	.904	3.23	1.083
There is team spirit, group loyalty and teamwork	3.87	.817	3.25	1.066
Most work is performed in teams without close supervision	3.67	1.043	3.33	1.063
The competitive pressures around us are handled by all concerned	3.60	.995	3.07	1.116
<b>Information Processing and Technology</b>				
Our institution is well automated to facilitate fast processes	3.98	.918	2.93	1.208
Both staff and students have access to computer labs	4.23	.962	2.92	1.298
All offices are provided with computer based systems in which to access and process information	4.23	1.002	2.99	1.273
<b>Management Support</b>				
Management encourages new ideas and supports staff to experiment on new ideas	3.94	.978	2.89	1.178
Management provide the necessary equipment and conducive environment	3.88	.784	2.82	1.164
The quality efforts by the institution presents an integrated management philosophy	3.90	.748	3.02	1.115
<b>Quality Improvement Efforts</b>				
The internal quality systems allow for satisfaction to all stakeholders	3.63	.793	3.02	1.014
Evaluations of course and instructor are carried out frequently	3.98	.852	3.35	1.121
All departments have quality objectives that are achievable	3.90	.774	3.40	1.101
Corrective measures are carried out on all complaints registered	3.48	.874	3.25	1.136
Management systems efforts used bear positive impacts on institution's performance	3.67	.879	3.36	1.097

Note: 1-strongly disagree, 2-disagree, 3-neutral, 4-agree, 5-strongly agree

Source: Survey Data (2012)

### IX. Theoretical Implications

Theories enable those who are interested in specific and natural phenomena to specify which elements are relevant to their questions and make specific assumptions that are necessary for them to understand and explain the phenomena (Deokro, 2004). The study was informed by two theories. First is the Systems Theory that regards organizations as social collections consisting of various participants who pursue multiple interests rather than a means to pursue specific goals (Scott, 1998). The study posits that this approach to organizations begin with the inputs, outputs, and functions of the organization as a system. As an open system, therefore, an organization interacts with the environment, and through a transformation process produces some valuable outputs. Systems Theory describes the interrelatedness of all parts of an organization and how a change in one area can affect multiple other parts. The most important matter for organizations as open systems is the ability to maintain successful transactions with the environment in order to survive. The theory helped the researcher to investigate both the principles common to both entities hence addresses problems regardless of disciplines.

Secondly, the Competing Values Model of Organizational Effectiveness was based on the recognition that organizations goals are simultaneously pulled in opposite directions by the expectations of multiple constituencies. The study clearly stipulates that an organization should not lean on either side of the organizational undertakings. The more the organization focuses on one side, the less it can concentrate on the other, and yet, there is need for quick response to changing conditions of the environment. Consequently, the theory also highlights the concern with the feeling, needs, and development of the people making up the institution versus the institution and its requirement to accomplish its tasks.

Structure, of course, is far from being the only factor likely to influence organizational effectiveness. The Contingency Theory of organizations holds that an organization must structure its activities in accordance with the demands of its environment. Conflicts are inevitable, and adapting to changes in the environment is important to managerial and organizational success, hence, managers must be able to make decisions contingent on current circumstances.

## X. Conclusion And Recommendations

High performing organizations move beyond conventional approaches and continually re-examine their approach to effectiveness assessment in the context of current and emerging market forces. There is need to document performances using indicators that reflect the needs and expectations of multiple stakeholders. The necessity for integration increases with increased environmental complexity, diversity and change. Therefore, it is recommended that horizontal integration is necessary in order to resolve conflicts, to ensure that the objectives and functioning are in consonance with overall organizational goals and strategies by developing rules and procedures, training, liaison roles and use of professional committees involving managers from different specialized units. Organizations must have a high level of horizontal integration where workers have a broad rather than a narrow understanding of problems and issues.

Since formalized rules and procedures, together with centralized decision-making, hinder employees from thinking outside the box, it is recommended that decision-making be decentralized to specialized sub-units and employees be encouraged to exert more efforts in achieving organizational goals by identifying whether or not the existing organizational structure is supportive for them.

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