

UNIVERSITY OF CAPE COAST

THE EFFECTS OF ORGANIZATIONAL STRUCTURE ON  
PERFORMANCE: THE CASE STUDY OF PLAN GHANA

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PERFORMANCE: THE CASE STUDY OF PLAN GHANA

BY

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Dissertation submitted to the Department of Management of School of Business, University Cape Coast, in partial fulfilment of the requirement for the award of Master of Business Administration in General Management.

MAY, 2016

**DECLARATION**

I hereby declare that this dissertation is my own work towards the master's degree in Business Administration, and to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

Candidate's Name: ADAMS DAABU INUSAH

Signature ..... Date .....

Supervisor's Declaration

I hereby declare that the preparation and presentation of the dissertation were supervised accordance with the guidelines on supervision of dissertations laid down by the University of Cape Coast.

Name of Supervisor: Prof. F. O. BOACHIE-MENSAH

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## ABSTRACT

Plan Ghana as a Non-Governmental Organization in search for a good structure went through re-structuring in 2011 and adopted decentralization strategy, where every Programme Unit operates as a semi-autonomous unit. Study has shown that an appropriate organizational structure is contingent upon the many factors including the environment, in which the organization conducts its business. The major objective of the study is to examine the relationship between the Plan Ghana structure and performance. The research adopted a descriptive research method for collecting and analyzing data. Sample of the various categories of workers was taken from the company's total population using purposive and stratified sampling techniques. Questionnaires were employed as the main tool of data collection for the study. The study found out that the organizational structure put in place after restructuring is organic due to the nature of its operations, the strategy, environment and size. However, this structure creates dual reporting lines and its accompanied problem of conflicts.

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**DEDICATION**

This work is dedicated to my late father and uncle.

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## CHAPTER ONE

### INTRODUCTION

#### **Background of the study**

Organizational behaviorists and human resource professionals have long been curious about the best way to structure a work environment in order to influence employee performance. While it is widely recognized that both dispositional and environmental factors jointly affect behavior and performance, there is a movement towards a focus on environmental factors because professionals can influence them. Traditional environmental factors that affect employee performance include certain tangible things such as, proper tools or equipment. However, in recent times, there has been a shift to conducting meso-level analyses (Suman, 2013), evaluating the effects of organizational structure on individuals' performance.

A suitable organizational structure assists employees in organizations and for that matter, non- governmental organizations to achieve high level of job satisfaction and performance. Good structure promotes timely delivery of quality programmes, low operational cost, and an increase in resources mobilization. In fact, effective organizational structure provides clarity of individual performance, established channel of communication, logical flow of work and effective use of resources (Dale, 2003).

The importance of organizational structure is linked with good governance as well as performance (Adams, 2002). An organizational structure is particularly effective if its elements are in line with set objectives and goals of the organization. It does not only spell out responsibilities and roles of employees, but also defines the framework under which the company

is set up. When an organizational strategy does not match with the most appropriate structure and controls, performance eventually declines (Jenster & Hussey, 2001).

Organizational structure, therefore, has many benefits from establishing a line of authority to ensure effective communication. Ensuring efficient and effective decision making process is the main theme of various organizational structures. Good managers simply want effective communication through all levels of authority and again want decision-making power to be decentralized for lower level managers to have a degree of autonomy.

In view of the important role good organizational structure plays, many organizations re-engineer their processes to improve performance, to adjust to the dynamic nature of the business environment and to reach its set objectives. Organizations also constantly modify and refine the mechanism by which they achieve their purposes by rearranging their structure of roles and relationship and their managerial processes (Kessler, 2007). To emphasize on this, for a company to continue to strive and sustain its competitive edge, managers must revamp their organizational structure to ensure efficiency in decision making for effective strategies to be implemented.

However, good organizational structure does not by itself produce good performance. But a poor organizational structure makes good performance impossible, no matter how good the individual managers may be. It is obvious that improved organizational structure will therefore result in improved performance (Suman, 2013). Many organizational flaws can be related to an inappropriate structure chosen in order to reach a desired goal.

When the organizational structure in a company fails, communication deteriorates, work load not well distributed, and subordinates misbehave and fail to operate effectively. One must regularly check his/her organizational structure to make sure it is meeting the needs of the business as the organization grows and changes (<http://smallbusiness.chron.com/happens-bad-organizational-structure-business-22934.html>, dated 6 March 2015).

An appropriate structure is contingent on both the type of work to be performed and the environment in which the organization conducts business (Adestam & Gunnmo, 2008). Different structures provide different strengths and weakness to the work to be performed and it is important to find out the effects of Plan Ghana structure on employees performance level.

### **Statement of the Problem**

Employees' job performance is influenced by many factors, one of which is the structure of the organization that the people work with (Pugh & Hickson, 2007). As mentioned, it has been observed that the most successful way of exploiting a strategic opportunity or implementing a change in a company is through a temporary process or to restructure the organization (Partington, 2000). It has been observed that while there seems to be an increasing trend towards implementing organic system the type of structure that should be adopted depends largely upon the conditions in which the organization is operating (Burns & Stalker, 1961).

The review of existing literature revealed two main gaps. The first is lack of empirical research on the effects of organizational structure on the performance of non-governmental organizations. Literature reveals extensive study on this topic on general organizations, but very little has been said about

international non-governmental organization (INGOs) in particular. Despite the rapid growth in the academic literature on NGOs management, the organizational literature on structure remains largely unexplored. The second is a general lack of descriptive material on NGOs when compared to other types of organizations. These deficiencies in the literature together provide the basis and a justification for this study.

According to Fayol (1949), principle of unity of command, organization can be structured such that subordinates take orders from only one boss and be responsible and accountable to him\her alone. This principle provides the enterprise with disciplined, stability and orderliness. It also creates harmonious relationship between officers and subordinates, and congenial atmosphere of work. According to Fayol (1949), if this principle is violated, authority is undermined, discipline is in danger, order disturbed and stability threatened. The violation of this principle has serious consequences on the organization.

Plan Ghana, a non-governmental organization, after September 2011 adopted a structure where some subordinates report simultaneously to both line and functional managers.

Most coordinators at the Programme Units and Programme unit accountants report to two separate managers. Apart from District Development Coordinators, all coordinators in the Programme Units report to programme unit manager (functional), on one hand, and also report to either a line manager in country office or a project manager (line) in a different Programme Unit. Also, one of the supervisors has the authority to employ cohesive powers on subordinates without involving the other supervisor of the employee

concerned. Some of the managers, especially Programme Unit Managers, have as many as ten to twelve staff reporting to them.

In fact, since different structures provide different strengths and weaknesses, and since there have not been any study conducted after restructuring in 2011, there is, therefore, the need to investigate how the current structure of Plan Ghana affects job performance of employees and its implication on operational cost, resource mobilization and timely delivery of quality and sustainable programmes to the communities.

### **Objectives of the study**

The main objective of this study was to identify the effects of the organizational structure of Plan Ghana on employees' performance. The following specific objectives were expected to be achieved by the end of the research:

- To determine the basis of the organizational structure put in place by Plan Ghana.
- To determine the relationship between Plan Ghana structure and employee job performance.
- To determine the relationship between Plan Ghana structure and operational cost.
- To identify the strengths and weaknesses of Plan Ghana's structure.

### **Research questions**

The main questions that this study sought to answer were:

- What is the basis of the organizational structure put in place by Plan Ghana?



- What is the relationship between the organizational structure and job performance?
- What is the relationship between this structure and operational cost?
- What are the strengths and weaknesses of the structure?

### **Significance of the study**

There is a consensus that adopting the appropriate organizational structure has positive influence on job performance, and there are many who stand the chance to benefit from this research. It will serve as a document that will assist Plan Ghana and other Non-governmental organizations in the following ways:

The findings of the research work are expected to sensitize Plan Ghana and other organizations about the benefits of adopting an appropriate structure. This research will broaden the knowledge of the students who are interested in learning much on organizational structure and its effects on performance. It will also give researchers and other stakeholders literature on the area of the study.

The recommendations that will be made in the study will provide possible solutions to the problems involved in the current structure adopted by Plan Ghana.

### **Organization of the study**

This study is divided into five chapters. Chapter one deals with the introduction which covers issues such as background, problem statement, objectives of the study, research questions, and significance of the study. Chapter two is devoted to the review of literature which includes the meaning

of organizational structure, signs of poor organizational structure, forms of organizational structure, factors influencing structure, meaning of performance and empirical literature review. Chapter three discusses methodology used in this research. It covers issues such as the study design, research instrument used, and population of the study, sample size and procedure for sampling, data collection procedure and method of data analysis. Chapter four comprises data analysis and presentation of findings. Chapter five presents the summary of findings, conclusions and recommendations.

## CHAPTER TWO

### LITERATURE REVIEW

#### **Introduction**

A review of literature is a classification and evaluation of what accredited scholars and researchers have written on a topic (Taylor, 2007). The essence of literature is to guide and expose the researcher to various works similar to the topic being investigated (Spector, 2014). This is divided into two main areas of literature review. The first relates to the relevant theoretical component of the research problem. This looks at organizational structure, forms of organizational structures, factors influencing organizational structure and organizational performance. The second relates to the empirical context of the study. That is, what other researchers say about organizational structure and how it affects employee performance.

#### **Organizational Structure**

Organizational structure may be considered as the anatomy of the organization, providing a foundation within which organizations function. The structure of organization is believed to affect the behavior of organizational members (Hatch & Cunliffe, 2012). Similarly, behavior in organizations is influenced by the organization's structure. The influence in this regard is not so apparent but assumed to be very pervasive.

Organizational structure can be seen as the established pattern of relationship among the component parts of a company. That is the way that a company is set-up, formally defined framework of an organization's tasks and authority relationship. Accordingly, organizational structure is the formal system of task and reporting relationship that controls, coordinates and

motivates employees so that they cooperate to achieve an organizational goal (Underdown, 2003). Similarly, Suman (2013) defined an organizational structure as the sum of total in which its labour is divided into distinct tasks and then its coordination is achieved among these tasks. There is no such thing as a best organizational structure and therefore one needs to carefully consider the reason why the organization exists and select or develop a structure that will bring internal harmony, as well as alignment with the organization's situation (Suman, 2013).

Organizational structures perform two basic functions, each of which is likely to affect behaviour (Hatch & Cunliffe, 2012). First, structures are designed to minimize or at least regulate behavior of individuals in the organization and, second, structure is the setting where power is exercised, decisions are made and in which organization activities are carried out (Hatch & Cunliffe, 2012). The appropriate unit of structure for organizations is not the interior walls or room size but rather, focus is on the size of the organization's span of control and vertical span (chain of command). The notion of span of control has occupied a central position in management, both in scholarly analysis and practical implementation (Adestan & Gunnmo, 2008). Span of control plays an important role in organizations and has implications for organizational structure, how decisions are made, the interactions between supervisors and subordinates are an important aspect of a manager's coalition. Early studies on span of control seek to determine how many subordinates a manager can supervise (Woodward, 1967). While these studies were done several years ago, the notion of span of control remains relevant for organizations today. Traditionally, span of control is defined and

measured as the number of direct subordinates a manager supervises (Adestan & Gunnmo, 2008). Since all managers “manage” at least one subordinate, span of control applies to managers at all levels throughout the organization. Contrary to classical notion, it is stated that larger span of control is superior as it provides opportunity for personal initiatives and better communication (Adestan & Gunnmo, 2008). If the span of control is too narrow, this may present a problem of coordination and consistency in decision making and hinder effective communication across the organization structure (Adestan & Gunnmo, 2008).

According to Adestan and Gunnmo (2008), at the top level of management, the span of control should not be more than 1:6 while at the lower level of management, the span of control should not be more than 1:20. This means the superior at the top level should not have more than 6 subordinates under his/her control. Similarly, the superior at the lower level should not have more than 20 subordinates under his/her control. However, these are only theoretical figures. In practice, the span of control depends on many factors such as nature of work, ability of superior, ability of subordinates (<http://kalyancity.blogspot.Com/2011/08/what-is-span-of-control-meaning.html>).

Vertical span refers to the number of hierarchical levels of organization and is closely related to span of control. With a given number of employees, relatively tall structure must necessarily have a wider average span of control. Any efforts to reduce the number of levels will lead to an increase in the span of control. As organization grows in size, it either needs more managers to control the productivity, thereby adding layers of management hierarchy, or it

increases the number people a manager supervises, increasing exponentially the management complexity. The design of organizational structure, therefore, needs to maintain an appropriate balance between span of control and chain of command (Mullins, 2007).

### **Signs of Poor Organizational Structure**

When business problems emerge, signs often exist within the organizational design or components of the organizational structure. In some cases, these signs can be early indicators of significant problems that need to be addressed (Underdown, 2003). Infact, low productivity levels may indicate a problem in an organization's structure. Through inefficient resource allocation, poor vertical communication and employee empowerment constraints, employee may not have proper environment to accomplish their assigned task in an efficient way (Underdown, 2003).

Unequal distribution of workload between department and individuals may also be an indication of poor structure. Underdown (2003) states that when some departments of the organization are overloaded with work which they struggle to finish while others hardly get work to keep them busy then the organization structure has not been optimized.

According to Dale (2003), organizational structure may have a problem when there is no teamwork. That is when employees are unwilling or unable to cooperate with one another and do not feel a sense of camaraderie. Workers focus on their individual task and fail to offer assistance to colleagues unless directed by their supervisors. Wang and Ahmed (2003) state in no uncertain terms that organization structure has problems if decision making

authority is directed to the wrong person or travel through multiple layers of management before results are rendered.

### **Forms of organizational structure**

Organizational structure is far more than simply creating a diagrammatic structure. Organizational structure takes forms from a functional structure, by process or equipment, structure by geographic location, matrix and hybrid structures. The matrix structure is the type of structure in which an employee is required to report to both a functional manager and the manager of specific project (Greenberg, 2011). In essence, each employee reported to two bosses. The structure by geographical location is where an organization allows its offices in the different locations to operate independently but adhering to company policies (Ashton, 2004). This structure allows executives in each location to act as overall supervisor and be responsible for its entire operations. The structure by process, products or processes creates self-contained divisions, each of which is responsible for everything to do with a certain product, process or group of products (Greenberg, 2011).

In a functional organizational structure, activities are grouped together by common function from the bottom to the top of the organization (Anand & Daft, 2007). Under this structure, activities are specialized and grouped together into specific areas, which enhances decision making and allows the company to be more effective. Elimination of operational inefficiencies in the company maximizes employees skills and performance due to the fact that, they are working in the realm of their own expertise. Also, Burns and Stalker (1961) distinguished between organic and mechanistic as the two main

organizational structures. This study will look into details the organic and mechanistic structures and their implication on performance.

### **Mechanic structures**

The mechanic structure is characterized by authority and control, where decision-making is made at higher levels, indicating a centralized organization. Written rules and regulations are common, as the formulization in a mechanical organization is stressed.

There are also clear role-descriptions, including authority, responsibilities and prestige associated to each specific role. Each employee commonly answers to the person seated higher in the hierarchy pyramid (Hatch & Cunliffe, 2012). The work processes are usually very standardized and the employees working in such structures know exactly their individual well-delimited task, what they are expected to do and how it should be done (Hatch & Cunliffe, 2012). Initiatives on how to improve work processes are not seen as beneficial, since a new way of doing things requires policies to be written and supervisors to be thoroughly introduced to the change. Thereby, the mechanical approach limits and hinders innovation (Harmon, 2010). A vertical communication where the superior gives instructions to the subordinates is used rather than a horizontal discussion (Hatch & Cunliffe, 2012). This implies that the mechanical structure assumes that knowledge and competence is concentrated to the top management. This creates a heavy dependency upon the competence and leader ability of the decision makers and it is not always the case that the same person possesses both (Harmon, 2010). With a mechanical structure, there is a risk that the goal for the employees is to simply follow the rules. Additionally, there are less utilization



of the knowledge and competence of the employees, which can cause unmotivated and dissatisfied workers (Jacobsen & Thorsvik, 2013).

### **Organic structure**

An organic structure has the same decision-making process as a decentralized organization, where the ones possessing the right knowledge and experience regarding the decision at hand make the decision. Expertise is how prestige is acquired as authority is based on knowledge and competences rather than level in the hierarchy (Hatch & Cunliffe, 2012). In an organic structure, problem solving and interaction allow for redefinition of tasks and work methods. The responsibilities and roles are defined over time depending on situation, it thereby enables for the use of personal expertise and creativity. An organic structure uses formalization to a smaller extent than a more mechanic structure, and uses horizontal communication and consultation between departments rather than vertical instructions. In an organic structure, employees rather seek advice from each other instead of give strict instructions. The organic structure allows for innovation and is thus more suitable and beneficial when used in a changing environment with high requirement on adapting to the surroundings (Hatch & Cunliffe, 2012).

Taking the organic structure to the edge is when there is no form of either standardization or formalization of behavior and though job descriptions are present in the organization but they are not strictly adhered to (Jacobsen & Thorsvik, 2013). No supervision should be exercised rather managers should have coordinating responsibilities, acting more as peer than supervisors with their influence coming from their expertise and skills rather than from their

formal position. Such an extremely organic structure is not efficient, but can still be found even though rarely (Suman, 2013).

Also, less extreme variation of the organic structure is where teams are put together to solve a problem where the selection of the members should be based on competence rather than according to their level in hierarchical system. This lead to an increase in initiatives by the employees at “lower” level. The focus for these teams should be on the end result rather than the milestones along the way. This means that the team has the freedom to decide on how to reach the end result with a given set of resources. This freedom allows for better utilization of the different capabilities and knowledge of the employees.

These teams should be created as a response to the occurrence of problems needing a solution rather than as a response to instructions and orders to carry out the work (Adestam & Gunnmo, 2008). Management should focus on integration of the teams, but not telling them what and how to do, as it is the responsibility of the team. Therefore, a high responsibility is put on the individuals as a group where the work requires a great deal of cooperation. The drawback of this kind of organic structure is that there is a risk that the teams become too autonomous and create their own goals deviating from the ones of the larger organization (Harmon, 2010).

From the above explanations, researchers theorize that the width and height of organizational structure affect organizational performance. Theoretically, researchers and theorists present two extremes for possible models of structures. They are the organic structure and mechanistic structure. The model of an organic structure would be a flat and cross-functional team,

with low formalization, possessing comprehensive information and relying on participative decision making. The model of mechanistic structure would be the opposite and would be characterized by extensive departmentalization, high formalization, limited information and centralization (Robbins & Bennett, 1995). Thus the organic model of structure will be flatter, while the mechanistic model or structure will have the reverse.

### **Factors influencing structure**

Traditionally, the main environmental variables that influence organizational structure under the contingency approach are an uncertain environment (Hage, 1980), technology (Perrow, 1967) and business size (Pugh & Hixson, 2007). Mullins (2007) confirmed this, but other writers included human resource as well.

Technology can be defined as the information equipment, techniques and processes required to transform input to output (Robbins, 2006). The more complicated the technology, the more difficult it is to control and regulate and, therefore, the more a flexible structure (organic) required for ability to respond to unexpected solutions (Perrow, 1967). In contrast, the more routine the technology, the more appropriate for rigid (mechanistic) structure. Robbins et al (2013) suggest that routine technology is positively related to low complexity and high formalization, while it is only positively related to centralization if formalization is low.

Chandler (1990) started the mainstream discussion on the relationship between structure and strategy and found that 'structure follows strategy'. A high cost strategy usually succeeds best with flexible structure (organic), because managers can develop new or innovative products quickly with

corporation among functions or departments. On the other hand, low-cost strategy calls for mechanistic design (Chandler, 1990).

The uncertainty and complexity of the firm's environment determines the appropriateness of organizational structure. Some of the environmental aspects are hostility, equivocation and unpredictability (Cross, 2015). Burn and Stalker (1961) made a landmark contribution that an organization should be mechanistic in a stable environment and organic when environment is turbulent. There was a suggesting that formalization and environmental uncertainty are inversely related, environmental complexity and decentralization are positively related and that hostility in the environment leads to centralization (Robbins et al, 2013).

The characteristic of the human resource the organization employs also influences the structure to use. The more highly skilled the workforce is, the more likely an organization is flexible and uses a decentralized structure. On the other hand, if human resource are less skillful and need more close supervised, the more centralized and rigid the structure will be.

Size is quite directly related to structure. As organizations grow, both the opportunity and need for work division and coordination rise. Pugh and Hickson (2007) empirically supported these findings. Robbins et al (2013) summarized that complexity and formalization are positively related to size while research on centralization yields mixed findings. Suman (2013) found positive correlation between size and complexity, formalization and decentralization.

## Performance

Organizational performance is probably the most widely used dependent variable in organizational research today, yet at the same time it remains one of the most vague and loosely defined constructs. The struggle to establish a meaning for performance has been ongoing for many years, and is not limited to the field of strategic human resource management. Over many years ago, Katz and Kahn (1978) commented that the existence of the problem of developing satisfactory criteria of organizational performance is clear enough; its solution is much less obvious.

Harel and Tzafirir (1999) defined strategic human resource management as the pattern of planned human resource deployments and activities intended to enable the firm to achieve its goals. Implicit in this definition is that the ultimate goal of strategic human resource management is to contribute to organizational performance through increasing the likelihood of goal attainment. For simplicity, the goal is often assumed to be financial performance or wealth creation. Organizational performance encompasses three specific areas of firm outcomes: (1) financial performance (profits, return on assets, return on investment, etc.); (2) market performance (sales, market share, etc.); and (3) shareholder return (total shareholder return (Cameron & Whetten, 1983).

The gaps identified in these definitions are that they only concentrate on financial performance and said nothing about operational performance. Also, these definitions do not relate to what goes into performance in non-governmental organizations, especially Plan Ghana.

Non-governmental organizations have less use of financial measures due to the fact that they do not endeavour to profit, but since there are other aspects to measure performance, NGOs are capable and have an interest in measuring performance. According to Morshed and Asami (2015), the survivability of non-profit social service organizations are contingent upon their capability of measuring and evaluating performance.

The performance of NGO's, and for that matter Plan Ghana, is the measure of how well it contributes to other people's efforts to improve their lives and societies. To achieve the above, Plan Ghana see performance as the ability to sustainably mobilize resources, implement quality and sustainable programmes in the communities, match operation cost to 20% or less of the entire budget and the ability to spent the yearly allocated budget. In order to achieve good performance, organizations' put in place attractive and supportive working environment.

According to Chandrasekhar (1999), employee's performance at the workplace is influenced by factors like interpersonal relationships, control over environment, shift, emotional factors, overtime duty, and physical aspect which include office space and furniture. All these can be described as attractive working environment. An attractive and supportive work environment can be described as an environment that attracts individuals into a profession, encourages them to remain in the profession and enables them to perform effectively. The purpose of providing attractive work environments is to attract and retain good staff (Brill, 1990). Supportive and attractive work environments provide conditions that enable workers to perform effectively, making best use of their knowledge, skills and competences and the

available resources in order to provide high quality services (Brill,1990). Haynes (2008) stated that the level of interaction among employees significantly affects their performance because they share ideas and trust one another.

### **Empirical review**

Organizational structure is a fundamental concept in understanding organizations and management. Organizations have to make provision for continuing activities directed towards the achievement of given aims. Regulation in activities such as task allocation, coordination and supervision are established, which constitute the organization's structure (Pugh & Hickson, 2007). The study of organizational structure is at the heart of organizational theory (Pugh & Hickson, 2007), and organizational theory can be defined as the study of structure, functioning and performance of organizations and the behavior of groups and individual within it.

In fact, despite a rapid growth in the academic literature on NGOs management, the organizational structure of NGOs remains largely unexplored. Morshed and Asami (2015) undertook a review of NGO management literature, but structure of NGO did not feature prominently in their review. They identified four major themes and issues in the NGO management literature.

The first theme is the strengths and weaknesses of NGO organizational problems and the nature of NGO management. The relationship between NGOs and government agencies is the third theme. Finally, the fourth theme is the relationship between the northern and southern NGOs. It is within the general theme of organizational problems and nature of NGO management

that reference to organizational structure was found. The references identified centre around the question of centralized versus decentralized structure, the adequacy of a bureaucratic structure, and the pressure for a participatory structure (Morshed & Asami, 2015).

There is an important discussion in the NGO and nonprofit management literature concerning the distinctiveness of these organizations vis-à-vis state and for profit organizations (Morshed & Asami, 2015). Interestingly, Massoud (2015) believes NGOs are essentially like any other organization, whether profit or nonprofit organizations and “nut and bolt” management theory be applied to their organizations before they even consider any distinctiveness.

On the other hand, other authors (Morshed & Asami, 2015) have warned that NGOs and profit making organizations are not the same and indiscriminate adoption of other mainly private sectors literature into nonprofits and NGOs is misplaced. This debate is very relevant, because there is a lack of theoretical development around the management of NGOs. This lack led to the search for relevant theories in the generic organizational literature looking for theories, which could help understand NGO reality. To the extent that NGOs are distinctive, theories developed by researching other types of organizational literature will be more useful.

There is an underlying theme in the literature around the legitimization of decentralized structures for NGOs. Koch, Galaskiewicz and Pierson (2015) described the tension between centralization and decentralization in international advocacy NGOs. They presented the model of federal organizational structure as the most adequate organizational form to



accommodate the demands of national diversity and international coordination. Hudock (1995) also looked into international NGOs and concluded that their most likely structure is organic one and that mechanic structure is not likely to be found in international NGOs. Junk (2015) argue that the bureaucratic structure may be inappropriate for the work and internal constitution of NGOs.

In terms of participatory structure, Frantz (2015) argued that NGO management and structure is often claimed to be participatory, but little has been written on it. This is even more surprising, since there are a large number of references to participatory development. Much has been written on the external aspect of participatory development, but not much on the internal organizational factors, which may be related to participatory development. He relates a participatory structure to the nature of NGOs' participatory development work. Participatory management may represent a conscious effort to exercise management authority in ways that are consistent with the broader social values of the NGO. In particular, it may be seen as an attempt to address the management challenges that task of promoting community participation imposes on an organization.

Various studies on NGO management challenges indicated the expectations of staff to participate in all levels of decision making (Morshed & Asami, 2015). That is their desire for a participatory structure. Contrasting with the previous views, Books (2002) argued that NGOs should not necessarily adopt a participatory management style (or structure) just because development should be participatory.

In the nonprofit literature, structure and performance have been shown to be correlated. Brooks (2002) examined 19 non-profits organizations and concluded that dysfunctions in structure are associated with organizational failure and also observed that a variety of structures are associated with good performance.

Bordt (2007) represented one of the few works in the literature that directly researched nonprofit structure. She undertook a study on the structure of women's nonprofit organizations. She began by reviewing previous studies on women's nonprofits, which described a division of organizational structures around two ideal types, bureaucracies and collectivities. She then tested the main factors affecting structure and concluded that ideology, tasks, environment, size, and age as predictors of structure. She found that age was the most important predictor of structure. This finding is consistent with the organizational life-cycle literature (Nath, 2015). It contradicts, however, Jenster and Hussey's (2001) claim that there is a correlation between the time in history that a particular type of organization was invented and the social structure of organizations of that type which exist at the present time. Organizations that are born during the same era will look alike and will carry that structural 'imprint' for the duration of their lives (Bordt, 2007). Jester and Hussey's (2001) claims were correct: the older women's organizations should have been collectivist in structure because they were imprinted as such during the early years of the women's movement. Older organizations were more bureaucratic, which is consistent with the life-cycle literature (Nath, 2015).

According to Bordt (2007), ideology and tasks were strong predictors of structure. Organizations with routine tasks are more likely to adopt

bureaucratic structure than organizations with non-routine tasks. This finding is consistent with contingency theory (Perrow, 1967). In terms of ideology, more explicitly feminist groups tended to be collectivities. This finding is consistent with a large literature which claims that NGOs (nonprofits) are value driven (Koch, Galaskiewicz & Pierson, 2015).

More controversial is Bordt's (2007) finding, that the environment and organizational size were not very important factors influencing structure. This finding conflicts with a classic study from the general organizational literature. According to Pugh and Hickson (2015), Aston Group analysed purpose, ownership, technology, size, and dependence on formal structure. This study collected extensive data from organizations in a variety of fields and concluded that both size and environment were important predictors of structure. The larger the size, the more structured the organization is. This finding contradicts Bordt's (2007) conclusions. Also, contrary to Bordt's (2007) findings, environment is another important influence on structure. The more dependent on external organizations the less autonomy and the more centralized the decision making is in the organization.

This conflict between the findings of Bordt and the Aston Group is very important for our purpose of understanding NGO structure. On the one hand, the Aston Group's evidence is much stronger than that of Bordt's findings. Bordt (2007) collected her data on 26 non-profits organizations. She estimated that the population of women's nonprofits target population is 200. Her sample of 26 organizations is too small for any good conclusions to be drawn. In contrast, the Aston Group's experiment is held out as a classic study on organizational structure (Pugh & Hickson, 2015). Bordt referred to

previous study on women's nonprofits which question the inevitability of the impact, leaving open the possibility that women's organizations can resist bureaucratic pressure or even affect government structures and practices themselves.

In fact, Bordt's findings run counter to the growing recognition of the importance of the environment on organizational structure. This view, shared by a variety of contemporary theoretical perspectives (population ecology, resource dependence, new institutionalism), is that structures are created to deal with environmental pressures and that these pressures vary among environments (Meyer, 1992).

Bordt's research focuses on NGOs (nonprofits) and as such her findings may be defended on the grounds that NGO management is distinctive of that of other sectors of organization that is from general organizational theory. Most of organizational theory ideas have been generated studying large companies and may be inappropriate for understanding NGOs (Meyer, 1992).

There are two main flaws with this argument. First, the idea that NGOs are distinctive has been used more as a warning about, than a rule against, applying general organizational theory to NGOs or nonprofits. The need for 'nuts and bolts' management theory, according to Ditcher (1989), has dominated both practice and research on NGOs. It has not led to distinctive theory building or to the rejection of any particular theory from the generic organizational literature. Instead, it suggested the need to expand some of the existing theories to include some particularities of NGOs. We should, thus, question Bordt's findings in the light that they run counter to that of

organizational theory, but we cannot instantly reject them because it may be that the environment has some influence but in NGOs that influence is too small to show.

Second, a closer look at arguments for the distinctiveness of NGOs show that Bordt's study is not controversial in relation to 'distinctive' issues. NGOs have been said to be distinctive because of, for instance, their ownership, motivation of members and type of activities they implement (Hudock, 1995). Bordt's controversial findings were about size and environment. Not much has been said about the distinctiveness of the environment NGOs are immersed in as a cause of organizational distinctiveness. Could NGOs face a different organizational environment from other organizations and be distinctive organizations as a result? Perhaps an initial answer to this problem revolves around the recognition of multiple constituencies that NGOs face. Contingency theory (Massoud, 2015) defended that different parts of organizational environment will influence differently different parts of structure. In the NGO literature, some authors have alluded to the impact of these multiple constituencies in changing NGO literature structure (Anheier, 1990).

Bordt (2007) found that receiving state funds did not have an important influence on the structure of the nonprofits she studied. This finding goes against much descriptive data on NGOs and nonprofits. There is an important body of literature on the 'contract culture', which contradicts Bordt's finding that the environment does not have much influence on structure. The argument is that, basically, as non-profits organizations receive more income from the state in a contract form, they become increasingly bureaucratized (Song,

2013). A similar literature exists on NGOs about their dependence on resource providers on their environment, such as official agencies (Morshed & Asami, 2015).

An important theme in NGO management research is the relation with the state (Morshed & Asami, 2015). There are many references to the possibility of formalization or institutionalization when NGOs become too close to the state. One possible consequence is a change from a participatory structure to a bureaucratic one (Morshed & Asami, 2015). A similar thesis is put forward in nonprofit research and its analysis of the 'contract culture' (Song, 2013). According to Hudock (1995) NGOs have multiple internal realities reflecting different external constituencies. They argued for an external as well as internal perspective in the diagnosis of organizational problems. It is often in the external environment that internal problems originate. The influence of the environment on NGOs goes beyond the problem of resource dependency. It has also been observed that NGOs (nonprofits) are highly institutionalized organizations (Sengupta, 2015).

Despite the importance of the institutional environment to NGOs very little research has analyzed this relation. Quick and Nelson (2011) is a notable exception, providing the most detailed analysis of the impact of the institutional environment on NGOs. She developed and applied a conceptual framework to analyze the relation between Southern and Northern NGOs. Her framework was based on Resource Dependency Perspective (RDP). She argued that the quantity and quality of relations to resource providers are critical to the resource dependency of an NGO. The more resource providers a NGO has, the less resource dependent it is, but the more resources it has to

spend maintaining those relations. Her work provides a stepping stone for the application of RDP to NGOs. Quick and Nelson's (2011) conceptual framework, however, was developed to understand relations between organizations and not organizational structure and to explain organizational structure.

This is an unresolved debate needing more empirical investigation. In particular, the relation between the environment and structure must be specifically addressed. On the one hand, most writings on NGO management ignore the influence of the environment (Quick & Nelson, 2011). Even despite the widespread acceptance in the non – management literature that the environment has an important influence on NGOs, Bordt (2007) provides a strong reinforcement of this position after establishing a very weak correlation between environment and structure.

Fundamental to the understanding of the relation between environment and structure is the concept of slack (Lunenburg, 2012). Slack permits to buffer the influence of the environment allowing time for adaptation and learning. Slack also permits the loose coupling of (formal) structure and activities. Formal structure can then respond to the environmental demands made on the organization, while activities can respond to effectiveness imperatives (Meyer 1992). Slack is extremely important if effectiveness is to be achieved in strongly institutionalized environments, where organizations have to devote a large part of their resources to maintaining a structure which gives the organization legitimacy. Despite the relevance of the concept, there has never been a study of slack in NGOs or nonprofits.

Also, administrative intensity, which plays a key role in performance is defined as the number of administrative personnel divided by the number of productive workers. Jreisat (2001) stated that the ideal range of administrative intensity to be 8:7 in the logging industry to 131:1 in the drug industry. He found administrative intensity to be inversely related to performance. Contrary to Jreisat's view, Horngren (2006) reported positive relationship between administrative overhead cost and performance levels. Under this circumstances summarizations of this point is not possible and the allege relationship between administrative intensity and performance remains unsettled.

Researchers have operationalized organizational structure in a number of ways. Two of the most popular ways were to conduct interviews with top management personnel or to tape and code conversations that took place within organizations (Hanks, 2015). While these methods provide a one way to measure conduct, they are plagued with methodological issues such as bias.

Another way researchers operationalized organizational structure was by identifying distinct piece of organic structures and then using surveys to measure these pieces. For example, most studies that examined organizational structure in this manner used indices of centralization and formalization (Hanks, 2015). Highly centralized decision making is characteristic of mechanistic organizations and means that decisions are made by a small body of individuals who have authority over the organization.

On the other hand, decentralized structures are characteristic of organic organizations and refer to the decision making process taking place at all levels of the organization. Formalization refers to the rules and guidelines



within the organization. Organizations with high levels of formalization require its members to adopt specific rules and guidelines as well as instill a sense of conformity among its members. This high level of formalization is characteristic of mechanistic organizations. On the contrary, organizations with less formalization allow their members to interact with one another freely. While these methods are more standardized, they do not facilitate a comparison across studies because the choice of exact constructs and specific scales tended to vary across studies.

Using the aforementioned types of scale, researchers have empirically examined the effects of both organic and mechanistic structures. One study reported that the communication patterns within organic and mechanistic organizational structures vary. Junk (2015) found that the communication patterns within mechanistic structures tend to be authoritative and command oriented while the patterns of communication within organic structures tend to be consultative.

Ambrose and Schminke (2003) examined the relationships between organizational structure and three types of justice: distributive justice, procedural justice and interactional justice. Distributive justice refers to individual's perception regarding the fairness of outcomes, while procedural justice refers to the perceived fairness of the process that is used to distribute rewards and punishment (Spector, 2014). Interactional justice is an extension of procedural justice and it refers to the way in which the management treats and relates to the recipient of the justice (Spector, 2014). It was found that organizational structure moderated the relationship between procedural justice and an employee's perceived organizational support (Ambrose & Schminke,

2001)) such that the relationship between this type of justice and perceived organizational support was stronger in mechanistic rather than organic structures. They also found that organizational structure moderated the relationship between interactional justice and supervisory trust. That is, how much an employee's trusts their supervisors such that this relationship was stronger in organic rather than in mechanistic structures. This study is important, because it shows how organic and mechanistic structures differentially affect individual's perception within organizations.

Other researchers have examined the direct effect of mechanistic and organic organizational structures on employee's behavior and performance. Walton (2005) operationalized key pieces of Burn and Stalker's (1994) conceptualization by focusing on the concepts of centralization and formalization. It was, again, Walton (2005) who found that within medium of large organizations, high amounts of centralization had negative effects on a team's level of creativity and learning. They also found that greater formalization had a negative impact on team learning. They did not find a significant relationship between formalization and creativity. Therefore, it seems that implementing a mechanistic structure negatively affected a team's functioning.

Similarly, Jiang, Sun and Law (2011) discovered that the implementation of an organic structure was positively related to an increase in job satisfaction among employees working in small groups. They also found that individuals high on personality variables such as a need for dominance, a need for achievement, and a need for autonomy displayed a stronger

correlation between organic structures and job satisfaction than individuals low on these personality variables.

While researchers have found that the type of organizational structure affects the behavior of its members, the aforementioned organizations were all of an industrial genre. On the contrary, Harrison (1974) examined the impact of organic and mechanistic structures on scientists' perceived role performance. He found that scientists working in more organically structured laboratories viewed themselves as being more respected by their colleagues, made a greater contribution of knowledge to the field, made a greater contribution of management objectives, and held a greater sense of personal achievement than their colleagues working in more mechanistically structured organizations. One important limitation of this study was the author's sole reliance on subjective methods of performance appraisal, such as a sense of personal achievement, as opposed to more objective methods of assessment, such as rate of publications.

Researches also demonstrate that an organizational structure affects an individual's behavior and performance within the organization. Bad organizational structure contributes in making the employee to engage in counter productive work behaviors within the organization. This happens when workers are frustrated or face injustice within the organization they work.

Counterproductive work behavior (CWB) has been referred to in the literature by a number of different terms including incivility, aggression and deviance (Penny & Spector, 2008). Despite the numerous terms that have been used to label this set of negative behaviors in the workplace, they all refer to

the general construct of CWB. Therefore, counterproductive work behavior can broadly be defined as “behaviors by employees intended to harm their organization or organization members, such as theft, sabotage, interpersonal aggression, work slowdowns, wasting time and/or materials, and spreading rumours (Penny & Spector, 2008). Employees can either direct CWB towards the organization or colleagues.

In conclusion, it has been established that, though organizational structure plays a critical role in determining the performance of employees in an organization, there is no single structure that fits into all situations and, therefore, human resources management needs to critically examine the situation before designing the structure.

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### **Introduction**

Research cannot be carried out successfully without using the right methods and techniques (Zikmund, 2000). This section highlights the methods and specific techniques used to address the research questions. Issues discussed include detailed explanation of how and why specific methods and techniques were employed in the data collection. This section also consists of the profile of the study area, research approach and process, research design, data gathering methods, and scope and analysis.

#### **Profile of the study Organization**

Founded over seventy five years ago, Plan is one of the oldest and largest children and youth development organizations in the world. It works in fifty developing countries across Africa, Asia, and Americas to promote child rights. Plan programmes are sponsored by nineteen donor countries including United Kingdom and United State of America.

Plan's vision is of a world in which all children realize their full potential in societies that respect people's right and dignity. Plan's work is linked to the United Nations Convention on the Rights of the Child, which spells out the human rights of all children, including the right to Survival, Development, Protection, and Participation (planwebsites).

Plan programme countries attach the name of the country that Plan operates and, hence Plan Ghana. Currently the total work force of Plan Ghana is one hundred and seven (107), which comprise ninety non-project staff and

eighteen project staff. Most of the project staff are on contract and are expected to be laid off when their respective project ends.

Plan entire operational area in Ghana is divided into four program units excluding the headquarters. These units are given authority to take and implement decisions that affect operations in their respective units. Programme Unit is a semi-autonomous body located in the field where Plan Ghana implements projects. These units are Upper West Programme Unit, Volta Programme Unit, Central Programme Unit, Eastern Programme Unit and the headquarters being the country office in Accra.

Plan Ghana has five departments namely Finance, Administration, information Communication Technology (ICT), Sponsorship and Programmes

Finance, ICT and administrative are supporting departments, while sponsorship and programmes departments are the implementing department. Most of the staff on contract are in the programmes department.

Plan Ghana has appraisal policy in place that begins in 1<sup>st</sup> July and ends in 30<sup>th</sup> June of every year. In June/July of every year, individual accountability plan are determined between the subordinate and his\her supervisor. At this stage, individual performance indicators and development goals are set for the coming year. In December\January each individual performances are reviewed against the set objectives and development goals to determine whether he\she is on tract. Annual assessments are conducted in May\June to finally review performance and development goals to establish a rating for the year which is used for promotions and salary increments. Coaching however goes on throughout the appraisal cycle.

## Research Design

For any investigation to be carried out, the selection of an appropriate research design is crucial in yielding valid findings. According to Erchul and Sheridan (2014), a research design is the overall plan for relating the conceptual research problem to relevant and practicable empirical research. In other words, the research design provides a plan or framework for data collection and its analysis. The aim of a researcher is to give the correct picture of reality as possible by combining and analyzing empirical data in relation to theory. Different approaches exist, but this study adopts the descriptive survey research design approach. The survey research studies the population to discover the relative incidence, distribution and interrelation between variables. It provides a broad overview of a representative sample of a large population and analyzing data in order to answer a hypothesis or describe set characteristics (Chidlow, Yenyurt & Cavusgil, 2015). According to Zikmund (2000), surveys are primarily concerned with conditions or relation that exist, opinions that are held, processes that are going on, effects that are evident or trends that are developing. Survey research is an attempt to fully describe and explain condition of the present, involving many subjects through either observations, questionnaires or interviews though at times it does consider past events and influences as they relate to current conditions.

This study involved relatively small population with a sample frame consisting mainly only literates. The study involved taking a sample and then making statements about the population on the basis of the sample analysis due to the difficulty in studying the whole population. As a result, questionnaires surveys were employed as a method of data collection in this

survey. Specifically, data were collected from staff in all the Plan Ghana programme units including the country office in order to describe the relevant variables characteristics. Inferences were drawn from the analyzed data from staff of Plan Ghana in all the programme units including the country office.

### **Target Population**

Target population is the population that the researcher has interest in and from which the researcher selects the respondents from. The target population for the study, therefore, were one hundred and seven employees of Plan Ghana, which comprise community facilitators, coordinators, project managers, accountants, front desk assistants, account assistants, drivers, and core management team members. This represents all levels of management in Plan Ghana.

### **Sampling procedures**

A sample is the representative part of the total population chosen for analysis during a research (Bryman & Bell, 2015). The concept of sampling arises from the inability of the researcher to collect data from all individuals in a given population. The sample must be representative of the population from which it was drawn and must have good size to warrant its statistical analysis. Due to the large sizes of populations, researchers often cannot test every individual in the population because it is too expensive and time consuming. The researcher adopted both probability and non-probability sampling. Probability sampling gives every item in the population an equal chance of being selected into the sample. Under this approach, the study used proportional stratified sampling technique where the population was put into segment called strata. A proportionate figure was determined from each



segment and simple random sampling technique used to sample a number of respondents from the staff of Plan Ghana who are not core management team members for the survey from all the strata and put together to form part of the sample size. The researcher wrote the staff of Plan Ghana's names on pieces of paper, and then put the pieces of paper into a container, mixed thoroughly and then picked from the bowl without looking into it until the sample size for the study was obtained.

Stratified probability sampling is chosen because it captures respondents from all grades in Plan Ghana and ensures "the law of statistical regularity, which states that if, on the average, the sample chosen is a random, the sample have the same composition and characteristics like the population" (Zikmund, 2000). On the other hand, non-probability sampling such as purposive sampling procedures is used. This is a technique which is used purposefully to select elements for specific reason (Bryman & Bell, 2015). Hence, the researcher purposively choose five respondents from core management team because of the key roles they played in the restructuring process of Plan Ghana in 2011 and they were more likely to provide key information for the study. The samples from core management team and non-core management team together formed the sample size.

### **Determination of sample size**

The determination of sample size is a common task for many academic researchers. Inappropriate, inadequate or excessive sample size continues to influence the quality and accuracy of research. This section describes the procedure for determining the sample size for the study. A formula was employed to determine the sample size from the population of one hundred

and two (102), which is mainly the non-core management team staff of Plan Ghana at and 95% confidence level. The sample size calculation and distribution are shown below, as suggested by Yamane (2015).

$$n = N / [1 + N(e)^2] \dots\dots\dots (Yamane, 2015)$$

Where:

n=sample size, N = the sample frame and e is the margin of error

$$n = 102 / [1 + 102(0.095)^2]$$

$$n = 102 / 1.95$$

$$n = 52$$

**Table 1: Determination of sample size**

<b>Staff Category</b>	<b>Population</b>	<b>Sample size</b>
Accountants	7	4
Specialist and Project managers	12	6
Coordinators	50	25
Facilitators	10	5
Drivers	14	7
Sponsorship and Accountant assistants	9	5
<b>Total</b>	<b>102</b>	<b>52</b>

Total sample size was fifty seven (57) which comprised fifty two (52) from stratified sampling as indicated in Table 1 and five (5) from core management team.

**Sources of data**

Generally, the primary and secondary data are the main research data sources (Erchul & Sheridan, 2014) and are considered extensively in this

study. Secondary data sources were used in all stages of the study while primary data was collected from the field for analysis. Bryman and Bell (2015) argued that both sources when extensively explored by researcher tend to validate the outcome of information generated. It is against this background that this study opted to use both primary and secondary data sources.

### **Primary sources**

Primary data was obtained directly from the staff of Plan Ghana in all the Programme Units. Accordingly, questionnaires were employed for gathering data on the research topic. Respondents were asked to give their opinion on how they feel about the current organizational structure put in place by Plan Ghana. This method was adopted to allow respondents to fully express themselves.

### **Secondary sources**

A lot of documented materials were consulted for information related to the subject matter of the research. This ensures a broader understanding and conceptualization of the subject matter under consideration. Reports, newsletters, articles, internet and other earlier researches on the subject matter were the main source of references.

### **Data collection instruments**

There are various instruments for collecting data. However, for this study, questionnaires was the primary instrument. This instrument was used because all respondents were literates and could read and write. Also, questionnaires are valuable methods of collecting a wide range of information from a large number of respondents. This approach employed both closed and

opened ended questions in the form of questionnaires administered to sample staff of Plan Ghana. The idea was to generate quantitative information from closed ended questions and qualitative information from open ended questions. The closed ended limited the respondents to the set of alternatives that were offered, while open ended items allowed the respondent to express their opinion without being influenced by the researcher. Thus, the open ended items allowed the respondents to include more information, feelings, attitudes, and understanding of the current structure and its effects on performance.

### **Ethical issues**

A number of ethical concerns were addressed in the study. This includes assurance of privacy, anonymity and confidentiality of personal information from respondents. The researcher explained to the respondents the nature and purpose of the study and why it was important for them to fully participate.

## CHAPTER FOUR

### RESULTS AND DISCUSSION

#### **Introduction**

This chapter comprises the findings, analysis and interpretations of data collected in relation to the study from the field. These findings were presented in frequency tables to make it easier for data obtained to be understood. The issues concerned included the basis of Plan Ghana current organizational structure, relationship between the structure and NGO performance such as operational cost, fund raising, yearly budgeted expenditure, and quality of programme delivery in the communities. This chapter also highlights the strengths and weakness of the structure put in place. The information ascertained was based on the responses from the questionnaires distributed to the employees of Plan Ghana.

#### **Responses to data collection**

Fifty seven (57) questionnaires were administered and forty-five (45) were received, representing 79% response rate, which was quit acceptable and was used for the analysis. These questionnaires were distributed to cover all the levels of grades in the organization. That is, from grade E (Core management team) to grade (D & C) middle level and, finally, grade B & A (lover level). Five (5) grade E staff all responded to their questionnaires, whilst out of thirty-five (35) questionnaires given to middle level management, thirty (30) responded, and out of seventeen questionnaires administered to lower level staff, ten (10) responded.

### The Socio–Demographic Characteristics of Respondents

The socio-demographic characteristics considered for the study are sex, age, organizational group and level of education of the respondents.

#### Sex of respondents

Out of the 45 respondents, the study found that 16 of the respondents, constituting 35.6%, were females, while 29, constituting 64.4%, were males.

The details are presented in Table 2.

**Table 2: Sex of the Respondent**

<b>Sex</b>	<b>Frequency</b>	<b>Percentage</b>
Male	29	64.4
Female	16	35.6
<b>Total</b>	<b>45</b>	<b>100.0</b>

Source: Field Work (2015)

#### Ages of respondents

Analysis on the age of respondents show that majority of the respondents (37.8%) were in the age cohort of 40-49 years. This is followed by those in the age of 30-39 (33.3%). It was found that respondents of age 50-60 constitute 20% and those within 20-29 represents only 8.9%. The details are presented in Table 3.

**Table 3: Ages of Respondents**

<b>Ages</b>	<b>Frequency</b>	<b>Percentage</b>
20-29 years	4	8.9
30-39 years	15	33.3
40-49 years	17	37.8
50-60 years	9	20
<b>Total</b>	<b>45</b>	<b>100</b>

Source: Field Work (2015)

### **Organizational grouping**

It was observed that from the 45 respondents, majority (48.9%) belong to group C. This is followed by 17.8% in group D and 13.3% in group B. Those who belong to group E constitute 11.1% and 8.9% belongs to group A. The details are shown in Table 4.

**Table 4: Organizational Grouping**

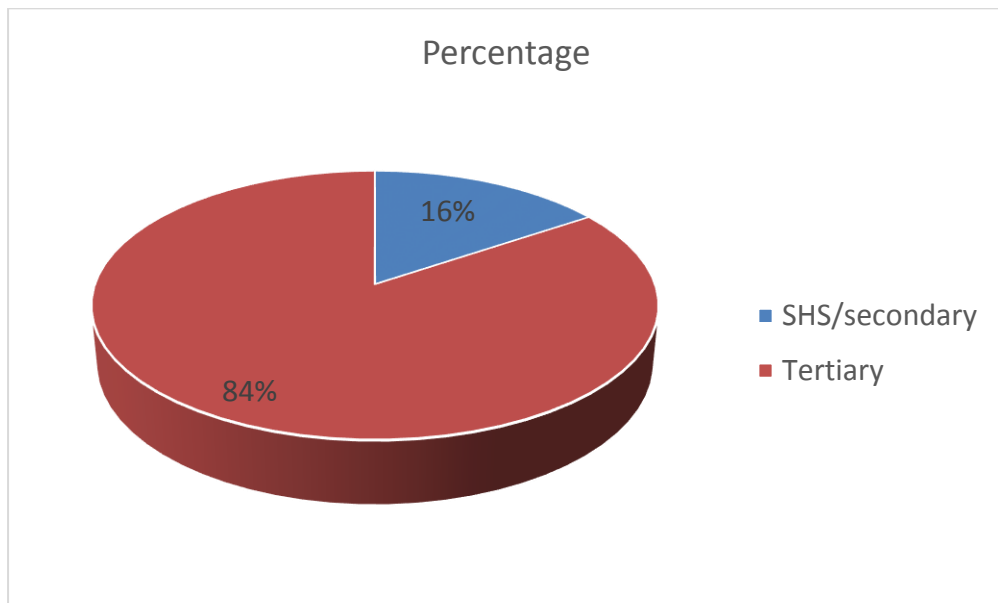
<b>Grades</b>	<b>Frequency</b>	<b>Percentage</b>
E	5	11.1
D	8	17.8
C	22	48.9
B	6	13.3
A	4	8.9
<b>Total</b>	<b>45</b>	<b>100</b>

Source: Field Work (2015)

### **Level of education of respondents**

Analysis under level of education indicated that the level of education among respondents in the tertiary study area is generally high. It was found

that 84.4% have tertiary level of education. This is followed by secondary level of education (15.6%) The details are presented in Table 7.



**Figure I: Level of education of the Respondents**

Source: Field Work (2015)

**Response of staff about Plan Ghana**

This section captured the views of staff on the interest of their supervisors, appraisal procedures and how appraisal results are used. Five points linkage scale was also employed where respondents indicated how they felt about the purpose and structure of Plan Ghana. They indicated their feelings about the reward systems put in place by plan Ghana, leadership styles of managers, interpersonal relationship of employees and performance. The various responses were grouped as positive, neutral and negative to represent strongly agree and agree, neutral; disagree and strongly disagree respectively. Below are the tables representing the frequency and percentages of the results.



### Interest of your supervisor

The results from the study showed that 24 (53.3%) of the respondents described the interest of their supervisors in the organization as both task-oriented and human relation-oriented. The study also revealed that 14 employees, representing 31.1%, described the supervisor's interest as more task oriented, while the remaining 7, representing 15.6%, said their supervisor's interest is human relation-oriented. The details are shown in Table 5.

**Table 5: Interest of your Supervisor**

<b>Interest</b>	<b>Frequency</b>	<b>Percentage</b>
More task-oriented	14	31.1
Human relation-oriented	7	15.6
Combination of both	24	53.3
<b>Total</b>	<b>45</b>	<b>100</b>

Source: Field Work (2015).

### Frequency of conducting appraisal

It was gathered from the study that 80% of the respondents affirmed that supervisors conduct appraisal semi-annually (every 6 months). Eight (8) out of the forty-five (45) respondents (17.8%) indicated that appraisal is conducted for them on yearly basis, while one respondent (2.2%) said appraisal is conducted for him on a quarterly bases (every 3 months). The details are shown in Table 6. Responses from thirty six respondents actually confirmed the appraisal policy of the Plan Ghana that stated that appraisal is a continuous process but face to face is organized every six month to review employee's performance.

**Table 6: Frequency of Conducting Appraisal**

<b>Period</b>	<b>Frequency</b>	<b>Percentage</b>
3 months	1	2.2
6 months	36	80
Yearly	8	17.8
<b>Total</b>	<b>45</b>	<b>100</b>

Source: Field Work (2015)

### **Linkage of appraisal results**

It was also indicated from the analysis of study that 4.9% of the respondents affirmed that appraisal results are linked to salary. Six (6) out of the forty-five (45) respondents (13.3%) indicated that appraisal result are used to promote staff. While one respondent (4.4%) said appraisal results are linked to both salary and promotion, 73.4% indicated that appraisal results are neither used for promotion purposes nor salary adjustments. The details are shown in Table 7.

**Table 7: Linkage of appraisal results**

<b>Linkage</b>	<b>Frequency</b>	<b>Percentage</b>
Promotion	6	13.3
Salary	4	8.9
Promotion & Salary	2	4.4
None of them	33	73.4
<b>Total</b>	<b>45</b>	<b>100</b>

Source: Field Work (2015)

**Purpose of Plan Ghana**

Table 8 explained the extent to which employees of Plan Ghana understand and appreciate the purpose of the organization. It depicted that Plan Ghana employees were well informed about the mission of the organization and their job descriptions. This was determined on the grounds that 91.1% indicated that the goals of Plan Ghana were clearly stated, 80% of respondents claimed they agreed with goals of their work and 82.2% understood the mission of Plan Ghana. All these were positive responses as compared to 6.7%, 6.7% and 45% employees who gave unfavorable responses while 2.2%, 13.3% and 13.3% were neutral. Regarding the clarity of Plan Ghana mission and goals to employees, there were positive deviations of 77.7 % and 84.4% respectively as shown in table 8.

**Table 8: The Purpose of Plan Ghana**

<b>Variables</b>	<b>Positive</b>	<b>Neutral</b>	<b>Negative</b>
The goals of the organization are clearly stated	91.1%	2.2%	6.7%
I am personally in agreement with the stated goals of my work place	80%	13.3%	6.7%
I understand the purpose of this organization	82.2%	13.3%	4.5%

Source: Field Work (2015)

**The structure of Plan Ghana**

Table 9 indicated the nature of Plan Ghana structure. That it is a good one or otherwise. It showed mixed feeling from employees on how they felt about the structure of Plan Ghana. While some areas, employees indicated the structure was good, in other areas they indicated otherwise. From the table 9, 73.3% of respondents indicated that decisions were easily communicated to

them while 17.8% remained neutral, and 8.9% disagreed with the statement that decisions were easily disseminated. There was a positive deviation of 64.4% between positive and negative responses on this. The result from this table also depicted that 66.2% and 68.9% employees had enough authority to do their work and reported to only one supervisor respectively. Similarly 80% of employees agreed that their jobs were interesting to them while 8.9% disagreed to the claim and 11.1% employees looked neutral. In another development, employees accepted that the structure was good as 71.1% and 86.7% of workers indicated that reporting lines supported their work and the organization had put in place good policies and procedures respectively. While 6.7% disagreed with the assertion that reporting lines supported their work 22.2% remained neutral on this claim. 75.6% of respondents reported that the structure was good as they indicated other work units in the organization supported their work with 8.8% disagreed with it and 15.6% remained neutral.

However, finding out the whether the policies introduced were working and work load was equitably distributed, 11.1% and 22.2% supported the claimed while 57.9% and 44.5% registered their disapproval and 24.4% and 33.3% were neutral respectively.

**Table 9: The Structure of Plan Ghana**

<b>Variables</b>	<b>Positive</b>	<b>Neutral</b>	<b>Negative</b>
Decisions are easily taken and communicated in this organization.	73.30%	17.80%	8.90%
I supervise more than six employees.	26.70%	0%	73.30%
Policies and procedures are working in this organization.	17.70%	24.40%	57.90%
The work load is evenly distributed in this organization.	22.20%	33.30%	44.50%
I have enough authority to do my work.	66.20%	22.20%	11.60%
I report to only one supervisor.	68.90%	6.70%	24.40%
The job I do is interesting to me.	80%	11.10%	8.90%
The reporting lines in this organization support my work.	71.10%	22.20%	6.70%
Other work units are helpful to my work unit whenever assistance is requested.	75.60%	15.60%	8.80%
This organization has introduced enough policies and procedures.	86.70%	2.20%	11.10%

Source: Field Work (2015).

### **Reward systems**

Table 10 represented the reward systems put in place by Plan Ghana to encourage workers to put up their best. It depicted mixed feeling from employees as some of the variables attracted positive responses while others attracted negative responses from the respondents. It is observed from the table 11 that, 20% of the respondents indicated their pay do commensurate with the work they perform while 64.4% disagreed and 15.6% remain neutral which represented a negative deviation of 44.4% between positive and negative responses. Also, 62.3% indicated that the pay and other benefits in

Plan Ghana were not equitable while 13.3% agreed with the claim that, pay and other benefits were equitably distributed with 2.4% being indifferent. The study also found that 46.7% were agreed that opportunity of promotion exist in this organization, while 35.5% indicated otherwise with 17.8% being indifferent about it. This gave a positive deviation of 11.2% between positive and negative responses. On the part of getting opportunities outside Plan Ghana due the job training, 66.7% indicated that they stand the chance of getting other jobs, 24.4% disagreed with 8.9% being indifferent. 66.7% of respondents indicated that there were no successions plans in Plan Ghana with only 11.1% of confirmed the existence of a succession plan.

**Table 10: Reward systems in place**

<b>Variables</b>	<b>Positive</b>	<b>Neutral</b>	<b>Negative</b>
My job offers me the opportunity to grow in my career.	57.80%	20%	22.20%
The salary that I receive commensurate with the job that I do.	20%	15.60%	64.40%
There is in place a succession plan	11.1%	22.2%	66.7%
My job offers me the opportunity to get job outside Plan Ghana.	66.70%	8.90%	24.40%
The pay scale and benefits of this organization treat each employee equitably.	13.30%	24.40%	62.30%
The opportunity of promotion exists in this organization.	46.70%	17.80%	35.50%

Source: Field Work (2015).

### **Leadership and relationship**

Table 11 captured the feelings of employees about the leadership qualities of managers and how workers in general relate to one another. This table depicted that managers exhibited good quality leadership. This was

confirmed by the fact that 91.1% and 73.3% of respondents indicated that their boss offered them support to do their work and had concern for them respectively. Only 6.7% indicated their boss did not support them with 2.2% neutral. Also 15.7% said their bosses did not have concern for them with 11% being indifferent. In another development, 84.4% of respondents indicated that there were no unresolved conflicts in Plan Ghana. 6.7% however, said unresolved exist with 8.9% being indifferent on this claim.

This table also depicted good interpersonal relationship among workers in the sense that, while 84.4% indicated having good relation with their colleagues, 86.6% of the respondents had good working relationship with their bosses with 8.9% remained indifferent in both cases. On the other hand, 6.7% of respondents did that have good working relation with their work group and 4.5% did not have good relationship with their bosses. This gave positive deviations in all the variables between the positive and negative responses. It is interestingly revealed that while 73.3% of the respondents indicated that their bosses had concern for them, 82.2% also indicated their bosses insisted on the right thing to be done at the work place.

**Table 11: Leadership and Relationship**

<b>Variables</b>	<b>Positive</b>	<b>Neutral</b>	<b>Negative</b>
My immediate boss is supportive of my work.	91.10%	2.20%	6.70%
My boss has concern for me	73.3%	11%	15.7%
My boss insist that the right thing is done at the work place.	82.2%	8.9%	8.9%
There is no evidence of unresolved conflicts.	82.30%	2.20%	15.50%
My relationship with members of my work group is friendly and professional.	84.40%	8.90%	6.70%
My relation with my boss is a harmonious one.	86.60%	8.90%	4.50%

**Source: Field Work (2015).**

## Plan Ghana Structure and Performance

Non-Governmental Organization performance indicators, as indicated in the literature, are the quality delivery of sponsorship and programmes, low administrative cost, increase in fund raising and spending the entire yearly allocated budget. This section measures the relationship between the above INGO performance indications and the structure of Plan Ghana. These indicators were subjectively measured by each respondent, indicating, in his or her view, what he or she thinks about these indicators.

Table 12 captured their views on the influence of the current structure of Plan Ghana on its (NGO) performance indicators. As shown, table 12 depicted an increased in performance in all the NGO performance indicators after restructuring in the last three years and hence indicating positive relationship between the structure and performance. This was determined on the grounds that there had been positive deviations between the positive and negative responses across all the performance indicators. It can be observed from table 12 that, 60% of respondents indicated sponsorship work has improved. While 31.1% remained neutral, 8.9% rejected the claim that sponsorship work has improved in the last three years. In addition, 63.3% indicated that administrative cost had always been below 20% of the entire budget, while 4.5% disagreed with this claim 32.2% remained neutral. Also, 62.2% of respondents said quality of projects implemented at communities had improved in the last three years with 4.5% rejecting the claim and 33.3% being indifferent. In addition, while 66.6% indicated an increase in budget in the last three years, 85% of respondent said all the yearly allocated budgets were spent.



These achievements are as a result of good structures put in place which include but not limited to the well-articulated vision and mission of the organization to the employees, proper mechanisms, reward systems, quality of leadership and good interpersonal relationship that existed among staff. Conducive working environment and well stated organizational objectives couple with timely performance appraisal all contributed to the improved performance. Administrative bureaucracies that are removed because of decentralization created quick decision making.

Frequent appraisals are a platform for performance feedback, information exchange and conflict resolution process between the employee and the supervisor. In fact, frequent appraisal created fertile grounds for both the supervisor and subordinate to identify their strengths and weaknesses and to give feedback on what the employee is doing right as well as feedback on what requires improvement. It improves on the communication and did not only eliminate behavior and work-quality problems, but motivated employees to contribute more. Training needs of employees were identified and addressed. These could be reasons Plan Ghana conducted performance appraisal every six months which was rightly confirmed by 80% of respondents. This confirmed Leshahari et al's (2008) idea that attractive and supportive working environment are positively related to performance and Haynes's (2008) statement that the relationship among workers contribute to performance. Also, according Hayne, frequent relevant feedback is important for achievement of goals.

Again, 91.1% of the respondents indicated that the goals of the organization are well and clearly stated, and they understand the purpose of

Plan Ghana in which they work with. They also indicated that they agreed with the stated goals of their various departments and how the departmental objectives contribute towards the overall organizational goals. A well-articulated mission which is understood by employees enhance their performance, because they will buy into it and be able to align their career goals with that of the organization and find meaning in the work they do. When people take ownership of the work, they are more committed to it, more intrinsically motivated, more engaged and hence better performance in all dimensions. These findings are reinforced by those of Scott Keller and Prince (2011). Keller and Prince (2011) shows that when organizations give people a sense of meaning in their work, it is not only good for employees, but it is critical to building a healthy organization to be well-functioning and competitive.

In addition, 91.1% of the respondents applauded the leadership styles of their supervisors and that supervisors support them to achieve their stated objectives and that the relationship between them is very cordial and professional. More than half of the respondents reported that their immediate supervisors were both human relation and task oriented which is good, because neither work nor employee welfare is sacrificed. The leaders pay attention to both work and the needs of employees and ensure work is carried out as expected and also cater for the welfare of the subordinates. This confirmed Blake Mouton's (1985) grid's leadership theory, which advocated for a balance between the two on a higher scale. This report, however, did not indicate whether the supervisors score high in both human relation and tasks which is the ultimate.

Also, majority of the respondents indicated that the organization has put good systems in place and that the organic structure adopted was helpful. There are enough policies and procedures put in place that guide the operations of the organization and control the behavior of the employees. . Right policies do not only set boundaries, but also recognize and address the needs of employees. They equally indicated of being provided with the necessary working tools to carry out their work. Reporting lines are clear and decisions are taking quickly and communicated to all concern to avoid rumours which promote good performance from employees. This position is confirmed by Dale (2003) when he stated that effective structure provide clear communication and responsibilities to all staff.

**Table 12: Plan Ghana structure and Performance**

Variables	Positive	Neutral	Positive
There have been improvements in sponsorship work for the last three years.	60%	31.10%	8.90%
There have been improvements in managing administrative cost in the last three years.	63.30%	32.20%	4.50%
There have been improvements in projects implemented in the community in the last three years.	62.20%	33.30%	4.50%
There have been increases in our yearly budget for the last three years.	66.60%	26.70%	6.70%
All the yearly allocated budgets in the last three years were spent.	85%	6.20%	8.80%

**Source: Field Work (2015).**

### **Bases for Plan Ghana Re-structuring**

This section captures the views of staff concerning why Plan Ghana went through re-structuring in 2011. To begin with, some of the respondents reported that the restructuring was necessary because there was a change in the

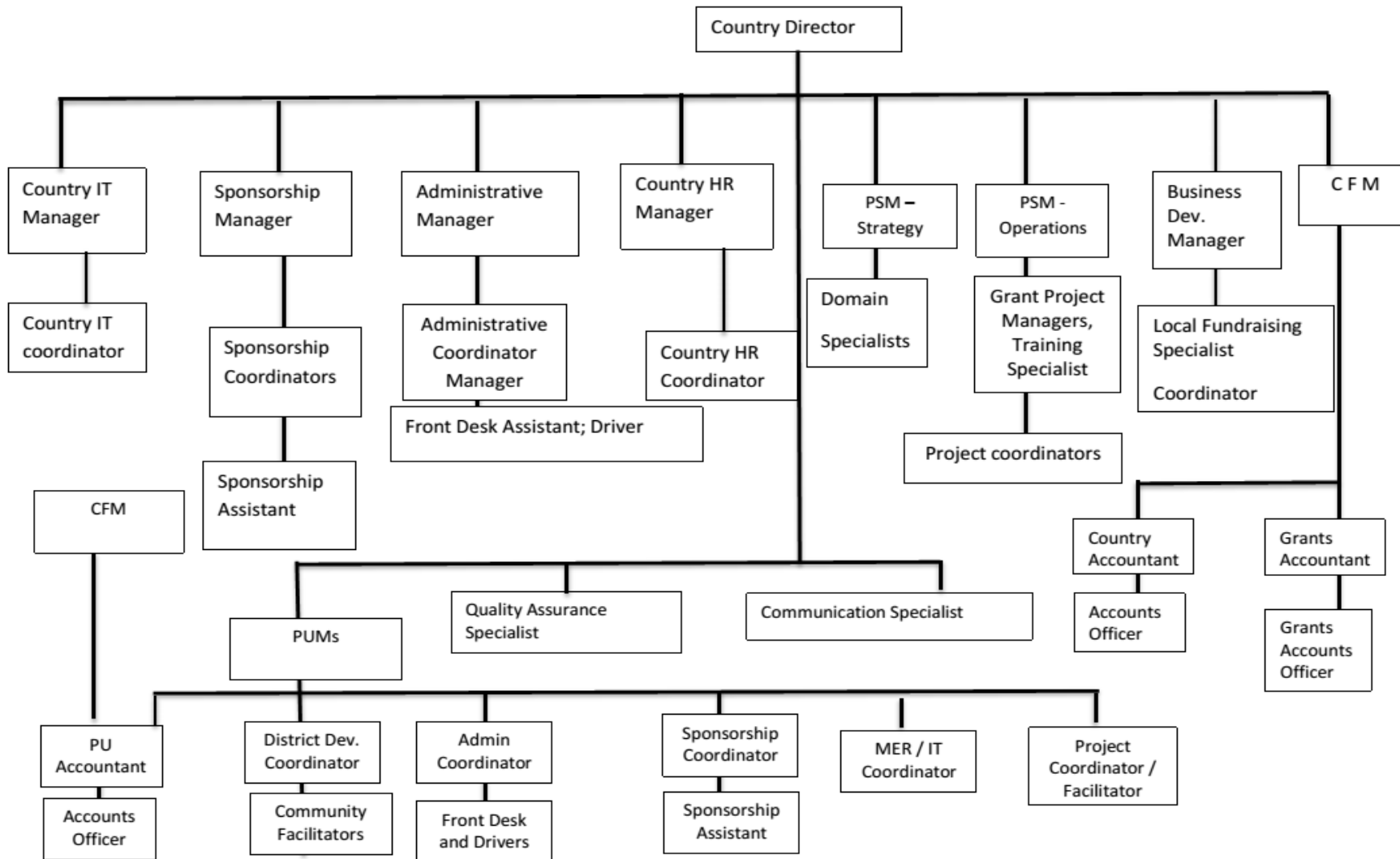
mission of Plan Ghana and therefore they needed to adopt strategies that will align with the new mission. This confirmed Chandler's (1990) view that strategy also influence structure. Also, because the operation of the organization are non-routine in nature. Some of the respondents said it was restructured to reduce the powers of the headquarters and to introduce innovation and give field officers enough authority to carry out their mandate in a cooperative manner. This confirmed Hatch and Cunliffe's (2012) argument that organic structure (decentralization) allows innovation, and Adestam and Gunnmo's (2008) statement that decentralization puts high responsibility on individual as a group where work requires a great deal of cooperation..

Furthermore, some of the respondents indicated that after 2009, Plan Ghana expanded its coverage to cover more regions and communities. This expansion according to the respondents called for increased in the number of employees and for that matter an increase in size of the organization and new ways of doing things and hence a new structure. This confirmed Blau's (1970) argument that the size of the organization determines its structure. Some of the respondents also said that Plan Ghana was restructured in 2011 to reduce the cost of operation and to enhance quick decision making resulting in efficient and effective programme delivery. It was done to eliminate administrative bottleneck associated with centralization and to promote quick decision making.

Furthermore, respondents said the essence of the restructuring was to get all actors and partners involve in the project implementation and delivery process. This confirmed Frantz's (2015) argument that NGOs should adopt

structure that promotes stakeholder participation in decision making. This however goes contrary to De Graff notion that stakeholder participation has nothing to do with organizational structure.

The needs of donors and sponsored parents according to the respondents changed with time. Before structuring, the organization was not using digital cameras to take photos for donors and sponsored but, because they demanded pictures be sent to them electronically, there was the need to take photos with digital cameras and hence one of the reasons of restructuring 2011. This confirmed Mullin's (2007) accession that technology plays a role in determining the kind of structure to adopt. Some respondents indicated that restructuring was done due to the volatile and complex nature of the environment in terms of resources mobilization and also for the fact that each programme unit has its peculiar problems that needed unique solutions and therefore the need for each programme unit to raise their own proposals and mark out other sponsorship activities to mobilize funds. This confirmed Mullin's (2007) position that the nature of the environment determines structure. It also confirmed Burn and stalker's notion that decentralization (organic structure) is suitable in unstable environment. This, however, contradicts Brodt's (2007) findings that environment does not determine structure, but confirmed her findings that non-routine tasks call for organic structure. The organization also adopted a matrix system after 2011 where subordinates report simultaneously to both line and functional managers. This confirmed Greenberg's (2010) notion of matrix structure as the one in which subordinated have dual reporting roles in the organization. Figure 1 shows the structure of Plan Ghana.



**Figure II: Plan Ghana Organizational Chart-FY15**

Source: Plan Ghana Human Resource Office

This is due, but not mainly, to many unique projects being implemented in the programme units. Each project requires and has a manager and the programme unit where the project is situated also has a Programme unit manager and, hence, dual reporting lines. All project coordinators report to both project manager and programme units manager as indicated in the structure above. Also, the programme unit accountants, monitoring and evaluation coordinators, sponsorship coordinators and administrators at the programme unit though not on projects have dual reporting lines. They report to their respective line managers in the country office (headquarters) and functional manager (programme unit manager) in the field as shown in Figure 1. This could be a recipe for conflicts to occur. There could be instances where a superior punished subordinates without involving the immediate supervisor of the subordinate concern. Plan Ghana's structure is to some extent a balance matrix where project managers set the overall plan and functional managers determines how work is to be carried out. This kind of arrangement comes with problems such as scramble for resources and conflicts, especially when the subordinate receives conflicting orders from the supervisors (Greenberg, 2011).

One could also say that Plan Ghana is practicing a geographical structure because the programme units were created on regional basis. Each region where Plan operates in Ghana has a programme unit which is semi-autonomous unit that is responsible for its own operations. This is in line with Ashton's (2004) thinking that structure based on geographical location allows its offices in the different locations to operate independently, but adhering to company policies. Respondents generally agreed that the current structure of

Plan Ghana is an organic one (low specialization, low formalization, decentralization, low hierarchy and large span of control) with the reason that each programme unit and individuals rely on their innovations and expertise to carry out their functions.

### **Weakness of Plan Ghana Organizational Structure**

The study revealed that some of the weakness of Plan Ghana include poor salary structure, which does not commensurate with the work required for each position, high disparity between salary scales within the organization, non-uniformity in the application of administration procedures, uneven distribution of work load and dual reporting lines. These are structural problems that need immediate attention. Unequal work load which is inherent in the current Plan Ghana structure is a signs of poor structure, as indicated by Underdown (2003) in the literature, that organizations are poorly structured if work load is unevenly distributed among departments and or individuals. Some of the respondents also indicated that there are no clear succession plans within the organization. Another problem is the absence of clear procedures of promotion of staffs. There are no proper conditions of service for workers and the workers cannot negotiate. It was also revealed that some staffs report to more than one supervisor, which makes reporting very difficult at times lead to conflicts. Wang and Ahmed (2003) reported this as a sign of poor structure because it promotes confusion, since it creates the possibility of directing information to the wrong person.



## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### **Introduction**

This chapter summarizes the findings resulting from the study upon which recommendations and conclusions were made.

#### **Summary of findings**

The principal aim of this research was to find out the effects of organizational structure on employee performance with Plan Ghana as the case study. The study revealed that majority of the workers (48.9%) are in group C, that is, the middle level managers with very few workers (8.9%) in group A (drivers). The study also showed that a lot of the workers (42.2%) at Plan Ghana report to more than one supervisor which is an indication that Plan is practicing matrix organizational structure where some of the employees report simultaneously to line and functional managers. This is clearly indicated in the organogram (Figure 2). This, at times, brings about friction between the managers as to which of them that has the final authority to appraise the subordinates. Subordinates also get confused any time her/his supervisors give conflicting orders.

Majority of workers (84.4%) have tertiary level degree at Plan Ghana, which indicates that Plan Ghana has quality staff. Few of them, especially the drivers and front desk assistants, had only secondary education. Furthermore, the study revealed the interest of most supervisors at the organization was combination of task-oriented and human relation-oriented, which is good for the organization, since it is very appropriate for managers to combine both managerial qualities instead of being either dictatorial or country club

managers which are not the desired qualities of a good manager. The study, however, showed that a good number of the supervisors are dictatorial which breeds employee dissatisfaction, group conflicts and high employee turnover. Communication type in the organization is formal as reported by most workers (93.3%). The study also indicated that appraisal of workers are conducted mostly in every six months to review progress of work which is a recommendable practice and in line the policy of the organization. It was however revealed that appraisal results were not lined to salary or promotion.

It was found that performances Plan Ghana has improved in after restructuring. There had been improvement in programme delivery to communities, in administrative cost, fund raising and delivery in sponsorship production which are the performance indicators of all NGOs. It implies that workers at Plan Ghana are able to achieve their set objectives. This is an evidence that the 2011 restructuring be applauded and the current structure is working well in supporting staff to achieve the goals of the organization.

The structure, which emanates from bottom up, gives opportunity to all actors to be involved in decision making. The respondents also indicated that the organizational structure put enough policies and procedures in place. The organizational structure also provides clearly defined roles and responsibilities for each position and the goals and objectives are clearly defined. It enhances team work and aids in the achievement of organizational goals. The study revealed that some of the weakness of Plana Ghana include, poor salary structure which does not commensurate with the work required for each position, high disparity between salary scales within the organization, non-enforcement of administration procedures and policies. The core management

team, those in grade E, are well paid, whilst the lower level grades are poorly enumerated. There also exists one-man Audit department and overburdened Finance department. Another problem is the absence of succession plan. Opportunities in terms promotion rarely exist for staff to explore. There are no documented conditions of service for workers so the workers have no power to unionize and negotiate with their employer.

It was found that Plan Ghana was restructured in 2011 in order to reduce administrative and bottlenecks for efficient and effective programme delivery because administrative bottleneck stifle speedy delivery of services to communities. Furthermore, the restructuring was to get all actors and partners involve in the project implementation and delivery process.

### **Conclusions**

This study showed that effective organizational structure has positive effect on the performance of employees in NGO particularly Plan Ghana. Well-articulated mission of the organization to employees, helpful mechanisms put in place, good leadership and good interpersonal relationship among staff have positive relationship with performance. The departmental cooperation and supervisors support are high in Plan Ghana. The results also revealed that Plan Ghana has high quality staffs that are provided with enough input to do their work. It was also found that the pay scale and benefits of this organization does not treat each employee equitably, and opportunity for promotion barely exists at this organization and the work load is not evenly distributed.

## **Recommendations**

In an effort to avoid potential conflicts from generating, the reporting lines should be seriously considered such that subordinates do not have dual reporting lines. Jobs should be redesign to ensure that some workers are not overloaded than others. Administrative department be strengthened to ensure compliance of all administrative policies and procedures

Also, the core management team of Plan Ghana need to put in place succession plan in the organization and solve issues of high salary disparity among different grades in the organization. It was found that appraisal policy is not fully implemented. Workers appraisal results should be linked to promotions and salary to make it more meaningful.

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