

# **RELATIONSHIP BETWEEN ORGANISATIONAL STRUCTURE AND PERFORMANCE: A CASE OF THE NATIONAL RAILWAYS OF ZIMBABWE.**

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**Abstract** - The purpose of the study was to assess the relationship between organizational structure and performance of the National Railways of Zimbabwe. Organisational structure was denoted by its structural variables and dimensions of centralization, size, formalization, functional specialization, span of control and chain of command as independent variables. On the other hand performance as a dependent variable was designated by efficiency, effectiveness and adaptiveness. The study used a survey case study. Data was collected using a questionnaire from ninety employees. Secondary data was also collected from company documents. The findings established that size, chain of command, functional specialization, span of control affected performance. The study recommends further studies that will allow a more complex interpretation of the relationship between structure and performance.

**Key words:** *organizational size, span of control, formalization, chain of command, centralization, functional specialization*

## 1. INTRODUCTION

For organizations to function, the interaction of the individual members must be structured. Rules of behaviour and expectations of performance are established. If the organizational defined tasks are to be completed, member activities must be coordinated. Since organizations have varying amounts of uncertainty to deal with, authority that has to make decisions must be established. Communication systems are required to keep members informed. Thus, organizations have structures and processes which are necessary if the organization is to function. The fundamental challenge of organizational structure is to coordinate action from an organization comprising of many different individuals in a bid to achieve organizational success.

The post industrialization administrative history in the world has been characterized by a series of shifts in emphasis involving three different objectives, representativeness, professional, politically neutral bureaucracies and strong

executive leadership (Kaufman, 1977, Demsetz and Villalonga, 2001). The early decades of the 20<sup>th</sup> century has emphasis on centralization and control of big organizations which included mostly public enterprises. The middle and later decades of the century saw the antithesis of centralization which is decentralization as the best way to structure organizations (Dalton and Mesch, 1990, Miller, 2007). Given these two positions it is fitting to conclude that good administration in the 1930's and 1940's appears to be bad administration in the 1960's and 1970's.

This cycling phenomenon has given rise to anxiety in management circles which calls for investigation of how organizational structure and decision making affect organizational performance. This concern is harmonious with the observation that organizational design, notwithstanding its long history is in many respects an up and coming field (Daft 1989, Foss, 2003).

The anxiety can be traced to Cyert and March (1963) who posed the question in their inquest: "How do hierarchical groups make decisions?" This question has provoked exploitation of Weber's (1947) notion of bureaucracy, which suggests that the structure of an organization determines the performance of the system. From Weber's notion the system-structural perspective was developed. Within this perspective, the structural dimensions of centralization, formalization and specialization are considered to be cardinal in understanding the functioning of social systems in organization (Hamann, 2013).

Centralization reflects the extent to which decisions are shared within the organization (Dalton 1990). Formalization represents the degree to which activities and relationships are governed by rules, procedures and contracts while

specialization examines the degree to which tasks are divided into unique elements (Hage, 1965).

The view is concerned with the impact of organizational structure on performance, where performance is viewed as a multidimensional constructs involving system effectiveness, efficiency and adaptiveness (Hage, 1965). Efficiency considers the relationship between organizational outputs and inputs. Effectiveness involves the degree of which organizational goals are achieved. Adaptiveness is the ability of the organization to adapt to changes in its environment (Blau, 1970).

Basic propositions from the system structural perspective are suggested by Hage and Aiken (1965) and supported by contemporary researchers of the likes of Andrews, Boyce and Walker (2009). The first being, centralization leads to greater effectiveness due to the ability of the decision maker to plan, coordinate and control activities. The second being formalization leads to greater efficiency because such rules serve to routinize repetitive activities and transactions and the third being that specialization leads to greater adaptiveness, in that specialist understand problems more clearly, adapt more ready to changing conditions, and discover new ways of doing things.

The study intends to provide a detailed explanation of the relationship between organizational structure of the National Railways of Zimbabwe (N.R.Z) and its performance and at the same time to draw empirical evidence that either supports or defy these structural propositions put forward by this theoretical frame work. The organizational structure of this organization has the three basic structural dimensions, it is centralized, formalized and has specialization.

The N.R.Z was established as a railway company under the railways act of 1997. Its mandate is to provide freight and passenger services within and outside Zimbabwe. The company plays a major role in transit rail traffic in Southern Africa. As for its assets the company owns real estate such as offices and accommodation. The capacity of the N.R.Z is transportation of 18 metric tones of cargo and 18 million passengers annually. It has a network stretching for 2670km with 313 km of that being electrified and by July 2008 it employed about 9000 staff. (ITF Rail Union Report, 2008).

The National Railways of Zimbabwe is a public enterprise whose main mandate is to provide rail service to the Republic of Zimbabwe. The entity is fully owned and controlled by the government of Zimbabwe. Like all public enterprises, the organization is governed by an act of parliament through legislative instruments under the custodian of the Ministry of Transport in collaboration with the state enterprise committee. The parastatal plays a pivotal role in driving economic activities in all aspect of the economy.

During the 1990s the organisation engaged in human resources structural adjustment strategy that saw job cuts and restructuring of the organisational structure in a bid to turn around the fortunes of the organisation and improve performance. The last decade has seen a decline in service delivery by the entity as a result of a host of reasons (ITF Rail Union Report, 2008). It is of interest to how the reconstructed organisational structure relates to performance.

## II. NATURE, SCOPE AND CHARECTERISTICS OF PUBLIC ENTERPRISE MANAGEMENT

Given that the National Railways of Zimbabwe is a public enterprise, it is fitting at this point examines the underlining issues within the public enterprise arena that has given the character of public management in general. The starting point is the focus on the objectives of the public enterprise in line with Kafuman's notion that organisational objectives are the key determinants of management systems adopted by any organisation (Kaufuman, 1969)

The main objective of public enterprise hinges on the production of service to the constituency it has to serve. This objective differs with the profit making objective of the private entity hence the management systems and organisational structures of the two differ considerable (Blau, 1973) Given this objective, performance is not indicated by profits or losses the public enterprise might make but rather the efficiency and effectiveness of the service provided are the key indicators of performance.

How then can a public entity be managed without the focus on profit objectives? Blau (1973) attempts to answer the question by pointing out that a set of rules and regulations are set by the authority in charge of the enterprise. This has led to a greater extent the adoption of the bureaucratic management system as a principle of administrative technique and organisation in public sector management. Bureaucratic management is management bound to comply with detailed rules and regulations fixed by authority of superior body. The task of a bureaucrat is to perform what these rules and regulations order him/her to do (Weber, 1947).

## III. CONTEMPORARY TRENDS IN PUBLIC MANAGEMENT

Service improvement is at the centre of contemporary debate in public management. Governments in the world have of late introduced a wave of reforms to improve the performance of public enterprises (Batley and Larbi, 2004). Many of these policies have focused attention on the internal characteristics of the public organisation such as organisational structure. In particular, the degree in which decisions are centralised and the quality of strategic management have been identified by policy makers and scholars as determinants of public performance that are ready susceptible to political and

managerial control ( Andrews etal ,2009).

Osborne and Gaebler (1992) have influenced the adoption of decentralised structures as key to public sector performance. Decentralisation has been hypothesised to improve public sector performance by empowering managers to make service delivery decisions (Osborne and Gaebler, 1992). These ideas have reflected in American public enterprises and more recently they have played a central role in the shaping of the agenda pursued by the labour government in United Kingdom (Walker and Boyne, 2006). The same cannot be said in Africa as most public enterprises are still characterised by centralisation as governments seek to politicise the entities as reported by the World Bank's survey on parastatals in Africa in 2005(Parastatals Performance: World Bank suvery: 2005).

Such change in structure has presented opportunities for public management scholars to understand the relationship between organisational characteristic and performance. The scholars' inquest has been an investigation into the organisational characteristics that are conducive for performance and other organisational features that are mediated to performance.

#### IV. OBJECTIVES OF THE STUDY

Motivated by the theoretical frame work of the systems structural perspective, the research hopes to investigate the relationship between organizational structure and performance and give empirical evidence that either supports or defy its propositions using the National Railways of Zimbabwe

##### Specific Objectives

1. What is the relationship between organizational size and performance of the N.R.Z? As size regulates other organizational structural variables such as span of control and chain of command.
2. To what extent does functional specialization regulate performance of N.R.Z?
3. To what extent does formalization regulate performance of N.R.Z?
4. To what extent is N.R.Z centralized? And how does centralization affect its performance?
5. How do structural dimensions and variables such as span of control and chain of command affect performance?

#### V. LITERATURE REVIEW

##### *Organizational Structure Defined*

A whole host of literature in management circles has attempted to define organisational structure and its role in the organisation. Daft (1989) is among the scholars who have defined organisational structure. In his definition he concludes that organisational structure is reflected in the organisational chart. The organisational chart is the visible representation for

a whole set of underlying activities and processes in an organisation.

Daft (1989) put forward three key components in the definition of organisational structure. The first being formal reporting relations including the number of levels in the hierarchy and the span of control of managers and supervisors. Secondly the structure identifies the grouping together of individuals into departments and the grouping of departments into totally organisation. Thirdly, structure includes the design systems to ensure effective communication, coordination and integration of effort across departments.

Fink, Jenks and Willits (1983) hold the same view with Daft (1989) of what structure is. They expand the definition by proposing two fundamental processes, differentiation and integration. Differentiation according to Fink, Jenks and Willits (1983) refer to the process of breaking down the task into sub tasks and integration refers to the process of pulling all the pieces together to accomplish overall goals.

Literature on the subject that come before or after Daft (1989) either compliments or expands on Daft's definition of organisational structure thus bringing the definition of structure to concusses. Hage and Aiken (1967) described organizational structure as practices being undertaken in an organization with regard to policies, procedures and rules.

##### *Determinants of Organizational Structure*

The questions why different organisations have different structures and to what extent are they random or systematic? has been answered differently by different classes of organisational theorists. Firstly by the classical theorist including, Weber (1947), and Fayol (1949) believed in a particular superlative way for organizations to be structured. The classic theoriest ignored by and large the varying elements that underlined different organisations.

In contrast to the classic theorists, the contingency scholars have attempted to explain the variations in organisational structure by suggesting three influential determinants (Child, 1972, Sadler and Barry, 1970, Tata and Prasad, 2004). Each determinant postulates the effects of a major contextual factor. The first determinant is from environment, in which environment conditions are posited as critical constraints upon the choice of effective structural forms. The second and third determinants single out the two physical organisational attributes, technology and size.

There is a general agreement among scholars that the three determinants highlight constraints upon structural design because contextual factors are regarded as important determinants of structural patterns. The need to secure a certain level of organizational performance is seen to lend

contextual factors a demanding character.

### *Structural Variables and Dimensions*

Contemporary management scholars have attempted to categorize organizational structural characteristics in terms of their dimensions, that is height and width or vertical and horizontal. The width is referred to as the span of control and the height as chain of command. It is of interest to discuss how the width and height of an organizational structure impacts on organizational performance and how it relates other structural variables.

Span of control as a structural dimension was popularized by the works of Gulick (1937) and Simon (1946). Even if their works were influenced by the early 19<sup>th</sup> century environment which was not subjected to technological advances, their contribution to the matter still form the foundation of what span of control is. It is conceptualised as the number of subordinates reporting to the same superior (Gulick, 1937). In nature and characteristics, it refers to how relations are structured between leaders and subordinates in an organization. A span of control is said to be wide when a manager oversees many subordinates; a narrow span of control exists when a manager oversees few subordinates (Gulick, 1937). What has been of interest to researchers is what numerical value constitutes few and many subordinates to qualify span of control as narrow or wide.

Span of control has had a huge influence on organisational research. The concept forms the foundation of two different approaches to studying organizations. It is a key element in economic theories of organization that focus on hierarchical design (Alchian and Harold, 1972, Fama, 1980 and Williamson 1975). This is so because spans of control ultimately determine the number of levels referred to in organisational and management literature as chain of command and thus transaction costs as they relate to size of work force in an organization.

At the advent of the human relations approach in the 1950s and 1960s, span of control became a corner stone of the approach. It is prominent in the works of McGregor (1960), Tannenbaum (1968) and Worthy (1950). The concept finds its relevancy to the human relations approach to organizations because it is an instrument that defines relationships between leaders and subordinates in organizations and influences management styles. Span of control, thus, not only has insinuations for understanding organizational design but also contributes in considering behavior within organizations.

While span of control is very seldom in academic work since the time Simon (1937) and Gulick (1947), it remains an interest to practical managers who must establish reporting relationships. Kenneth and John (2000) in their works alluded to the use of span of control by President Nixon's proposal to create a set of super cabinet administrators grounded in the

notion that a limited span of control was a positive feature. The National Performance Review (NPR) includes limiting spans as one aspect of its efforts (Kettl and DiIulio 1995).

The literature on span of control is limited, a fact that can be qualified to a demoralizing critique of the principles of management literature (including span of control) by Kenneth and John (2000). Various principles of management seem to be ambiguous and provide contradictory advice to managers (Kenneth and John, 2000). Empirical studies of span of control are essentially nonexistent in the contemporary environment punctuated by modern technology. Close to a century later, Gulick's concern on the lack of empirical studies on the span of control is still not addressed.

The works that followed Simon's conclusions are very few and fundamentally descriptive. Blau (1973) and Urwick (1956) argued that six was the optimal span. Woodward (1980) found a median span for chief executives of 6. Gulick (1937) suggested variables that are crucial determinants of spans of control in his works. This in essence handed the scholarly community a clear plan of research for studying span of control relationships in organizations. Not many scholars have taken advantage of Gulick's proposal concerning how to design a course of investigation on span of control, which is why our knowledge about this concept remains untidy. Gulick (1937) in Kenneth and John (2000) argued that spans of control would reflect individual preference and aptitude and, more importantly, three key organizational variables, firstly diversification of function, secondly, the element of time, and thirdly the element of space.

Complexity according to Hage (1965) refers to the number of occupations or specialties in an organisation. Another aspect of complexity is time required to train the person in the speciality. Thus the greater the number of occupations and the longer the training of the professionals the more complex an organisation is.

Structurally, every organisation must divide its jobs into jobs in order to achieve its objectives. Thus an integral part of the organisation is the manner in which work is divided into specific jobs or tasks. Pugh et al (1963) referred to a similar concept that was termed specialisation which was described as the division of labour within an organisation. Price (1963) alluded to the same concept and stated that "... Complexity may be described as the degree of knowledge required to produce the outcome of a system. The higher the education the higher the complexity" (Price 1963: 26)

Centralisation refers to the distribution of power to make decisions about the allocation of resources. Generally such decisions have public implication. It is true that every actor in an organisation has to make decisions. Not everyone can make decisions that the organisation considers to be important. According to Hage (1965), some organisations allocate power to only a few jobs, while others allow much wider

participation. Hage proposed the following measurement of centralisation,

“Centralisation or authority or hierarchy is measured by the proportion of occupation or jobs whose occupants participate in decision making and the number of areas which they participate. The lower the proportion of occupations or jobs whose occupants participate and the fewer the decision areas in which they participate the more centralised is the organisation”(Hage 1965: 294-295) Hall (1965) similarly considered the matter of power or authority in decision making and the way authority is distributed in the organisation as centralisation.

The degree to which jobs are codified and range of variation or latitude tolerated within the rules is called formalisation by Hall (1965). Hage referred to formalisation virtual the same way as Hall. He noted that rules and procedures can vary highly stringent to extremely lax. Freedom of discretion is enhanced or limited by the extent to which behaviour is programmed. Pugh et al (1968) referred to rules and procedures as both formalisation, standardisation. They stated " In highly formalised, standardised and specialised situations, the occupant of the role has his behaviour highly specified, leaving the few options that he can exercise in carrying out his job" (Pugh et al 1968:75)

Stratification is the fourth means or structural variable that Hage put forward. All organisations distribute rewards such as salary or prestige. These rewards according to Hage result in different status in the organisation. In some organisations these rewards are very obvious and in others they are very subtle. The more easily reward symbols are attained; the more open is the system. Conversely, the more difficulty there is in earning the symbol, the more closed or stratified is the organisation.

Hage and Aiken (1970) pointed out that stratification is inevitable in any organisation. The difference among organisations is that in some there are minimal discrepancies and in others the differences are substantial. The two scholars concluded “The greater the disparity in rewards between the top and bottom status levels and the lower the rate of mobility between them, the more stratified the organisation is” (Hage and Aiken 1970:295).

#### *Measuring Organizational Performance*

“Organizational performance is the ultimate dependent variable of interest for researchers concerned with just about any area of management.” (Pierre, Timothy, Georg, and Gerry, 2009). Performance is essential in enabling researchers and managers to appraise firms over a period of time and compare them to rivals in the context of their environments.

Its importance to scholars of management is echoed by March and Sutton (1997) in Pierre, Timothy, Georg, and Gerry (2009) who cited 439 academic articles in Journals over three

years. Despite its importance, it is interesting to note that the definition, nature and characteristics of performance and how to measure it remain ambiguous. Kirby (2005) concludes that a small number of studies use consistent definitions and measures of performance.

Various ways of measuring performance have been suggested by different scholars. Pierre et al (2009) identified 66 papers that included organizational performance as a dependent or control variable. Measures ranged from a set of operation ratios and accounting ratios. Overall out of 132 measures identified, 92 different measures of performance were used across the papers. The usage was further complicated by variation in the use of a single, multiple and aggregated measures (March and Sutton, 1997 in Pierre et al, 2009).

What March and Sutton (1997) and Pierre et al (2009) designated is that not with standing its accepted significance, researchers still pay little theoretical attention to, or methodological rigor about, the choice, construction and use of the excess of performance measures available to them. Several foundation reviews on measuring performance were published in the 1980s by among others, Chakravarthy, (1986); Venkatraman & Ramanujam, (1986). The last 20 years has seen the advent of broader and more comprehensive views on performance and important empirical and methodological developments that have yet to comprehensively reviewed and integrated (Pierre et al, 2009).

It is clear from literature that not one measure can be adequate to determine performance of any organisation. Pierre et al, (2009) attempted to unite the various measurements. The nature and characteristics of performance is determined by the different stakeholders in organisations this gives performance a multi-dimensionality face.

#### *Structural Variables as they Relate to Performance*

The two major concepts, organisational structure and organisational performance, set the frame works of this study. It therefore becomes mandatory to discuss literature that has attempted to relate the two.

Hage (1965) put forward an axiom theory of organisations that sought to explain the relationship between structure and performance. In his theory Hage outlined eight variables related to organisations. Four of which he called means and four which he called ends. The means according to Hage are the characteristics of the structure which Daft calls structural dimensions (Daft 1989) these include, complexity, centralisation, formalisation and stratification. The ends Hage noted they are the propositions that denote performance and they include adaptiveness, effectiveness, job satisfaction and production (Hage 1965).

## VI. RESEARCH METHODOLOGY

A survey case study was conducted to measure variables using structured questionnaires as primary data. Company documents were used as secondary data. Likert scale was used to relate the two research variables. The use of a survey allowed presumption of consistent instruments. Which according to Converse and Presser (1986) reduces bias. Other advantages of surveys include their accuracy, generalizability, and convenience (Babbie, 1998). Surveys are also open to rapid statistical analysis. According to Weisberg et al. (1996), surveys are appropriate for measuring thoughts (or inclinations), viewpoint (including predictions and assessments of importance), or facts (including past behavioral experiences). This makes this approach suitable for the research since organizational structure is based on the social traffic of the organization with attitudes, behaviours and thoughts.

## VII. DISCUSSION

Using a stratified sampling technique, a sample size of 150 was selected. Ninety (90) respondents filled and returned the questionnaire representing a response rate of 60%. Of the 90, 10 were managerial staffs. Thirty-nine percent of the respondents were in the 31-40 years age category (35 responses) and constituted the bulk of the sample. Sixty-seven of the ninety-three respondents (75%) were below the age of forty years and generally young people. Of the 90 respondents 22 (24%) were female and 68 (76%) were male. The majority at 34% have between 1 and 5 years of work experience. The majority of respondents are diploma holders at 32 (44%).

### *Relationship between Organizational Size and Performance*

Using the total number of employees and the Aston group guidelines, the research established that the N.R.Z is a big organization with a mean size of 9049.5 employees over the last five years. Organizational size has an interactive effect on performance as it determines and moderates other structural variables, such as span of control, chain of control, specialization and formalization

Two main casual conclusions are drawn out from the research, both having similar ultimate implications for effective structural design. Firstly, a big organization such as N.R.Z offers more opportunities to reap the benefits of increased specialization. Secondly, the problem of directing larger numbers of people makes it impossible to continue employing a personalized, centralized style of management

### *Functional Specialization as a Regulator of Performance*

The N.R.Z has a total number of 23 areas of specialization which falls under the highly specialized category according to

Aston Groups' (1965) guideline. The technical services division with the highest number of 7 (30.4%) specialized areas.

From the findings, the research concludes that highly specialized units within the functional structure often perform with a high level of efficiency; they may have difficulty working well with other units. If a project calls for several units to work together, units may become territorial and unwilling to cooperate with each other. In essence, each unit may act in what it perceives to be its own best interests instead of those of the organization as a whole. Infighting may cause projects to fall behind schedule hence affecting performance.

### *Formalization as a Regulator of Performance*

Formalization was considered in relationship to the aid policy documents render in execution of duties. Out of the 80 professionals and respondents, 40 policy documents 5 out of 10 and the 40 gave a ranking of 5 and above. Managers and directors ranked the existence of policy documents from above average to excellent in as far as aiding execution of duties are concerned.

Formalization has varying effects on performance from the two types of stakeholders involved in research. The employees revealed a negative relationship with formalization as it eroded away their innovativeness hence affecting performance negatively. For the managers, formalization was positively associated with performance as it eroded organizational role ambiguity which directly affects performance positively.

### *Levels of Centralization as Indicators of Bureaucratic and Effects on Organizational Performance*

Centralization was determined by considering, autonomy, levels of delegation and levels of employee participation. All the measurements of centralization suggest a highly centralized organization with bureaucratic tendencies. Sixty percent of the respondents confirm that great deals of decisions are referred to outside authority. Lack of autonomy points to a highly centralized organization. An organization that lacks autonomy suffers from inability to make decisions on time and decisions from outside might not be compactable with the situation on the ground.

The degree of delegation of authority by managers and supervisors is at a mean of 32.6% and a mode and median of 33%. These figure point to lack of delegation and a highly centralized organization. Granting of freedom to act by the superior shows the confidence of the superior over subordinates. Lack of delegation in this organization deprives it of advantages of delegation.

The study revealed that employees individual participation in making decisions about allocation of resources and determination of organizational policy was minimal as revealed by employees disagreement of involvement at 59%

(32% strongly disagree and 29% disagree) on the Likert scale. This result also points at a highly centralized organization. From the findings it is fitting to conclude that limited inclusion of employees in decision making affects motivation levels which in turn decode low levels of staff performance.

The findings of the study indicate that the N.R.Z has characteristics of bureaucracy in its organizational structure as revealed by centralization which was strongly indicated by the structural variables of size, specialization, formalization, span of control and chain of command.

The structural variables were the research independent variables as they are a function of organizational structure.

#### *Chain of Command and Span of Control as they Relate to Performance*

Levels of hierarchy reveal that the organization has a short chain of command with a mean of 3, 85 levels. Correlation scatter graphs constructed at different levels of hierarchy to seek a relationship between chain of command and performance. The results show no linear relationship between chain of command and performance.

Span of control of the organization is on mean of 1 supervisor to 8, 7. This is a relatively narrow span which has tendencies of high centralization. The correlation scatter plot graphs of span of control at 1-7, 8-11 and 12-15 show no linear relationship between performance and span of control.

Research proved no empirical evidence that span of control is linked to performance at whatever ratios either narrow (7 or less) or wide (8 and above). There is suggestion from management literature though that wide span of control offers opportunities for delegation and involvement in decision making for employees. This is widely thought to motivate employees resulting in increased levels of performance.

Performance indicators considered for this study were all ranked below average by managers. The weighted average of all indicators by the managers is 18, 1%. Managers of the organization seem to agree about poor performance of the organization.

The research concludes that the key variables of the bureaucratic system which are centralization, formalization and specialization define the scope and limits of behaviour within an organization and affects performance. Formalization can aid managerial efficiency at the expense of organizational adaptiveness.

#### VIII. RECOMMENDATIONS

1. It is recommended that the organization updates the policy documents especially in the engineering and technical divisions

as modern operations calls for that, reduce policy documents as they hinder employees innovativeness.

2. Reduction of decisions to be referred outside the organization might increase efficiency. Autonomy is lacking in the organization as it refers most of its decisions to the outside authority. Efficiency is affected by autonomy as decisions take longer to make.

3. Delegation should be increased as it increases staff motivation and motivation has been proven as affecting performance. Involvement in decision making and allocation of resources will affect performance as worker participation in decision making positively affects performance. The current situation's involvement of staff in decision making is very minimal.

4. Other structural variables which were not considered in this study might affect performance and further studies which are longitudinal in nature might bring out a relationship between structure and performance.

5. Other factors might affect performance other than organisational structure hence further research in what affects performance with more organisations as source of investigation might provide further insight.

6. Longitudinal studies in the area of structure-performance relationships would allow responsible interpretations of causality in the linkages between structure, performance and other situational structural variables.

#### IX. CONCLUDING REMARKS

The focus of the study was to establish how organisational structure relates to performance using the National Railways of Zimbabwe as a case study. Organizational structure was denoted by structural and dimensional variables of centralization, autonomy, span of control, chain of command, formalization and special functionalism. The researcher collected data by using questionnaires as the source of primary data and company policy documents as source of secondary data. The research established bureaucratic tendencies in the organizational structure and its major tenet of centralization affects performance. It slows down efficiency and erodes adaptiveness on the part of employees and managers. It is recommended that organizational structure be decentralization together with its tenets of specialization, formalization, chain of command and span of control. It is hoped that the changes will go a long way into improving efficiency and adaptiveness leading to high performance of the organization. Further studies will allow a more complex interpretation of the relationship between structure and performance.

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