# EFFECTS OF MANAGEMENT STRUCTURE ON SALES STAFF PERFORMANCE IN PUBLISHING COMPANIES IN KENYA

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A RESEARCH REPORT SUBMITTED TO THE DEPARTMENT OF BUSINESS AND ENTREPRENUERSHIP IN THE SCHOOL OF BUSINESS AND ECONOMICS IN PARTIAL FULFILMENT OF THE REQUIREMENTS OF THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION OF SOUTH EASTERN KENYA UNIVERSITY

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Declaration	
This report is my original work and has not been pulliversity. University.	presented for a degree in any other
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#### **DEDICATION**

I dedicate this work to my beloved mother Betty who passed on before I completed this degree. To my elder brother Moses whose values of hard work, decency and dignity encouraged me that the sky is the limit. To my lovely boys Clement and Prayer for your patience and humour that eased the burden of books; you are my world. Finally, to my best friend and wife, Anne Nyambura, who instilled in me a life of gratitude and hope. May God bless them all in a special way.

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#### **ABSTRACT**

According to the Kenya Publishers Association (K.P.A) there are forty-one companies engaged in book publication and have a clientele base all over East African Community (EAC) and across the world. The companies have a varied combination of organization structures ranging from Functional to Matrix, and clear expectations on the performance of its staff. The main objective of the study is to determine the effects of organization structure on performance of sales staff among Publishers. The specific objectives will be to evaluate the effects of functional structure on the performance of sales staff among publishing companies in Kenya, to investigate the effects of Divisional structure on performance of sales staff among publishing companies in Kenya and to ascertain the effects of matrix organizational structure on performance of the sales staff among publishing companies in Kenya. The literature review shall address the theories of management, empirical literature on related studies and the conceptual framework with a representation of the independent, intervening and dependent variables. The researcher shall employ case study method to collect the views and opinions of the respondents. Researcher-made questionnaires shall be administered and the collected data shall be analyzed using the Statistical Package for Social Sciences (SPSS) computer programme. Descriptive statistics like the mean, percentages and standard deviation shall be used to describe the findings. The findings shall be presented in charts, graphs and frequency tables.

**Key words: Organization Structure, Reporting Lines, Performance Objectives, Efficiency and Effectiveness.** 

## **ABBREVIATIONS**

EA: East Africa

EAC: East African Community

IT: Information Technology

NSE: Nairobi Securities Exchange

SPSS: Statistical Package for Social Sciences

KPA: Kenya Publishers Association

#### **CHAPTER ONE**

#### **INTRODUCTION**

#### 1.1 BACKGROUND OF THE STUDY

The modern organization exists in a dynamic environment with constant change in its internal and external environments. Despite these changes, organizations need a clear organization structure that determines how the roles, power and responsibilities are assigned, controlled, and coordinated, and how information flows between the different levels of management (Andrews, 1957).. When business leaders and managers set the objectives and goals of the organization, the next step would be to design an organizational structure to get the proper and suitable strategies together and make use of them to achieve those objectives. Therefore, Structure is not simply an organization chart but it is is all the people, positions, procedures, processes, culture, technology and related elements that comprise the organization (Chandler, 1962).

The contingency approach to management sees no one right structure for all organizations. Instead, the right structure depends on contingency factors. Contingency or situational factors may include the organization's strategy, size, technology and environment, type of industry, the organization's and industry's stage of development, and the latest organizational fad (Galbraith, 1991). Therefore, in a centralized structure, the top layer of management has most of the decision making power and has tight control over departments and divisions. In a decentralized structure, the decision making power is distributed and the departments and divisions may have different degrees of independence. The organizational structures can be used by any organization if the structure fits into the nature and the maturity of the organization. In most cases, organizations evolve through structures when they progress through and enhance their processes and manpower. Indeed, organization structure is also the factor which determines the allocation of both resources and responsibilities in an organization within its different departments and individuals (Hucznski & David, 2007).

The art of management is as old as civilization. The Eqyptian pyramids, and the Great Wall of China indicate that large projects requiring managerial skills were undertaken thousands of years ago. However the study of management as a science began recently, especially after the

Industrial Revolution. Management as a noun means a resource, a system of authority or a class or elite. It is a factor of production like capital or labour. In the Economists view it refers to a team of managers who make decisions and supervise the work of others. In the Sociologist's view it is a class and status system. The sociologists hold that managers are a distinct class in the society having specialized knowledge and skills (Drucker, 1965).

Management as a process denotes what managers do. These include planning, organizing, staffing, directing and controlling inputs(men, materials, machinery, money) to get desired outputs( goods, services, profit, productivity, customer satisfaction) On the other hand, Management as a team refers to the persons who manage the affairs of an organization. Thus management includes all those who are responsible for making decisions and supervising the work of others. Management as a discipline refers to the specialized branch of knowledge which involves the study of certain principles and practices. This view supports the claim that managerial skills can be acquired through formal education and training Lastly, Management as an activity refers to separate class of activities which are performed by managers. However, managerial activities cannot be measured in a precise way unlike non-managerial operations like typing, machine operations, where the output can be measured (Galbraith, 1991).

The primary formal relationships for organizing are responsibility, authority, and accountability. They enable firms to bring together functions, people, and other resources for the purpose of achieving objectives. The framework for organizing these formal relationships is known as the organizational structure. It provides the means for clarifying and communicating the lines of responsibility, authority, and accountability. The contingency approach to management indicates that the most appropriate organizational structure depends not only on the organizational objectives but also on the situation, which includes the environment, the technology employed, the rate and pace of change, the managerial style, the size of the organization, and other dynamic forces (Wilson, 1986). The three most common generic organizational structures are the functional structure, the divisional structure and the matrix structure (Pascale, 1990). The fuctional structure has people who do similar tasks,have similar skills and/or jobs. Because of this, decision-making process is fast and people can learn from each other since they already possess similar skills sets and inetrests. It is characterised by a top-down power hierarchy, with decision-making authority pushed up as high as as is practically possible. Many rules exist to

keep things running according to a predictable order. People work together according to function e.g Sales people work together on sales. This management control means employees color within the lines, becoming proficient and efficient at their jobs but exhibiting little creativity. Functional Structure inhibits initiative and produces followers. In addition, people with the same skills and knowledge may develop a narrow departmental focus and have difficulty in appreciating any other view of what is important to the organization, thus sacrificing organizational goals in favour of departmental goals.

On the other hand, when a company has disparate client categories, product lines or locations, it makes sense to divide employees into groups dedicated to single concern. Doing this naturaly decentralises power, as each division has power over its particular concern. Divisional structure ensures that divisions are set up in regions to work with each other to produce similar products that meet the needs of the individual regions. In deed, each division operates as a small unit and managers respond by learning to behave like leaders.

Matrix structure is where an organization groups people into two different ways: by function they perform and by the product they are working with. This Matrix gains some of the team model's flexibility, retains some of the functional efficiency while responding to different market concerns.

By following well-documented prescriptions for success, managers should theoretically be able to easily identify and realize the ideal structure for their organization. However, further consideration finds that theory does not necessarily lend itself effectively to practice (Mintzberg, 1991). Certain structures undoubtedly are more conducive to realizing particular corporate goals and strategies. However, because of the complexity of an organization's situation, it is difficult to identify the single ideal structure. Dynamic changes in organizational goals and resources as well as its environment may preclude a static ideal structure. For instance, one company may start as a pre-bureaucratic company and may evolve up to a matrix organization.

Staff is a name given to different types of functions in organizations. For example, human resources, accounting, public relations and the legal department are generally considered to be staff functions. Staff positions can have four kinds of authority: Advise authority where line managers choose whether or not to seek advice from the staff person, and decide what to do with

the advice once they get it (Mintzberg, 1991). Compulsory advice or compulsory consultation in which line managers must consider the staff person's advice, but can choose not to heed it. Concurrent authority in which the line manager cannot finalize a decision without the agreement of the staff person and finally the functional authority in which the staff person has complete formal authority over his or her area of specialty. Staff workers derive influence from expert authority or authority of knowledge from their control of information which may be vital to line managers, and from their closer access to upper management. Management theorists advise that functional authority for staff positions should be extremely limited in scope: it should cover only a tiny aspect of the line managers' job, it should relate only to areas in which line managers have no expertise, and it should be granted only where company-wide uniformity is required (Huczynski and David, 2007)

Performance Management began around 60 years ago as a source of income justification and was used to determine an employee's wage based on performance. Organisations used Performance Management to drive behaviours from the employees to get specific outcomes. However, the gap between justification of pay and the development of skills and knowledge became a huge problem in the use of performance management. This became evident in the late 1980s and resulted in the introduction of a more comprehensive approach to manage and reward performance which entailed aligning the organizational objectives with the employees' agreed measures, skills, competency requirements, development plans and the delivery of results (Mills, 1991). In recent decades, however, the process of managing people has become more formalised and specialised. Many of the old performance appraisal methods have been rationalized and the emphasis is on improvement, learning and development in order to achieve the overall business strategy and to create a high performance workforce. Some of the developments that have shaped employee performance management in recent years are the differentiation of employees or talent management, management by objectives and constant monitoring and review (Neale, 2004).

Organization structure may be considered as the anatomy of the organization, providing a foundation within which an organization functions. Organization structure is believed to affect the behaviour of organization members. Selznick (1957), suggested that structures are designed to minimize or at least regulate the influence of individual variations on the organization. Structure is also the setting within which power is exercised, decisions are made and the

organization's activities are carried out. Waterman et al (1980) also held the view that organization structure affects the performance of staff in terms of their efficiency, morale and effectiveness.

## 1.1.1 The Concept of Management Structure

The way in which an organization is structured has a great impact on the style of management needed to optimize the organization. A misfit between the management style and the organizational structure will result in a poorly functioning company even though all other assets for success might be present. The significance of good managers might seem pretty straightforward, but even the best managers may not be able to turn around a department or company. Failure can often be attributed to a style of management that does not fit with the structure of the organization. It is thus essential that managers understand what style of management fits best with organization structure. (Miller, 2010)

The primary formal relationships for organizing are responsibility, authority and accountability as they enable firms to bring together functions, people and other resources for the purpose of achieving objectives. The framework for organizing these formal relationships is known as organizational structure and it provides the means for clarifying and communicating the lines of authority, responsibility and accountability. The contingency approach to management indicates that the most appropriate organizational structure depends not only on the organizational objectives but also on the situation, which includes the environment, technology employed, managerial style, size of the organization and other dynamic forces. (Wilson, 1986). The three most common generic organizational structure are functional, divisional and matrix structures (Pascale, 1990)

### 1.1.2 Organization Performance

Organizational Performance comprises of the actual output or results of an organization as measured against intended outputs. According to Richard et al.(2009) organizational performance encompasses three specific areas of a firm's outcomes; financial performance, product market performance and shareholders' return. Organizational performance involves the recurring activities to establish organizational goals, monitor progress towards the goal and makes adjustments to achieve those goals more effectively and efficiently. Therefore managers have a duty to ensure that work gets done right, on time and on budget.

Munir (2014) says that organizational performance is more than end of year appraisal. It is about translating goals into results as it focuses not only on individual employees but also on teams, processes and the organization as a whole. A well-developed organizational performance program addresses individual and organizational performance matters necessary to properly create and sustain a healthy and effective result-oriented culture. Effective organizational performance will help the organization raise individual performance, foster ongoing employee and supervisor development and increase overall organizational effectiveness.

#### 1.1.3 Sales Staff Performance

Performance management of sales staff began around 60 years ago as a source of income justification and was used to determine an employee wages based on performance in sales turnover. Organizations used performance management to drive behaviours from the sales employees to get specific outcomes. However, the gap between justification of pay and the development of skills and knowledge became a huge problem in the use of performance management. This became evident in the late 1980s and resulted in the introduction of a more comprehensive approach to manage and reward performance which entailed aligning the organizational objectives with the employees' agreed measures, skills, competency requirements, development plans and delivery of results based on set sales targets (Mills, 1991). In recent decades, however, the process of managing people has become more formalized and specialized. Many of the old performance appraisal methods have been

rationalized and the emphasis is on improvement, learning and developments so as to achieve the overall business strategy and to create a high performance workforce. Some of the developments that have shaped employee performance management in recent years are the differentiation of employees or talent management, management by objectives and constant monitoring and review. (Neale, 2004) A majority of publishing firms quantify staff performance based on the number of units of books sold as the best objective indicator to measure performance. In addition, timeliness in terms of how fast work is performed determines the relationship between sales and orders from customers.

## 1.1.4 Publishing Companies in Kenya

Most of the publishing firms started as distribution agents before growing into fully-fledged publishing houses in the country. The companies' backlist now covers all major subjects taught in Kenyan primary and secondary schools. The supplementary list ranges from authoritative atlases and captivating readers to resourceful dictionaries. To achieve their vision, the companies rely heavily on their Sales and Marketing functions, in which the Editorial department has to beat certain timelines to ensure that books are available for the market. After which the marketing teams move with speed to deliver the much needed sales.

The Kenya Publishers' Association is the umbrella body for book publishers and encourages the wildest possible spread of printed books throughout Kenya and beyond. It seeks to protect the interests of the publishing industry by all lawful means by collectively dealing with problems which can best be dealt with. As at 31<sup>st</sup> December,2014, there were 41 registered KPA members, according to the association's website.

A majority of the publishing companies have adopted a matrix organizational structure where different regions of the country are managed by regional managers to whom report sales managers, sales representatives and other support staff. The performance of regional sales managers and the sales force is measured on the basis of sales staff's ability to meet set sales targets, while the support staff are evaluated based on the operational standards like level of errors, speed of processing transactions and creativity in execution of responsibilities. The employee performance measurement process is carried out on a regular basis within the year but

a final appraisal grade is awarded to the employees at the end of the year. The final appraisal grade is the basis upon which members of staff are awarded promotions, salary increments, bonuses and other motivational rewards.

#### 1.2 STATEMENT OF THE PROBLEM

Most organizations in Kenya have adopted a divisionalized and functional organization structures almost regularly due to introduction of new projects, separation and appointment of employees, creation of new business functions, merging of existing business functions, entrance into new markets and routine reviews of reporting lines to ensure quicker decision making, efficiency and proper utilization of resources. Ansoff (1965) holds that the organization structures responds to the strategic objectives of organizations and therefore the structure has a direct impact on the strategic stance of the organization and by extension the performance of employees.

Chandler (1962) proposed the management threory that structure follows strategy i.e corporate structure is created so as to implement a given corporate strategy. He described corporate strategy as the determination of long-term goals and objectives, the adoption of courses of action and associated allocation of resources required to achieve goals. Chandler defined structure as the design of the organization through which strategy is administered. Changes in an organizational strategy led to a new administrative problems which in turn required a new or refashioned structure for the successful implementation of the new strategy.

Mintzgerg (1987) suggested that for any organization to develop a robust business strategy that takes full advantage of its strength and capabilities, it had to use what he referred to as the 5Ps i.e Plan, Ploy, Pattern, Position and Perspective. These, he argued, would be key in developing an appropriate structure for a competitive advantage in the market.

Scholars have conducted studies on various aspects of organization structure and employee performance. Otieno (2011) conducted a study on the strategy-structure alignment at Kenya Commercial Bank Group Limited while Munyiva (2012) also conducted a similar study at Barclays Bank of Kenya. They observed that every organization needs an organization structure that is capable of delivering its strategic intent which is usually attained through the performance

objectives of the employees. Munyoroku (2012) conducted a research on the role of organization structure on employee performance among food processing companies in Nairobi. He held that the organization structure of companies had a central role in determining the performance of employees in the management of costs, responsiveness to competitive forces and the actual attainment of strategic objectives.

The above scholars have mainly focused on the relationships and alignments of organization structure and the employee performance in pursuit of the strategic intent of organizations. However, the researcher has not come across a specific study that tries to establish the role of organization structure on the sales staff performance among publishing companies in Kenya. This study sought to fill the research gap by undertaking an in-depth evaluation of the effects of functional structure on the performance of sales staff, effects of divisional structure on the prformance of sale staff and effects of matrix structure on the performance of sales staff in publishing companies.

#### 1.3 OBJECTIVES OF THE STUDY

The main objective of the study was to establish the effects of management structure on sales staff performance in publishing companies in Kenya.

## 1.3.2 Specific Objectives

The specific objectives of the study was as follows

- i. To evaluate the effects of functional management structure on the performance of sales staff among the publishing companies in Kenya.
- ii. To investigate the effects of divisional management structure on the performance of sales staff among the publishing companies in Kenya.
- iii. To determine the effects of matrix management structure on the performance of the sales staff among the publishing companies in Kenya.

## 1.4 RESEARCH QUESTIONS

The researcher sought to answer the following questions:-

- i. What are the effects of functional management structure on the performance of sales staff among the publishing companies?
- ii. How does divisional management structure affect the performance of sales staff among the publishing companies?
- iii. To what extent does matrix management structure affect the performance of sales staff among the publishing companies?

## 1.5 SIGNIFICANCE OF THE STUDY

The findings of this study would be of benefit to Publishers since they will shade light on the effects of various organizational structure on the staff performance management process. The findings will also shed light on how such effects can be managed in order to make the staff performance process more objective and results oriented.

Policy makers in the discipline of Staff Performance Management may use the findings of this study to come up with universally applicable strategies that can enable alignment of the organizational structure with the performance objectives of the staff of the organization in order to facilitate the attainment of strategic ambitions of both private and public organizations.

The academia and business researchers will be able to borrow from the findings of this research to support literary citations as well as develop themes for further research. Specifically, the study hopes to make theoretical, practical and methodological contributions to the field of Strategic Management. The findings will contribute to professional extension of existing knowledge by helping to understand the current challenges in implementing organizational structure changes and their effects on the employee performance in various business organizations.

#### 1.6 SCOPE OF THE STUDY

The aspects of organizational structure entailed how various management structures i.e functional, divisional and matrix have an overall effect on the performance of sales staff among the publishing companies. The variables were evaluated in relation to their effects on the performance of sales staff among publishing companies. The period of study was between 2012 to 2015. The researcher targeted National sales managers located at the headquarters of publishing companies in Nairobi, Kenya. The study also gathered secondary data from other sources like publications and websites of the Kenya Publishers Association and the scholarly publications.

#### 1.7 LIMITATION AND DELIMITATION OF THE STUDY

The research was limited by the fact that some of the respondents were unwilling to divulge all the needed information due to fear of victimization. However, this limitation was overcome by assuring the respondents that the information gathered was to be handled confidentially and used solely for the purpose of this study. The researcher also endeavoured in using personal skills to get the neccesary information required for the study

#### CHAPTER TWO

## LITERATURE REVIEW

#### 2.1 INTRODUCTION

Understanding the historical context from which some of today's organizational structures have developed helps to explain why some structures are the way they are. For instance, why are the old, but still operational steel mills such as the US steel and Bethlehem steel structure still using vertical hierarchies? Why are fewer steel mini-mills such as Chaparral steel structured ore horizontally, capitalizing on the innovations of their employees? Part of the reason, Brews(2004), says is that organizational structure has a certain inertia such that changing an organizational is a daunting managerial task and the immensity of such a project is at least partly responsible for why such change is infrequent.

At the beginning of 20<sup>th</sup> century the US business sector was thriving. Industry shifted from jobshop manufacturing to mass production and thinkers like Fredrick Taylor and Henri Fayol in France studied the new systems and developed principles to determine how to structure organizations for the greatest efficiency and productivity, which in their view was very much like machine. Management thought during this period was introduced by a German sociologist, Max Weber, where he concluded that when a society embraces capitalism, bureaucracy is the inevitable results since power is ascribed to positions rather than to the individuals holding those positions. Fayol's ideas of involving unity within the chain of command, authority, discipline, task specialization and other aspects of organizational power and job separation also influenced the management structure in organizations. This created the context for vertical structured organizations characterised by distinct job classification and top-down authority structure. This is what became known as the classical organization structure.

Job specialization, a hierarchical reporting structure through a tightly-knit-chain-of-command, and the subordination of individual interests to the superordinate goals of the organization combined to result in organizations arranged by functional departments with order and discipline maintained by rules, regulations and standard operating procedures.

As a result, businesses developed organically, growing up around an owner while being limited in size. Steam power changed all that paving way for mass production. Mass production demanded labour and all that labour needed organization into some sort of systems. These systems resulted in organizational structures based on theories of best ways to organize work and employees, so as to influence business.

Rensselaer Polytechnic Institute (2012) introduced the concept of leadership style in trying to show the existing relationship between leadership style and structure, defining the former as the characteristic way of making decisions relating to subordinates. Rensselaer added that leadership styles may be autocratic, consultative, persuasive, democratic or laissez-faire An autocratic leader makes decisions unilaterally without regard for subordinates. This may chafe the subordinates who may feel that they are limited on decision-making and turn-over among the bet staff will be higher. Consultative and persuasive are almost similar, only that the former is essentially dictatorial though it takes into account the employees' best interest as well as business. The latter sees the manager spending more time with the employees so as to try to convince them of the benefits of the decisions that have been made. Democratic management style allows the staff to take part in decision-making and the majority carries the day, while in Lassez-faire the management takes a back seat role in the organization providing guidance when needed, and staff is allowed to let their own ideas to flourish in their specific areas.

This chapter, therefore, focused on the theories of organizational structure namely the classical organizational theories like bureaucracy, scientific management and administrative theory and establish if organizational theories and organizational structure work together. It also evaluated neo-classical theories of management like human relations theory, systems approach, quantitative approach and behavioral science approach to management. Other theories that were discussed included the contingency theory and the modern management theory. The chapter also presented the findings of empirical studies related to this study and a conceptual framework of the independent and dependent variables under study.

## 2.2 THEORETICAL REVIEW

Theories about organizational structure can help with plans for organizational success. These theories may influence how an organization allocates resources as they describe how an organization interacts with the environment. Early theories were overly bureaucratic and have given way to organizational theories that apply to a multitude of dynamic situations.

## 2.2.1 Classical Organization Theory

The classical organization theory was developed in the 19<sup>th</sup> century and was taken from a bureaucratic-style structure where there was one bureaucratic head with the central authoritative role and below him are all managers he presides over. Unfortunately, this type of organizational structure gave little credit to the human skills and motivations to be productive in the workforce since employees lacked weren't looked upon as a people with ability to self-govern or involve them in managerial decisions. In other words, the human-factor which is the emotional motivator that drives people in the workforce isn't taken into account. The classical organizational theory led to the traditional structure that divides workers by function, emphasizes rules and procedures and puts the owner in control. More or less the classical organization theory emphasized the philosophy: "Follow the rules, obey the orders, show the results and get the rewards. The classical organization theories consists bureaucracy theory, scientific management theory and administrative theory.

Bureaucracy theory was suggested by Max Weber in 1920 through his classic work: The Theory of Social and Economic Organisation. Bureaucratic theory involves establishing a hierarchy to describe the division of labour in a company and recognizing the importance of specialization. Bureaucracy is said to be an organized system for not getting things done effectively. Bureaucrats are considered to be experts in wasting time, money and energy and are called hopeless company men. Despite these negative pronouncements, bureaucracy remains an essential feature of modern civilization. Many of the problems of bureaucracies could be avoided if the individual needs and characteristics of every organizational member are remembered and considered in making managerial decisions. Weber's ideal-typical bureaucracy is characterized

by hierarchical organization, lines of authority in a fixed area of activity and career advancement on the basis of technical qualification.

Scientific Management theory holds that management is characterized by scientific task planning, Time and motion studies, Standardization, Differential piece rate system and Functional foremanship Administrative theory is an approach that focuses on principles that can be used by managers to coordinate the internal activities of an organization Fayol (1949) classified business operations into major activities: Technical(production), six Commercial(buying and selling), Financial(use of capital), Security(protection of property), Accounting(keeping financial records), Managerial. Fayol devoted his attention to the last activity and argued that managers should perform five functions: Planning, organizing, commanding, coordination, controlling and monitoring the plans to ensure that they are being carried out properly (Selznick, 1957). Having developed the 14 principles of management, among them centralization, line of authority and unity of command, the most recommended management structures in this theory is Functional and Divisional.

## 2.2.2 Neo Classical Organizational Theory

The neo-classical organizational theory emanated in the late 1920s and 1930s, when observers of business management began to feel the incompleteness and shortsightedness in the scientific as well as administrative management movements. It emphasized on consideration of work environment as productivity improves in an environment with coherence of values and purpose as well as where subordinates are accepting managerial authority. It consists of three theories: The human relations theory, behavioral science approach, quantitative approach and systems approach.

The Human Relations Theory is a movement in management thinking and practice that emphasized satisfaction of employees' basic needs as the key to increased worker productivity. It was emanated from the Hawthorne studies at the Hawthorne plant of the Western Electric company during the late 1920s and early 1930s where the employees were separated into two groups (test group and control group) and various factors varied like lighting, wages, rest periods and shortened workdays. The main features of Human Relations theory are the individual where

each person is considered to be unique, the work group, the work environment and the leader of the individuals and the workplace (Chandler, 1962).

Behavioral Science Approach emphasizes scientific research into various disciplines such as psychology, sociology, anthropology, economics) as the basis for developing theories about human behavior in organizations that can be used to develop practical guidelines for managers. The basic philosophy of human resources approach is that people do not inherently dislike work and the manager's basic job is to use the untapped human potential in the service of the organizations. Therefore, regardless of the existing organizational structure, the manager should create a healthy environment wherein all subordinates can contribute to the best of their capabilities. The environment should also provide a healthful, safe, comfortable and convenient place to work (Drucker, 1965).

Quantitative Approach to management focuses on the use of mathematics, statistics, and information aids to support resource allocation, managerial decision-making and organizational effectiveness in all functional structures. The main branches include: Management science that aims at increasing decision effectiveness through the use of existing chains of command, advanced mathematical models and statistical methods, operations management that is responsible for managing the production and delivery of an organization's products and services and management information systems which is the field of management that focuses on designing and implementing computer-based information systems for use by management (Ansoff and MacDonnell, 1965).

The systems theory tries to solve problems by diagnosing them within a framework of inputs, transformation processes, outputs and feedback. A systems view of management, for instance, would recognize that, regardless of how efficient the organizational structure might be, if the marketing department does not anticipate changes in consumer tastes and work with the product development department in creating what consumers want, the organization's overall performance will be hampered (Williamson, 1991).

## 2.2.3 Contingency Organizational Theory

The Contingency organizational theory is based on the premise that situations dictate managerial action, that is, different situations call for different approaches. No single way of solving problems is best for all situations. Features of the contingency theory include managerial actions are contingent on certain actions outside the system or sub-system as the case may be; organizational efforts should be based on the behavior of actions outside the system so that the organization gets smoothly integrated with the environment; managerial actions and organizational structure must be appropriate to the given situation; and that a particular action is valid only under certain conditions and therefore there is no one best approach to management (Neale, 2004).

Morgan (2007) argues that organizations are open systems that need careful management to satisfy and balance internal needs and adapt to environmental circumstances. Thus, managers must be concerned, above all, with achieving alignments and good fits.

Scouller (2011) developed the Three Level of Leadership Model intended as a practical tool for developing leaders' leadership presence and skills. It aims to summarize what leaders have to do, to not only bring leadership to their organizations but also develop themselves technically and psychologically. The model said that there are three levels of leadership; public, private and personal, in which the first two are behavioural and are what the manager must do behaviourally with individuals to address issues like individual selection and motivation collective unity and team spirit, while the inner level – personal leadership – refers to what managers should do to grow their leadership presence, knowhow and skills.

## 2.2.4 Modern Organizational Theory

The Modern Organizational Theory holds looks at an organization through the open-system view where the organisation is treated as an open system that interacts with the environment continually, in order to flourish regardless of the organizational structure it adopts. It also holds that the organization is dynamic and adaptive hence will always try to adapt itself constantly in line with changes in the outside environment. The theory also holds that the modern organization is multilevel and multidimensional while the employees are ultimotivated and multidisciplinary. This theory therefore views the individual as a complex being who can be motivated in several ways (economic as well as non-economic incentives). It is holds that the modern management style is multidisciplinary in the sense that it heavily draws its concepts from various disciplines like economics, sociology, engineering, psychology, anthropology and social psychology. The other dominant feature of this theory is that it is descriptive and probabilistic in the sense that it does not tell how to handle things (prescriptive) but it simply tells how the things are handled and only organizational structures that allow employees to be creative thrive. (Pearce and Robinson, 2005).

#### **EMPIRICAL LITERATURE**

This refers to the literature or studies that relate or urgue positively with your study, hypothesis or variables.

Employees' performance and attitude towards various aspects in their employment in relation to organizational structure, have been studied extensively. March and Simon's (1958) and Steers (1977) conducted studies on organizational structure and employee performance in manufacturing concerns and established that people with high attitudinal commitment generally exhibit specific behaviors including higher attendance, lower job change rates, high job involvement and increased job-related effort. However, they noted that this was better achieved when employees received adequate facilitation from the organization and where the concerned company structure allowed for employee participation and involvement in decision-making.

Tornow and Wiley (1991) while investigating the impact of functional structure on employee attitude on job satisfaction in the American hospitality industry found out that employee's attitude and their level of satisfaction with their job influenced how customers perceived their treatment and the quality of the service they received from the organization. They also found out that functional management structure shaped employee's perception of support at work such as that from coworker, supervisor and organization has an influence on employee attitudes and work behavior particularly through reciprocity process.

Adsit et al. (1996) studied the role of divisional structure managers in delivery of services at departmental stores in the United States and found out that those managers who encouraged participation had higher levels of performance in their departments. They also found out that employee perceptions of managerial communication in the form of goals and organizational strategies are important to customer satisfaction and departmental performance. In addition, they also established that there is a significant positive relationship between employee attitudes towards their managers and performance. Fletcher and Williams (1996) and Patterson et al. (1997), while studying the effect of divisionalized structure of management on staff also found out that there was a significant positive relationship between employee attitudes (job satisfaction and commitment) and performance in the banking industry in the United Kingdom and recommended that organizations should focus more on human resources. Indeed, Seijts and Latham (2000) hold that goal-performance relationship is strongest when people have confidence in being able to reach their goals and believe that their goals are important or appropriate.

Recent empirical studies have also established that organizations with structures that allow participative setting of goals lead to better accomplishment of complex tasks and development of effective task strategies. According to Latham (2001), there is a need to investigate goal-setting procedures and generalization in the achievement of managed performance. Mamdani (2007) studied the quality of academic programs at Makerere University in Uganda and found out that the forces of self-interest amplified by commercialization of academic programs eroded the institutional integrity of Makerere University. He recommended the need for implementation of performance management practices in order to achieve managed performance framed as service quality, service delivery and cost reduction. However, he noted that public universities in Uganda are facing challenges such as reduced funding from the government, restructuring,

downsizing and reengineering. These universities also have to operate as for profit-organizations for sustainability, making them operate as both public and private institutions at the same time. He therefore concludes that performance management is only possible if the employees of an organization are provided with all the necessary resources like tools, equipment and financial incentives and went further to state that there was need to decentralize some key functions to allow for resource allocations freely without due influence from the university management.

In a similar study, Verbeeten (2008) studied the impact of performance management practices in public sector organizations in Uganda and found out that behavioral effects of performance management practices are as important as the economic effects in public sector organizations! He observed that large organizations with matrix structure of organization appear to have more difficulty in defining clear and measurable goals and are likely to have lower quality performance unless they use incentives to encourage employee engagement. There was outright competition among staff from different divisions and functions.

In the local scene, Wambua (2008) studied the relationship between organizational structure performance of staff at Kenya Power and Lighting Company and found out that subjectivity on the part of managers, favoritism, discrimination on the basis of ethnicity and gender are some of the factors that soil the performance management process and lead to low regard and a negative attitude from employees. Wanjiru (2008) also studied the effects of organizational structure on performance of employees at Kenya Institute of Education and concluded that employees should have a say in the appraisal process to guard against biased appraisals by managers. Maina (2011) studied the use of sales targets as a strategic management tool at Toyota East Africa and recommended that perfomance objectives should be aligned with the company's organization structure to ensure that employees have a shared vision with the organization. In the same light, Ouko (2011) studied the extent of adoption of an organizational structure on performance in Kenyan private companies and recommends that management structure should allow a continous process of assessing staff performance and not a year end process. She holds that this will ensure that the overall performance of the employee is evaluated and guard against victimizations based on one-off errors and omissions. She also recommends that job descriptions should have wider provisions for ad hoc duties and the same should be factored in during performance appraisals. Lastly, M'mbui (2011) studied the effect of staff performance based on job satisfaction at Kenya Revenue Authority and concludes that employee disengagement, low morale, and high employee turnover are some of the results of a flawed performance based reward system.

Other local studies include Otieno (2011) and Munyiva (2012) who conducted studies on the strategy-structure alignment at Kenya Commercial Bank Group Limited and Barclays Bank of Kenya respectively. They observed that every organization needs an organization structure that aligns with the strategic intent so that the employees of the organization can be able to deliver on their performance objectives. Munyoroku (2012) conducted a research on the role of organization structure on employee performance among food processing companies in Nairobi and established that the organization structure of the companies determined the performance of employees in the aspects of cost management, competitive responsiveness and overall attainment of strategic intent. However, there is no specific study that has been carried in Kenya with a focus on effects of management structure on sales staff performance of publishing companies and therefore, this study sought to fill the existing research gap.

#### 2.4 CONCEPTUAL FRAMEWORK

This study conceptualizes that the independent variables, which are the various management structures determined the dependent variable (performance of sales staff) among Publishing companies. The performance of sales staff was measured through attainment of the set sales targets, ability to make decisions, how creativity helped saled staff to improve sales, the extent at which organizational structure influenced sales staff to believe in organizational culture, wether organizational structure influenced the sales staff to address both the market and custumer needs among other variables. Therefore, the study sought to show how functional management structure affects the performance of sales staff, how divisional management structure affects the performance of sales staff among publishing companies. These effects depended on the organizational culture and the motivational levels of sales staff in publishing companies.

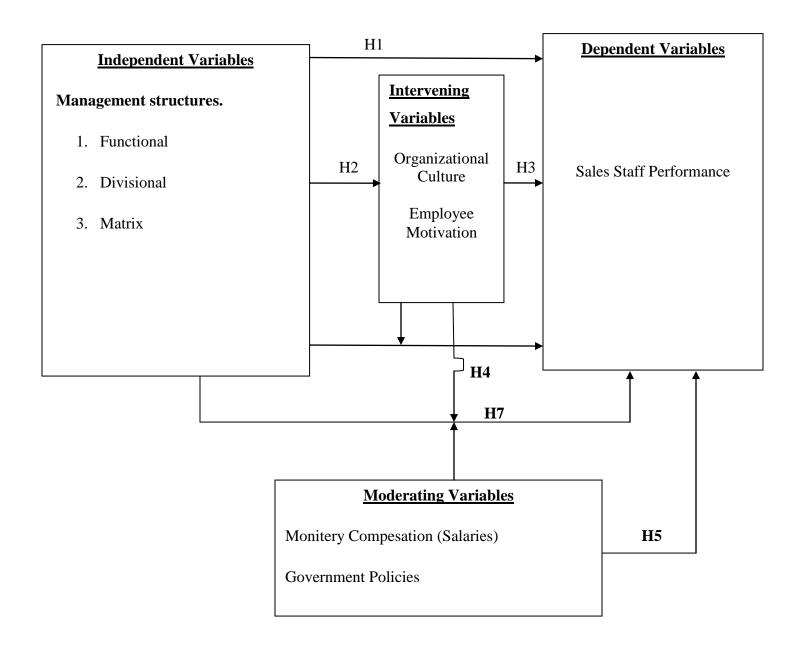


Figure 2.1 Conceptual Framework of the Study

Source: (Author, 2014)

#### **CHAPTER THREE**

#### RESEARCH METHODOLOGY

#### 3.1 Research Design

The researcher used the descriptive survey design. According to Kothari (2008) descriptive research includes surveys, fact-finding enquiries and describe the state of affairs as i exists at present. A descriptive research design helps to ascertain and be able to describe the characteristics of the variables of interest in a situation (Sekaram, 2006). It portrays the characteristics of a particular situation and has the advantages of accuracy and flexibility (Cauvery et.al, 2003). The descriptive research design enabled the researcher to summarise the findings in a way that provided information on the effect of organizational management structure on the performance of sales staff among the publishing companies.

## 3.2 Target Population

Population referred to the larger group from which the sample was taken (Kombo & Tromp, 2006). The target population of interest during the study was the national sales managers of the 41 publishing companies in Kenya under the umbrella of the Kenya Publishers Association (KPA) as at 31st December, 2014. They included 7 large publishing firms, 25 medium and 9 small publishing companies. A census study was conducted and the target respondents were the sales managers in charge of sales staff at the various publishing firms.

## 3.3 Sample Size

Determining the right sample size for the study is a complex problem as a number of factors need to be taken into consideration such as type of sample, variability in relation to time, costs, accuracy, estimates required and the confidence with which generalization to the population is made. (ramenyi et.al, 2003). mugenda and mugenda (2003) states that 10% of the accessible population is enough for descriptive studies

#### 3.4 Research Instruments

Semi-structured questionnaires (Appendix I) were used to collect primary data from the respondents. The questionnaire was prepared by the researcher and administered on all the 41 respondents. The questionnaire contained four sections: The respondents' profile, functional management structure and its effect on the performance of sales staff, divisional management structure and its effect on the performance of sale staff and matrix management structure and its effect on the performance of sales staff among publishing firms.

#### 3.5 Data Collection Procedure

Permission to collect data was sought through introduction letters that was sent through electronic mail or hand delivered to each of the respondents. The questionnaires were also sent through electronic mail or hand delivered to each of the respondents. Secondary data was collected from relevant documents including management magazines, audited financial statements, published studies on the subject, website and the Human Resource Manual of Kenya Publishers Association

## 3.6 Data Processing and Analysis

The data analysis process started with cleaning and checking the raw data for completeness by eliminating unusable data, interpreting and eliminating contradictory data from related questions. The Statistical Package for the Social Sciences (SPSS) program was used to analyze the cleaned data by use of descriptive statistics like mean, percentage and standard deviation. Frequency tables, bar graphs and charts were used to present the information. According to Gall et.al, (2007) SPSS made it possible for reasearcher to analyse every kind of statistics related to quantitative studies. SPSS is a computer programme that facilitated the analysis of large quantitative data. Similarly, Spector (1997) contends that responses obtained through a survey instrument could easily be quantified and standardised.

#### **CHAPTER FOUR**

## DATA ANALYSIS, PRESENTATION AND INTERPRETATION

#### 4.1 Introduction

The chapter presents and discusses the analysis obtained from the study. The analysis is related to the research objectives and research questions stated in the study. The purpose and scope of this analysis was to simplify, organize data, describe, make interpretation of data and communicate results in a clear and meaningful way.

## **4.2 Response Rate**

The returned questionnaires were the ones used for analysis. Table 4.1 shows the distribution of the respondents in relation to the returned and unreturned questionnaires.

**Table 4.1 Response Rate** 

Category	Frequency	Percentage
Returned	41	100
Unreturned	0	0
Total	41	100

#### Source: Author (2015)

Table 4.1 Indicates that the research was popular in that 100% of the respondents returned the questionnaire. Therefore 100% was a good response and quite representative. According to Mugenda and Mugenda (2003) if the response rate is 50% it is adequate and 60% to 70% is very good for analysis and reporting.

## 4.3 Characteristics of the sample

This section discussed age distribution, level of education, gender of respondents and period of service.

## 4.3.1 Age Distribution of Respondents

This study was carried out among the National Sales Managers of 41 publishing firms in Kenya. These managers were of varied ages and tables 4.2 shows the age distribution of respondents.

Table 4.2 Age distribution of respondents

Age	Frequency	Percentage (%)
26 – 34 years	10	24
35 – 44 years	17	42
45 years and above	14	34
Totals	41	100

#### Source: Author (2015)

From this data, it is observable that among the employees sampled, 24% were aged between 26-34 years,42% were aged between 35-44 and 34% were above 45 years. This is an indication that majority of the National Sales Managers in the publishing firms in Kenya are aged above 35 years of age. This shows that majority of the respondents are old enough to preside over sales performance in their respective publishing companies in Kenya.

## **4.3.2** Education Level of Respondents

From the research data gathered, the research analyzed the education level of the respondents and found out that 5% of employees had their highest education level as college diploma, 61% of the employees sampled had their highest education level as undergraduates and 34% had attained post graduate university level of education. Table 4.3 shows the distribution of respondents' level of education.

**Table 4.3 Education levels of Respondents** 

<b>Education level</b>	Members	Percentage (%)
College Diploma	2	5
Undergraduate	25	61
Post Graduate	14	34
Totals	41	100

Source: author: (2015)

## **4.3.3** Gender of the Respondents

The study also found out the gender of the respondents. Table 4.4 represents the distribution of this data.

**Table 4.4 Gender of the Respondents** 

Category	Number	Percentage (%)
Male	24	59
Female	17	41
Total	41	100

Source: Author (2015)

Table 4.4 Indicate that majority (59%) of the employees were males while females accounted for 41%. It can be seen that the difference between the two genders is not very big, an indication that most publishing companies in Kenya have tried to be gender sensitive in terms of the distributing sales management positions. This ensures diversified input to improve sales turnover because views of different gender can be sought out.

# **4.3.4** Period of Service in the Organization

The researcher sought to establish the period respondents have served in the current role and the results are as shown in table 4.5

**Table 4.5 Period of service of Respondents** 

Period (years)	Frequency	Percentage (%)
1-5	11	27
6-10	19	46
Over 10	11	27
Total	41	100

### Source: Author (2015)

Table 4.5 shows that the period 1-5 years is represented by 27%, 6-10 years is represented by 46% and over 10 years is represented by 27% of the respondents. This shows that those who have served between 6-10 years dominate the highest percentage meaning that most National Sales Managers have enough experience on the jobs which is key to higher sales turnover.

#### 4.3.5 Management Structures adopted

The researcher sought to establish the management structures adopted by various publishing companies in Kenya. Table 4.6 shows the results.

**Table 4.6 Management Structures adopted** 

Category	Frequency	Percentage (%)
Functional	23	56
Divisional	11	27
Matrix	7	17
Total	41	100

Source: Author (2015)

#### 4.4 Results and Discussion

This section presents and discusses the results of the findings in answering the research questions raised in page 10 of this report.

#### 4.4.1 Introduction

This section presents and discusses results objective wise.

### **4.4.2** Functional management structure

The first objective sought to establish the effects of functional management structure on the performance of sales staff among the publishing companies in Kenya. By using some key performance indicators that included functional management structure's ability to involve sales staff in decision-making, the structure's ability to tap and maximize sales staff talent, the extent at which the morale of sales staff is enhanced, if the functional management structure facilitated the sales staff to deliver effective services and achieve sales target, whether functional structure

was capable of facilitating sales staff to address market needs, the creativity of sales staff and if functional management structure enhanced sales staff commitment to organizational culture to influence performance, the results are as follows:

The researcher established that a majority of the sales staff in a functional organization structure accounting for 66% disagreed that they were involved in decision-making and this had a negative bearing to their performance. Table 4.7 shows the results of the findings.

Table 4.7 Functional management structure and decision-making

Categories of response	Frequency	Percentage
Strongly Agree	3	12
Agree	5	22
Not sure	0	0
Disagree	15	66
Strongly Disagree	0	0
Total	23	100

### Source: Author (2015)

Table 4.7 shows that 12% of the respondents strongly agreed that functional organizational structure adopted by the publishing firm allowed sales staff to participate in decision-making. 22% agreed that the organization's structure allowed sales staff to participate in decision – making, while 66% of the respondents felt that the organizational structure didn't facilitate for sales staff participation in decision-making. Going as per majority it can be said that most sales staff strongly feel that functional organizational structure fails to involve them in decision-making. This is more likely to affect their performance.

The researcher sought to establish whether functional management structures maximized talent among sales staff in publishing companies in Kenya and established that a majority of the sales staff disagreed that functional management structure tapped on staff talent. Table 4.8 summarizes the results of the findings.

**Table 4.8 Functional Structure and Talent Maximization** 

Categories of response	Frequency	Percentage
Strongly Agree	2	7
Agree	3	17
Not Sure	0	0
Disagree	12	52
Strongly Disagree	6	24
Total	23	100

# Source: Author (2015)

Table 4.8 shows that 7% of the respondents strongly agreed that functional management structure enabled sales staff to maximize their talent to enhance sales, while 17% agreed that the structure was apt to the performance of sales staff. 52% of the respondents disagreed that functional organizational structure allowed sales staff to demonstrate their talent while a 24% of the respondents strongly felt that the functional organizational structure didn't have room for the sales staff to maximize their talent in sales. From the findings, a majority of the respondents felt that functional organization structure didn't maximize talent found among its sales staff. Consequently, the performance of sales staff is easily compromised when their talent isn't tapped.

The researcher sought to find out the extent at which functional organizational structure affected the level of morale of the sales staff and established that the morale of a majority of the sales staff that accounted for 46% was low, meaning that they were not motivated or passionate about positive performance. Table 4.9 shows the findings.

Table 4.9 Functional management structure and morale of sales staff

Categories of response	Frequency	Percentage
Very High	0	0
High	3	15
Moderate	7	32
Low	11	46
Very Low	2	7
Total	23	100

# Source: Author (2015)

Table 4.9 shows that 46% of the respondents indicated that the morale of sales staff in a functional management structure was low. This was in big contrast with the 15% of the respondents who felt the morale of sales staff was high. 32% of the respondents said that the morale of the sales team was moderate while 7% of the respondents felt the morale of the sales staff was very low. Going as per majority it can be said that the morale of the sales staff is low and this is likely to affect their performance in sales.

On the extent to which functional management structure facilitated sales staff to deliver effective services, 49% of the respondents were for the opinion that it was high, and this may be attributed

to the simple hierarchy that doesn't require lots of consultations. Table 4.10 shows the distribution of the respondents.

Table 4.10 Functional management structure and service delivery

Category	Frequency	Percentage (%)
Very High	9	39
High	11	49
Moderate	3	12
Low	0	0
Very Low	0	0
Total	23	100

### Source: Author (2015)

Table 4.10 shows that 39%, a majority of the respondents very highly felt that sales staff service delivery was affected by functional organizational structure in publishing companies in Kenya while 49% of the respondents felt service delivery was highly affected. Those who were moderate with the structure accounted for 12% of the respondents. As indicated by the majority of the respondents, the ability of sales staff to effectively deliver services would be affected by the functional organizational structure in place. This consequently affected their performance.

The researcher sought to establish the extent to which functional management structure allows sales staff to achieve the set sales targets and established that 66% of the respondents felt that the structure's ability to influence the staff was low. This may be attributed to the fact that the sales staff didn't own much of the decisions made for them. Table 4.11 summarizes the findings;

**Table 4.11 Functional Management structure and sales targets** 

Categories	Frequency	Percentage
Vonv. Hi ob	1	5
Very High	1	3
High	6	27
Moderate	0	0
_		
Low	15	66
Very Low	1	2
Total	23	100

Table 4.11 shows that 5% of the respondents were for the opinion that functional organizational structure very highly affected the ability of sales staff to achieve set targets in publishing companies in Kenya. 27% of the respondents were of the opinion that functional organizational structure highly influenced sales staff to achieve the set sales target. 66% of the respondents were of low opinion that functional organization structure influences sales staff to achieve set targets. 2% of the respondents indicated there was very low chance that functional organization structure would allow sales staff to meet the set sales targets.

On the extent at which functional management structure facilitated sales staff to respond to market needs, 56% of the respondents felt that sales staff highly could address market needs and this had a bearing on their performance. This again could be as a result of the short channel of communication that requires no red tape to address the sales issues raised that affect the market. Table 4.12 shows the distribution of the respondents.

**Table 4.12 Functional Management Structure and Market Needs** 

Category	Frequency	Percentage (%)
Very High	8	34
High	13	56
Moderate	0	0
Low	2	10
Very Low	0	0
Total	23	100

Table 4.12 shows that 56%, majority of the respondents indicated that functional organization structure highly affected the sales team's capacity to address market needs. Those who felt that organization structure very highly affected the sales staff ability to address market needs accounted for 34%. Another 10% of the respondents said that the sales staff's ability to address market needs based on organizational structure as low. As indicated in the above information, a majority of the respondents believe that sales staff performance is highly affected by functional management structure since it has a bearing on how sales staff can address the market needs and consequently improve performance.

The researcher sought to establish whether functional management structure influenced sales staff commitment to organizational culture, which is key to rallying them in advocating for improved sales results and established that 76% of the respondents strongly agreed that it does influence sales staff. This may be attributed to the fact that individual sales staff can be reached

for a face-to-face discussion whenever sales decline and reminded what the company stands for. Table 4.13 gives the findings from the respondents.

Table 4.13 Functional management structure and Organizational culture

Category	Frequency	Percentage (%)
Strongly agree	17	76
Agree	5	22
Neutral	0	0
Disagree	1	2
Strongly disagree	0	0
Total	23	100

### Source: Author (2015)

Table 4.13 shows that 76% of the respondents strongly agreed that functional management structure influenced sales staff commitment to organizational culture 22% agreed that sales staff commitment to organizational culture was influenced by functional structure, while 2% disagreed that commitment to organizational culture was key to ales staff performance.

The study sought to establish if functional organizational structure influenced creativity of sales staff to enhance their performance and found out that 85% of the respondents disagreed that the structure helped in making. Table 4.1 shows the ressales staff creative while discharging duty. This can be attributed to the fact that the sales staff isn't involved in decision-making and therefore no matter the smart ideas they had, they could not put it to practice. Table 4.14 shows the summary of the findings.

Table 4.14 Functional Management Structure and Creativity of sales staff

Category	Frequency	Percentage (%)
Strongly Agree	0	0
Agree	3	15
Moderate	0	0
Disagree	20	85
Strongly Disagree	0	0
Total	23	100

**Table 4.14 Functional Management Structure and Creativity of Sales Staff** 

# Source (Author) 2015

Table 4.14 shows that 85% of the respondents disagreed that functional management structure influenced sales staff of publishing companies in Kenya to be creative while 15% agreed that functional management structure influenced sales staff to be creative. A majority of the respondents believe that functional management structure didn't influence sales staff of publishing companies in Kenya to be creative.

### 4.4.3 Divisional Management Structure and sales staff performance

The second objective sought to establish the effect of divisional management structure on sales staff of publishing companies in Kenya and the results were as follows:

On if divisionalised management structure allowed the sales staff to participate in decision-making, the researcher established that 82% of the respondents strongly agreed that divisional structure allowed consultation with the sales staff before decisions were made and this helped improve sales performance. Table 4.15 shows the findings;

Table 4.15 Divisional management structure and decision-making

Category	Frequency	Percentage
Strongly Agree	9	82
Agree	2	18
Moderate	0	0
Disagree	0	0
Strongly Disagree	0	0
Total	11	100

Table 4.15 shows that 82% of the respondents strongly agree that divisionalized organizational structure greatly facilitated sales staff of publishing companies in Kenya to participate in decision-making, while 18% agreed that divisionalized management structure made sales staff participate in decision-making. A majority of the respondents were for the opinion that divisional management structure provided room for sales staff to participate in decision-making, which is key to improving their performance.

On if divisional management structure tapped on the talent of sales staff, 64% of the respondents strongly agreed that talent management was of importance to publishing companies and therefore maximization of talent was enhanced. Table 4.16 shows the results of findings;

Table 4.16 Divisional management structure and maximization of talent

Categories	Frequency	Percentage
Strongly Agree	7	64
Agree	4	36
Moderate	0	0
Disagree	0	0
Strongly	0	0
Total	11	100

Table 4.16 shows that 64% of the respondents strongly agreed that divisionalised management structure maximized sales staff talent, while 36% agreed that the management structure maximized sales staff talent. A majority of the respondents believe that divisional management structure maximizes sales staff talent and this is key to enhancing their performance.

The study also sought to establish if divisional structure enhanced sales staff morale and 91% of the respondents strongly agreed that it does. This may be attributed to the fact that sales staff was involved in decision-making and could make key selling decision without fear of getting reprimanded. Table 4.17 shows the findings.

Table 4.17 Divisional management structure and sales staff morale

Categories	Frequency	Percentage
Strongly Agree	10	91
Agree	1	9
Moderate	0	0
Disagree	0	0
Strongly Disagree	0	0
Total	11	100

Table 4.17 shows that 91% of the respondents strongly agree that divisional management structure enhanced sales staff morale, while 9% of the respondents agreed that it does. From the findings, a majority of the respondents are for the opinion that divisional management structure enhances sales staff morale leading to improved sales.

The researcher also sought to establish whether divisional management structure facilitated sales staff to deliver services effectively to the customers and 73% of the respondents strongly agreed that sales staff was adequately facilitated. This may be due to the fact that divisional management structure is tailored to address specific geographical needs. Table 4.18 shows the summary of the findings.

Table 4.18 Divisional management structure and service delivery

Categories	Frequency	Percentage
Strongly Agree	8	73
Agree	3	27
Moderate	0	0
Disagree	0	0
Strongly Disagree	0	0
Total	11	100

Table 4.18 shows that 73% of the respondents strongly agreed that sales staff under divisional management structure were capable of effectively delivering services to their customers. 27% agreed that sales staff in publishing companies in Kenya were capable of delivering services to their customers. A majority of the respondents were for the opinion that divisional management structure facilitated sales staff to deliver effective services to their customers.

The researcher also sought to establish whether divisional management structure facilitated sales staff to meet the set sales targets, and 82% of the respondents strongly agreed that sales staff working under a divisionalized management structure were facilitated to achieve the set sales targets. This may be as a result of divisional management structure yielding faster response to local market conditions and sales team being able to quickly shift the direction of their business to respond to changes in local conditions. Table 4.19 show the findings.

Table 4.19 Divisional management structure and sales target

Categories	Frequency	Percentage
Strongly Agree	9	82
Agree	2	18
Moderate	0	0
Disagree	0	0
Strongly Disagree	0	0
Total	11	100

Table 4.19 shows that 82% of the respondents strongly agreed that divisional management structure enabled sales staff in publishing companies in Kenya to meet the set sales targets while 18% agreed that the management structure does help sales staff to meet the set sales targets. From the findings, a majority of the respondents were for the opinion that divisional management structure facilitated sales staff of publishing companies in Kenya to meet the sales targets set.

The study also sought to find out if divisional structure enabled sales staff to address market needs and established 100% of the respondents strongly agreed that due to the divisional management structure organizing its activities of a business around geographical market or product, sales staff was facilitated to address market needs as there was sped to yield faster response to local market condition. Table 4.20 shows the findings.

**Table 4.20 Divisional Management Structure and Market Needs** 

Categories	Frequency	Percentage
Strongly Agree	11	100
Agree	0	0
Moderate	0	0
Disagree	0	0
Strongly Disagree	0	0
Total	11	100

From the findings, 100% of the respondents were strongly for the opinion that due to its geographic nature, divisional management structure enabled the sales staff of publishing companies in Kenya to address their customers' market needs.

The researcher sought to establish whether divisional management structure could influence sales staff of publishing companies in Kenya to believe in the companies' organizational culture. This is key in ensuring performance of sales staff as it becomes the rallying point to enable them deliver sales results. 64% of the respondents strongly agreed that divisional management structure could influence sales staff to believe in the company's culture Table 4.21 gives the distribution of the respondents.

Table 4.21 Divisional management structure and Organizational culture

Categories	Frequency	Percentage
Strongly Agree	7	64
Agree	2	18
Moderate	0	0
Disagree	2	18
Strongly Disagree	0	0
Total	11	100

Table 4.21 shows that 64% of the respondents strongly agreed that sales staff could be influenced by the divisional management structure to believe in the company's organizational culture. 18% of the respondents agreed and disagreed respectively. From the findings, a majority of the respondents were for the opinion that sales staff in the divisionalised management structure could be influenced to believe in the organization's culture, which is key to improving performance.

The researcher sought to find out if divisional management structure enabled sales staff of publishing companies in Kenya to be creative in seeking and identifying sales opportunities and 55% of the respondents strongly agreed that sales staff in a divisional management structure was facilitated to be creative as each division operates as a small business unit, having power over its particular concern. Sales staff is also assigned responsibility for actions and results. Table 4.22 gives the findings:

Table 4.22 Divisional management structure and sales staff creativity

Categories	Frequency	Percentage
Strongly Agree	6	55
Agree	4	36
Moderate	0	0
Disagree	1	9
Strongly Disagree	0	0
Total	11	100

Table 4.22 shows that 55% of the respondents strongly agreed that divisional management structure allowed sales staff in publishing companies in Kenya to be more creative while discharging their duty, while 36% agreed with the findings. 9% of the respondents disagreed that sales staff creativity was enhanced by the divisional management structure. From the findings, a majority of the respondents were for the opinion that divisional management structure facilitated sales staff to be creative while discharging their duty.

### **4.4.4 Matrix Management Structure**

The third and final objective of the study sought to establish the effects of matrix management structure on the performance of sales staff among publishing companies in Kenya and the results were as follows:

The researcher sought to establish whether matrix management structure enabled sales staff to be decisive while discharging duty and 57% of the respondents disagreed that sales staff in this structure was involved in decision-making. This may be attributed to the fact that the complex

nature of matrix management structure prohibited sales staff from being involved while making decisions. Table 4.23 shows the results of the findings.

Table 4.23 Matrix management structure and decision-making

Categories	Frequency	Percentage
Strongly Agree	0	0
Agree	3	43
Moderate	0	0
Disagree	4	57
Strongly Disagree	0	0
Total	7	100

# Source: Author (2015)

Table 4.23 shows that 43% of the respondents agreed that matrix management structure involved sales staff in decision-making while, while 57% disagreed that matrix management structure involved sales staff in decision-making. From the findings, a majority of the respondents were for the opinion that matrix management structure didn't involve the sales staff in decision-making process.

The researcher sought to establish if matrix management structure enabled sales staff to address market needs while discharging duty 86% of the respondents strongly agreed that the structure could address market needs under matrix management structure. This could be attributed to the fact that this structure combines both functional and divisional structures responding to different market concerns. Table 4.24 shows the results of the findings:

Table 4.24 Matrix management structure and Market needs

Categories	Frequency	Percentage
Strongly Agree	6	86
Agree	0	0
Moderate	0	0
Disagree	1	14
Strongly Disagree	0	0
Total	7	100

Table 4.24 shows that 86% of the respondents strongly agreed that matrix management structure enabled sales staff to address market needs, while 14% of the respondents disagreed that matrix management structure facilitated sales staff to meet market needs of their customers. From the findings, a majority of the respondents were for the opinion that matrix management structure enabled sales staff to address market needs and this is key to their performance.

The study sought to establish whether matrix management structure enabled staff to achieve the set sales targets. 57% of the respondents disagreed that sales staff in a matrix management structure was facilitated to achieve the set targets. The reason for this may be as a result of the dual reporting of sales sales staff who may dislike being caught between and reporting to two bosses Table 4.25 shows the findings.

Table 4.25Matrix management structure and sales targets

Categories	Frequency	Percentage
Strongly Agree	3	43
Agree	0	0
Moderate	0	0
Disagree	4	57
Strongly Disagree	0	0
Total	7	100

Table 4.25 shows that 43% of the respondents strongly agreed that matrix management structure facilitated sales staff to achieve the set sales targets, while 57% disagreed that matrix management structure enabled sales staff to achieve the sales target set. Form the findings, it can be concluded that matrix management structure does not provide adequate room for sales staff to achieve the set sales targets.

On whether matrix management structure enabled sales staff to be creative while discharging duty 100% of the respondents strongly agreed that it does. This may be due to the fat that matrix management structure uses a highly specialized sales staff pulled from across different functional and divisional areas and who bring in some level of competence and creativity. Table 4.26 gives the findings.

Table 4.26 Matrix management structure and creativity of sales staff

Categories	Frequency	Percentage
Strongly Agree	7	100
Agree	0	0
26.1		0
Moderate	0	0
D.		0
Disagree	0	0
Strongly Disagree	0	0
Total	7	100

Table 4.26 shows that 100% of the respondents were strongly for the opinion that matrix management structure enabled sales staff to be creative while discharging duty and this is key to improved sales performance. The researcher sought to find out if matrix management structure helped enhance the morale of sales staff in publishing companies in Kenya and 42% of the respondents disagreed that it does. The built-in potential conflict due to territorial nature between functional and divisional sales teams may be the result that contributes to low morale of sales team in this kind of management structure. Table 4.27 shows how the findings were.

Table 4.27 Matrix management structure and Morale of sales staff

Categories	Frequency	Percentage
Strongly Agree	2	29
Agree	2	29
Moderate	0	0
Disagree	3	42
Strongly Disagree	0	0
Total	7	100

Table 4.27 shows that 42% of the respondents disagreed that matrix management structure helped enhance sales staff morale, while 29% strongly agreed and agreed, respectively, that matrix management structure enhanced sales staff morale. From the findings, a majority of the respondents were for the opinion that matrix management structure didn't facilitate for the morale of sales staff in publishing companies to be boosted.

The researcher sought to find out if matrix management structure facilitated sales staff for effective service delivery and 71% of the respondents agreed that matrix management structure facilitated the staff to deliver effective services to the customers. This could be as a result of sales staff being given more autonomy and responsibility for their work as it helps foster innovation and creativity among them Table 4.28 shows the results of the findings.

Table 4.28 Matrix management structure and service delivery

Categories	Frequency	Percentage
Strongly Agree	0	0
Agree	5	71
Moderate	0	0
Disagree	2	29
Strongly Disagree	0	0
Total	7	100

Table 4.28 shows that 71% of the respondents agreed that matrix management structure facilitated sales staff of publishing companies in Kenya to effectively deliver services to the ir customers while 29% of the respondents disagreed that matrix structure of management enhanced the ability of sales staff to deliver effective services to the customers. From the findings, a majority of the respondents were for the opinion that matrix management structure does not facilitate sales staff to be effective in service delivery

#### **CHAPTER FIVE**

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter covers summary of the major findings, answers to the research questions, conclusions, recommendations and suggestions for further studies.

### **5.2 Summary of Major Findings**

In relation to how organizational structure influences sales staff in publishing companies in Kenya to make decisions promptly, the study shows that 66% of those working under a functional management structure are not involved in decision-making process therefore their performance is affected. On the contrary, those working in a divisionalised management structure, 82% of the respondents strongly agreed that they are involved in decision-making by the management. 57% of the sales staff working in a matrix management structure agreed that they are involved in decision-making process. On whether organizational structure was crucial in maximizing talent among sales staff of publishing companies in Kenya, 52% of the sales staff working in a functional management structure disagreed that the structure maximized on their talent. 64% of those working in a divisional management structure strongly agreed that the structure tapped on their talent. Talent management is key to enhancing sales performance in publishing industry.

On the level of morale among sales staff of publishing companies in Kenya, 46% of the respondents working in a functional management structure were for the opinion that the level of morale was low while 91% of their counterparts in a divisional management structure strongly agreed that the morale of sales staff was high. 42% of the respondents disagreed that matrix management structure enhanced sales staff morale, a key component in improving sales among

the sales staff. On whether organizational structure influenced the ability of sales staff of publishing companies in Kenya to deliver effective services in the market, 49% of the respondents in a functional management structure agreed that the management structure facilitated them to deliver services effectively, while 73% of the respondents strongly agreed that sales staff working in a divisional management structure would effectively be facilitated to deliver services more effectively. 71% of the respondents were for the opinion that sales staff in a matrix management structure would deliver their services since the structure allowed them to do so.

In relation to the extent at which organizational structure influences sales staff of publishing companies in Kenya to achieve the set sales target, 66%, of the respondents in a functional structure were for the opinion that sales staff ability to achieve set targets was low while 82% of the sales staff working in a divisional management structure strongly agreed they could achieve the set targets. 57% of the respondents in a matrix management structure disagreed that the sales staff working in the structure could meet the targets set by the management.

In relation to organizational structure influencing the way sales staff of publishing companies in Kenya addressed the market needs, 56% of the respondents working in a functional management structure highly believed it does while 100% of the respondents working in a divisional management structure strongly believed that sales staff could easily address the market needs while discharging duty. 86% of the respondents strongly agreed that sales staff in a matrix management structure could easily address market needs to the satisfaction of the customers. In relation to how organizational structure can influence sales staff of publishing companies in Kenya to believe in the organizational culture, 76% of the respondents strongly agreed that sales staff in a functional management structure could be influenced to believe in the organizational

culture, which is important in rallying sales staff to improve sales, while 64% of the respondents strongly agreed that sales staff in the divisionalised management structure would be influenced by the organization's culture to enhance performance. On the extent at which an organizational structure would influence the creativity of sales staff of publishing companies of Kenya to enhance sales, 85% of the respondents disagreed that sales staff working in a functional management structure were facilitated enough to enable them be creative. 55% of the respondents strongly agreed that sales staff in a divisional management structure facilitated their sales staff to be creative while 100% of the respondents strongly agreed that the sales staff in a matrix management structure facilitated their sales staff to be creative so as to enhance sales and improve their performance.

#### **5.3 Conclusion**

Based on the study findings presented and discussed in chapter four, the following conclusions were drawn: majority of the national sales managers in the publishing industries in Kenya are aged above 35 years of age. Most of them are males even though the disparity between the two genders is quite minimal. It can be seen that majority of them are holders of first degree. This is an indication of very productive workforce in the publishing industries in Kenya. The study also concludes that most publishing companies in Kenya have adopted the functional organizational structure and performance of sales staff is mostly evaluated annually by a majority of the publishing companies in Kenya.

This study concludes that to enhance the performance of sales staff among publishing companies in Kenya, the organizational structure adopted must be one that influences them to make decision while on the ground. This is what will enable them deal with contingent issues that may arise while they are in the field and which will require a faster decision to address customer concerns.

In relation to creativity, the study concludes that an organizational structure is key to enabling sales staff to be innovative in their work. Maximization of talent is only possible where the sales staff is facilitated to exhibit creativity. The study concludes that creativity increases sales turnover because a majority of sales staff are motivated to work. In addition the study concludes that sales staff will deliver results and achieve the set sales targets if the organizational structure in place is one that boosts their morale.

In relation to market and customer needs, the study concludes that for the sales staff to address the two, the organizational structure should be able to facilitate them in doing so. In the needs of the customers are not addressed faster, the possibility of them looking for alternative business is high and this affects the overall business performance. In addition, organizational structure must be in a place to Taylor its products to suit what the market wants.

In relation to the extent at which an organizational structure can influence sales staff to believe in the culture that the publishing companies have adopted, the study concludes that organizational culture has a greater role in influencing sales staff performance. Therefore, any organizational structure should adopt a culture that will become a rallying point to the sales staff to motivate them achieve the targets set by the publishing companies' management.

#### **5.4 Recommendations**

Based on the study findings, the following recommendations are formulated.

Organizational structure is critical to the performance of sales staff of publishing companies in Kenya. The structure adopted therefore should be one that enhances decision-making among sales staff especially when they are in the field. This enables them to be more pro-active in their attempt to address customer needs in the market. There is need to embracing creativity and

talents of sales staff to enhance and improve their competencies and dynamics in their places of work. This will provide room for them to be more productive and improve their performance.

Publishing companies in Kenya should develop and adopt an organizational culture and bring their sales staff to believe in it so as to make it a rallying call whenever performance is low. It is this culture adopted that makes the sales staff identify with it and get to know why the publishing company exists. Any organizational structure adopted should be able to mobilize sales staff to believe in the organization's culture.

Organizational structure is key to service delivery. How customers are satisfied with a firm's services and products will be determined by how receptive to their needs that organization is. In this regard, any organizational structure adopted by the publishing firms should be able to facilitate sales staff to deliver services to the customer satisfaction. This is key to their performance.

#### **5.5 Suggestion for further Research**

To further understand the role of organizational structure on the performance of sales staff among publishing companies in Kenya, further research that may provide more insight on the successes and challenges and lessons are suggested in the following areas:

Future research should focus on the role of the individual organizational structure in influencing the performance of sales staff in publishing industries in Kenya such investigations would reveal the strength and weakness of each structure.

Future research study focusing on effect of matrix organizational structure on sales staff among the publishing companies in Kenya. Finally, future research should deal with assessment of how organizational structure affects continuous improvement of sales staff in publishing industries in Kenya.

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#### APPENDIX 1I: LETTER OF INTRODUCTION

Charles Kyale,

P.O Box 548-90400,

Mwingi.

0725 719 388.

Dear Sir/Madam,

## **RE: LETTER OF INTRODUCTION**

Am a student at the South Eastern Kenya University pursuing a Master of Business Administration degree. As a course requirement, I will submit a project report on a management challenge. I would like to do a research project on the Effect of Management Structure on sales Staff Performance in Publishing Companies in Kenya.

I hereby request you to respond with faithfulness and honesty for the success of the research. The results will be used solely for academic purposes and a copy of the same availed to you on request.

Thank you,

Kyale Charles.

# **APPENDIX 11I: QUESTIONNAIRE**

# **Instructions**

Dear Sir/Madam,

You are kindly requested to answer all questions in this research study questionnaire. The information that you will provide shall be treated with a high level of confidentiality and strictly used for the purpose of this research study. This study aims at determining the effects of organization structure on the performance of sales staff in publishing industry in Kenya.

NB: Please do not write your name anywhere on this questionnaire.

# **SECTION A: RESPONDENT'S PROFILE**

1. State your gender:

Male	
Female	

2. State your highest level of education:

Post Graduate	
Undergraduate	
College Diploma	

3. State your age bracket:

26 - 34years	
35 - 44years	
45 years and above	

4. State the length of your working experience in the current role?

1-5 years	
6-10 Years	
Over 10 Years	

Annually							
Semi-Annual	ly						
Quarterly							
6. What organiz	zational st	tructure h	as your	compai	ıy adopte	ed?	
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5. How often do you participate in the Performance Management Process?

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11. Describe the extent to which the type of organization structure affects the

Thank You for your Response.