

The Effects of Organizational Structure on Organizational Performance:

The case of Enterprises and Industries Development Main Department, Wolaita Zone, Southern Region, Ethiopia.

A Thesis Submitted to the School of Graduate Studies of Jimma University in Partial Fulfillment of the Requirements for the Award of the Degree of Master of Business Administration (MBA).

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DECLARATION

I declare that the research Report entitled “The Effects of Organizational Structure on Organizational Performance: A study on Enterprises and Industries Development Main Department, Wolaita Zone, Southern Region, Ethiopia” submitted to Research and Postgraduate Studies’ Office of Business and Economics College is original and it has not been submitted previously in part or full to any university.

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CERTIFICATE

We certify that the Research Report entitled

“ _____
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Abstract

The objective of this study was to examine the effects of organizational structure on organizational performance of the Enterprises and Industries Development Main Department of Wolaita Zone. The research was explanatory and descriptive in its type. In this research, quantitative and qualitative methods were deployed and primary and secondary data were used. The study was a census with total study population of 102 employees who work for the study organization, and that was finite. Descriptive and inferential analysis methods were applied for quantitative data analysis where qualitative data were analyzed using qualitative method. Multiple Linear Regression Analysis was applied for demonstrating relationship between the study variables.

The finding revealed that the organization structure of Enterprises and Industries Development Main Department is unfit for the functions expected to lead towards achieving the objectives and goal. As a result, the organization was not able to perform properly and it did not meet its objectives and goals as expected. In order to meet its objectives and goal, the organization must revisit the structure and eliminate those undesirable settings and bottlenecks along the current structure. The organization should redesign the organizational structure; put in place appropriate departmentalization, establish tangible decentralization, ensure appropriate job specialization and establish customized formal regulations rather than operating on basis of commands and oral instructions of poetical or administrative officials.

Key Words: *Organization Structure and Organizational Performance*

CHAPTER ONE: INTRODUCTION

1.1. General Background

The main purpose of an organization is to achieve its goals and objectives. The goals and objectives that an organization set determines ways of allocating tasks to individual employees. Gathering of those tasks in to related units forms departments and when departments in organization are connected in to different units, that forms an organizational structure that gives shape to an organization to achieve its purpose (Maduenyi et al., 2015). Thomas (2015) stated that, in order to achieve its goals and objectives, the work of an organization has to be divided among its staff members. Some type of structure is necessary to make possible the effective performance of key activities and to support the efforts of the staff. To do so, organizational structure provides the framework of an organization and its pattern of management.

Different scholars and authors describe organizational structure in different ways. Organizational structure is described as how tasks are formally divided, grouped and coordinated (Stephen and Timothy, 2012; Latifi and Shooshtarian, 2014). It is considered as the anatomy of the organization that provide a foundation with in which organizations function (Dalton, 1980). Gibson et al. (1994) stated that organization structure is a fundamental and relatively static feature of an organization that are officially authorized by those who control it and consists of the activities and component parts that are grouped, controlled and coordinated in order to achieve desired outcomes.

Organization structure divides the task of the whole organization in to manageable sub-tasks and allocates them to organizational units that are responsible to achieve results. It also ensures that all the different sub-tasks are coordinated and controlled in a way that the organization achieve its goals. Organization structure ensures that responsibility and authority for completing certain tasks assigned to individuals and groups, and that they accept accountability for completion. Structure enables effective and efficient use of resources where the level of resources utilization matches the level of activity and that determines deployment of the resources on only what needs to be done (Child, 2005; Rollinson 2008). Ezigbo (2011) specified that structure of an organization affects not only productivity and economic efficiency but also the moral and job satisfaction of the work force. Organization structure does not only shape the competence of the organization but also the process

that shape performance. Organization structure influences performance of an organization (Wolf, 2002; Clemmer, 2003).

According to studies, Organizational performance is the ability of an organization to utilize its resources efficiently to generate outputs that are consistent with goals and objectives as well as relevant for stakeholders (Ezigbo, 2011). Organizational performance is the organization's ability to accomplish its aims by using resources in a properly structured manner (Daft, 2000). Organization performance is one of the most important variables in the management research and the most important indicator for organizational success (Maduenyi et al., 2015). Getting to highest level of organizational performance and success or failure are heavily dependent on the way the organizational structure is framed (Joris et al., 2002; Nelson and Quick, 2011; Quangyen and Yezhuang, 2013; Thomas, 2015; Kamran, 2017).

Though organizations structure is one of the tools an organization uses to coordinate and manage employees and tasks, problems always exist in the organizational structure being used. A study in Nigeria (Ogbo et al., 2013) recommended that some of the fundamental decisions that current organizations need to take in this dynamic operating environment is re-configuration of organizational structure.

A study finding on organizational structure in Ethiopia demonstrated how unfitting organizational structure affected performance of Addis Ababa City Transport Office. The unsuitable organizational structure of the Addis Ababa City Transport office hampered collaboration among relevant partners like road authority and relevant others, it had mismatch of positions assignments with job holder's competence, spawned extensive anxiety, resulted in frustration and dissatisfaction for employees. The structure demonstrated controlled decision making, lack of clarity in roles of units, limited integration in the office, lack of suitability for monitoring, controlling and strategic competitiveness and lack of clear direction. It forced the employees and management to deploy time and energy on daily routines. The study recommended that the organization structure must be re-structured to address its limitations (Hailemariam, 2011).

Another study identified that the organizational structure of housing development of Addis Ababa is defective and ended up with delayed decision making, poor quality in task execution and poor performance (Abate, 2016). Yet, there is huge gap in literature on organizational structure and performance of organizations in Ethiopia in general and the study area in particular.

Therefore this explanatory and descriptive study was conducted in Enterprises and Industries Development Main Department of Wolaita Zone in Southern Ethiopia. The study department was chosen due to its high importance to the densely populated area where it coordinates the establishment and effectively functioning of micro, small and medium enterprises. The enterprises in turn play important role in creating employment and impacting on poverty reduction. In this Zone, micro and small enterprises are the predominant economic sectors that create jobs next to agriculture (Leza et. al., 2016). The study generated useful evidences that could contribute in filling the evidences gap and would trigger more studies on organizational structure and performance.

1.2. Background of the Organization

This study was conducted in Enterprises and Industries Development Main Department of Wolaita Zone, Southern Nations Nationalities and Peoples Region of Ethiopia. The main purpose of the Enterprises and Industries Development Main Department is to make sure that enterprises are established at rural and urban areas of the Zone, produce and supply quality goods for local and international markets, deliver quality services, create adequate jobs and employment and increase income for those engaged and contribute to building local and national economy.

This organization was formed in 2005 with the name Micro and Small Enterprise Development Department. During its formation, the department structured in such a way that it used to report to the Main department of Urban Development. At that time, it was formed with two sections, namely, services and manufacturing sub subdivision. In 2016, the name of the department was changed to Micro and Small Enterprises, and Small and Medium Manufacturing Enterprises Department. Following that, its structure was split in two; the micro and small enterprise part remained under the Zonal Urban Development Main Department whereas the Small and Medium Manufacturing Enterprises section relocated to the Zonal Trade and Industry Main Department. Both structural formations of the department didn't function as expected. The organization underwent third extensive restructuring in 2018 and came to action with new name called Enterprises and Industries Development Main Department. The latest restructuring was one-step upgrade that enables the main department directly report to Zonal Administration unlike that the previous status (WTID, 2016).

It has 102 employees where women accounted 16. The main department has three sub departments; namely, Micro and Small Enterprises, Small and Medium Manufacturing and Rural Job Creation.

The micro and small enterprise sub department is divided in to five work process. The work processes are (1) Enterprises development, (2) Expansion and market development, (3) One center services, (4) Small scale manufacturing, and (5) Urban food security work processes. The manufacturing sub department is divided in to seven work process; namely, (1) Studies(Research), promotion and industries extension, (2) Finance, market development and manufacturing materials lease, (3) Infrastructure and clusters development, (4) Agro processing and pharmaceuticals, (5) Construction inputs, chemicals, hand crafts and ornaments, (6) Woodwork and metal engineering, and (7) Apparels, leather and textile products work processes. The rural job creation sub department is further divided in to two work process that are (1) organizing and research(studies) and (2) income generation and market linkage work processes.

The main department operates in 22 Administrative units (12 Woredas and 12 Town Administrations) in the Zone. This Zonal level main department coordinates and gets tasks done through Woredas and Town administration where these lower level structures undertake the actual establishment and capacitating of different types of enterprises. Regarding functional linkages with in the main department, both the enterprises and rural job creation sub departments operate with the statuses of ensuring establishment and strengthening of micro and small enterprises under the main department. The purpose of micro and small enterprises sub department is to coordinate the establishment, strengthening, functioning and transitioning of micro and small enterprises to small and medium level in the urban areas whereas the rural job creation sub department do the same in the rural areas.

The small and medium manufacturing enterprises sub department starts its works on the setup from the two sub departments, and builds foundation on the works the micro and small enterprises promoted, capacitated and transitioned to the small and medium level enterprises. The purpose of this manufacturing sub-department is to ensure that small and medium manufacturing enterprises are supported towards improved manufacturing performance capacity, effective monitoring and evaluation, improved technology use, improved practices of production capacity and becoming competent in its fields. Small and medium manufacturing enterprises are expected to produce products that meet the local demands that was previously satisfied by imported products. In addition, to contribute to retaining the hard currency and promote industries that create jobs for citizens as per their capacity and contribute to the local and national economies.

Micro enterprise is described as a business entity that has capacity to hire total of five individuals inclusive of the owner, owners' families and paid employees. Its capital is below or equal to Birr 50,000 for services business and not greater than Birr 100,000 for urban agriculture, construction and manual minerals mining business. Small enterprise is described as a business entity that employs six to 30 persons inclusive of the owner, owners' families and paid workers. The capital volume is Birr 50,001 to 500,000 for services business and Birr 100,001 to 1,500,000 for urban agriculture, construction and traditional minerals mining business. Small and medium enterprise owns capital 1,500,000 to 20,000,000. For all forms of enterprises, their capital estimation is exclusive of the costs business premises, as such assets are usually facilitated by government or through lease (TI HA, 2016).

The reason for choosing this organization for this thesis was due to the fact that several studies that conducted to investigate factors affecting growth or success of enterprises mainly concentrated on the enterprises only. For example, a study done on enterprises revealed that major factors that affect performance of the MSEs in Wolita Sodo Town include financial, political-legal, access to business information service, technological and infrastructure (Tekele, 2019). Another finding listed factors affecting enterprises as poor business plans, lack of access to adequate finance, lack of entrepreneurial and business development skills, poor management of employees, inadequate support from institutions and inaccessible location of the premises (Beyene, 2007; Selassie, et al.2016; Cherkos et al. 2018; Tesfay, 2019). Most of the indicated studies didn't give much attention to the side of the organization that promotes and strengthens the enterprises while studying about factors that affect growth and success of enterprises. However, effectively forming and ensuring functionality and success of enterprises might also depend on performance capability of the promoting organization and that possibly dependent on suitability of its organizational structure.

1.3. Statement of the problem

Organizations that set out to design an organizational structure faces difficult decisions, as they must choose among alternative settings of jobs and departments (Okafor, et.al.,2017). Managers attempt to establish the best type of organizational structure that enable achieving intended goal, yet they usually face problems in meeting such needs. An appropriate structure is contingent upon the type of work to be undertaken and the environment in which the organization operates the business. However, choosing defective organizational structures possibly leads to organizational failures (Bolman & Deal, 1997; Ogbo, et al., 2015).

As organizational structural differences result in different strengths and weakness to the task being performed, it is therefore essential to identify a structure that fits for the desired outcome on stability and predictability. Organizational structure and process influence all managerial situations. Therefore, understanding the relationship between structure and process is an essential aspect for determining organizational effectiveness. Organizational structure could spell the difference between success and failure for an organization and individuals (Mintzberg, 1983). Yet, there exists knowledge gap about the role of organizational structure in guaranteeing organizational effectiveness (McConn, 2004; Razia, 2015). However, organizational structure is a crucial means and any wrong structure seriously damages business performance or makes the business to be inefficient. It is of this view, that led researchers to investigate the relationship between organization structure and organizational performance (Oden, 2018).

Structure influences employees' job satisfaction and organization's performance (UK- Business essay, 2013; Getachew, 2016). Consequences of structural deficiencies are slow and poor quality decision making due to lack of suitable procedures for evaluating the results and not learning from the previous similar decisions (Campbell, et al., 2005). According to Child (1984); Thomas (2015) and Rollinson (2006) defective structure leads to poorly defining of roles and un clarity about what is expected of employees and how their performances are being assessed. With unclear priorities or work schedules people would be subjected to competing pressures from different parts of the organization. Defective organizational structure causes rising in costs particularly in administrative areas where an excess of procedure and paperwork distracts attention away from productive work and leads to administrative overstaffing.

As stipulated by Reumelt, Schendel and Teece (1994); Shabbir (2017) efficient and effective performance depend on the designing and adoption of a fitting structure, otherwise, no effective and efficient organizational performance if the structure of the organization does not support the peoples who work. The issue of organization structure attracted the attention of managers and scholars in organizational behavior and has triggered wide ranges of research, debates and influences

In the case of Ethiopia, study revealed that a faulty organizational structure of the Integrated Housing Development Program in Addis Ababa City Administration was found to be key reason for its failure to meeting the clients' demands both in quantity and quality. There were lack of clarity and misunderstanding about job positions and unclear responsibilities across the hierarchy. The unfitting

organizational structure caused failure in executing decisions in a timely manner, delay in doing planned tasks and together resulted in poor quality and quantity services delivery (Abate, 2016).

Since limited studies were undertaken in this subject in Ethiopia, it was difficult to widely conclude whether the organizational structure in public organizations in different parts of Ethiopia contribute to effective performances of its goals or not (Abate, 2016). Besides, as a management and development professional, I realized that different organizational structures that established especially in public sectors were soon replaced by another one without disclosing or justifying the reason for such changes. With this, I was always asking myself, is there a fitting organization structure in public organization and does it affect performance?

Hence, this study determined to further exploring whether organization structure affects organizational performance. The study focused on organizational structure dimensions of departmentalization, decentralization, job specialization and formalization, and the organizational performance dimensions of effectiveness and efficiency (goal attainment), effective decision-making, employees job satisfaction and organizational innovation (Stannack, 1996; Stephen and Timothy, 2012; Thomas, 2015; Maduenyi et al., 2015; Ogbo et al., 2015). The study generated valuable evidences that help to filling evidences gaps and would trigger further studies to generate more insight in this subject area.

1.4. Objective of the research

The objective of the study was to examine the effects of organizational structure on organizational performance of the Enterprises and Industries Development Main Department of Wolaita Zone.

1.4.1. Specific objectives

1. To analyze the effects of departmentalization on organizational performance.
2. To examine the roles of decentralization on organizational performance.
3. To analyze the effects of job specialization on organizational performance.
4. To examine the effects of formalization on organizational performance.

1.4.2. Research questions

1. How does organizational structure affect organizational performance?
 - 1.1. How does structural departmentalization affect organizational performance?
 - 1.2. What roles do decentralization have on organizational performance?
 - 1.3. How does Job specialization affect organizational performance?
 - 1.4. How does formalization affect organizational performance?

1.5. Significance of the study

Designing fitting organizational structure is essential to organizations as it helps to undertake tasks with sequence, to coordinate tasks, to make effective decision, to ensure responsibilities and accountabilities and to ensure efficient resources allocation thereby to achieve goals and objectives (Rollinson, 2008 4th ed). Managers who design organization structure face difficulties, as they have to choose among countless of alternative frameworks of jobs and department. Hence, organizational structure across the world has attracted widespread attention for research among organizational managers and academia (Okafor, Kalu and Ozioma, 2017).

As part of the widespread attention, this study examined the impact of organizational structure on performance of Enterprises and Industries Development Department of Wolaita Zone. The research generated valuable evidences on the impact of organizational structure on performance, specifically organizational effectiveness and efficiency (attainment of goal and objectives), effective decision-making, employees job satisfaction and organizational innovation. Studies conducted in Ethiopia on Enterprises and Industries Development identified different factors that hinder or negatively affect performance of the Micro and Small Enterprises. Tekele (2019) stated that inadequate access to finance, political-legal, access to business information service, technological and infrastructure are the major factors that affect the performance of MSEs in Wolita Sodo Town. In addition, poor business plans, lack of entrepreneurial characteristics, poor management of people, absence of supporting institutions, poor location, limited business development skills, management incompetence's, poor financial control, lack of experiences, failure to develop strategic plans, inability to make an entrepreneurial transition and poor planning have been identified as factors contributing to failure (Beyene, 2007; Belwal, 2008 cited by Takele, 2019).

Researchers considered the enterprises side only while identifying factors that negatively affect their performance but never looked at from the side of the organization that promote and equip the enterprises. There is inadequate evidence whether studies had viewed from the perspective of the organization structure of the Enterprises and Industries Development Department. Looking at from such perspective is essential as the department is responsible to establish, equip with the necessary skills and capacitate the MSEs to penetrate effectively in the business environment (Cherkos et al., 2018).

Therefore, this research is significant to Enterprises and Industries Development sector as it generated relevant findings and recommendations that help the sector understand and perhaps choose fitting organization structure type that lead to achieving the desired goals and objectives. The evidences are useful to enhance capacity of the department to promote competitive MSEs that create more jobs and employment to contribute to socioeconomic development at different levels. The study is highly significant to the MSEs because through well-defined structures the department can perform effectively and efficiently, make effective decisions, promote employees job satisfaction and innovations to cope with the dynamic operating environment through promoting and enabling the MSEs under their leadership. The study is significant to the policy makers, as it generated evidences that help emphasis on structural aspect of the MSE while setting goals and objectives of the Enterprises and Industries Development Agency different levels.

1.6. Scope

This part describes the scope of the study from the perspectives of study organization, the study population and thematic demarcation. Type of the study organization is a government development services providing organization unlike financial institution, it doesn't make profit. In this regard, the study organization is the Enterprises and Industries Development Main Department of Wolaita Zone, in the southern region of Ethiopia. The main department has three sub departments; namely, Small and Medium Manufacturing Enterprises (Manufacturing), Micro and Small Enterprises (Urban Job Creation) and Rural Job Creation sub departments. The manufacturing sub department is further divided in to seven work process. The seven work process are (1) Research or studies, promotion and industries extension, (2) Finance, market development and manufacturing materials lease, (3) Infrastructure and clusters development, (4) Agro processing and pharmaceuticals, (5) Construction inputs, chemicals, hand crafts and ornaments, (6) Wood work and metal engineering, and (7) Apparels, leather and textile products work processes.

The micro and small enterprises sub-department is further divided in to five work process. These are, (1) Enterprises development, (2) expansion and market development, (3) One center services, (4) Small scale manufacturing, and (5) urban food security work processes. The Rural Job Creation sub department is further divided in to two work process, that are organizing and research(studies) and income generation and market linkage work processes.

With respect to the thematic scope, the study covered organization structure dimensions such as departmentalization, decentralization, job specialization and formalization. In the study, non-financial/non-profit aspects of organizational performance parameters were covered due to the nature of the study organization as it is a public services providing development organization. Thus, the performance parameters studied include, organizational effectiveness and efficiency, effective decision making, employees job satisfaction and organizational innovation.

With respect to data sources, the research covered entire employees who work for the organization as number of staff is quite finite and handled with the researcher capacity. The study applied quantitative and qualitative methods, and used primary and secondary data. Thus, secondary data was collected from the organization emphasizing on strategic documents, plans and performance reports. Authorized plans and reports for the periods 2009-2012 were covered. Reason for using plans and reports for four years is to avoid information overload due to gathering too much information.

1.7. Organization of the Research Paper

The research paper is organized in to five chapters. chapter one presents introduction which details the genera back ground, background of the study organization, problem statement, objective, significance, scope of the study and organization of the paper. Chapter two presents the literature review by braking in tow as theoretical and imperial literature. In this part the details about the study variables were presented. Chapter three details the research design and methodologies and chapter four present results and discussion. Chapter five presents conclusion and recommendation. In this last part, summary of the study, conclusion, recommendation, limitation of the study and future research were presented.

CHAPTER TWO: LITERATURE REVIEW

2.1. Theoretical Literature

2.1.1. Organizational structure

Organization structure is about the method people are organized or their jobs are divided and coordinated (Mintzberg, 2009). It is the formal allocation of task roles and administrative mechanisms to control and integrate activities (Robbins, 1990; Ghani et al.,2002). Organization structure is the formal configuration between individual and groups concerning the responsibilities, allocation of tasks, authority in organization (Greenberg, 2011). It is a manner in which powers and responsibilities are allocated and works procedures are completed among members of the organization. Organization structure consists of job positions, their relationships to each other and accountability for the process and sub process deliverables (Greenberg, 2011, 10th ed.; Gerwin et al., 2012b).

Rollinson, (2008); Child (1984) posited that organization structure is concerned not only with what is in place to facilitate achieving goals and objectives, but also with the mechanisms or process for doing so. Organization structure includes the nature of formalization, layers of hierarchy, level of horizontal integration, centralization of authority and pattern of communication (Damanpour, 1991). Daft (1986) defined organization structure as a system of task, reporting and authority relationships within which the work of organization is done. As per this definition, organizational structure means the form and function of the organization's activities as well as the way parts of an organization fit together in an organization chart.

Organizational structure and performance share relationships in which the organization structure dictates or at least affect performance. Different structures might be more appropriate for businesses based on the size of a given entity or the industry in which a company operates. As studies show, employees often become products of the organizational structure practiced at a business and begin to behave and operate in a manner that reflects and supports the framework implemented by organization. The goal of most organizations is effectiveness in all areas, including employee relations, efficiency, sales, and marketing. One of the ways structure can influence effectiveness is by building in a review process that checks expectations against actual performance. By creating an

organizational structure that can review and adapt, a company can continually move toward meeting established goals (Nelson and Quick, 2011).

Different authors define organizational structure differently and they did take in to account different dimensions. This research therefore, establishes on basis of the definitions and descriptions presented in literatures reviewed. By blending different definitions, this research operationalized organization structure as a formal configuration between individual and groups concerning the allocation of tasks and integration of the work activities, use of resources, distribution patterns of authorities and administrative mechanism of controlling organizational operations, methods that people are organized or their jobs are categorized and coordinated with use of a written rules, procedures and prescribed job descriptions (Ghani et al.,2002; Robbins, 1990; Mintzberg, 2008; Greenberg, 2011).

A. Organizational Structure dimensions

Organizational structure dimensions are features of organizational structures useful to comparing the similarities or differences of organizations. Dimensions are features of organizational structures useful to describe characteristics as similarities or differences of different organizations. Five most prominent structural dimensions useful to distinguish structures are configuration or grouping, centralization, specialization, formalization and standardization (Zzwa, 2014; Ronllinson, 2008). As per the operationalized definition, this research emphasis on the organizational structure dimensions of departmentalization, decentralization, job specialization and formalization that impact on the organizational performance dimensions of organizational effectiveness and efficiency, effective decision making, employee job satisfaction and organizational innovation.

A1. Departmentalization

Departmentalization describes the shape of the organization's structure that is made up of division of labor and the means of coordinating the divided tasks. Division of labor is the extent to which the organization's works is separated to be done by different peoples. To adequately maintain sight to overall organizational goals by employees engaged in specialized activities, their works must be coordinated to ensure that it contributes to the success of the organization (Weber, 1947; Meijaard & Brand, 2005). According to Ronllinson (2008) most common ways tasks being grouped or departmentalized are by business function, by process, by product or service, by customer and by geography. Departmentalization by business functions and by process are derived from the internal

operations whereas the others are based on external factors. Most organizations tend to use a combination of methods, and departmentalization often changes as organizations evolve.

Mintzberg (1979); Carson et al. (1995) described departmentalization(configuration) of organization's structure in terms of two features as horizontal differentiation and vertical differentiation. Horizontal differentiation is about the division of an organization's overall task into different activities according to organizational principle and sometimes referred to as the basis of departmentalization. Departmentalization is the way in which divided tasks are combined and allocated to work groups. Vertical differentiation is the establishment of a hierarchy of authority in the organization, which is more concerned with integration, and coordination of the parts (Mintzberg, 1983; Ronllinson, 2008).

Departmentalization is the grouping of jobs according to some logical arrangement. As the organization grows in size and complexity, it is not possible for one manager to oversee all of the workers, so workers are assigned to new managers based on some plan. Most organizations use multiple bases of departmentalization in different areas and/or at different levels. Lennick (1995) identified various types of departmentalization in organizations. That are, (1) Functional departmentalization, which groups together jobs involving the same or similar activities. In the functional organization, it is very clear that who you report to and who's the boss. (2) Product departmentalization, which involves grouping and arranging of activities around products or product groups. (3) Customer departmentalization, which structures the organization's activities to respond to and interact with specific customers and customer groups. (4) Location departmentalization, which groups jobs on the basis of geographic sites or areas.

A2. Decentralization

Decentralization is a type of organizational structure in which decision making responsibilities is delegated to the low levels managers and employees. Under decentralization, all members can act more quickly to make a decision and solve problems and control the situations. It gives more power and autonomy to lower level staff to make decisions (Mahlagha, 2019). Decentralization is the process of redistributing or dispersing functions, powers, people or thinks away from a central location or authority (Murray, 2018; Woods, 2017). Rollinson (2008) presented that decentralization is the process of delegating power from higher to lower levels within organization. It is the opposite of centralization that allows only a few powerful individuals or groups to hold most of the decision

making power. Decentralization is described as having fewer staff positions in the organization chart and decision-making authority is pushed farther down the hierarchy.

Decentralization is a systematic delegation of authority at all levels of management and in all of the organization. In such system, the highest levels of management are in charge of making major companywide decisions and designing a policy and decision framework for the rest of the organization. In this view, the remaining decisions, authority and responsibility are reapportioned to middle and lower level management (Robbins & Judge, 2014; Dana, 2019). Joseph (2018) stated that decentralization is a type of organizational structure in which daily operations and decision making responsibilities are delegated by top management to middle and lower level managers. It provides more autonomy to employees to make decision that in turn gives them a sense of importance and makes them feel as if they have more input in the direction of the organization.

Decentralization empowers employees where the empowered employees cut the red tape of an organization by taking the initiative to get the job done with a minimum management approval. Decentralization also takes some of the burden of daily operations off from managers and frees up to spend more time on strategic items. A decentralized structure provides a better chance that the organization maintains self-sufficiency because managers and employees are accustomed to working autonomously. Decentralization leads to more effective and efficient decision making. A manager often can make a decision without having to wait for it to go up a chain of command, allowing the organization to react quickly to situations. Decentralization can facilitate the process of expansion (Vitez, 2018; Joseph, 2018). McCartney (1978) administrative delegation creates a potential for improved attitudes, greater individual responsibility and aspiration among employees.

A3. Job Specialization

Job specialization is the degree of dividing organizational assignments into smaller pieces of work and employees are held responsible for only one or a smaller number of these tiny tasks (Mintzberg, 1989). Job specialization means that only one person or a group of people gain special expertise on a specified part of a job (Grant, 1996). As defined by Willem & Bulens (2009) job specialization extends to knowledge complexity, unit differences, interdependency and different specialties found in an organization.

Job specialization is beneficial as when an individual works on the same task over and over, she/he gains knowledge related to the task that help improve her/his performance (Staats and Gino, 2011). Argote and Miron-Spektor (2010) stated that the knowledge might cover specific steps to follow, the specialized tools being used, or the customer being served. However, if, specialized employees are subject to directives from superiors in other parts of the organization who have no expertise in these areas, the benefits of specialization maybe squandered.

Smith (1776) presented specialization as the main driver of productivity and economic progress. This view was emanated from Smith's observation of the workings of a French pin factory where he noted that each individual worker, if working alone and responsible for making the entire pin, could not make more than 20 pins per day. However, when the process was divided up, so that, for example, one worker draws out the wire, another straightens it, a third cuts it, a fourth points it, a fifth grinds it at the top for receiving the head and a sixth puts the head on the pin. In such way, the average output jumps to 4,800 pins per worker per day. Crowley and Sobel (2006) stated that specializing in specific phases of production process and collectively produce more than if each were to produce individually. Likewise, when individuals specialize across different industries similar gains are realized. The increase in labor productivity not only yields higher output, but also leads to increase in wage rates for the employee.

A4. Formalization

Formalization is the extent to which formal rules and procedures govern activities in an organization. The rules and procedures can be implicit as well as explicit, and can be used either to recommend what should be done or to ban what is forbidden. Explicit rules are usually set down in writing, for example in job description, policy documents and standard operating procedures (Rollinson, 2008). Formalization is defined as rules and regulations that describe the work process (Oldham and Hackman, 1981). It refers to the extent to which rules and regulation are formally and officially specified within an organization (Oh, Kim and Park, 2016.; Persaud, 2005; Tatikonda and Rosenthal, 2000). As described by Hage and Dewar (1973) formalization is the organization's degree of role specificity, job codification and the presence of clearly defined rules for employees to adhere.

As presented by Gosselin (1997); Hage and Aiken (1967); Tatikonda and Rosenthal (2000) formalization is the extent that instructions, communications, procedures and rules are officially elucidated. In a formalized organization, comprehensive rules exist outlining the purpose and

responsibilities of each member of employees and management. In such organizations, it is expected that those specified rules will be strictly followed and break away from routine practices and such organizational behavior cause strain to individuals. However, in organizations that are not formalized, managers have greater levels of autonomy and are able to diversify their purpose and responsibility as needed.

According to Webster (2019) formalization is the process of creating a formalized structure that includes the maintenance of the formal structure over time. The formalized organization is critical for organizations in which issues are known and changes are implemented slowly and purposefully. Formalized organization structure focuses on roles and positions rather than the people in the positions. Formalization can be identified by the degree the organizational roles are separated from the individuals who perform those roles. The formalized organization structure consists of hierarchical, top down reporting and decision making structure. It is recognized by the existence of explicit, confined standards and regulations. A formalized structure typically includes multiple layers of supervision, including top- level directors or department heads, middle managers and operational supervisors (Persaud, 2005)

Hall, Jonson and Hass (1967) stated that formalization in organization structure is a process in which managers specify (in writing) procedures, rules and responsibilities for the individual employees, organizational units, groups, teams and the organization as a whole that leads to the development of process, relationships and operating procedures. The formalization of the organization is the result of management's tendency towards bureaucracy and centralization. The main function of formalization within an organization is to reduce role ambiguity. However, when there is much more formalization than the organization needs, it can result in poor performance because it gives rise to dissatisfaction among employees. Formalization is used to retain control on order to reduce risks and uncertainties (Persaud, 2005; Poskela and Martinsuo, 2009).

2.1.2. Organizational performance

Organizational performance is the organization's ability to complete its purposes using resources in a properly structured approach Daft (2000). Organizational performance is a concept that does not have universally accepted definition (Bader et al., 2011). Richardo (2001) stated that performance is the ability to achieve organizational goals and objectives. Ezigbo (2011) stated that organizational

performance is the ability of an organization to utilize its resources efficiently and to generate output, that are consistent with its goals and objectives, relevant for its clients.

Different authors adopted different dimensions to measure organizational performances. The measures of performance include profitability, return on investment, return on asset, gross profit, return on sale, return on equity, sales growth, export growth, revenue growth, market share, stock price (Maduenyi et al, 2015). However, Parnell & Wright (1993); Thomas & Ramaswamy (1996); Gimenez (2000) stated that no single measures of performance could fully explain all areas of the concept. The importance of performance measure is that it has integrated both effectiveness related measures such as employee satisfaction and growth and efficiency related measures such as input and output relationships (Kotter & Heskett, 1992; Denion, 1990; Jusoh and John, 2008; Ingrida and Giedre, 2015).

Performance has been conceptualized using non-financial and financial measures from both perceptual and objective sources (Hodge and Williams, 2004). The perceptual sources comprise financial health or employee evaluation of organizational effectiveness and their overall level of satisfaction (Venkatraman & Ramanujam, 1996). Majority of practitioners have appeared to use the term performance to explain variety of measurements as input efficiency, output efficiency and transactional efficiency. There is no particular measure or dominant measure of organizational performance (Stannack, 1996). Hage (1980) affirmed that organizations adopt different measures and objectives for organizational performance. Therefore, this research that conducted in the public institution considered some of the non-financial performance measures.

B. Organizational Performance Measures

The organizational performance measures covered in this study include effectiveness and efficiency, effective decision making, employ satisfaction and organizational innovation. They are non-financial performance measures (Drucer, 1967; Jusoh and John, 2008; Inta and Irina, 2012; Ingrida and Giedre, 2015).

B1. Organizational effectiveness and efficiency

Effectiveness is the most frequently used words in discussing organizations. Different organizational theories structured based on various conditions and organizational factors of which effectiveness is one of the most used criteria of structuring organizational theories (Baker et al, 1997; Ajila, 2006,

Esra & Ozgur, 2014). Yet, there is arguments that there is no universally accepted theory of organizational effectiveness and neither universally accepted definition and set of criteria that allows the effectiveness of an organization to be evaluated (Rollinson, 2006). This view remains an influential. Organizational effectiveness can be evaluated using four components such as resources acquisition, efficiency, goal attainment and customer satisfaction (Kushner and Poole, 1996; Esra and Ozgur, 2014). Barnard (1938) stated that an effective organization is one that achieves its goals and would exists.

Barnard (1938); Etzioni, (1964); Strasser et al., (1981) discussed about the goal approaches to effectiveness. As presented by Rollinson (2006) the goal approach is the oldest and best-known approach. According to the goal approach, effectiveness is defined as the extent to which an organization achieves its goals. The goal approach is still the most widely used approach to evaluating organizational effectiveness, certainly because all organizations set goals of some sort and attempt to measure whether they have been achieved. A closer perspective by Nwachukwu (2012) identified that structure of an organization increases the effectiveness of the employees and increase productivity of the organization. Organizational growth could be evaluated by how well a firm does relative to the goals it has set for itself.

B2. Effective decisions making

Decision making is the procedure of reducing gap between the existing situation and the desired situation through solving problems and making use of opportunities (Saroj, 2011). Decision making is defined as choosing between alternatives, which reflects the idea that if there is only one alternative to choose from, there is no decision to take (Rollinson, 2008). Decision-making represents a process of adequately reducing uncertainty and doubt about alternatives to allow a reasonable choice to be made from within and among them. Decision-making includes variety of process that are all intermediate steps between assumed and action that are the precursors to behavior (Talley, 2011).

According to Drucer (1967) in some areas, decision-making levels are seen from the stand points of view of an organization's hierarchy, thus the levels are categorized as strategic decision, tactical decisions and operational decisions. Effective decision making is defined in this case as the process through which alternatives are selected and then managed through implementation to achieve organizational objectives. It results from a systematic process, with clearly defined elements that is handled in a distinct sequence of steps. As per effective decision makers, there is appropriate time

and principles to be considered on the merits of the case. When the decision has degenerated into work, it is called a decision otherwise it is at best good intention. While, the effective decision itself is based on the highest level of conceptual understanding, the action commitment should be as close as possible to the capacities of the people who have to implement it. This means, decisions should be just conceptual and higher level but there should be action of it (CIMA, 2009).

Decisions being made in the organization need to be measured for its efficiency and effectiveness. Efficiency is a productivity metrics meaning how fast something is done, hence the metric can be done quantitatively whereas effectiveness is a quality metrics meaning how good something is at testing, hence testing effectiveness metric and be done qualitatively (Chaffey 2011; Clifton,2011). Ogbo et al. (2015) stated that in a decentralized organization, decision-making is pushed down to the managers closest to the action. It is the term for pushing decision authority downward to lower level employees and is based on principle of trust and empowerment. A decentralized organization can act more quickly to solve problems, more people provide input into decision, and employees are less likely to feel isolated from those who makes decision that affect their work lives (Sablynskis, 2003; Holtman, 2000; Stephen and Timothy (2012).

B3. Employee job satisfaction

All successful business organizations consider their staff as one of their biggest resources and recognize the importance of attracting, motivating and retaining highly qualified and experienced employees (Crowe, 2018). Locke (1976) stated that job satisfaction is a pleasure or positive emotional state resulting from the appraisal of one's job or job experiences. Lunenburg (2012) job satisfaction is the amount of importance an organization place on its human resources. Job satisfaction measures feelings of happiness, wellbeing, retirement plan, employee training and development, absenteeism and turnover rate. Choi (2006) described as subjective and emotional assessment reaction upon a specific object or experiences of a certain phenomenon.

McShane and von Glinow (2000) stated that job satisfaction represents a person's evaluation of his or her job and work context. Job satisfaction is an appraisal of the perceived job characteristics and emotional experiences at work. According to Armstrong (2003) job satisfaction refers to the attitude and feelings people have about their work. According to this view, positive and favorable attitude towards the job indicate job satisfaction. Job satisfaction has been defined as a pleasurable emotional state resulting from the appraisal of one's job; it is an effective reaction to one's job and a feeling

towards one's job. It describes how comfortable an individual is with his or her job. The more contented people are within their job, the more satisfied they said to be.

B4. Organizational Innovation

Rainey (2009) posited that organizations must undergo changes and transform themselves through innovations as external environment threatens them and two perspectives of innovations were introduced in organizations in the 20th century due to prevalence of changes in organizations environments. Damanpour and Wischnevsky (2006); Fagerberg, Mowery and Nelson (2005); Godin (2008) stated that the way of focusing mainly on generation of new products that were commercialized and technology-based is related with the first perspective of innovation. It was intended to improve efficiency and productivity, increase profitability and to generate economic wealth for the owners.

On the other hand, in the second half of 20th century, the second perspective of innovation was introduced in sociology and flourished in organization management alongside the arrival of organization as open systems (Damanpour,2017). Hage and Aiken (1970); Becker and Whisler (1967); Mohr (1969); Zaltman, Duncan and Holbek (1973) presented that organizations introduce innovations to adapt to environment change and achieve strategic goals for maintaining and improving performances. Both the first and the second perspectives consider organization as a vehicle for innovation. As per the first perspective, innovation is mainly to increase productivity and product, service, and performance outcomes whereas the second perspective of innovation is mainly about a means of organizational change and improvement to stay in business and thrive. Damanpour (2017) both the first and the second perspectives have been viewed as conjoining but not competing, and are called competition and performance and adaptation and progression perspectives of organizational innovation.

Denircioglu (2016) defined, innovation is an idea, a new product, a new service, a new process, a new technology, or a new strategy adopted by an organization. It is introduction of something new to an organization. Daft (1982); Damapour and Evan (1984); Lam (2006) innovation is an adoption of an internally generated or purchased device, system, policy, program, process, product, or services that is new to the adopting organization with the purpose to make something better. Innovation can be a new product or service, a new production process technology, a new structure or administrative system or a new plan or program pertaining to organizational members (Damanpour, 1991).

Zlatman, Duncan and Holbeck (1973); Damanpour (1991) stated that innovation is a creative idea and its implementation. According to the UNCTAD (2005) innovation may involve the incorporation of existing elements or the incorporation of new elements, a new combination of existing elements or a significant change or a significant change or departure from the traditional way of doing things. Innovation is about the creation of new knowledge and the use of that idea. It is about ideas and the transformation of those ideas into value creating outcomes in products, process and services. Innovation is the practical realization of a unique idea that requires creative solutions to problems encountered in the journey from an idea to a services. It is essentially a practical activity and is constrained by cost, time, material, available technology etc. Innovation is the successful implementation of a creative idea. It is the conversion of new knowledge into economic and social benefits.

The public sector management innovation is the development of new policy designs and new designs and new standard operating procedures by public organizations to address public policy problems. It is a process and the way it creates changes in the structure and functioning of organizations and the delivery of services. Some innovations devise slight alteration of functioning and service delivery whereas some incorporate completely new ways of functioning of public institutions while others render changes in the structure and function of organizations and processes. The most common initiators of innovations in the public sectors are the middle managers (Mulgan and Albury, 2003).

2.2. Empirical literature

2.2.1. Organizational structure and organizational performance

Empirical studies showed that organization structure is a way people are organized or their jobs are divided and coordinated (Mintzberg, 2009). It is the formal configuration between individual and groups concerning the responsibilities, allocation of tasks and authority in the organization (Greenberg, 2005). Louadi (2008) contended that organization structure is about specialization, formalization and centralization. It is the way responsibility and power are allocated inside the organization and work procedures are carried out by members of the organization (Germain, 2006). It is the organization's internal pattern of relationships, authority, and communication (Thompson, 2005). Organization structure is the network of relationships and roles existing throughout the organization (Goldhaber et al., 2004). Warren and Dennis (2005) posited that it is prescribed pattern

of work related behavior that are deliberately established for the accomplishment of organizational goals. March and Simon (2008) established that organization structure is a way how jobs are formally divided and coordinated.

Organization structure shapes performance in an organization (Csaser, 2008). Organizational structure has linkages to organizational effectiveness and efficiency (Walton, 1986). Anderson and Zbirenko (2014) revealed that organizational structure affects productivity and efficiency that structure demonstrates how productive the operational processes are in the organization. Okafor, Kalu, and Ozioma (2017) confirmed that organizational structure affects organizational performance. Nahm et al., (2003) revealed that the organizational structure dimensions of levels of horizontal integration, numbers of layers in the hierarchy, locus of decision-making have positive relationship and impacts on organizational performance.

Studies revealed that good organizational structures facilitate the attainment of corporate objectives through proper coordination of activities. A good organizational structure promotes employee relations, effective communication, co-operation, creativity and a sense of pride amongst the regular members (Adeleye and Oni, 2014; Adeleye et al. 2015). Csaszar (2012); Ayodeji (2013); Kofarbai (2015); Zubairu (2015) identified that with good structure, business owners experience reduced sentiments, greater confidence, enhanced openness, transparency and efficiency as well as the ease of doing business.

Maduenyi et al. (2015) revealed that organizational structure has impact on organizational performance as it facilitates proper working relationships among various sub-units mainly by affecting the behavior of employees in the organization. Performance of the organization largely depends on the structure of the organization because a clear structure ensures clear task division, better employee productivity; leads to enhanced organizational performance. The most appropriate structure for an organization is the one that best fits a given operating settings such as scale of operation (Pugh et al., 1969; Blau, 1970) or the environment (Burns and Stalker, 1961; Lawrence and Lorsch, 1967). The below sections present evidences on structure and performance.

2.2.2. Departmentalization and organizational effectiveness and efficiency

Organizational structure has an important part in determining organizational effectiveness and efficiency and the practices of organizational structure are context specific (Zheng et al., 2010). A

fitting organizational structure facilitates managerial tasks, provides great potential for improving organization's competitive power, innovation capability and workforce relations while lowering expenses. McDermott and Stock (1999) identified that fitting structure results in improved performance benefits such as improvements in productivity and flexibility, advantages in business processes, information exchange, coordination of tasks, managerial control and competitive success characterized by increase in sales, market share and profits.

An organization is a structured group of interacting people equipped with skills, materials resources, working together to achieve common needs (Razia, 2015). Organizations are social entities that are goal directed, deliberately structured activity systems with a permeable boundary (Bateman and Zeithaml, 1990; Gibson et al., 1994). Koontz (1990); Nahm et al. (2003); Cole (2004); Adeleye and Oni (2014) organizational structure is the established pattern of authority relationships including the process for decision-making and execution of activities where a group of people works cooperatively achieve the established objectives.

Organization structure is the formal formation of roles, power, authority and responsibility as well as the reporting relationships across units, departments and divisions that are mostly created based on functional specialization, product or markets. Better results in an organization are created because of organizational effects that directs organization to achieving some organizational goals. Organization structure is a fundamental and relatively unchanging feature of an organization that are officially authorized by those who control it and consist of the activities and component parts are grouped, controlled and coordinated in order to achieve desired outcomes (Gibson et al. 1994). It describes how job tasks formally divided, grouped and coordinated (Latifi, 2014). Dalton (1980) organization structure is considered as the anatomy of the organization, providing a foundation with in which organization function.

Mintzberg (1983) detailed that structural difference results in different strengths and weakness to the work to being performed and it is therefore essential to identify a structure that fits for the desired outcome on stability and predictability. As organizational structure and process influence all managerial situations, understanding the relationship between structure and process is an essential requirement for determining organizational effectiveness. Organizational structure could spell the difference between success and failure for an organization and individuals. Oden (2018) identified

that how an organizational structure is a crucial means where any wrong structure seriously damages business performance or makes the organization to be inefficient.

2.2.3. Decentralization and effective decision-making

When an organization grows in size, its hierarchy of authority usually grows and makes the organization's structure less flexible and could slow manager's response to changes in the organizational environment. In addition, when an organization has many levels in the hierarchy communication problems may arise. Such condition delays time for the decisions and instructions of top managers to reach lower-level managers and the same happens for top managers to learn how well their decisions worked out (Ezigo, 2007).

However, in a decentralized organization, the top executives delegate much of their decision-making authority to lower levels of the organizational structure. Thus, the organization is likely to operate on less rigid policies and wider spans of control in the organization. This indicates that wider span of control reduces the number of levels within the organization by giving the structure a flat appearance. This is the reason that managers are interested in empowering workforces, creating self-managed work-teams, establishing cross-functional teams and even moving to a productive team structure. Decentralization of authority among other executives at all levels in the organization relieves the top executive of the excessive burden, saving valuable time to more important and long-term problems. This is certain to improve the quality of decisions regarding such problems. An organization structure that facilitates delegation, communication and participation, provides greater motivation to the managers for higher productivity (Drucer,1967; Vitez, 2018).

A decentralized organization structure is most favorable for raising the moral and motivation of subordinates and it is appearing with greater work performances. Decentralization makes decision-making quicker and better because decisions do not have to be referred up through the pyramid. Decentralization provides opportunity to learn by doing, it promotes a positive climate where there is autonomy to make decisions, freedom to use judgements and freedom to act. Decentralization gives practical training to middle level managers and it facilitates management development at different levels in the organization. Decentralized organization structures often have several individuals involved in and responsible for making decisions and running the operations. The decentralized organizations rely on a team environment at different levels in the organization and individuals at each level have some autonomy to make decisions. Such organizations utilize individuals with a

variety of expertise and knowledge for running various business operations (Robbins, 2000; Vitez, 2018)

Quain (2018) identified that in a decentralized organization, there exists conditions where middle and low-level managers are empowered to make decisions that improve productivity, efficiency and performance standards. The primary advantage of a decentralized organization is that managers are able to make quick decisions that contribute to reduced organization's costs and expenditures. By empowering middle and lower level managers, it lightens the workload and frees top manager to develop strategic plans for the future of the organization. When middle and lower level managers are empowered, they are motivated and work harder, as they want to prove that in them the top-level manager trust. Decentralization leads to better communication between managers and staff members and stimulates greater morale in the workplace due to effective decisions (Ogbo et al., 2015).

2.2.4. Job specialization and employee job satisfaction

Job specialization is the process of separating all the activities necessary for the business or the organization into individual tasks. Bahl, Ritzman and Gupta (1987) posited that job specialization helps in improving the productivity of an employee because the more he/she does a particular task there exists a better chance of finding the shortcut and better way of doing the task which in turn result in greater productivity and greater profits for the company. Job specialization creates learning opportunities and avoids costs required for difference in required experiences. Shingo (1989) identified that job specialization helps to decrease set-up costs and eliminate waste. Job specialization allows employees to develop expertise in particular subject area.

By completing different but related task types of works, an employee can identify new best practices and then transfer those practices from one task to another (Schmidt, 1975; Tucker, Nembhard and Edmondson, 2007). Parikh (2006) identified some of advantages of job specialization as that, the biggest advantages of specialization is that it reduces the risk of error, as the person who is a specialist is less likely to commit a mistake in doing a particular task than a non-specialist person doing the same task. Specialization saves time because if one keeps doing the same thing repeatedly then he or she finds the shortcut way to do the thing that in turn results in a lot of saving of time. Specialization results in saving money for the company. This is because in case of specialization, company does not have to incur expenses on training for same task.

The strengths of job specialization are saving of work time because each worker concentrates on one process and no need to change tools; increase technical knowledge, reduce unit cost, increase output and brings about reduction in per unit cost and altogether lowers price. Other strengths of job specialization include less fatigue; employee may not have to strain himself or herself mentally or physically. Job specialization include a worker performs the same task as a routine and may not have to strain himself mentally or physically. Specialization encourages largely the innovation of special tools and equipment in order to perform particular function more effectively, doing the work expected of employee. Specialization encourages largely the invention of special tools and equipment in order to perform (Samuel, Adegun and Tomomow, 2013; Partikh,2016).

Robbins (2003) observed that each person has different reasons for liking or disliking his or her job, therefore job satisfaction to him or her is an evaluative statement of how one feels about his or her job. On an individual basis, job satisfaction is a moderating variable related to productivity; however, organizations with more satisfied employees tend to be more effective than those organizations with less satisfied employees (Ostroff, 1992). Robbins (2003); Hellriegel, Slocum & Woodman (1998) presented that when employees are satisfied, they have fewer absences and there is less failure performances. Droussiotis (2004) realized that job satisfaction is the feeling of pleasure and achievement that one experiences in the job when one knows that his or her work is worth doing or the degree to which work gives the feeling of pleasure and achievement.

Spector (1997) identified that job satisfaction is helpful in evaluating the emotional wellness and mental fitness of the employee. Filak and Sheldon (2003) realized job satisfaction is very essential to the continuing growth of employees and they rank alongside professional knowledge, skills, competences, as well as strategies, in determining organizational success and performance. Professional knowledge, skills and competences can be observed when one is taking on and mastering challenging tasks directed at organizational success and performances. Hanisch (1992) recognized that pay, promotion, supervision, the work itself and co-workers are some of the aspects that make up an individuals' level job satisfaction. Rojas (2012) identified that Job specialization has some drawbacks. Due to the repetitive nature of the work performed, employees can be subject to boredom and burnout. Units of specialized workers also have a tendency to be insular and may refrain from collaborating with other units.

2.2.5. Formalization and organizational innovation

Where there is formalization, there exists use of prescribed procedures and sanctioning some course of action, provision of specific directions as to appropriate actions, directing and enforcing these actions, and constraining employees' ability to engage in discretionary behaviors and reduces the extent of freedom of employees (Hage and Aiken, 1967; West 2000; Raub,2007; Kalay and Lynn, 2015). A study by Sibindi (2014) revealed that the organizational structure dimension of formalization has a reverse effect as it erodes away employee's innovativeness. According to Fredrickson (1986) formalization refers to the degree to which formal rules, standard policies and procedures govern decisions and working relationships. Von Krogh (1998); Lopes et al. (2006); Lee and Choi (2003) posited that formalization restricts the creation of knowledge by limiting the chances for organizational members to communicate and interact with each other. With formalization, new ideas seemed to suffer a restriction when formal rules dominate the organization. Lee and Choi (2003); Wand and Ahmed (2003) argued that increased flexibility and informal behavior within an organization structure can result in an increased creation of new knowledge.

Shepard (1967) opined that low level of formalization facilitates flexibility and that is key for the generation of idea. Saeed et al. (2014) discovered that the lower the level of formalization within an organization, the better motivation that employee generate new idea at workplace. Agarwal (1999); Aiken and Hage(1966) presented that higher levels of formalization results in a loss of control over work and a reduction in discretionary power because of the standardization of organizational members. Agarwal (1993) identified that that higher level of formalization imply that supervisors proscribe works rather than allow workers to decide how things are done.

Greene (1978) identified that formalization has linked to higher alienation among engineers and also public sector employees (Aiken and Hage, 1966, Zeffane, 1994). Lewis (2002); Klidas (2002); Lin (1998) and Seibert et al. (2011) identified that formalization discourages the generation of ideas due to the inflexibility of the operating mode that constrains creativity and innovation. Formalization prevents divergence from standard knowledge and from the tendency to seek difference. West (2000); Kalay and Lynn (2015); Raub (2007) confirmed that formalization impedes organizational innovation. Low emphasis on work rules and flexibility facilitates innovation (Burns and Stalker; 1961; Thompson, 1965; Aiken and Hage, 1971). According to Pierce and Delbecq (1977) low formalization permits openness that encourages new ideas and behaviors.

Public organizations need to promote innovations as the public organizations throughout the world have been facing unprecedented challenges. This is because the current economic situations that have resulted in shrinking budgets, increased demands on public services, and stringent public scrutiny. Citizens, the media and private organizations are demanding high level of accountability and transparency from public organizations by pressuring them to justify every currency paid in tax or donation. As a result, the public organizations are developing new ways of delivering services in ways that are efficient, cost effective and convenient. They are attempting to cultivate greater trust and satisfaction amongst citizens and beneficiaries of services, even as they reduce costs and increase efficiency. Generally, public organizations face major challenges and conflicting demands (Van Wart, 2013a). In this research, innovation refers to organizational innovation. It is about creating a favorable condition about improving work design to generate staff's creative thinking and new way of working. Certainly, the human resources are the most important assets in the companies; they are the sources of innovation. Innovativeness helps organizations to adopt innovations earlier than others do (Totterdell, et al., 2002).

In the case of Ethiopia, study revealed that a faulty organizational structure of the Integrated Housing Development Program in Addis Ababa City Administration was found to be key reason for its failure to meeting the clients' demands both in quantity and quality. There were lack of clarity and misunderstanding about job positions and unclear responsibilities across the hierarchy. The unfitting organizational structure caused failure in executing decisions in a timely manner, delay in doing planned tasks and together resulted in poor quality and quantity services delivery (Abate, 2016).

A study revealed that organizational structure of the Addis Ababa City Transport office was flawed and resulted in poor performance. As a result of the unsuitable organizational structure, the organization experienced poor collaboration among relevant partners like road authority and relevant others, it suffered mismatch of positions assignments with job holder's competence, spawned extensive anxiety, frustration and dissatisfaction on employees. It experienced extremely controlled decision making practices, lack of clarity in roles of units, limited integration with in the office and lack of suitability for monitoring and controlling. Faulty organizational structure ruined its strategic competitiveness and clarity on its direction. It left the employees and management to deploy time and energy on daily routines. The recommendation was that the organization structure must be re-structured to address its limitations (Hailemariam, 2011).

2.3. Conclusion of literature

Organizational structure is a fundamental component of any organization. This is because success or failure of organizations is highly dependent on organizational structure. Getting to highest level of organizational performance and success or its failure is heavily dependent on the way the organizational structure is framed (Joris et al., 2002; Nelson and Quick, 2011; Quangyen and Yezhuang, 2013; Thomas, 2015; Kamran, 2017). Even though organizations structure is one of the tools an organization uses to coordinate and manage employees, relationships and tasks, there existed problems in the organizational structure they use and work with. Thus, recommended that some of the fundamental decisions that current organizations need to take in a dynamic operating environment is commitment and actions of re-structuring of organizational structure (Ogbo et al., 2013).

Yet, in the case of Ethiopian public service providing organization, no adequate studies were undertaken regarding extent of the relationship of two broader concepts; organizational structure and organizational performance. There are different perceptions among different organizations and individuals about the relationship between organizational structure and organizational performance. Thus, this research investigated the impact of organizational structure on organizational performance. This research purposively chose some characteristics of organizational structure and organizational performance. Accordingly, organizational structure dimensions of departmentalization, decentralization, job specialization and formalization have been chosen. The organizational performance measures such as organizational effectiveness and efficiency, effective decision making, employees job satisfaction and organizational innovation have been considered. The below diagram presents the organizational structure and its relationship with the organizational performance. The conceptual framework diagram is sketched by the researcher to visually illustrate the conceptual relationship of the components of two key research concepts.

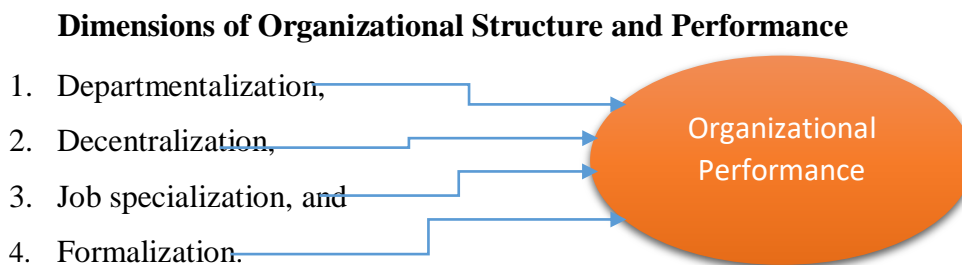


Diagram 1. Conceptual Framework of the Research 1.

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

3.1. Research Design

This research is explanatory and descriptive in type where quantitative and qualitative approaches were applied. Reason for choosing the design is due to the idea that there is inadequate studies and limited evidences regarding the impact of organizational structure on organizational performance in public organizations. Therefore, this research explored organizational structure dimensions and its impact on selected measures of organizational performance of Enterprises and Industries Development Department. The research findings are useful due to its role in filling gaps in literature and creating indispensable insight about organizational structure and performance.

3.2. Study Area

This study was conducted in Enterprises and Industries Development Main Department of Wolaita Zone, Southern region. Wolaita Zone is one of the 14 Zones in Southern Nations, Nationalities and People Region. Sodo Town, the capital of the Zone is located at 387 Km South to Addis Ababa, Capital of Ethiopia. Since 12 years ago, total population of the Zone was 1, 796,578. The Zone has the total land area of 2,355km², the population density of the Zone is 445 persons per Km² and the average urban household size was five persons (Leza, 2016).

The reasons for choosing the Zone for this study among others, are the importance of the study organization, i.e., the Enterprises and Industries Development to the densely populated area where Micro, Small and Medium enterprises play an important role in creating income and employment opportunity that would have an impact on poverty reduction. In this Zone enterprises are the predominant economic sectors next to agriculture (Leza, 2016). Thus, studying and generating evidence about the structure and performance of the Enterprises and industries development main department is critically important to the area as the department is responsible to coordinate the establishment, equipping and effectively functioning of the micro, small and medium enterprises that are expected to create job opportunities.

3.3. Sources of Data and Data Collection Techniques

Regarding the sources of data, primary and secondary data were collected from the study organization of Wolaita Zona. Both quantitative and quantitative data were collected from the main department. The Main department is divided in to three sub departments namely, Micro and Small Enterprises (Urban Job Creation), Small and Medium Manufacturing and Rural Job Creation sub departments. Each sub departments are further divided in different work process. The micro and small enterprise sub department is divided in to five work process where the manufacturing sub department is divided in to seven work process namely and rural job creation sub department is further divided in to two work process.

The employees working in the three sub departments and planning and human resource unit were the direct source of the primary data. Targeting all the three sub- departments was aimed at acquiring adequate volume of data. Qualitative data was gathered from participants selected purposively on basis of years of services, unique relevance of the position and knowledge about the organization. The reason for gathering qualitative data was to support the figures or numbers generated through quantitative data collection, and to provide relevant qualitative perspectives for triangulation. Secondary data was supposed to be extracted from documents such as organizational strategy, plans and reports at Zonal level.

It was planned to review four years plans and performance reports for years from 2009-2012 EC, however, limited volume of plans and reports were found due to the fact that the study organization experienced changes like merger with other departments, separation of some of its parts, and re-formations for several years and there was no as such aggregated documentation. As a result, some annual plans and reports were collected from the three sub departments, the main department and some stakeholder departments. The purpose of covering such secondary data was aimed to get border insight about the performance of the organization specifically, to understand effectiveness and efficiency, to establish strong arguments, to triangulate primary data, and to realize the study the objective.

Data collection tools such as questionnaire, semi-structured interviews, in depth interview and formats were used. Questionnaires was deployed to collect primary data from individual respondents using 5 point Likert scale rating in an ascending order where 1 sands for Poor to 5 stands for Excellent. The

semi- structured interview was used for an FGD where six all men pulled from manufacturing and enterprises sub departments participated. The FGD participants were purposively chosen on basis that they have been working with the organization at different positions even during its consistent structural changes, level of understanding about the context of study organization and their current senior positions. Three in-depth key informants(KII) interview was administered where purposively selected individuals from sub-departments took part. Techniques of data collection was that, questionnaires were administered by respondents with assistance and follow-up by the researcher. The researcher overseen quantitative data collection, and fully administered the collection of qualitative data and secondary data.

3.4. Target Population and Sampling Methods

All employees, comprising of experts, coordinators and heads of sub departments took part in the study. The organization has total of 102 employees which is finite and all of them participated in the study, and it was categorized as a census. Census is listing all elements in a group and measure one or more characteristics of those elements. Using of this method provided detailed information on all elements in the study population. Its advantages were that adequate response was achieved, data for all population was available and the estimates were not subject to sampling error (Paul, 2008; ABS, 2018).

The data collection time was clashed with the COVID-19 lockdown restrictions, hence, more systematic methods were used. With the lockdown restrictions, the organizational operation was undergoing with fewer number of employees where majority work from home. Due to such situation, with the collaboration of the heads of sub departments, some questionnaires were distributed to employees who were working in the office, those willing ones came to office upon call and completed the questionnaires, and for those who desired to work from home, the questionnaires were distributed at their door. Due to such difficulty, completing the individual questionnaires took almost two weeks and successfully completed. Out of distributed 102 questionnaires, 97 were completed and returned where 86 respondents were men and 11 were women. There were three non-return and two incomplete questionnaires were rejected. One focus group discussion and three key informant's in-depth interviews(KII) were administered. Three men who joined the organization during 2005, 2014 and 2018 and working in positions that are critical to the organization participated in the KII. Six all men,

experienced employees working in the enterprise and manufacturing sub departments participated in FGD. Only men participated in the KII and FGD due to the fact that women were working from home.

3.4. Data Quality Assurance

Appropriate instruments specifically questionnaires' and semi- structured interview lists were developed to ensure the quality of the data. The questionnaires were translated in to Amharic langue by professional translation organization. This means the measures meet the test of validity and reliability. As part of ensuring the reliability of the instrument/questionnaire, standard questionnaires and interviews were developed, properly adapted and deployed for data collection and enabled consistency of responses. In this case the reliability of a questionnaire or an interview refers to its ability to collect the response that is consistent with that of the previous times. It relates to the consistency of a measures (Heale and Twycross, 2015).

Whereas validity is defined as the extent to which a concept is accurately measured in a study. Validity is about whether the instrument is accurately measuring what it is supposed (Wong, et.al., 2012; Cooper and Schindler, 2006). Accordingly, before actual data collection, the instruments were pre-tested. In doing so, ten questionnaires were sent through email to purposively selected senior experts with master's degrees, who are working on similar organization with higher positions located in East Haraghe, West Arsi, Bahir Dar, Wag Hemra, East Tigray, Borana, Wolaita Soddo University and Addis Ababa, Ethiopia. All the pre-test tools were completed and returned. The pre-test respondents were selected through professional networks with the researcher. Following the pre-test, some contents were adjusted. The pre-test is in line with the view of Charlotte (2015) which is a method of checking the questions whether work as intended and are understood by respondents.

3.5. Variable definition and measurement

- A. Organizational performance** is a dependent variable, which is unpacked to and explained by organizational performance measures of effectiveness and efficiency, effective decision-making, employee job satisfaction and organizational innovation.
- B. Organizational Structure** is an independent variable, which is represented by organizational structure dimensions such as departmentalization, decentralization, job specialization and formalization.

Table 1. Variables description: Independent Variable

| SN | Variables standard name | Description | Variable name for regression | Expected effect on performance |
|------|--------------------------|-------------|------------------------------|--------------------------------|
| 1 | Organizational structure | | | |
| 1.1. | Departmentalization | | Dept. | + |
| 1.2. | Decentralization | | Dece. | + |
| 1.3 | Job specialization | | Jobsp. | + |
| 1.4 | Formalization | | Forma. | - |

3.6. Method of Data Analysis and Data Presentation

Following completion of data collection, quantitative data was cleaned, coded and entered in to the IBM-SPSS-v23. Qualitative data was transcribed, qualitatively analyzed and associated with respective facts and figures obtained from quantitative analysis. Secondary data was screened, calculated for relevant figures whereas qualitative perspectives from the secondary sources were conceptually interpreted and justified for proper triangulation. Descriptive statistics was used to describe, summarize or explain sets of quantitative data computed using SPSSv23. Tables used to show list of Likert scale items under respective variables with 1 as ‘Poor’ and 5 as ‘Excellent’. Descriptive, correlation and multiple linear regression analysis were applied.

3.7. Model specification

Multiple linear regression was applied to examine the relation of each variable of organization structure on organizational performance. Since the outcome and predictor variables were measured in Likert scale, it was made continuous variable by taking the weighted average value of each variable so the data made to satisfy the assumptions of multiple linear regression model.

The respective model is the ideal model and it appears as follows:

$$y_i = \beta_0 + \beta_1x_{i1} + \beta_2x_{i2} + \dots + \beta_px_{ip} + \epsilon$$

where, for $i = n$ observations:

y_i = dependent variable

x_i = explanatory variables

β_0 = y – intercept (constant term)

β_p = slope coefficients for each explanatory variable

ϵ = the model's error term (also known as the residuals)

The multiple linear regression model is based on the following assumptions:

- There is a linear relationship between the dependent variables and the independent variables.
- The independent variables are not too highly correlated with each other.
- y_i observations are selected independently and randomly from the population.
- Residuals should be normally distributed with a mean of 0 and variance σ .

The coefficient of determination (R-squared) is a statistical metric that is used to measure how much of the variation in outcome explained by the variation in the independent variables. R2 always increases as more predictors are added to the MLR model even though the predictors may not be related to the outcome variable.

R2 by itself can't therefore be used to identify which predictors should be included in a model and which should be excluded. R2 can only be between 0 and 1, where 0 indicates that the outcome cannot be predicted by any of the independent variables and 1 indicates that the outcome can be predicted without error from the independent variables. When interpreting the results of a multiple regression, beta coefficients are valid while holding all other variables constant ("all else equal"). The output from a multiple regression can be displayed horizontally as an equation, or vertically in table form. With regard to presentation, results of the analysis is presented using different visualization approaches. For instance, numbers, tables and graphs were used to present results with adequate elaboration and explanation.

3.8. Dissemination of the Research Work

Dissemination of this paper will be based on rules of the Jimma University firstly. Besides, jointly with the main advisor, it will be published on a prominent International Journal of Management and Organizational Behavior to contribute its part in filling gap in literature as stated in the previous sections.

3.9. Reliability and Validity Test

Reliability and validity are concepts used to evaluate the quality of research. They indicate how well a method, technique or test measures something. Reliability is about the consistency of a measure, and validity is about the accuracy of a measure (Wong, et.al., 2012; Cooper and Schindler, 2006).

With respect to this research, the test showed 82.5%.

CHAPTER FOUR: RESULT AND DISCUSSION

4.1. RESULT

This part presents results and interpretation under respective tables.

4.1.1. Respondents Characteristics

Table 2. Summary of Respondents Variables

| Variabes | Category | Frequency | Percentage |
|-----------------------|-------------------------|-----------|------------|
| Sex | Male | 86 | 88.7 |
| | Female | 11 | 11.3 |
| | Total | 97 | 100.0 |
| Educational status | Diploma | 2 | 2.1 |
| | BA/ BSc | 77 | 79.4 |
| | MA/MSc and above | 18 | 18.6 |
| | Total | 97 | 100.0 |
| Respondent department | manufacturing | 40 | 41.2 |
| | Enterprise | 32 | 33.0 |
| | Rural job creation | 21 | 21.6 |
| | HRM | 2 | 2.1 |
| | planning and monitoring | 2 | 2.1 |
| | Total | 97 | 100.0 |
| Position title | officer | 11 | 11.3 |
| | coordinator | 17 | 17.5 |
| | expert | 69 | 71.1 |
| | Total | 97 | 100.0 |

As presented in the above table 2, out of the 102 study population, 97 returned the questionnaires. From 97 respondents, 86(88.7%) were male employees where 11(11.3%) were female employees and roughly, these shows that the sector is male dominated. There are three technical sub departments and two support units. The technical departments are Manufacturing, accounted for 40(41.2%), micro and small enterprise, 32(33.0%) and Rural job creation accounted 21(21.6%). The support units are Human resource and planning and monitoring together accounted 2(2.1%) of the respondents. Regarding education, out of the total 77 respondents (79.4%) have B.Sc./BA degrees, 18 (18.6%) respondents have master's degree and 2 (2.1%) diploma.

Table 3: Descriptive Statistics for Continuous variables

| Variable | N | Minimum | Maximum | Mean | Std. Deviation |
|---|----|---------|---------|------|----------------|
| Year of Service in the current position | 97 | 1 | 14 | 3.33 | 2.197 |
| Year of Service | 97 | 0 | 34 | 8.10 | 6.446 |

As presented in the above table 3, the minimum service year of the respondents in current position is 1 year where the maximum is 14 with mean 3.33 and Standard deviation 2.197.

4.1.2. Condition of organizational structure

The below sections A up to D present results from descriptive statistic and qualitative analysis about condition of Enterprises and Industries Development Main Department's organizational structure, an independent variable that represented by Departmentalization, Decentralization, Job specialization and Formalization.

A. Departmentalization

Table 4. Departmentalization

| Variables | Category | Poor | Satisfactory | Good | V. good | Excellent | Total |
|--|------------|------|--------------|------|---------|-----------|-------|
| How do you rate the fact the division of overall task into different activities is considerate of objectives and goal? | Frequency | 13 | 14 | 39 | 29 | 2 | 97 |
| | Percentage | 13.4 | 14.4 | 40.2 | 29.9 | 2.1 | 100 |
| How do you rate the practices of interdepartmental integration of parts? | Frequency | 17 | 19 | 31 | 27 | 3 | 97 |
| | Percentage | 17.5 | 19.6 | 32 | 27.8 | 3.1 | 100 |
| How do you rate the level of coordination of the parts across departments? | Frequency | 23 | 16 | 25 | 29 | 4 | 97 |
| | Percentage | 23.7 | 16.5 | 25.8 | 29.9 | 4.1 | 100 |
| Consultations being made by relevant experts and leaders before setting up of the current structural configuration? | Frequency | 27 | 20 | 24 | 20 | 6 | 97 |
| | Percentage | 27.8 | 20.6 | 24.7 | 20.6 | 6.2 | 100 |
| How do you rate the ways jobs being grouped by functions? | Frequency | 13 | 19 | 38 | 23 | 4 | 97 |
| | Percentage | 13.4 | 19.6 | 39.2 | 23.7 | 4.1 | 100 |
| How do you rate the ways jobs being grouped on basis of customer service? | Frequency | 20 | 18 | 35 | 21 | 3 | 97 |
| | Percentage | 20.6 | 18.6 | 36.1 | 21.6 | 3.1 | 100 |
| How do you rate the situation grouping of jobs is done according to a well taught logical arrangement? | Frequency | 23 | 22 | 28 | 22 | 2 | 97 |
| | Percentage | 23.7 | 22.7 | 28.9 | 22.7 | 2.1 | 100 |
| | Frequency | 16 | 21 | 37 | 21 | 2 | 97 |

| Variables | Category | Poor | Satisfactory | Good | V. good | Excellent | Total |
|--|------------|------|--------------|------|---------|-----------|-------|
| How do you rate the situation the organization complies with the principles that jobs must be coordinated to contribute to the welfare of the organization? | Percentage | 16.5 | 21.6 | 38.1 | 21.6 | 2.1 | 100 |
| | Frequency | 20 | 25 | 27 | 19 | 6 | 97 |
| How do you rate the appropriateness of the departmental design for integration and coordination of all jobs? | Percentage | 20.6 | 25.8 | 27.8 | 19.6 | 6.2 | 100 |
| | Frequency | 18 | 27 | 32 | 12 | 8 | 97 |
| How do you rate the configuration for its facilitation in joint planning and implementation of relevant activities of the organization? | Percentage | 18.6 | 27.8 | 33 | 12.4 | 8.2 | 100 |
| | Frequency | 19 | 28 | 26 | 22 | 2 | 97 |
| How do you rate the configuration for supporting the management and use of human (experts or clerical), financial, time and other resources? | Percentage | 19.6 | 28.9 | 26.8 | 22.7 | 2.1 | 100 |
| | Frequency | 14 | 26 | 34 | 20 | 3 | 97 |
| How do you rate the situation of formal configuration of roles across units, departments and divisions with respect to functions, specialization and service delivery? | Percentage | 14.4 | 26.8 | 35.1 | 20.6 | 3.1 | 100 |
| | Frequency | 13 | 24 | 32 | 26 | 2 | 97 |
| How do you rate the exercising of power and authority across units, departments and divisions with respect to effective functioning, clear specialization and quick service delivery? | Percentage | 13.4 | 24.7 | 33 | 26.8 | 2.1 | 100 |
| | Frequency | 13 | 16 | 39 | 26 | 3 | 97 |
| How do you rate the practice of formal configuration of responsibility and reporting relationships across units, departments and divisions with respect to functions, specialization and service delivery? | Percentage | 13.4 | 16.5 | 40.2 | 26.8 | 3.1 | 100 |
| | Frequency | 18 | 16 | 34 | 23 | 6 | 97 |
| How do you rate the configuration for its suitability for joint performance monitoring, feedback and learning best practices with in organization? | Percentage | 18.6 | 16.5 | 35.1 | 23.7 | 6.2 | 100 |
| | Frequency | 22 | 21 | 26 | 24 | 4 | 97 |
| How do you rate the configuration for its suitability for documentation and sharing reports and information? | Percentage | 22.7 | 21.6 | 26.8 | 24.7 | 4.1 | 100 |

As presented in the table 4, 40.2% of the respondents rated departmentalization in the organization as 'Good'. While 'Good' was rated with this highest percentage value for one of the question where 28.9% of respondents rated as 'Satisfactory' and 27.8% rated as 'Poor' for other different questions. These three different percentage values described were the maximum ratings by respondents for three different questions under the Likert items. According to the result computed with the descriptive statistics, the majority respondents rated departmentalization as 'Good'. When seeing at the actual average value of the rating, it is not as such positive prospect for the organization to live with if it would stand to deliver expected results and meet operational and strategic goal.

Participants of experts' in depth discussion stated that the organization structure of Enterprises and Industries Development Main Department has been perceived in diverse ways by different observers.

This is because, it has some functional structure characteristics in some way, in other side it seems hypothetical organization and sometimes it turns to a non-structural spot of experiments with relatively unclear ambitions of the local administration. They added that there were no clearly stipulated procedure regarding how every members of the main department interact and work across the main department, sub departments and different work process. There were no clearly dictated work related procedures for employs beyond their respective position for either collaboration or coordination and neither restriction that hinder possible collaborations across the main department or work process.

One of the key informants stated that the Enterprises and Industries Development Main department has structural framework where physical separation of sub departments and departmentalization of respective work process are clear to certain level. He stated that the main department is divided in to three sub departments and each sub departments are further divided in to respective work process on functional basis. All the arrangements with in the sub departments are considerate of respective functions where the tasks are grouped. There are integrations through the hierarchy where the supervisor subordinate relationship is vertical, and there exists lateral relationship across sub departments yet it has never been clear how the lateral relations are regulated as there is nothing binding the expected lateral accountability that perhaps exist.

He indicated that, through organization structure depicted certain aspects that seem good to a certain level, there are arguments about that. The arguments are that from early day of its establishment in 2005, the organization passed through extensive imposed restructurings yet none of the employees were informed about reasons for the restructuring and benefits of the restructuring be it the 2016 or 2018. Though there were two massive restructurings, operating approaches and rules were kept changing year by year basis. When looking at the setup of the recently formed Enterprise and Industries development main department, the structural arrangement and grouping of tasks were imposed by the southern region where no any personnel participated from the department during its design.

The second key informant and participants of the in depth experts group discussion forwarded related views. They stated that the main department has internal structures and divisions of tasks but there were no circumstances when tasks got completed only through its internal structure without involvement of some stakeholder organization. This was because the structure under action was

established on basis of grouping of miniscule task proportion where completion depends on completion of certain portions of a task by another organization. This means, the organization was functionally structured, partial tasks were grouped and allocated to employees under respective work process, the completion of those grouped tasks were dependent on accomplishment of some portions of those tasks by another stakeholder office that govern mainly the needed resources.

As explained by key informants, in order for a micro and small enterprise to be registered and function, a portion of the first task starts with its formation by the micro and small enterprises sub department where the enterprise get registered, the second portion of the task gets done by the municipality where working premises or land is provided to the enterprise, the third portion of the task goes to financing sources mostly the micro finance and continuous in such manners. In these all steps the actual task of the Enterprises and Industries Development Main Department is forming the enterprise, issuing support letters to the enterprise with the understanding that all stakeholders perform their respective portions of the task and maintaining the records of the enterprises as well as following up progress. However, there is no any binding accountability mechanism among those different stakeholders that complete portions of the tasks. Though task arrangements were made in such a way, the main department is responsible to coordinate the formation and effective functioning of enterprises. Due to such structuring, internal functions and tasks couldn't be coordinated by internal structural arrangements and accomplishing actual tasks under respective sub departments or work process persistently suffered.

While discussing about the availability and sharing of resources to achieving common goal, one of the key informants reported that the main department possessed qualified human resources at different positions across work process but except that, neither the main department nor its parts have resources that needed for its effective functioning towards meeting its targets and goal. Apart from having employees' salaries and related administrative budget, the main department was formed to depend on resources that were owned/managed by other main departments and institutions. A key informant said:

''The enterprises and industries development main department structure was designed by possessing problems and employees only but not financial and material resources useful for performing tasks and solving the problems''.

In general, the structural formation had never been considerate of structural design principles and context of this area where instructions with finalized organizational structure came from the region with certain types of functions no matter the functions fit to the area or misfit. A departmentalization with such characteristic can be described as ‘Poor’ but not as ‘Good’.

B. Decentralization

Table 5. Decentralization

| Variables | Category | Poor | Satisfactory | Good | V. good | Excellent | Total |
|--|------------|------|--------------|------|---------|-----------|-------|
| How do you rate the practices of redistributing or dispersing of decisions away from a central location or from top? | Frequency | 24 | 28 | 20 | 22 | 3 | 97 |
| | Percentage | 24.7 | 28.9 | 20.6 | 22.7 | 3.1 | 100 |
| How do you rate the practices of redistributing or dispersing of power, people or thinks away from a central location or from top? | Frequency | 17 | 35 | 23 | 19 | 3 | 97 |
| | Percentage | 17.5 | 36.1 | 23.7 | 19.6 | 3.1 | 100 |
| How do you rate the characteristics and practice of the structure in delegating power from higher to lower levels to make key decisions? | Frequency | 22 | 29 | 21 | 20 | 5 | 97 |
| | Percentage | 22.7 | 29.9 | 21.6 | 20.6 | 5.2 | 100 |
| How do you rate number of staff positions in the organization chart and pushing of decision-making authority farther down the hierarchy? | Frequency | 30 | 17 | 29 | 17 | 4 | 97 |
| | Percentage | 30.9 | 17.5 | 29.9 | 17.5 | 4.1 | 100 |
| How do you rate the experiences top management are in charge of making major organization wide decisions and designing policy and decision framework for the organization? | Frequency | 37 | 7 | 28 | 23 | 2 | 97 |
| | Percentage | 38.1 | 7.2 | 28.9 | 23.7 | 2.1 | 100 |
| How do you rate the enabling structural situation that allows employees cut the red tape by taking the initiative to get the job done with a minimum management approval? | Frequency | 38 | 18 | 14 | 24 | 3 | 97 |
| | Percentage | 39.2 | 18.6 | 14.4 | 24.7 | 3.1 | 100 |
| How do you rate the privileges the structure provides to maintain self-sufficiency because of the working autonomy managers and employees are accustomed to? | Frequency | 27 | 26 | 26 | 13 | 5 | 97 |
| | Percentage | 27.8 | 26.8 | 26.8 | 13.4 | 5.2 | 100 |
| How do you rate the practice that manager makes a decision without having to wait for it to go up a chain of command? | Frequency | 38 | 22 | 27 | 9 | 1 | 97 |
| | Percentage | 39.2 | 22.7 | 27.8 | 9.3 | 1 | 100 |
| How do you rate the structure for motivating managers towards empowerment of workforces? | Frequency | 30 | 30 | 17 | 16 | 4 | 97 |
| | Percentage | 30.9 | 30.9 | 17.5 | 16.5 | 4.1 | 100 |
| How do you rate the structure for creating self-managed work-teams? | Percentage | 28 | 28 | 18 | 17 | 6 | 97 |
| | Frequency | 28.9 | 28.9 | 18.6 | 17.5 | 6.2 | 100 |
| How do you rate the structure for establishment of cross-functional teams and even moving to a productive team structure? | Percentage | 33 | 24 | 21 | 17 | 2 | 97 |
| | Frequency | 34 | 24.7 | 21.6 | 17.5 | 2.1 | 100 |
| How do you rate the structure for giving practical training to middle level managers and facilitating management development at different levels in the organization? | Percentage | 32 | 28 | 23 | 10 | 4 | 97 |
| | Frequency | 33 | 28.9 | 23.7 | 10.3 | 4.1 | 100 |
| How do you rate the structure for favouring the middle and low-level managers be empowered to make | Percentage | 35 | 20 | 20 | 19 | 3 | 97 |
| | Frequency | 36.1 | 20.6 | 20.6 | 19.6 | 3.1 | 100 |

| Variables | Category | Poor | Satisfactory | Good | V. good | Excellent | Total |
|--|----------|------|--------------|------|---------|-----------|-------|
| decisions that improve productivity, efficiency and performance standards? | | | | | | | |

The structural dimension of decentralization was presented with list of 13 questions. As presented in Table 5, 39.2% rated structural decentralization of the organization as 'Poor'. Though 39.2% is the highest rating for a single question from the list, all the ratings under the Likert scale items for each of the questions showed 'Poor'.

A key informant specified that the organizational structure was something given from the region without considering of the reality of the Zone. The structure under operation didn't have any characteristic of decentralization. There was no visible practice of redistributing of decisions away from central location or from top and limited practices of delegating power from higher to lower level to make key decisions include practices of redistributing of decisions away from a central location or from top, practices of delegating power from higher to lower level to make key decisions.

Experts group stated that there was inadequate practice of pushing down of decision making authority further down the hierarchy, top managers used to make operational decisions rather than being in charge of making more organization wide decisions and designing policy and decision framework for organization. There were no clear structural approaches for motivating middle managers towards empowering workforce and creating self-managed work-team. There was no visible practice that middle managers or coordinators made decisions without having to wait for it to go up a chain of command.

According to the key informants and experts group, there were no as such hard restrictions against anyone with in each work process to making just a decision. What matter were not about being entitled or not entitled to make decisions but it was about deciding on what issues or what resources or what function. Though there were huge needs to make decisions to progress in each operations across the departments, except making technical decision, impactful decisions were not under the control but rather out of the control of the work process, sub departments or the main department. They said, the impactful decisions remained at the hands of stakeholders who control financial and other resources that the required for the sub departments and work process to achieve objectives. The structural formation was not considerate of necessary resources but placed some number of

employees under different titles of work process in each sub department. Therefore, results from both quantitative and qualitative analysis confirmed that organizational structure of the Main Department didn't have the characteristics of decentralized structure.

C. Job Specialization

Table 6. Job specialization

| Variables | Category | Poor | Satisfactory | Good | V. good | Excellent | Total |
|--|------------|------|--------------|------|---------|-----------|-------|
| How do you rate the practices of designing number of jobs and the assignment of exact responsibility on each job to specific positions in the organization? | Frequency | 15 | 24 | 31 | 23 | 4 | 97 |
| | Percentage | 15.5 | 24.7 | 32 | 23.7 | 4.1 | 100 |
| How do you rate the division of job assignments into smaller pieces of work in the Organization? | Frequency | 17 | 25 | 27 | 22 | 6 | 97 |
| | Percentage | 17.5 | 25.8 | 27.8 | 22.7 | 6.2 | 100 |
| How do you rate the reality some employees work on the same task over and over and gain the knowledge related to the task help improve her/his performance? | Frequency | 31 | 19 | 24 | 18 | 5 | 97 |
| | Percentage | 32 | 19.6 | 24.7 | 18.6 | 5.2 | 100 |
| How do you rate the condition of clarity of unit differences, interdependency and different specialties in the organization? | Frequency | 27 | 30 | 15 | 24 | 1 | 97 |
| | Percentage | 27.8 | 30.9 | 15.5 | 24.7 | 1 | 100 |
| How do you rate the situation all the activities necessary for the organization have been clearly separated into individual tasks? | Frequency | 18 | 27 | 24 | 24 | 4 | 97 |
| | Percentage | 18.6 | 27.8 | 24.7 | 24.7 | 4.1 | 100 |
| How do you rate the reality employees get better chances of finding the shortcut and better way of doing the task, greater productivity in my assignments and greater result to organization by doing a particular task in their role? | Frequency | 19 | 23 | 32 | 20 | 3 | 97 |
| | Percentage | 19.6 | 23.7 | 33 | 20.6 | 3.1 | 100 |
| How do you rate the more learning opportunities created with the division of jobs? | Frequency | 23 | 21 | 34 | 13 | 6 | 97 |
| | Percentage | 23.7 | 21.6 | 35.1 | 13.4 | 6.2 | 100 |
| How do you rate the decrease in set-up costs and waste minimization? | Frequency | 19 | 38 | 27 | 10 | 3 | 97 |
| | Percentage | 19.6 | 39.2 | 27.8 | 10.3 | 3.1 | 100 |
| How do you rate potential of the current job specialty for developing expertise in particular subject as per assignment? | Frequency | 18 | 32 | 36 | 9 | 2 | 97 |
| | Percentage | 18.6 | 33 | 37.1 | 9.3 | 2.1 | 100 |
| How do you rate the situation of job division up to in depth knowledge of the employees? | Frequency | 24 | 23 | 25 | 21 | 4 | 97 |
| | Percentage | 24.7 | 23.7 | 25.8 | 21.6 | 4.1 | 100 |

Like other organizational structure dimensions, list of ten questions that represent job specialization status of the organization were distributed and completed by respondents. As presented in Table 6, 39.2% of respondents rated Job Specialization of the organization as 'Satisfactory', which was maximum rating for a question among list of all question. For one of the questions, 35% of

respondents rated 'Good' where 32.1% respondents rated 'Poor' for another question. Overall, majority of the respondents rated 'Satisfactory' for most of the questions, which means there was no desirable condition in the organization with respect to job specialization.

A key informant stated that, there was a rhetoric that the work processes were established on basis of respective category of jobs. However, the name of the work processes and categories of jobs in the work processes didn't have clear correlations. Structure of the sub department and work processes was formed with partial tasks and group of employees where other portions of tasks were out control of this respective work process. Apart from these, what has been written in the task details and the real jobs of individual experts were never the same. Key informants and experts group stated that the actual context was that the Zonal higher officials used to command the head of the main departments about tasks to be done by the main department, and such instructions were disseminated downward across hierarchy of structure where respective supervisors commend subordinates towards that.

According to the review of the 2016-2020 strategy document, work process of the manufacturing sub-department was dividend in to seven. The names of the work processes were: (1) Research, promotion and industries extension, (2) Finance, market development and manufacturing materials lease, (3) Infrastructure and clusters development, (4) Agro processing and pharmaceuticals, (5) Construction inputs, chemicals, hand crafts and ornaments, (6) Wood work and metal engineering, and (7) Apparels, leather and textile products work processes.

One of the key informants stated that, those work process were arranged in such a way where most of the positions were filled with employees who have qualification of accounting, management and economics. They stated that were no as such job specialization in the organization where job assignment was not adequately correlated with qualification of the employees. Though this was an example of one sub department, the actual situations were similar for other sub departments and work process across the main department. Overall, there was no clear job specialization in the organization and job assignments were not adequately correlated with qualification of the employees. As a result of such inconvenient job categorization situations, all job positions in the Enterprises and Industries Development Main Department were given lower grading when compared with other equal status Main Department during the 2020 employees Job Evaluation and Grading(JEG).

D. Formalization

Table 7: Formalization

| Variables | Category | Poor | Satisfactory | Good | V. good | Excellent | Total |
|--|------------|------|--------------|------|---------|-----------|-------|
| How do you rate the practice that formal rules and procedures govern regular activities in the organization? | Frequency | 24 | 33 | 19 | 18 | 3 | 97 |
| | Percentage | 24.7 | 34 | 19.6 | 18.6 | 3.1 | 100 |
| How do you rate the situation rules and procedures being followed are implicit as well as explicit, and used to recommend what should be done or to ban what is forbidden, govern decisions and working relationships? | Frequency | 20 | 29 | 29 | 16 | 3 | 97 |
| | Percentage | 20.6 | 29.9 | 29.9 | 16.5 | 3.1 | 100 |
| How do you rate the situation explicit rules are usually set down in writing, for example in job description, policy documents and standard operating procedures? | Frequency | 24 | 28 | 22 | 19 | 4 | 97 |
| | Percentage | 24.7 | 28.9 | 22.7 | 19.6 | 4.1 | 100 |
| How do you rate the degree of role specificity, job codification and the presence of clearly on the defined rules for employees to adhere? | Frequency | 26 | 26 | 26 | 17 | 2 | 97 |
| | Percentage | 26.8 | 26.8 | 26.8 | 17.5 | 2.1 | 100 |
| How do you rate the practice in the organization where instructions, communications, procedures and rules are officially clarified? | Frequency | 25 | 32 | 19 | 19 | 2 | 97 |
| | Percentage | 25.8 | 33 | 19.6 | 19.6 | 2.1 | 100 |
| How do you rate the practice of comprehensive rules outlining the purpose and responsibilities of each member of employees and management? | Frequency | 26 | 34 | 15 | 16 | 6 | 97 |
| | Percentage | 26.8 | 35.1 | 15.5 | 16.5 | 6.2 | 100 |
| How do you rate the firmness in following specified rules and strain to individuals in case of break away from those routine practices? | Frequency | 36 | 21 | 19 | 16 | 5 | 97 |
| | Percentage | 37.1 | 21.6 | 19.6 | 16.5 | 5.2 | 100 |
| How do you rate the attention and swiftness for applying any changes in working rules and procedures? | Frequency | 33 | 23 | 20 | 15 | 6 | 97 |
| | Percentage | 34 | 23.7 | 20.6 | 15.5 | 6.2 | 100 |
| How do you rate the purity of the organization structure in its focus on roles and positions rather than the people in the positions? | Frequency | 33 | 23 | 20 | 16 | 5 | 97 |
| | Percentage | 34 | 23.7 | 20.6 | 16.5 | 5.2 | 100 |
| How do you rate suitability of the structure that has layers of supervisors for timely decisions and actions | Frequency | 24 | 26 | 26 | 18 | 3 | 97 |
| | Percentage | 24.7 | 26.8 | 26.8 | 18.6 | 3.1 | 100 |
| How do you rate the function of procedures within the organization in reducing role ambiguity? | Percentage | 31 | 19 | 25 | 19 | 3 | 97 |
| | Frequency | 32 | 19.6 | 25.8 | 19.6 | 3.1 | 100 |
| How do you rate the match between the existing procedures and rules with the actual needs for proper organizational operation? | Percentage | 30 | 23 | 27 | 13 | 4 | 97 |
| | Frequency | 30.9 | 23.7 | 27.8 | 13.4 | 4.1 | 100 |
| How do you rate the motive of organizational structure in terms of staff safeguard, ease task related risk and uncertainty? | Percentage | 29 | 18 | 26 | 18 | 6 | 97 |
| | Frequency | 29.9 | 18.6 | 26.8 | 18.6 | 6.2 | 100 |

Structural formalization is one of the dimensions of organizational structure to this study was represented by list of 13 questions for that respondents rated for all of them. As presented in table 7, 37% of the respondents rated the structural formalization as 'Poor', which was a response for one of

the questions. On the other hand, 35.1% rated 'Satisfactory' for another question from the list. Overall, majority of respondents rated 'Poor' for most of the questions.

Experts group explained that the organization structure of the main department was imposed to the Zone by the south region or Federal government, and had rules, guidelines, procedures, mandates and other details. However, in one hand such documents usually used to remain at the hands of the head of main department or sub departments or supervisor or any individual and rarely brought onboard for use by majority of the organization's employees. On the other hand, such documents were changing more frequently than that of organizational restructuring. They added, we were never taught of using it even as senior as we used to expect that new instruction would come from the administrator or the region.

According to the key informants and the experts group discussion, the organizational structure didn't have stability since its establishment in 2005. It underwent several restructuring and experienced conditions like ditching of some of its parts and merging with another department, reducing functions to abandoning some of the jobs and resulted in inconsistent work approach. By evolving through different names, the study organization currently given with the name Enterprises and Industries Development Main Department, which is at least the third name since its establishment. Above all, almost all functions/ operations in this main department previously or currently regulated by commands of officials of Zone or Region Bureau or the Federal Agency. The experts group stated that most of the tasks of the main department were linked with circumstances when general or regional elections approach, when there exist signals of symptoms of the public grievances or when the department became a means of convincing global aid agency potential donation. The participants of group discussion and informants articulated that, following of working guides, procedures and complying with such rules had never been the case in the department. And most employees don't seem to have any clue whether the main department ever had working guides and procedures.

4.1.3. Organizational performance

Organizational performance is a dependent variable in this research characterized by organizational effectiveness and efficiency, effective decision making, employees job satisfaction and organizational innovation. The following sections from A up to D presents results generated through descriptive statistics and qualitative analysis.

A. Effectiveness and efficiency (attaining goal and resources use)

Table 8. Effectiveness and efficiency

| Variables | Category | Poor | Satisfactory | Good | V. good | Excellent | Total |
|--|------------|------|--------------|------|---------|-----------|-------|
| How do you rate the departmental setup for facilitating shared understanding of roles, joint operation and making greater output/result for the organization? | Frequency | 21 | 25 | 36 | 11 | 4 | 97 |
| | Percentage | 21.6 | 25.8 | 37.1 | 11.3 | 4.1 | 100 |
| How do you rate the departments' setting for demonstrating interdependence of units' actions and proportion of respective tasks towards generating expected outputs? | Frequency | 21 | 22 | 38 | 12 | 4 | 97 |
| | Percentage | 21.6 | 22.7 | 39.2 | 12.4 | 4.1 | 100 |
| How do you rate the departmental setting for employees productivity as per organizational expectation? | Frequency | 24 | 18 | 35 | 16 | 4 | 97 |
| | Percentage | 24.7 | 18.6 | 36.1 | 16.5 | 4.1 | 100 |
| How do you rate the interdepartmental coordination to undertake organizational tasks? | Frequency | 19 | 30 | 30 | 18 | | 97 |
| | Percentage | 19.6 | 30.9 | 30.9 | 18.6 | | 100 |
| How do you rate the interdepartmental flexibility to undertake organizational tasks that yield single product by shared efforts? | Frequency | 23 | 27 | 28 | 16 | 3 | 97 |
| | Percentage | 23.7 | 27.8 | 28.9 | 16.5 | 3.1 | 100 |
| How do you rate the departmental setting for success in regular business processes? | Frequency | 24 | 29 | 22 | 21 | 1 | 97 |
| | Percentage | 24.7 | 29.9 | 22.7 | 21.6 | 1 | 100 |
| How do you rate the departmental setting for effective information exchange among the different departments and stakeholders? | Frequency | 24 | 29 | 25 | 16 | 3 | 97 |
| | Percentage | 24.7 | 29.9 | 25.8 | 16.5 | 3.1 | 100 |
| How do you rate the departmental setting for effective coordination of tasks? | Frequency | 19 | 30 | 26 | 18 | 4 | 97 |
| | Percentage | 19.6 | 30.9 | 26.8 | 18.6 | 4.1 | 100 |
| How do you rate appropriateness of departmental setting for applying management control practices and success in meeting desired operational and strategic goals? | Frequency | 22 | 30 | 23 | 19 | 3 | 97 |
| | Percentage | 22.7 | 30.9 | 23.7 | 19.6 | 3.1 | 100 |
| How do you rate the departmental setting for properly functioning in relation to achieving goal set for certain period | Frequency | 19 | 33 | 26 | 16 | 3 | 97 |
| | Percentage | 19.6 | 34 | 26.8 | 16.5 | 3.1 | 100 |
| How do you rate experiences and practices of setting departments with the related output or result delivered? | Frequency | 23 | 27 | 26 | 21 | | 97 |
| | Percentage | 23.7 | 27.8 | 26.8 | 21.6 | | 100 |
| How do you rate matching of volume of resources allocation against the volume of work efforts and deliverables? | Frequency | 20 | 22 | 35 | 20 | | 97 |
| | Percentage | 20.6 | 22.7 | 36.1 | 20.6 | | 100 |
| How do you rate practices proper use of resources to deliver maximum result with minimizing wastes? | Frequency | 19 | 23 | 38 | 13 | 4 | 97 |
| | Percentage | 19.6 | 23.7 | 39.2 | 13.4 | 4.1 | 100 |

| Variables | Category | Poor | Satisfactory | Good | V. good | Excellent | Total |
|--|------------|------|--------------|------|---------|-----------|-------|
| How do you rate practices of interdepartmental resource sharing and collaboration to cost minimization? | Frequency | 19 | 27 | 30 | 15 | 6 | 97 |
| | Percentage | 19.6 | 27.8 | 30.9 | 15.5 | 6.2 | 100 |
| How do you rate departmental setting for enabling joint monitoring, sharing learning and continuous improvement of quantity and quality of outputs? | Frequency | 17 | 29 | 33 | 15 | 3 | 97 |
| | Percentage | 17.5 | 29.9 | 34 | 15.5 | 3.1 | 100 |
| How do you rate departmental setting for appropriateness of resources use and minimizing wastes? | Frequency | 15 | 26 | 32 | 20 | 4 | 97 |
| | Percentage | 15.5 | 26.8 | 33 | 20.6 | 4.1 | 100 |
| How do you rate coordination and shared leadership practices to achieving overall goal and demonstrating actual expectation/purpose of the organization? | Frequency | 16 | 36 | 27 | 17 | 1 | 97 |
| | Percentage | 16.5 | 37.1 | 27.8 | 17.5 | 1 | 100 |

Under this dimension, organizational performance was assessed against the purpose of the organization that is to make sure that enterprises are established at rural and urban areas of the Zone, produce and supply quality goods for local and international markets, deliver quality services, create adequate jobs and employment, increase income for those engaged in and contribute to local and national economy. In order to acquire adequate insight, 17 questions were forwarded.

As presented in table 8, 39.2% of respondents rated performance of the organization as ‘Good’, which stand for one of the of questions in the list, where 37.1% rated as ‘Satisfactory’ for another question from the list. Overall, respondents rated performance of the organization as ‘Good’ and ‘Satisfactory’ in a way which has narrow differences.

One of the key informants who served the organization for longer years said that it has been true different individuals used to perceive the organization differently sometimes subjectively who are even among employees, some of the heads of departments and stakeholders. From the very beginning, the ways departmentalization specifically the sub departments and work process formulated was not considerate of availing resources essential for delivering expected results by respective sub departments and work process.

According to the expert’s in-depth discussion, the structural arrangement and functioning of the main department was somewhat different from normal. It is that, for a given sub department to get complete result, it need to get jobs performed by other stakeholder however the stakeholder is not structurally part of the main department. They indicated that, to get one result achieved, there are needs for stakeholder to complete portion of that particular tasks from their end otherwise the tasks of a sub department would be incomplete. For instance, to get one enterprise formed and functions,

stakeholders such as municipality, electric service provider, water departments, microfinance, banks, capital goods lease and the Mayor or Zonal Administrator and some others have to do portion of a task.

One of the participants presented the context as that, to get a functioning micro and small manufacturing enterprise in one of the towns. In order for the micro and small enterprise sub department to report the performance in the end, certain conditions needed to be fulfilled. These conditions, the work premises/shades must be ready by municipality, water supply system must be installed by water department, startup loan must be available from the OMO micro finance for the enterprises to start business and skills and business development training must be provided to members by technical and vocational colleges. If any of the portion of the task not done by one of the stakeholders, it wouldn't be possible to get the enterprise formed and function as expected.

Key informants and experts' discussion group raised common view that, except being held responsible to ensure establishment of functioning enterprises, the micro and small enterprises sub department didn't have any formal structural power to direct those organizations whether they deliver as expected or fail to do so. The key informant stated that, in practice, those stakeholders never fulfilled the prerequisite actions as expected and that limited many enterprises from entering in to business and many more dissolved immediately after establishment without starting any business. All the participant said that, such circumstances have been the reality and, with that performances of respective work processes, sub departments and works of the main department remained nominal and being misunderstood for years. This showed that conditions where the way the organization structured was not supportive to undertake expected tasks to achieve its strategic and operational objectives.

Review of strategy document, plans and reports of the organization was among the methods for gathering secondary data on organizational performance, focusing on organizational plans and reports. However, due to the persistent restructuring such as merging and relocation of some of its units since 2005, information resources were not properly documented. As a result, some units possessed fractions of information, others have more information but not consolidated where others have very little or incomplete.

According to the guidance of the head of one of the sub departments, the researcher was directed to reach to the development planning and monitoring unit that supposed to consolidate data for all sub departments to generate aggregated information at the level of the main department. However, the

unit didn't appear properly staffed but, has one employee, the unit didn't appear equipped with data gathering and management tools, not properly regulated to deliver what is expected. This is attributed to the fact that the study organization was restructured for third time in 2018 by pulling different functions from different parent organization. The rural job creation was pulled from zonal agricultural department, the small and medium manufacturing pulled from trade and industry and micro and small enterprise drew from urban administration. Thus, limited data was obtained that covers one or one or less calendar year inclusive of June 2020.

In the 2016-2020 strategic plan document under the GTPII-pg.27&32, the small and medium manufacturing enterprise sub department presented its five years' plan. The plan was described as that, considering population increase for years to come, jointly with the micro and small enterprises sub department, the sub department would be having enterprises of 45,031 on Metal work, 11,105 on Wood work, 5,464 on Artisan, 2, 015 on Textile, 9, 964 on Leather, 4, 274 on Agro processing and Food preparation by 12,210 enterprises operators or owners under 5, 629 enterprises that legally registered and effectively functioning. It was planned that best experience of 45 enterprises would be accumulated and shared to 49 enterprises and 305 enterprises operators and relevant experiences would be scaled up. Furthermore, the sub department planned to collect outstanding loan of birr 1,312,022 and would make fresh disbursement of 12, 474,000, total of birr 13,786,022. Financial systems would be established for existing 2,186 enterprises and the 2,857 on a registration process.

Though such plans were depicted in the five years' strategy, it wasn't possible to get consolidated data on progress against those planned targets. In addition, performance related information obtained from some of the sub departments were found difficult to logically correlate the plans and achievements as the way the reports generated didn't support to do so. Accumulating of performance report was reflected as a gap in one of the reports and was affirmed by the organization's 2020 annual report that, they presented as:

“As reporting had problems of capturing and aggregating quality data, relevant audiences couldn't get adequate information on performance of the main department”.

On the other hand, pieces of information gathered from one of the sub departments gave little space to reflect on the performance at least to certain level and which was about enterprises access to loan services. As part of its key roles, the Enterprises and Industries Development Main Department is responsible to facilitates access to loan from sources like micro finance or banks as per the eligibility

of the enterprises. According to the zonal record, for unknown periods, loan of revolving fund Birr 151,660,091 was disbursed to different enterprises where birr 11, 95,398.98 (8%) was collected. For the 2019/20, it was planned to disburse additional loan of Birr 96,774,889 where birr 2, 81843 was disbursed.

On basis of the information from the qualitative sources about gaps in interdepartmental coordination, unfitting departmentalization and lack of generating consolidated information of performance coupling with findings of this faulty loan case, it is possible to say that overall performance of the main department was low; more specifically, 8% of loan reimbursement for overall revolving fund disbursed over five year ago was significantly low. The loan case could be taken as a significant aspect to evaluating performance of the Enterprises and Industries Development Main Department. This is because creating access to and effectively regulating utilization of the revolving loan fund by enterprises is the most important function or a pillar function for the main department towards ensuring effective functioning of enterprise and properly generating of jobs and income by the enterprises to contribute to the local and national economy.

As of June 2020, there was a record of over 70,000 unemployed populations in the Zone that could be benefited if the main department functioned properly, as enterprises were major source of livelihood next to agriculture in the Zone. According to information gathered through secondary and qualitative data sources, these all limitations were the consequences of inappropriate design of the structure of the main department and sub departments under it. Overall, the main department was neither efficient nor effective, rather failed to achieve its objectives and goal.

B. Effective Decision making

Table 9: Effective decisions making

| Variables | Category | Poor | Satisfactory | Good | V. good | Excellent | Total |
|--|------------|------|--------------|------|---------|-----------|-------|
| How do you rate preciseness of decision-making practices at organization's hierarchy; as strategic decision, tactical decisions and operational decisions? | Frequency | 28 | 21 | 25 | 20 | 3 | 97 |
| | Percentage | 28.9 | 21.6 | 25.8 | 20.6 | 3.1 | 100 |
| How do you rate preciseness of decision-making practices at organization's hierarchy; as tactical decisions? | Frequency | 26 | 28 | 30 | 12 | 1 | 97 |
| | Percentage | 26.8 | 28.9 | 30.9 | 12.4 | 1 | 100 |
| How do you rate preciseness of decision-making practices at organization's hierarchy; as operational decisions? | Frequency | 32 | 21 | 29 | 14 | 1 | 97 |
| | Percentage | 33 | 21.6 | 29.9 | 14.4 | 1 | 100 |
| | Frequency | 32 | 21 | 28 | 16 | | 97 |

| Variables | Category | Poor | Satisfactory | Good | V. good | Excellent | Total |
|--|------------|------|--------------|------|---------|-----------|-------|
| How do you rate the practices of top executives in delegating much of their decision-making authority to lower levels of the organizational structure? | Percentage | 33 | 21.6 | 28.9 | 16.5 | | 100 |
| How do you rate the flexibility of operations with less rigid policies and wider spans of control in the organization? | Frequency | 28 | 21 | 31 | 17 | | 97 |
| | Percentage | 28.9 | 21.6 | 32 | 17.5 | | 100 |
| How do you rate the span of control in reducing number of decision making levels within the organization? | Frequency | 35 | 17 | 18 | 27 | | 97 |
| | Percentage | 36.1 | 17.5 | 18.6 | 27.8 | | 100 |
| How do you rate the practices of relieving the top executive excessive burden, saving their valuable time to more important and long-term problems? | Frequency | 35 | 17 | 24 | 19 | 2 | 97 |
| | Percentage | 36.1 | 17.5 | 24.7 | 19.6 | 2.1 | 100 |
| How do you rate the practices of improving the quality of decision being made/or making quality decision? | Frequency | 35 | 15 | 28 | 14 | 5 | 97 |
| | Percentage | 36.1 | 15.5 | 28.9 | 14.4 | 5.2 | 100 |
| How do you rate the practices of quick decision making without referring up through the pyramid? | Frequency | 29 | 20 | 26 | 21 | 1 | 97 |
| | Percentage | 29.9 | 20.6 | 26.8 | 21.6 | 1 | 100 |
| How do you rate the existing opportunity of employees to learn by doing? | Frequency | 31 | 11 | 30 | 24 | 1 | 97 |
| | Percentage | 32 | 11.3 | 30.9 | 24.7 | 1 | 100 |
| How do you rate the existing opportunity of employees to promoting a positive climate of autonomy of making decisions? | Frequency | 33 | 16 | 26 | 19 | 3 | 97 |
| | Percentage | 34 | 16.5 | 26.8 | 19.6 | 3.1 | 100 |
| How do you rate the existing opportunity of employees to freedom to use judgments and freedom to act? | Frequency | 34 | 19 | 24 | 19 | 1 | 97 |
| | Percentage | 35.1 | 19.6 | 24.7 | 19.6 | 1 | 100 |
| How do you rate experiences that managers have been making quick decisions and contributed to reduced organization's costs and expenditures? | Frequency | 34 | 17 | 32 | 14 | | 97 |
| | Percentage | 35.1 | 17.5 | 33 | 14.4 | | 100 |
| How do you rate the experiences of exercising effective oversight of both the conformance and performance aspects of the organization with respect of decision making? | Frequency | 34 | 16 | 35 | 11 | 1 | 97 |
| | Percentage | 35.1 | 16.5 | 36.1 | 11.3 | 1 | 100 |
| How do you rate the existence of decision alternatives and practices of selecting from them on basis of evidences and analysis rather than personal opinion? | Frequency | 39 | 12 | 28 | 17 | 1 | 97 |
| | Percentage | 40.2 | 12.4 | 28.9 | 17.5 | 1 | 100 |
| How do you rate the emphasis on role clarity and understanding for decisions to reach efficiently and not delayed or swayed by other interested individuals? | Frequency | 34 | 21 | 18 | 21 | 3 | 97 |
| | Percentage | 35.1 | 21.6 | 18.6 | 21.6 | 3.1 | 100 |
| How do you rate practices of clearly communicating decision and reflecting on the outcomes in performance management measures? | Frequency | 33 | 19 | 22 | 18 | 5 | 97 |
| | Percentage | 34 | 19.6 | 22.7 | 18.6 | 5.2 | 100 |
| How do you rate the practice of quantifying or describing potential outcomes and potential next steps to enable implementation to be managed and appropriate action taken promptly to ensure goal achievement? | Frequency | 34 | 21 | 22 | 16 | 4 | 97 |
| | Percentage | 35.1 | 21.6 | 22.7 | 16.5 | 4.1 | 100 |
| How do you rate experiences of allowing trial and error as tactical experiments within acceptable risk parameters? | Frequency | 28 | 27 | 26 | 14 | 2 | 97 |
| | Percentage | 28.9 | 27.8 | 26.8 | 14.4 | 2.1 | 100 |
| How do you rate the practice of properly documenting decision and matters considered for post audit and or learning purposes | Frequency | 30 | 23 | 22 | 19 | 3 | 97 |
| | Percentage | 30.9 | 23.7 | 22.7 | 19.6 | 3.1 | 100 |
| | Frequency | 35 | 18 | 24 | 16 | 4 | 97 |

| Variables | Category | Poor | Satisfactory | Good | V. good | Excellent | Total |
|--|------------|------|--------------|------|---------|-----------|-------|
| How do you rate the practice of capturing and documenting the outcome of post decision as part of the corporate memory to ensure that lessons are learned? | Percentage | 36.1 | 18.6 | 24.7 | 16.5 | 4.1 | 100 |
| How do you rate practices of making decisions focusing on what is important, logical and consistence and blending analytical with intuitive knowledge ? | Frequency | 37 | 13 | 31 | 10 | 6 | 97 |
| | Percentage | 38.1 | 13.4 | 32 | 10.3 | 6.2 | 100 |
| How do you rate the decision making process of gathering much information and analyze as is required to resolve a particular dilemma, encourage and guide gathering of relevant information and informed opinion and straight forwardness, reliability, easy to use and flexibility? | Frequency | 35 | 21 | 24 | 11 | 6 | 97 |

Effective decision making was used as a measure to organizational performance. List of 23 questions were forwarded and respondents rated all. As presented in table 9, 40.2% rated the organizational practices of making effective decision as ‘Poor’, this was a maximum rating for one of the questions where ‘Poor’ was rated with the highest percentage for all of the questions under this variable.

Key informants stated that, except making technical decision, impactful decisions were not at the control of the work processes, sub departments or even the main department. The impactful decisions remained at the hands of stakeholders who control financial and other resources necessary for the sub department and work process to achieve defined objectives. According to key informants and experts, structural formation was not considerate of the necessary resources except placing of certain number employees along different position titles of the work process in each sub department. A key informant expressed the reality that, when one small and medium manufacturing enterprise needs access to machine through lease, the manufacturing sub department immediately issues support letter and does follow up process until the manufacturing enterprise gets the machine at hand. But the problem is that, the work couldn’t end by making decision on whether to issue the letter or to undertake follow-ups in this case, but it is of decision about the enterprises be able to get the machines and equipment needed for manufacturing goods and running the business.

Experts group and the key informants stated that, in the Enterprises and Industries Development Main Department, there has been limited space for staffs to participate in decision making and even internally it was not clear how decisions were being made. Except receiving consequences of decisions whether positive or negative, employees don’t have any participation in the process of making decisions. Experts group and key informants stated that, majority of the employees in the main department believed that the discriminatory decision making behaviors of the supervisors, heads

and other stakeholders could be among the reasons for operational inconsistencies, persistent failure in overall performance and vulnerability to spontaneous restructuring for the Main Department.

E. Employees Job Satisfaction

Table 10. Employees Job satisfaction

| Variables | Category | Poor | Satisfactory | Good | V. good | Excellent | Total |
|---|------------|------|--------------|------|---------|-----------|-------|
| How do you rate the level of match in job satisfaction and convenience of the job that you perform every day in your position | Frequency | 36 | 25 | 18 | 14 | 4 | 97 |
| | Percentage | 37.1 | 25.8 | 18.6 | 14.4 | 4.1 | 100 |
| How do you rate job clarity that you feel? | Frequency | 38 | 15 | 22 | 18 | 4 | 97 |
| | Percentage | 39.2 | 15.5 | 22.7 | 18.6 | 4.1 | 100 |
| How do you rate job attractiveness and related luxury that you feel? | Frequency | 34 | 19 | 18 | 22 | 4 | 97 |
| | Percentage | 35.1 | 19.6 | 18.6 | 22.7 | 4.1 | 100 |
| How do you rate your experiences of performing the work faster than expected duration? | Frequency | 33 | 20 | 23 | 15 | 6 | 97 |
| | Percentage | 34 | 20.6 | 23.7 | 15.5 | 6.2 | 100 |
| How do you rate your job satisfaction that comes from correspondence of the job with your skills and trainings you have? | Frequency | 28 | 28 | 23 | 12 | 6 | 97 |
| | Percentage | 28.9 | 28.9 | 23.7 | 12.4 | 6.2 | 100 |
| How do you rate your experiences of stress-free and none distressing characteristics of the job? | Frequency | 36 | 16 | 25 | 18 | 2 | 97 |
| | Percentage | 37.1 | 16.5 | 25.8 | 18.6 | 2.1 | 100 |
| How do you rate the job for its provisions of a stable employment for you? | Frequency | 31 | 21 | 31 | 11 | 3 | 97 |
| | Percentage | 32 | 21.6 | 32 | 11.3 | 3.1 | 100 |
| How do you rate your experiences of completing different jobs but related task types and your capability of identifying new best practices and transfer those practices from one task to another? | Frequency | 35 | 18 | 29 | 13 | 2 | 97 |
| | Percentage | 36.1 | 18.6 | 29.9 | 13.4 | 2.1 | 100 |
| How do you rate the advantages of job specialization for reduced risks of error, as a specialist, less likelihood to commit a mistake in doing a particular job than that of non-specialist person doing the same task? | Frequency | 35 | 19 | 25 | 14 | 4 | 97 |
| | Percentage | 36.1 | 19.6 | 25.8 | 14.4 | 4.1 | 100 |
| How do you rate the level of job specialization for reduced work time, as a result of saving time by working same thing repeatedly, finding short cut way to do and saving of money for the organization? | Frequency | 35 | 17 | 22 | 21 | 2 | 97 |
| | Percentage | 36.1 | 17.5 | 22.7 | 21.6 | 2.1 | 100 |
| How do you rate the job specialization for its benefit to the organization by reducing expenses on training for same task? | Frequency | 26 | 16 | 33 | 18 | 4 | 97 |
| | Percentage | 26.8 | 16.5 | 34 | 18.6 | 4.1 | 100 |
| How do you rate the job specialization for it contribution in increased labour productivity? | Frequency | 27 | 17 | 34 | 19 | | 97 |
| | Percentage | 27.8 | 17.5 | 35.1 | 19.6 | | 100 |
| How do you rate the job specialization for it contribution in higher outputs and increase in salary rate? | Frequency | 17 | 25 | 28 | 24 | 3 | 97 |
| | Percentage | 17.5 | 25.8 | 28.9 | 24.7 | 3.1 | 100 |
| How do you rate the organizational benefit of saving work time because of concentration on one process and not requiring to change tools and increase technical knowledge? | Frequency | 24 | 27 | 16 | 26 | 4 | 97 |
| | Percentage | 24.7 | 27.8 | 16.5 | 26.8 | 4.1 | 100 |
| | Frequency | 27 | 24 | 19 | 24 | 3 | 97 |

| Variables | Category | Poor | Satisfactory | Good | V. good | Excellent | Total |
|--|------------|------|--------------|------|---------|-----------|-------|
| How do you rate the nature of job specialization for less fatigues and no mental and physical strain? | Percentage | 27.8 | 24.7 | 19.6 | 24.7 | 3.1 | 100 |
| How do you rate the condition that specialization encourages largely the innovation of special tools and equipment in order to perform particular function more effectively, doing the work as well as encourage largely the invention of special tools and equipment in order to perform? | Frequency | 26 | 28 | 21 | 21 | 1 | 97 |
| | Percentage | 26.8 | 28.9 | 21.6 | 21.6 | 1 | 100 |
| How do you rate the proportion of satisfied employees in the organization due to clear job specialization? | Frequency | 35 | 19 | 23 | 18 | 2 | 97 |
| | Percentage | 36.1 | 19.6 | 23.7 | 18.6 | 2.1 | 100 |
| How do you rate the level of absentees and failure in performance in the organization? | Frequency | 34 | 13 | 28 | 20 | 2 | 97 |
| | Percentage | 35.1 | 13.4 | 28.9 | 20.6 | 2.1 | 100 |
| How do you rate the feeling of pleasure and worth doing or degree to which work gives the feeling of achievement? | Frequency | 37 | 10 | 25 | 19 | 6 | 97 |
| | Percentage | 38.1 | 10.3 | 25.8 | 19.6 | 6.2 | 100 |
| How do you rate employee's continuous growth and rank alongside professional knowledge, skills, competences, as well as strategies, in determining organizational success and performance? | Frequency | 34 | 17 | 22 | 19 | 5 | 97 |
| | Percentage | 35.1 | 17.5 | 22.7 | 19.6 | 5.2 | 100 |

Employees job satisfaction was considered as one of the measures of organizational performance. List of over 15 questions were forwarded and completed by respondents. Table 10 shows that 38.1% of the respondents rated employees job satisfaction in the organization as 'Poor', which was maximum rating for one of the questions in the list where all of the ratings under each questions remained 'Poor' with percentage values ranging from 27%-38%.

Experts focus groups stated that their job satisfaction is associated with their performance or performance of the organization. The existing circumstances were reflections of ways jobs were categorized, coordinated, resourced and performed. As the organizational structure was not considerate of availing productive resources, tasks were not implemented and there were no results and no employee satisfaction.

A key informant specified his practical experiences as that in the Micro and Small Enterprises and the Manufacturing sub departments employees used to develop periodic plans but most or over 85% of the plans never get done, that was the reality on the ground during the last four years. This example represents the two sub departments as their functions were dependent on one another. He said, if micro and small enterprise sub department fail to perform its tasks, the small and medium manufacturing can't do any.

Experts group explained that, during the 2020 Job Evaluation and Grading (JEG), all employees of the main department demonstrated grievances and dissatisfaction due to misunderstanding of the jobs and positions of the employees by south region civil service agency as employee in this main department graded with lower level from employees in other similar organizations after all the same agency imposed the jobs some years ago. A key informant added, due to widespread misunderstanding of the entire jobs and positions by those who even formed the organization, the none motivating working sceneries and continuous dissatisfaction, no any employees need to stay but rather they searching for another opportunity where possible to do jobs with their capacities and deliver results.

One other key informants indicated that, with all the constraints, head of the sub departments always tried options to influence the stakeholders and political leaders, but due to such frustration, heads used to leave or being transferred to other departments. An employee worked under four different individuals appointed and removed or transferred from the position during four years of serve in the Manufacturing Sub Department. During different periods, coordinators and employees tried all alternative options to get the jobs done but they always faced obstacles that were linked with red tape, an imposed and unfitting structural setting, lack of clear answerability across hierarchies, lack of performance tracking mechanisms, lack of supervisor subordinate related feedback and lack of actions against overall performance inefficiencies. An employee stated that,

‘‘My desire is not to stay more here as I am losing my potential since the sector has been just attempting to smooth a political tension emerging from the youths’ side, that is the reality but nothing more’’.

It is possible to conclude that, the quantitative and qualitative data indicated that employees job satisfaction in the Main Departments was reported ‘Poor`.

D. Organizational Innovation

Table 11. Organization Innovation

| Variables | Category | Poor | Satisfactory | Good | V. good | Excellent | Total |
|---|------------|------|--------------|------|---------|-----------|-------|
| How do you rate a condition where use of prescribed procedures and specific directions for its convenience to motivating employees' to engage in flexible behaviours and freedom to endorse innovativeness in several course of action? | Frequency | 28 | 24 | 17 | 22 | 6 | 97 |
| | Percentage | 28.9 | 24.7 | 17.5 | 22.7 | 6.2 | 100 |
| How do you rate use of procedures and explicitly written directions to broadening the creation of new knowledge by encouraging the chances for organizational members to communicate and interact with each other? | Frequency | 32 | 25 | 22 | 16 | 2 | 97 |
| | Percentage | 33 | 25.8 | 22.7 | 16.5 | 2.1 | 100 |
| How do you rate welcoming of new ideas and methods of work while formal rules dominate the organization? | Frequency | 27 | 23 | 25 | 20 | 2 | 97 |
| | Percentage | 27.8 | 23.7 | 25.8 | 20.6 | 2.1 | 100 |
| How do you rate the practice of increased flexibility and informal behaviour within the organization structure and the spaces that results in increased creation of new knowledge? | Frequency | 27 | 25 | 30 | 15 | | 97 |
| | Percentage | 27.8 | 25.8 | 30.9 | 15.5 | | 100 |
| How do you rate the current level formalization of the structure for facilitating flexibility to generate idea? | Frequency | 27 | 30 | 20 | 20 | | 97 |
| | Percentage | 27.8 | 30.9 | 20.6 | 20.6 | | 100 |
| How do you rate the condition formalization within an organization offer better motivation to employee to generate new idea at workplace? | Frequency | 25 | 32 | 20 | 19 | 1 | 97 |
| | Percentage | 25.8 | 33 | 20.6 | 19.6 | 1 | 100 |
| How do you rate the condition formalization allow workers to decide how things are done? | Frequency | 27 | 27 | 31 | 12 | | 97 |
| | Percentage | 27.8 | 27.8 | 32 | 12.4 | | 100 |
| How do you rate the condition formalization motivates workers feel helpfulness and work's meaningfulness? | Frequency | 24 | 21 | 27 | 25 | | 97 |
| | Percentage | 24.7 | 21.6 | 27.8 | 25.8 | | 100 |
| How do you rate the experience the current formalization has linked to higher cooperation for innovation among the employees? | Frequency | 32 | 23 | 16 | 24 | 2 | 97 |
| | Percentage | 33 | 23.7 | 16.5 | 24.7 | 2.1 | 100 |
| How do you rate the situation current formalization encourages the generation of ideas due to the flexibility of the operating mode that reinforce creativity and innovation? | Frequency | 35 | 24 | 15 | 21 | 2 | 97 |
| | Percentage | 36.1 | 24.7 | 15.5 | 21.6 | 2.1 | 100 |
| How do you rate the situation formalization encourages divergence from standard knowledge and seek difference and accelerates organizational innovation? | Frequency | 32 | 22 | 21 | 22 | | 97 |
| | Percentage | 33 | 22.7 | 21.6 | 22.7 | | 100 |
| How do you rate the experiences of easing work rules and allowing flexibility that facilitates innovation in the organization? | Frequency | 35 | 19 | 31 | 10 | 2 | 97 |
| | Percentage | 36.1 | 19.6 | 32 | 10.3 | 2.1 | 100 |
| How do you rate the experience formalization permits openness that encourages new ideas and behaviours? | Frequency | 37 | 13 | 25 | 21 | 1 | 97 |
| | Percentage | 38.1 | 13.4 | 25.8 | 21.6 | 1 | 100 |
| | Frequency | 31 | 20 | 26 | 16 | 4 | 97 |

| Variables | Category | Poor | Satisfactory | Good | V. good | Excellent | Total |
|--|------------|------|--------------|------|---------|-----------|-------|
| How do you rate the organization's practices of developing technology supported fastest delivery of services in ways that are efficient and cost effective? | Percentage | 32 | 20.6 | 26.8 | 16.5 | 4.1 | 100 |
| How do you rate the organization's practices of developing technology supported fastest delivery of services in ways that are convenient to clients? | Frequency | 31 | 26 | 18 | 17 | 5 | 97 |
| | Percentage | 32 | 26.8 | 18.6 | 17.5 | 5.2 | 100 |
| How do you rate the experience organization cultivate greater trust and satisfaction amongst clients and beneficiaries of services, even reducing costs and increase efficiency? | Frequency | 33 | 23 | 24 | 14 | 3 | 97 |
| | Percentage | 34 | 23.7 | 24.7 | 14.4 | 3.1 | 100 |
| How do you rate the organizations' capability of accommodating changing stakeholders interest and increasing demands in the light of organizational innovation? | Frequency | 38 | 21 | 19 | 16 | 3 | 97 |
| | Percentage | 39.2 | 21.6 | 19.6 | 16.5 | 3.1 | 100 |
| How do you rate the practices organization rewards employees who developed innovative working approaches? | Frequency | 46 | 15 | 18 | 16 | 2 | 97 |
| | Percentage | 47.4 | 15.5 | 18.6 | 16.5 | 2.1 | 100 |
| How do you rate the practices organization rewards employees who developed new products? | Frequency | 47 | 20 | 13 | 16 | 1 | 97 |
| | Percentage | 48.5 | 20.6 | 13.4 | 16.5 | 1 | 100 |
| How do you rate the organization success in promoting innovations in line with the current services demand by stakeholders and the operating environment? | Frequency | 44 | 18 | 17 | 17 | 1 | 97 |
| | Percentage | 45.4 | 18.6 | 17.5 | 17.5 | 1 | 100 |
| How do you rate the organization success in promoting innovations in line with its strategic objective? | Frequency | 36 | 30 | 16 | 14 | 1 | 97 |
| | Percentage | 37.1 | 30.9 | 16.5 | 14.4 | 1 | 100 |
| How do you rate the organization success in promoting innovations in line with its competitiveness? | Frequency | 40 | 19 | 20 | 17 | 1 | 97 |
| | Percentage | 41.2 | 19.6 | 20.6 | 17.5 | 1 | 100 |

Organizational innovation was one of the measures of organizational performance in this study. To capture sufficient perspectives on this variable, list of 22 questions were forwarded and respondents fully reflected toward it. As presented in table 11, respondents rated the organizational innovation as 'Poor' for all questions where 48.5% was the highest percentage out of all of the rated values for respective questions.

Key informants stated that, mostly the organization used to carry out its tasks as per commands coming from Zonal administrator or other regional officials but not on basis of any written procedures or guiding principles. It did not have orientation or preparedness for any forms of innovations be technology or operating process related innovations. The organizational structure and working procedures were imposed ones by the South Region Bureau and the region used to endorse rules in consecutive manners where no employee became aware about the earlier version, when the replacement version appears. Experts group indicated that, the organizational structures and settings were not stable and directives were coming frequently, except superficial information being heard

just around staffs crossing corridors, it was never shared to employees, nor reviewed and nobody followed and nobody was instructed to follow at all.

Experts group detailed that, the structural formation was not considerate of context of this area but approved documents being sent from the region with list of functional areas no matter those functions fit to the area or they were misfit. When the explaining about functions, a key informant specified that, in the manufacturing sub department, construction, block manufacturing, wood and metal works, textile and food process were types of functions that enterprises used to engage since 2005.

A key informant stated that the regional approaches to undertaking required activities under the main department have never been clear, inconsistent and the lifetime of the structure and rules or procedures were unpredictable too. As per the views of the experts' group and key informants, the Enterprise and Industries Development Main Department has been neither formalized nor innovative. They said, the organization structure and ways of work couldn't make the organization to be categorized as formalized, regulated or innovative at all, but could be said commanded by officials.

4.1.4. Multiple Linear Regression Analysis Results

Assumption Test

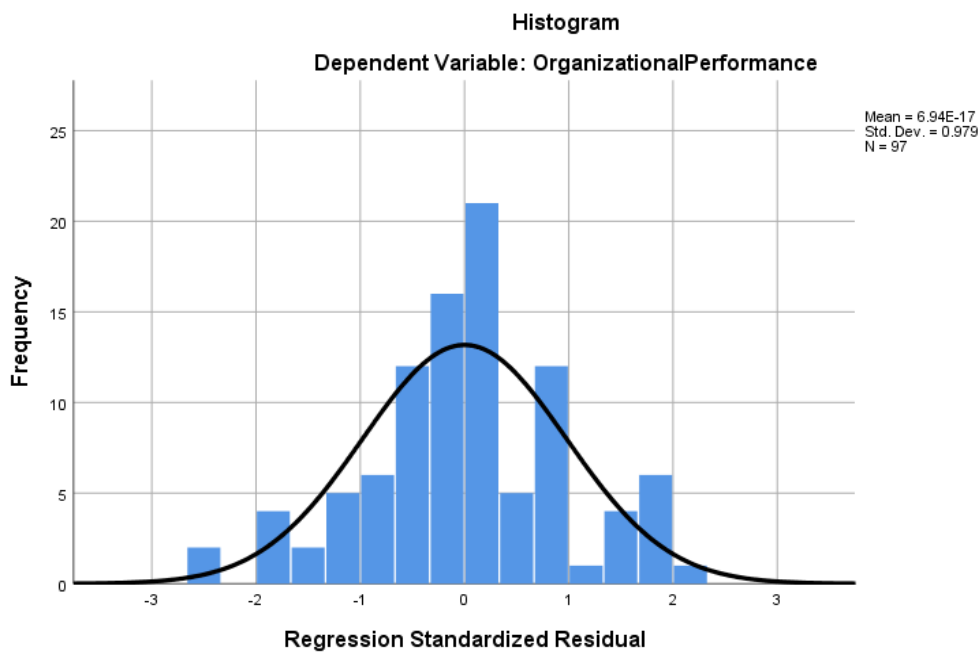


Figure1: Histogram with line graph

From Figure 1, it is possible to see that the assumption of normality highly fulfilled, with mean = $6.94E-17$ and Standard deviation = 0.979

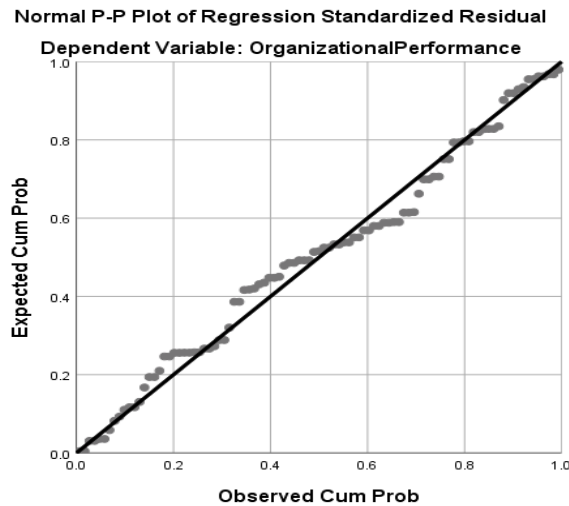


Figure 2: Normal P-P plot of Regression Standardized Residual

When we examine Figure 2 it clearly shows that the data is linearly distributed in expected line, this indicate that the linearity assumption is met well.

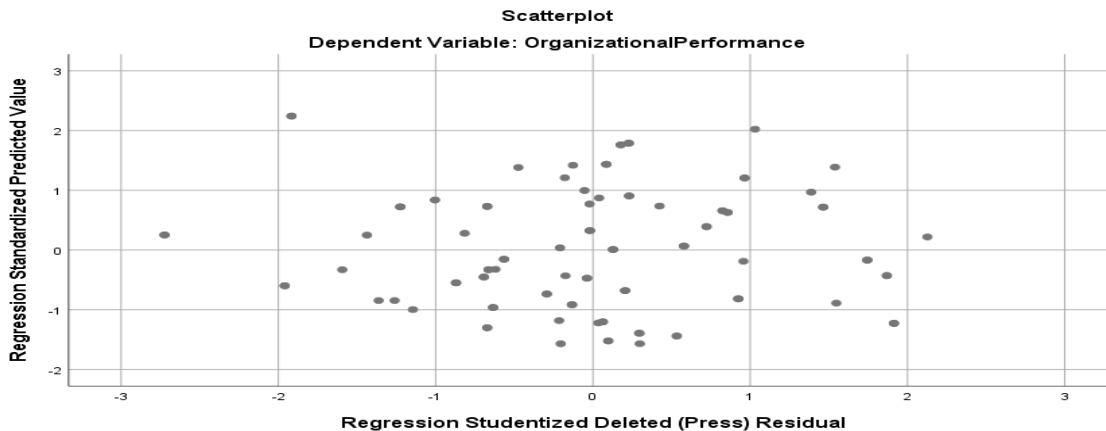


Figure 3: Scatter plot

It has been checked whether there is a linear relationship between the independent variables and the dependent variable in multiple linear regression model. In doing so, we can have checked scatter plots. From the scatter plot, Figure 3, we can see that there is slightly positive relationship between independent and dependent variables.

Table 12: Multicollinearity Test

| Variables | Un standardized Coefficients | | Standardized Coefficients | t | Sig. | 95.0% Confidence Interval for B | | Collinearity Statistics | |
|---------------------|------------------------------|------------|---------------------------|-------|-------|---------------------------------|-------------|-------------------------|-------|
| | B | Std. Error | Beta | | | Lower Bound | Upper Bound | Tolerance | VIF |
| (Constant) | 0.003 | 0.018 | | 0.136 | 0.892 | -0.039 | 0.034 | | |
| Departmentalization | 0.409 | 0.057 | 0.401 | 7.235 | 0.000 | 0.297 | 0.521 | 0.310 | 3.228 |
| Decentralization | 0.139 | 0.065 | 0.158 | 2.152 | 0.034 | 0.011 | 0.267 | 0.176 | 5.673 |
| Job Specialization | 0.171 | 0.067 | 0.176 | 2.570 | 0.012 | 0.039 | 0.304 | 0.202 | 4.953 |
| Formalization | 0.255 | 0.071 | 0.295 | 3.607 | 0.001 | 0.115 | 0.395 | 0.143 | 7.017 |

As presented in Table 12, all the four independent variables are highly significant and positively affect the organizational performance, in addition to that, when the simple correlation are examined, it is seen none of the correlation coefficients are higher than 0.80. In this case there is no multiple relations between independent variables. If variance inflations factor(VIF) is equal or greater than 10, there is multiple relations between independent variables, but in this research the VIF value for all variables are smaller than 10. Moreover, if tolerance value is higher than 0.10, no multiple relations in variables is decided. As per the examination in the Table 12, all tolerance values are higher than 0.10.

Table 13: Analysis of Variance (ANOVA)

| Model | | Sum of Squares | df | Mean Square | F | P- Value |
|-------|------------|----------------|----|-------------|---------|----------|
| 1 | Regression | 2.783 | 4 | 0.696 | 239.874 | 0.000 |
| | Residual | 0.267 | 92 | 0.003 | | |
| | Total | 3.050 | 96 | | | |

As presented in Table 13, an examination makes clear that four independent variables are significantly predict the dependent variable of organizational performance according to *ANOVA statistics* [$F(5, 4) = 239.874, P < 0.05$].

Table 14 Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------|----------|-------------------|----------------------------|---------------|
| | 0.955 | 0.913 | 0.909 | 0.05385 | 2.254 |

As presented in the Table 14, four independent variables in the standard model significantly predicted the dependent variable of organizational performance, the degree of predicting of the dependent variable was found to be $R = 0.955$. The model's degree of explaining of the variance in the dependent

variable was $R^2 = 0.913$, that means 91.3% of the variation of the dependent variables was explained by the predictors. Looking at these coefficients, it can be said that the model predicts the dependent variable very well. And the Durbin Watson (DW) statistic is the test for autocorrelation in the residuals from a statistical regression analysis. The Durbin-Watson statistic always have a value between 0 and 4. A value of 2.0 means that there is no autocorrelation detected in the population. Values from 0 to less than 2 indicate positive autocorrelation and values from 2 to 4 indicate negative autocorrelation. Thus, as per the values in table 14, we see that $DW = 2.254$ which indicates negative autocorrelation.

Table 15 Multiple Linear Regression Analysis Result related to Organizational Performance

| Variables | Un standardized Coefficients | | Standardized Coefficients | t | Sig. | 95.0% Confidence Interval for B | | Collinearity Statistics | |
|---------------------|------------------------------|------------|---------------------------|-------|-------|---------------------------------|-------------|-------------------------|-------|
| | B | Std. Error | Beta | | | Lower Bound | Upper Bound | Tolerance | VIF |
| (Constant) | 0.003 | 0.018 | | 0.136 | 0.892 | -0.039 | 0.034 | | |
| Departmentalization | 0.409 | 0.057 | 0.401 | 7.235 | 0.000 | 0.297 | 0.521 | 0.310 | 3.228 |
| Decentralization | 0.139 | 0.065 | 0.158 | 2.152 | 0.034 | 0.011 | 0.267 | 0.176 | 5.673 |
| Job Specialization | 0.171 | 0.067 | 0.176 | 2.570 | 0.012 | 0.039 | 0.304 | 0.202 | 4.953 |
| Formalization | 0.255 | 0.071 | 0.295 | 3.607 | 0.001 | 0.115 | 0.395 | 0.143 | 7.017 |

Model

Organizational Performance

$$= 0.409\text{Departmentalization} + 0.139\text{Decentralization} + 0.171\text{Job Specialization} + 0.255\text{Formalization}$$

The Interpretation of Model:

When departmentalization increase by 1unit, the organizational performance increases by .409units, when decentralization increases by 1unit, the organizational performance increases by .139units, when job specialization increases by 1unit, the organization performance increases by .171units and when the formalization increases by 1unit, organizational performance increases by .255 units.

Since, I collected data in the form of likers scale, (Poor, Satisfactory, Good, Very Good and Excellent), the above interpretation can be further explained in the following from. For instance, when the level of satisfaction on departmentalization is very good, the level of organization performance will be good, and when the level of decentralization is very good, the organization performance will be satisfactory, when the level of job specialization is very good, the organizational performance is about good, and the level of formalization is very good, the performance is about good.

4.2. DISCUSSION

The main objective of the study was to examine the effects of organizational structure on organizational performance of the Enterprises and Industries Development Main Department of Wolaita Zone. The dimensions of organizational structure were departmentalization, decentralization, job specialization and formalization whereas the dimensions of the organizational performance were effectiveness and efficiency, effective decision making, employees job satisfaction and organizational innovation. The findings were discussed in the below sections accordingly.

4.2.1. Departmentalization and organizational performance

Findings from descriptive analysis showed that departmentalization of the Enterprises and Industries Development Main Department appeared to be Good and the same is true for performance of the organization. According to the descriptive result, 40.2% of respondents rated departmentalization as Good, 28.9% rated as Satisfactory and 27.8% rated as Poor. On the other hand, 39.2% of respondents rated performance of the organization as 'Good', 37.1% rated as '*Satisfactory*' for different questions from the list. When looking at the values, under the five point Likert scale items, the ratings of good and satisfactory fall around the middle and are not desirable results. Nevertheless, ratings for both the independent variable and the dependent variable fall at closer scale of good and satisfactory.

From the perspectives of percentage values for departmentalization and performance, it is clear to see that the findings were consistent with Mintzberg (1983) whose view was that structural difference results in different strengths and weakness to the works performed. As organizational structure and process influence all managerial situations, understanding the relationship between structure and process is an essential requirement for determining organizational effectiveness. Organizational structure could spell the difference between success and failure for an organization and individuals.

The vales for both variables restored at the middle under the Likert scale items for its highest percentage rating and moved backward to levels as satisfactory and poor which is the least. The highest percentage value for the independent variable that began at good and moves backward to satisfactory with rating of 28.9% up to poor with rating of 27.8% for different questions in the list. The same appeared for performance, a dependent variable which started at good and moved backward to satisfactory with 37.1% rating for one of the questions from the list. In this case, it was rated as

good and satisfactory under the Likert scale items for quite substantial number of questions from the lists. However, such backward moving ratings from good to poor can't be a sign of strength to celebrate as a positive value for an organizational structure and performance but it is rather an indication that an organization is in the brink of failing a part.

It was also consistent with the Maduenyi et al., (2015) who viewed that organizational structure has impact on organizational performance as it facilitates proper working relationships among various sub-units mainly by affecting the behavior of employees in the organization. Performance of the organization largely depends on the structure of the organization because a clear structure ensures clear task division, better employee productivity; leads to enhanced organizational performance. Nevertheless, since its early establishment in 2005, the organization passed through different imposed reformations when none of internal employees were informed about reasons or expected benefits of restructuring but they suffered its consequences. Since the organization underwent over three extensive restructuring and several minor ones, operating approaches and rules were frequently changed. Even the current structural arrangement and grouping of tasks were imposed by the southern region as participation of relevant personnel from the department during its design was none. That was clearly reflected as declining ratings from good to poor for independent and dependent variables.

The finding was consistent with Oden (2018) whose justification was that an organizational structure is a crucial means where any wrong structure seriously damages organizational performance or makes the organization to be inefficient. Wrong aspect in this study organization was that the structure didn't facilitated interdepartmental coordination, its departmentalization was unsuitable for its effectively performing and there were no coordinated efforts of consolidating of results and pertaining information of performance. With this, the performance of the organization was low; more specifically, 8% of loan reimbursement for overall revolving fund disbursed over five year ago was significantly low. The loan case alone is a significant aspect to evaluating performance of the organization. This is because, creating access to and effectively regulating utilization of the revolving loan fund by enterprises is the most important function or a pillar function for the Enterprise's and Industries Development Main Department to ensure effective functioning of enterprise and properly generating of jobs and income by the enterprises to the local and national economy.

The finding was consistent with views by Hailemariam (2011) who presented that unsuitable organizational structure affected performance in such a way that it hampered collaboration among

relevant partners, resulted in mismatch of positions assignments with job holder's competences, spawned extensive anxiety, resulted in frustration and dissatisfaction for employees. The structure demonstrated lack of clarity in roles of units, limited integration in the office, lack of suitability for monitoring, controlling and strategic competitiveness and lack of clear direction. It forced the employees and management to deploy time and energy on daily routines. It was also consistent with view of Abate (2016) who stated that defective organizational structure and ended up with poor quality in task execution and poor performance.

The findings were also consistent with Reumelt, Schendel and Teece (1994); Shabbir (2017) who justified that efficient and effective performance dependent on the designing and adoption of a fitting structure to the contrary, no effective and efficient organization if the structure of the organization does not support the people who work within the systems towards achieving its success. Since the structure didn't support efforts of peoples working in the organization, the main department was found to be neither efficient nor effective, rather failed to achieve its objectives and goal. Due to its poor performance, as of June 2020, there were over 70,000 unemployed populations in the Zone that could be benefited if the main department functioned properly and formed functioning enterprises which is the major source of livelihood next to agriculture in the Zone.

4.2.2. Decentralization and Organizational performance

This study revealed that poor decentralization of the organizational structure hindered making of effective decisions. According to descriptive analysis, 39.2% of respondents rated the structural decentralization as '*Poor*'. Qualitative analysis complemented to this result as the structure being used didn't have any characteristic of decentralization. There was no visible practice of reallocating of decisions away from central location or from top and limited practices of delegating power from higher to lower level to make key decisions. The finding was consistent with the idea of Rollinson (2008) who stated that when there is no decentralization the opposite situation, centralization prevail that allows only a few powerful individuals or groups to hold most of the decision making power. In the study organization, decision making is concentrated at hands of heads of stakeholders who work with this study department and the remaining decisions were being made by heads of sub departments. However, decentralization is having fewer staff positions in the organization chart and decision-making authority is pushed farther down the hierarchy and that isn't the case.

In a decentralized structure a manager can make a decision without having to wait for it to go up a chain of command, with that it allows the organization to react quickly to situations. Decentralization can facilitate the process of increase in scope or increase performance (Vitez, 2018; Joseph, 2018). However, that is not the case in the main department where this study was conducted. The findings indicated that the organization is the opposite of McCartney (1978) who presented that administrative delegation creates a potential for improved attitudes, greater individual responsibility and aspiration among employees. However, the study organization didn't represent real characteristics of decentralization or clear centralization, though there were overall 14 work process under the three sub departments ideally supposed to make decisions at respective positions but that never happened.

Decentralization leads to more effective and efficient decision making (Robbins & Judge, 2014; Dana, 2019). However, in the case of the study organization, there was no practice of redistributing or dispersing functions and powers, peoples or thinks away from central location and pushing down of decision making authority further down the hierarchy. In this organization top managers used to make any of operational decisions rather than being in charge of making more organization wide decisions and designing policy and decision framework for organization, as such strategic and policy things were usually comes from the regional bureau level or commended by Zonal administration. There was no practice that middle manager made decisions without having to wait for it to go up a chain of command and to empower middle level managers. The finding was consistent with Hailemariam (2011) who stated that poor structure of an organization resulted in controlled decision making and distorted direction of the organization.

As per the findings of this study, there were no preciseness in decisions at organizational hierarchy be operational, technical or strategic decisions and decisions wait for top management due to absence of delegating key decision authority to lower level. Even though the structure appeared to have wider span of control, decisions were being made by top management even some times by Zonal Administrator. There was no organizational readiness and actions to improve quality of decisions and no practice of taking quick decision without referring up through the hierarchy. Moreover, employees don't have opportunity to endorse a positive climate of autonomy of making decision, there were no effective oversight of conformance and performance aspect of the organization with respect to decision making.

The findings indicated that the decision making practices of the organization were not in accordance with even certain characteristics of effective decision making that were affirmed by Drucer (1967). According to his view, effective decision making as the process through which alternatives are selected and then managed through implementation to achieve organizational objectives. Effective decision making results from a systematic process with clearly defined decision elements that is handled in a distinct sequence of steps. As per this view, there shall be appropriate time and principles to be considered on the merits of the case. The view about effective decision making has been echoed by CIMA (2009). When the decision has poured into work, it is called a decision otherwise it is at best good intention. While the effective decision itself is based on the highest level of conceptual understanding, the action commitment should be as close as possible to the capacities of the peoples who implement.

The finding indicated that decisions were not pushed down to the managers closer to the action and the decisions being made were not measured for its effectiveness and efficiency. This makes the context of the organization opposite to the views of Chaffey (2011); Clifton (2011) who presented that decisions being made in the organization need to be measured for its efficiency and effectiveness. Efficiency here refers to how fast something is done, hence the productivity metric can be done quantitatively where effectiveness is a quality metrics about how good something is at testing and testing effectiveness metric accordingly.

According to the finding, the practices or experience of the Enterprises and Industries Development Main Department contradicts with the view of Ogbo et al. (2015) whose view was that in a decentralized organization, decision-making is pushed down to the managers closest to the action. It is the term for pushing decision authority downward to lower level employees and is based on principle of trust and empowerment. The finding reflected lack of practices of making effective decision in organization and nonconformity of the organizations decision making practices with views of Sablynskis, (2003); Holtman, (2000); Stephen and Timothy (2012). As per these views, a decentralized organization can act more quickly to solve problems, more people provide input into decision and employees are less likely to feel isolated from those who makes decision that affect their work lives.

4.2.3. Job specialization and Organization performance

According to the finding, job specialization in the Enterprises and Industries Development Main Department was rated as satisfactory that can be said undesirable condition in the organization with respect to job specialization. However, there happened a rhetoric that jobs are categorized as per its familiarity and the work processes were established on basis of those respective jobs category. Yet, the name of the work processes and categories of jobs in the work processes didn't have clear connections. There were conditions in which the categorization of tasks was not full-fledged but rather the structure of the sub department and work processes was formed with partial tasks. In this organization employees were assigned to deliver complete result while only portion of the tasks could be done at their work process whereas in actual term other portion of a task remains in another organization that is out of its administrative authority. Without establishing a binding accountability among those stakeholders where some portion of the task remain, the organization put its employees and itself responsible for doing full portion of the task and get the result.

The study findings showed that the nature of job specialization in the organization didn't demonstrate separating and arranging of all the activities necessary for the business or the organization into individual tasks to improve productivity of an employ. According to the finding, the organization condition deviate from the idea of Bahl, Ritzman and Gupta (1987) who pointed out that job specialization helps in improving the productivity of an employee because the more he/she does a particular task there exists a better chance of finding the shortcut and better way of doing the task which in turn result in greater productivity. Since the organization didn't have clear job specialization, its context diverges from the view of Shing (1989) who presented that job specialization creates learning opportunities, contribute to decreased set up costs required for difference in required experiences, eliminate waste and allows employees to develop expertise in particular subject area.

Those work process were arranged in such a way most of the positions were filled with employees who have qualification of accounting, management and economics. This shows lack of job specialization in the organization where job assignment was not adequately correlated with qualification of the employees. There was no clear job specialization in the organization where job assignment was not adequately correlated with qualification of the employees. As a result of such

inconvenient job categorization situations, all job positions in the Enterprises and Industries Development Main Department were given lower grading when compared with other main department during the 2020 Job Evaluation and Grading(JEG).

It was not only the job specialization but also employees job satisfaction was reported as poor with the percentage of 38.1%. Qualitative analysis indicated that lack of job specialization resulted in poor job satisfaction among employees or in the other way, poor job specialization, poor job satisfaction or poor employee's performance and ultimately poor performance of the organization. The existing circumstances were reflections of ways the organizational structure was formed, jobs were categorized, coordinated and resourced. As the organizational structure was not satisfactorily considerate of productive resources necessary to undertake tasks, it was challenging to achieve adequate result and negatively affected employee job satisfaction. The performance of employees or the organizations was found to be dependent on level of actions and decisions of stakeholders who own resource required for implementing the activities of the organization.

According to the finding, in the 2020 Job Evaluation and Grading (JEG), in this organization employees job positions were graded blow to that of same position in other organization due to the fact that the ways jobs being organized were inadequately understood by south regional civil service through the main department has same administrative status with other parallel organizations in the zone. Lesser job grading coupled with lack of resource for implementing major activities, the mismatch between position and qualification extended employees dissatisfaction and hence, no employees desire to stay in the organization but they were looking for opportunities.

The findings indicated that the actual context of the study organization prevailed the work environment where employees were unsettled psychologically and deteriorated their desire to stay at their positions. The organization's working condition aligns what was said by Robbins (2003) who described that each person has different reasons for liking or disliking his or her job, therefore job satisfaction to him or her is an evaluative statement of how one feels about his or her job. Since the findings demonstrated that employees in the study organization have not been satisfied with their jobs, there were no any progressive performance either at individual or organizational levels. The condition of the study organization deviates from proven study by Ostroff (1992) who said, on an

individual basis, organizations with more satisfied employees tend to be more effective than those organizations with less satisfied employees.

The finding diverges from views of Robbins (2003); Hellriegel, Slocum & Woodman (1998) who presented that when employees are satisfied, they have rarer absences and less failure performances. The finding also does not align with view of Droussiotis (2004) who realized that job satisfaction is the feeling of pleasure and achievement that one experiences in the job when one knows that his or her work is worth doing or the degree to which work gives the feeling of pleasure and achievement. In this organization, what was being written in the list of tasks of individual employee and the real jobs individual experts perform never been the same. The actual context was that the regional bureau of enterprises through Zonal Administration used to command the heads of the main departments about tasks to be done in the enterprises and industries development main department, and such commended tasks used to be disseminated downward across the hierarchy of organizational structure where respective supervisors commend subordinates. With this, it is possible to say, there is no clear job specialization in the organization, and that negatively affected employees' job satisfaction and organizational performance.

4.2.4. Formalization and organization performance

The finding revealed that the structural formalization in the Enterprises and Industries was poor as rated by 37% of respondents for one of the questions whereas 35.1% respondents rated satisfactory for another question from the list. Overall, majority of respondents rated poor for most of the questions. Qualitative analysis revealed that the organization used to receive several work documents such as different rules, guidelines, procedures, mandates and other details from the southern regional bureau. However, such documents usually used to remain at hands of the head of the main department or sub departments or supervisor or any individual and rarely brought onboard for use by employees. On the other hand, such documents were changing more frequently than that of organizational restructuring. Thus, employees never taught of using it even when assigned at senior position because the works were being regulated by command from the Zonal administration as instructed from the regional bureau.

Though rules and procedures were being endorsed by the regional bureau, almost all of employees were not informed about it and never complied following it. Such an organizational context contradicts with Hage and Aiken (1967); West (2000); Raub (2007); Kalay and Lynn (2015) who

viewed that where there is formalization, there exists use of prescribed procedures and sanctioning some course of action, provision of specific directions as to appropriate actions, directing and enforcing these actions, and constraining employees' ability to engage in discretionary behaviors and reduces the extent of freedom of employees.

The finding revealed that almost all functions/ operations in this main department either formerly or presently regulated by commands of officials of Zone or Region Bureau or the Federal Agency. Most of the tasks were linked with circumstances such as times when general or regional elections approach, during times when symptoms of the public grievances pops up, or when issue of youths and employment appear as internal political challenge and became instrument for getting certain volume of bilateral or multilateral fund that globally endorsed for job creation in developing countries such as Ethiopia. Overall, use of standard procedures and working guides and complying with rules had never been the case in the organization. Almost all employees don't seem to have adequate evidence whether the organization ever complied with working guides and procedures.

The finding indicated that the organization was poorly innovative. In this aspect, 48.5% respondents rated the organizational innovativeness as poor, which is the highest rating from list of questions. According to the findings, formalization and its effect on innovation of this organization is unrelated with previous findings. For instance, Fredrickson (1986) viewed that formalization means about degree to which formal rules, standard policies and procedures govern decisions and working relationships.

The finding diverges from findings, Von Krogh (1998); Lopes et al., (2006); Lee and Choi (2003) who posited that formalization restricts the creation of knowledge by limiting the chances for organizational members to communicate and interact with each other. According to these views, with formalization, new ideas suffer restrictions when formal rules dominate the organization. Lee and Choi (2003); Wand and Ahmed (2003) argued that increased flexibility and informal behavior within an organization structure result in an increased creation of new knowledge. However, the organization is not innovative, that is not because of rules or procedures nor its influence on decisions and working relationships but because it didn't have stable and predictable working environment with respect to structure and operating procedures.

The finding showed that the context of the organization is not consistent with Lewis (2002); Klidas (2002); Lin (1998) and Seibert et al. (2011) who identified that formalization discourages the

generation of ideas due to the inflexibility of the operating mode that constrains creativity and innovation. Formalization prevents divergence from standard knowledge and from the tendency to seek difference. The finding was inconsistent with West (2000); Kalay and Lynn (2015); Raub (2007) who viewed that formalization impedes organizational innovation. The finding neither related with the idea that low emphasis on work rules and flexibility facilitates innovation (Burns and Stalker; 1961; Thompson, 1965; Aiken and Hage, 1971). The finding is not related with the view of Pierce and Delbecq (1977) whose view was that low formalization permits openness that encourages new ideas and behaviors. As per the findings, the organization is characterized as that its structural formation was not considerate of context of the area but complete documents were being sent from the region with list of functions no matter those functions fit to the area or they were misfit. Though the organizational structure and working approaches ambiguously unpredictable, nothing was being upgraded in terms of process or types of the functions. Construction, block manufacturing, wood and metal works, textile and food process were kinds of permanent functions that any manufacturing enterprises engage since 2005, the establishment of the organization.

According to the finding, the organization has been neither formalized nor innovative. Its structure and ways of working couldn't attribute for labeling or categorizing its structure as formalized, regulated or innovative at all, but according to the finding, the organization operated mostly as commanded by Zonal political officials as per the instruction of the regional bureau. The context of the organization as per the finding is not congruent with the view of Sibindi (2014) who posited that organizational structure dimension of formalization has a reverse effect as it erodes away employee's innovativeness. Approaches to undertaking required activities under the main department have never been clear, it was persistently inconsistent and lifetime of organizational structure and rules or procedures were unpredictable. Human resources are the most important assets in the companies and they are the sources of innovation, but the situation in the organization didn't encourage employee to attempt any new even ways of work. Totterdell et al. (2002) posited that innovativeness helps organizations to adopt innovations earlier than others do. However, the issue of formalization and its effects on innovation didn't correlate with the findings of previous empirical studies. The organization experienced poor formalization, poor innovation which means poor performance. Finding of this study is uncommon with previous findings that revealed inverse relationship between formalization and innovation, However, in this study, there appeared poor formalization and poor innovativeness. Thus, the finding ignites further studies to verify such cases.

CHAPTER FIVE: SUMMARY OF MAJOR FINDINGS, CONCLUSION AND RECOMMENDATION

5.1. SUMMARY

An exploratory study was conducted in the Enterprises and Industries Development Main Department of Wolaita Zone, Southern Region of Ethiopia. The objective of the study was to examine the impact of organizational structure on organizational performance. Organization structure is an independent variable for this study and denoted by organization structure dimensions of departmentalization, decentralization, job specialization and formalization where the organizational performance, a dependent variable is represented by performance measures of effectiveness and efficiency, effective decision making, employees job satisfaction and organizational innovativeness.

The study deployed qualitative and quantitative research methods where primary and secondary data were gathered. The sources of quantitative data were 102 employees of the organization. As the study population was finite, all employees of the organization were included in the study, and the study was a complete census. Secondary data was gathered mainly from records of the study organization. Data collection tools deployed were individual questionnaires, semi-structured interviews and in depth interview. Questionnaires were used for collecting primary data from individual respondents using 5 points Likert scale items put in a descending order where 5 stands for Excellent up to 1, that stands for poor. The semi-structured interview and list of open ended questions were used for gathering qualitative data from participants selected purposively from those employees. Three key informants' interviews and an in-depth expert's discussion were administered. Descriptive and inferential analysis were undertaken. A specific model applied to predict the relationship of the variables was multiple linear regression model.

The findings showed that organization structure affected the organizational performance in a sense that the organization structure was found to be unfitting and hindered the organization from meeting desired goal. The impact of organizational structure on organizational performance is verified as that the four independent variables (departmentalization, decentralization, job specialization and formalization) in the standard model have significantly predicted the dependent variable of organizational performance, the degree of predicting of the dependent variable was found to be $R =$

0.955. The model's degree of explaining of the variance in the dependent variable was $R^2 = 0.913$, that means 91.3% of the variation of the dependent variables was explained by the predictors. The Durbin Watson (DW) statistic is the test for autocorrelation in the residuals from a statistical regression analysis. The Durbin-Watson statistic always have a value between 0 and 4. Thus, since the value $DW = 2.254$ which indicates negative autocorrelation. Four independent variables are significantly predicting the dependent variable of organizational performance according to ANOVA statistics [$F(5, 4) = 239.874, P < 0.05$].

In addition, when the simple correlation is examined, it is seen none of the correlation coefficients are higher than 0.80. In this case there is no multiple relations between independent variables. If variance inflations factor(VIF) is equal or greater than 10, there is multiple relations between independent variables, but in this research the VIF value for all variables are smaller than 10. Moreover, if tolerance value is higher than 0.10, no multiple relations in variables is decided. As per the examination, in the Table 14, all tolerance values are higher than 0.10.

The finding indicated that the organizational structure dimension of departmentalization formed in a way that related jobs were grouped under respective work process and that made up sub departments, where there are three sub department under the Enterprises and Industries Development Main Department. According to the finding, formation of departmentalization was made on base of functions where there was formal vertical relationship between subordinates and supervisor across the ladder. However, there were no clarity how the horizontal relationship across different work process and sub departments.

As per the finding, the departmentalization wasn't considerate of availing resources necessary for undertaking tasks in each work process. But, the departments were formed in such a way that employees are assigned for tasks under respective work process where essential resources were controlled by another organization that considered in this case as stakeholder. The way jobs designed wasn't complete as some portion of the job being placed in another stakeholder and to get one complete task, portions of the tasks need to complete from their ends.

With such characteristics, it is possible to say this dimension of organization structure is inappropriate to properly facilitate integration across different departments and contribute to achieving objective. Since the structure didn't support efforts of peoples working in the organization, the main department was found to be neither efficient nor effective, rather failed to achieve its objectives and goal. Due to

its poor performance, as of June 2020, there were over 70,000 unemployed populations in the Zone that could be benefited if the main department functioned properly and formed functioning enterprises which is the major source of livelihood next to agriculture in the Zone.

The finding showed that poor decentralization of the organizational structure hindered making effective decision in the organization. According to the descriptive analysis, 39.2% of respondents rated that the organization demonstrate poor decentralization. The structure doesn't display any of the characteristics that decentralized structure supposed to do. There were no visible practices of reallocating of decisions away from central location or from top and limited practices of delegating power from higher to lower level to make key decisions. The organizational structural dimension of decentralization characterized as that decision making is not pushed down to the managers closest to the actions. There are no practices of pushing decision authority downward to lower level employees under the principles of trust and empowerment. According to the finding, the organization demonstrates poor decentralization, that could help the organization act more quickly to solve problems, more people provide input into decision and employees felt never engaged and isolated from those who makes decision that affect their work lives.

According to the finding, job specialization in the Enterprises and Industries Development Main Department was rated as satisfactory that can be said undesirable condition in the organization with respect to job specialization. There were conditions in which the categorization of tasks was not full-fledged but rather the structure of the sub department and work processes was formed with partial tasks. In this organization employees were assigned to deliver complete result while only portion of the tasks could be done at their work process whereas in actual term other portion of a task remains in another organization that is out of its administrative authority.

The study findings showed that the nature of job specialization in the organization didn't demonstrate separating and arranging of all the activities necessary for the business or the organization into individual tasks to improve productivity of an employ. It didn't help in improving the productivity of an employee. Since the organization didn't have clear job specialization, it didn't create learning opportunities, contributing to decreased set up costs required for difference in required experiences, eliminating waste and allowing employees to develop expertise in particular subject area.

It was not only the job specialization but also employees job satisfaction was reported as poor with the percentage of 38.1%. Lack of job specialization resulted in poor job satisfaction among employees or in the other way, poor job specialization, poor job satisfaction or poor employee's performance and ultimately poor performance of the organization. The existing circumstances were reflections of ways the organizational structure was formed and jobs were categorized, coordinated and resourced. As the organizational structure was not satisfactorily considerate of productive resources necessary to undertake tasks, it was challenging to achieve adequate result and negatively affected employee job satisfaction. The performance of employees or the organizations was found to be dependent on level of actions and decisions of stakeholders who own resource required for implementing the activities of the organization.

The findings indicated that the actual context of the study organization prevailed the work environment where employees were unsettled psychologically and deteriorated their desire to stay at their positions. Since each person has different reasons for liking or disliking his or her job, job satisfaction to him or her is an evaluative statement of how one feels about his or her job. Since the findings demonstrated that employees in the study organization have not been satisfied with their jobs, there were no any progressive performance either at individual or organizational levels.

The finding revealed that the structural formalization in the Enterprises and Industries Main Department was poor as rated by 37% of respondents. With regard to following formalized rules, the organization used to receive different rules, guidelines, procedures, mandates and other details from the southern regional bureau. However, such documents usually used to remain at hands of the head of the main department or sub departments or supervisor or any individual and rarely brought onboard for use by employees. On the other hand, such documents were changing more frequently than that of organizational restructuring. Thus, employees never taught of using it even when assigned at senior position because the works were being regulated by command from the Zonal administration as instructed from the regional bureau.

The finding indicated that the organization was poorly innovative. In this aspect, 48.5% respondents rated the organizational innovativeness as poor. Formalization means about degree to which formal rules, standard policies and procedures govern decisions and working relationships. The issue of formalization and its effects on innovation didn't correlate with the findings of previous empirical studies. Previous studies indicated that high level of formalization in the organization hinders

flexibility of working, thinking, and opportunities for innovation, which means, there exist inverse relation between formalization and innovation. However, in the case of this study, the organization experienced poor formalization, poor innovation which means poor performance. Finding of this study is uncommon with previous findings that revealed inverse relationship between formalization and innovation. However, in this study, there appeared poor formalization and poor innovativeness. Thus, the finding ignites further studies to verify such cases.

5.2. CONCLUSIONS

This conclusion is drawn from findings of quantitative and qualitative analysis. An explanatory and descriptive study was conducted in the Enterprises and Industries Development Main Department of Wolaita Zone, Southern Region. The objective of the study was to investigate the effects of organizational structure on organizational performance. Organizational structure dimensions of departmentalization, decentralization, job specialization and formalization were the independent variables that significantly predicted organizational performance which was measured through parameters such as effectiveness and efficiency, effective decision making, employees job satisfaction and organizational innovation.

Quantitative and qualitative methods were deployed, where primary and secondary data were used. The study was a census with population of 102 employees. Quantitative data were analyzed using descriptive and inferential analysis and qualitative data were analyzed using qualitative method. Linear Regression Analysis was applied for determining the variables relationship. The finding indicated that the structure of Enterprises and Industries Development Main Department didn't exhibit the characteristics that an appropriate structure of a given organization has to have to achieve its objectives and goal. The way departments designed didn't contribute to harnessing functional integrations, effective uses of essential resources, effective implementation of activities and delivering of expected results and targets. The structure didn't facilitate effective decision making, it deprived employees job satisfaction and hampered organizational innovativeness. In general, the structure of the organization was not fit for purpose and hence, the organization wasn't able to achieve its objectives and goal, that means unfitting structure led to undesirable or poor performance.

5.3. RECOMMENDATIONS

The finding revealed that the organization structure of Enterprises and Industries Development Main Department is unfitting for the organization to properly functioning and achieving intended objectives and goal. As a result, the organization has been experiencing in effeteness and inefficiency in achieving target results, in effective in decision making, experiences high level employees dissatisfaction and suffer from obsolete way working and not aspire for organizational innovation.

Though the main purpose of the Main Department is to make sure that enterprises are established at rural and urban areas of the zone, produce and supply quality goods for local and international markets, deliver quality services, create adequate jobs and employment and increase income for those engaged and contribute to building local and national economy, it failed to realize its purpose. According to this study, it is the unfitting organizational structure that negatively affected its performance. Therefore, the organization must revisit the organization structure and eliminate those undesirable and bottlenecks along the organizational structure. On basis of the study finding, the below recommendations are forwarded:

1. **Redesign the organization structure:** The organizational structure must be redesigned in such a way that functions are properly integrated vertically and horizontally, tasks are properly defined, grouped and formally allocated to employees with clear instructions. Resources relevant for undertaking the required tasks must be allocated and available in the organization at the right time. Structural design must be guided by the objective of the organization, the context of the area where the organization operates. The contexts should be considerate of technological change, socioeconomic and political circumstances, human capital, location advantage and other factors. Structure must be considerate of views of relevant stakeholders but shouldn't be endorsed from top, be it region or federal. Employees of the organization should take part in the design of organizational structure on basis of their education, experience and skills. The allocation of tasks, tasks responsibility and availability and utilization of resources must be well coordinated to ensure organizational effectiveness and efficiency. The organizational structure must be established in an objective manner but shouldn't be none professionally driven.

2. **Establish real decentralization:** In the organization, real decentralization should be demonstrated where roles of employees should not be limited to routine but they should engage in strategic level responsibilities, decision making roles shall not be concentrated at the top of the hierarchy in the structure but should be distributed to lower level managers. Decision making approaches shall base on evidences where best decision shall be chosen from wider decision alternatives. Decisions shall be fast and time bounded, and the effects of the decision shall be monitored and relevant feedback should be provided to decision makers.
3. **Ensure appropriate job specialization:** Jobs shall be defined in a way that employee can understand properly and apply as required. While defining and grouping of jobs, the jobs shall not be portion but it should be complete setting and that an employee or group of employees can perform under clear chain of command and unity of direction. With respect to jobs and assignment, the jobs assignments shall be properly associated with the skills, competencies and qualification of the person expected to do it. While implementing their jobs, employees shall be granted with authority over the job, they shall be given with adequate supervisory and technical backstopping, encouraged to work with professional freedom, their performances shall be measured and success shall be appreciated as well as rewarded towards enhancing their job satisfaction and further engagement.
4. **Establish customized regulations rather following command:** The organization shall develop and follow fundamental management principles, rules, procedures, guidelines and instructions as condition allows. The organization shall inherit shared values and understanding towards following appropriate formal approaches that are supportive for doing jobs but not restrictions. The organization shall establish a culture where employees get access to and empowered to use relevant organizational principles, operating rules, guidelines and supported to contribute to ideas useful for incorporating new ideas and new way of working. The organizational work shouldn't be undertaken on basis of command from officials at different levels. Employees shall be encouraged to generate new ideas regarding new way of working, new types of products, new services or new customers' identification and new customer handling techniques. The organization's working procedure shall encourage practices of regular environmental scanning to understand whether internal working procedures and process are in accordance with the technology advancement as well as client's expectation. The working procedures shall motivate employees to undertake rapid studies and

generate evidences whether the procedures and rules are as effective or efficient as per reflection of clients and other communities.

5.4. LIMITATION OF THE STUDY

This study was conducted during the time of COVID-19 pandemic across the world where employees allowed to work from home everywhere and the same was true in the area where this study was conducted. As a result, the researcher took lengthy days for distributing and collecting the questionnaires through visiting to respective employees' houses.

5.5. FURTHER RESEARCH

This explanatory and Descriptive study focused on the effects of organizational structure and performances of Enterprises and Industries Development Main Department. The findings indicated that poor organizational structure has negatively affected its performance in a sense that the organization could not be able to achieve its objective. Specifically, since the structure didn't support efforts of employees working in the organization, the main department was found to be neither efficient nor effective, rather failed to achieve its objectives and goal. Its objective is to make sure that enterprises are established at rural and urban areas of the zone, produce and supply quality goods for local and international markets, deliver quality services, create adequate jobs and employment and increase income for those engaged and contribute to building local and national economy.

Due to its poor performance, as of the June 2020 record of the enterprises main department, there were over 70,000 unemployed populations in the Zone that could be benefited if the Enterprise and Industries Development Main Department functioned properly and formed functioning enterprises which is the major source of livelihood next to agriculture in the Zone. Therefore, this finding can be taken as a foundation to undertake in-depth studies on the relationship between the different types of enterprises and how structure of the Enterprises and Industries Development Main Department affect it performances. The future study can focus on issues like in what ways the structure of the organization affected the formation of new enterprises, its functionality and hindered those different types of enterprises formed since 2006 from creating job opportunities in the area.

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Appendix

Questionnaires and list of topics

**Jimma University, College of Business and Economics, Department of Management
MBA Program, 2019/2020 Graduating Class.**

Title: The Effects of organization structure on organizational performance: The case of Enterprises and Industries Development Main Department of Wolaita Zone, Southern Region, Ethiopia.

The information will be kept confidential and will help the researcher fulfil the graduation requirement, generate study findings and share relevant insight on the study concept with respect to this department, which can be used for different purposes as required. But it is not an assessment or evaluation of the performance of the organization, where your name and views would be kept confidential. I hope you will be comfortable speaking honestly and sharing your thoughts with me/completing the questionnaire. It will take around 45 minutes. If anything is unclear or you do not agree with what I have explained, please let us know before starting.

I. General information

1. Respondent department-----Work process-----Position title-----
2. Sex of the respondent:(a) Male, (b) female -----
3. Educational status of the respondent: (a) certificate, (b) diploma, (c) BA/Bsc, (d) MA/M

II. Organizational information

- 1- Name of the department: (a)Enterprise, (b) industries development
- 2- Name of work process Enterprises_____
- 3- Position title-----
- 4- Year of services: In the current position-----years; before this position in the department---
----years

III. Organization structure questions

1= Poor, 2 =Satisfactory, 3= Good, 4=Very good, 5=Excellent

| SN | Description of questions | Please tick (√) under your respective choice | | | | |
|-----------|--|--|--------------|------|-----------|-----------|
| | | Poor | Satisfactory | Good | Very good | Excellent |
| A | Organizational Structure | | | | | |
| A1 | Departmentalization | | | | | |
| 1 | How do you rate the fact the division of overall task into different activities is considerate of objectives and goal? | | | | | |
| 2 | How do you rate the practices of interdepartmental integration of parts? | | | | | |
| 3 | How do you rate the level of coordination of the parts across departments? | | | | | |
| 4 | How do you rate the level of consultations being made by relevant experts and leaders before setting up of the current structural configuration? | | | | | |
| 5 | How do you rate the ways jobs being grouped by functions? | | | | | |

| | | | | | | |
|-----------|--|--|--|--|--|--|
| 6 | How do you rate the ways jobs being grouped on basis of customer service? | | | | | |
| 7 | How do you rate the situation grouping of jobs is done according to a well taught logical arrangement? | | | | | |
| 8 | How do you rate the situation the organization complies with the principles that jobs must be coordinated to contribute to the welfare of the organization? | | | | | |
| 9 | How do you rate the appropriateness of the departmental design for integration and coordination of all jobs? | | | | | |
| 10 | How do you rate the configuration for its facilitation in joint planning and implementation of relevant activities of the organization? | | | | | |
| 11 | How do you rate the configuration for supporting the management and use of human (experts or clerical), financial, time and other resources? | | | | | |
| 12 | How do you rate the situation of formal configuration of roles across units, departments and divisions with respect to functions, specialization and service delivery? | | | | | |
| 13 | How do you rate the exercising of power and authority across units, departments and divisions with respect to effective functioning, clear specialization and quick service delivery? | | | | | |
| 14 | How do you rate the practice of formal configuration of responsibility and reporting relationships across units, departments and divisions with respect to functions, specialization and service delivery? | | | | | |
| 15 | How do you rate the configuration for its suitability for joint performance monitoring, feedback and learning best practices with in organization? | | | | | |
| 16 | How do you rate the configuration for its suitability for documentation and sharing reports and information? | | | | | |
| A2 | Decentralization | | | | | |
| 1 | How do you rate the practices of redistributing or dispersing of decisions away from a central location or from top? | | | | | |
| 2 | How do you rate the practices of redistributing or dispersing of power, people or thinks away from a central location or from top? | | | | | |
| 3 | How do you rate the characteristics and practice of the structure in delegating power from higher to lower levels to make key decisions? | | | | | |
| 4 | How do you rate number of staff positions in the organization chart and pushing of decision-making authority farther down the hierarchy? | | | | | |
| 5 | How do you rate the experiences top management are in charge of making major organization wide decisions and designing policy and decision framework for the organization? | | | | | |
| 6 | How do you rate the enabling structural situation that allows employees cut the red tape by taking the initiative to get the job done with a minimum management approval? | | | | | |
| 7 | How do you rate the privileges the structure provides to maintain self-sufficiency because of the working autonomy managers and employees are accustomed to? | | | | | |
| 8 | How do you rate the practice that manager makes a decision without having to wait for it to go up a chain of command? | | | | | |
| 9 | How do you rate the structure for motivating managers towards empowerment of workforces? | | | | | |
| 10 | How do you rate the structure for creating self-managed work-teams? | | | | | |
| 11 | How do you rate the structure for establishment of cross-functional teams and even moving to a productive team structure? | | | | | |
| 12 | How do you rate the structure for giving practical training to middle level managers and facilitating management development at different levels in the organization? | | | | | |
| 13 | How do you rate the structure for favoring the middle and low-level managers be empowered to make decisions that improve productivity, efficiency and performance standards? | | | | | |
| A3 | Job specialization | | | | | |

| | | | | | | |
|-----------|--|--|--|--|--|--|
| 1 | How do you rate the practices of designing number of jobs and the assignment of exact responsibility on each job to specific positions in the organization? | | | | | |
| 2 | How do you rate the division of job assignments into smaller pieces of work in the Organization? | | | | | |
| 3 | How do you rate the reality some employees work on the same task over and over and gain the knowledge related to the task help improve her/his performance? | | | | | |
| 4 | How do you rate the condition of clarity of unit differences, interdependency and different specialties in the organization? | | | | | |
| 5 | How do you rate the situation all the activities necessary for the organization have been clearly separated into individual tasks? | | | | | |
| 6 | How do you rate the reality employees get better chances of finding the shortcut and better way of doing the task, greater productivity in my assignments and greater result to organization by doing a particular task in their role? | | | | | |
| 7 | How do you rate the more learning opportunities created with the division of jobs? | | | | | |
| 8 | How do you rate the decrease in set-up costs and waste minimization? | | | | | |
| 9 | How do you rate potential of the current job specialty for developing expertise in particular subject as per assignment? | | | | | |
| 10 | How do you rate the situation of job division up to in depth knowledge of the employees? | | | | | |
| A4 | Structural formalization | | | | | |
| 1 | How do you rate the practice that formal rules and procedures govern regular activities in the organization? | | | | | |
| 2 | How do you rate the situation rules and procedures being followed are implicit as well as explicit, and used to recommend what should be done or to ban what is forbidden, govern decisions and working relationships? | | | | | |
| 3 | How do you rate the situation explicit rules are usually set down in writing, for example in job description, policy documents and standard operating procedures? | | | | | |
| 4 | How do you rate the degree of role specificity, job codification and the presence of clearly on the defined rules for employees to adhere? | | | | | |
| 5 | How do you rate the practice in the organization where instructions, communications, procedures and rules are officially clarified? | | | | | |
| 6 | How do you rate the practice of comprehensive rules outlining the purpose and responsibilities of each member of employees and management? | | | | | |
| 7 | How do you rate the firmness in following specified rules and strain to individuals in case of break away from those routine practices? | | | | | |
| 8 | How do you rate the attention and swiftness for applying any changes in working rules and procedures? | | | | | |
| 9 | How do you rate the purity of the organization structure in its focus on roles and positions rather than the people in the positions? | | | | | |
| 10 | How do you rate suitability of the structure that has layers of supervisors for timely decisions and actions? | | | | | |
| 11 | How do you rate the function of procedures within the organization in reducing role ambiguity? | | | | | |
| 12 | How do you rate the match between the existing procedures and rules with the actual needs for proper organizational operation? | | | | | |
| 13 | How do you rate the motive of organizational structure in terms of staff safeguard, ease task related risk and uncertainty? | | | | | |

Appendix B. Organization performance question

| B | Organizational performance | Poor | Satisfactory | Good | Very Good | Excellent |
|-----------|---|------|--------------|------|-----------|-----------|
| B1 | Efficiency and Effectiveness (attainment of goal and use of resources) | | | | | |

| | | | | | | |
|-----------|--|--|--|--|--|--|
| 1 | How do you rate the departmental setup for facilitating shared understanding of roles, joint operation and making greater output/result for the organization? | | | | | |
| 2 | How do you rate the departments' setting for demonstrating interdependence of units' actions and proportion of respective tasks towards generating expected outputs? | | | | | |
| 3 | How do you rate the departmental setting for employees productivity as per organizational expectation? | | | | | |
| 4 | How do you rate the interdepartmental coordination to undertake organizational tasks? | | | | | |
| 5 | How do you rate the interdepartmental flexibility to undertake organizational tasks that yield single product by shared efforts? | | | | | |
| 6 | How do you rate the departmental setting for success in regular business processes? | | | | | |
| 7 | How do you rate the departmental setting for effective information exchange among the different departments and stakeholders? | | | | | |
| 8 | How do you rate the departmental setting for effective coordination of tasks? | | | | | |
| 9 | How do you rate appropriateness of departmental setting for applying management control practices and success in meeting desired operational and strategic goals? | | | | | |
| 10 | How do you rate the departmental setting for properly functioning in relation to achieving goal set for certain period? | | | | | |
| 11 | How do you rate experiences and practices of setting departments with the related output or result delivered? | | | | | |
| 12 | How do you rate matching of volume of resources allocation against the volume of work efforts and deliverables? | | | | | |
| 13 | How do you rate practices proper use of resources to deliver maximum result with minimizing wastes? | | | | | |
| 14 | How do you rate practices of interdepartmental resource sharing and collaboration to cost minimization? | | | | | |
| 15 | How do you rate departmental setting for enabling joint monitoring, sharing learning and continuous improvement of quantity and quality of outputs? | | | | | |
| 16 | How do you rate departmental setting for appropriateness of resources use and minimizing wastes? | | | | | |
| 17 | How do you rate coordination and shared leadership practices to achieving overall goal and demonstrating actual expectation/purpose of the organization? | | | | | |
| B2 | Effective decisions making | | | | | |
| 1 | How do you rate preciseness of decision-making practices at organization's hierarchy; as strategic decision, tactical decisions and operational decisions? | | | | | |
| 2 | How do you rate preciseness of decision-making practices at organization's hierarchy; as tactical decisions? | | | | | |
| 3 | How do you rate preciseness of decision-making practices at organization's hierarchy; as operational decisions? | | | | | |
| 4 | How do you rate the practices of top executives in delegating much of their decision-making authority to lower levels of the organizational structure? | | | | | |
| 5 | How do you rate the flexibility of operations with less rigid policies and wider spans of control in the organization? | | | | | |
| 6 | How do you rate the span of control in reducing number of decision making levels within the organization? | | | | | |

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|-----------|--|--|--|--|--|--|
| 7 | How do you rate the practices of relieving the top executive excessive burden, saving their valuable time to more important and long-term problems? | | | | | |
| 8 | How do you rate the practices of improving the quality of decision being made/or making quality decision? | | | | | |
| 9 | How do you rate the practices of quick decision making without referring up through the pyramid? | | | | | |
| 10 | How do you rate the existing opportunity of employees to learn by doing? | | | | | |
| 11 | How do you rate the existing opportunity of employees to promoting a positive climate of autonomy of making decisions? | | | | | |
| 12 | How do you rate the existing opportunity of employees to freedom to use judgements and freedom to act? | | | | | |
| 13 | How do you rate experiences that managers have been making quick decisions and contributed to reduced organization's costs and expenditures? | | | | | |
| 14 | How do you rate the experiences of exercising effective oversight of both the conformance and performance aspects of the organization with respect of decision making? | | | | | |
| 15 | How do you rate the existence of decision alternatives and practices of selecting from them on basis of evidences and analysis rather than personal opinion? | | | | | |
| 16 | How do you rate the emphasis on role clarity and understanding for decisions to reach efficiently and not delayed or swayed by other interested individuals? | | | | | |
| 17 | How do you rate practices of clearly communicating decision and reflecting on the outcomes in performance management measures? | | | | | |
| 18 | How do you rate the practice of quantifying or describing potential outcomes and potential next steps to enable implementation to be managed and appropriate action taken promptly to ensure goal achievement? | | | | | |
| 19 | How do you rate experiences of allowing trial and error as tactical experiments within acceptable risk parameters? | | | | | |
| 20 | How do you rate the practice of properly documenting decision and matters considered for post audit and or learning purposes? | | | | | |
| 21 | How do you rate the practice of capturing and documenting the outcome of post decision as part of the corporate memory to ensure that lessons are learned? | | | | | |
| 22 | How do you rate practices of making decisions focusing on what is important, logical and consistence and blending analytical with intuitive knowledge? | | | | | |
| 23 | How do you rate the decision making process of gathering much information and analyze as is required to resolve a particular dilemma, encourage and guide gathering of relevant information and informed opinion and straight forwardness, reliability, easy to use and flexibility? | | | | | |
| B3 | Employees Job satisfaction | | | | | |
| 1 | How do you rate the level of match in job satisfaction and convenience of the job that you perform every day in your position? | | | | | |
| 2 | How do you rate job clarity that you feel? | | | | | |
| 3 | How do you rate job attractiveness and related luxury that you feel? | | | | | |
| 4 | How do you rate your experiences of performing the work faster than expected duration? | | | | | |
| 5 | How do you rate your job satisfaction that comes from correspondence of the job with your skills and trainings you have? | | | | | |
| 6 | How do you rate your experiences of stress-free and none distressing characteristics of the job? | | | | | |
| 7 | How do you rate the job for its provisions of a stable employment for you? | | | | | |

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|-----------|--|--|--|--|--|--|
| 8 | How do you rate your experiences of completing different jobs but related task types and your capability of identifying new best practices and transfer those practices from one task to another? | | | | | |
| 9 | How do you rate the advantages of job specialization for reduced risks of error, as a specialist, less likelihood to commit a mistake in doing a particular job than that of non-specialist person doing the same task? | | | | | |
| 10 | How do you rate the level of job specialization for reduced worktime, as a result of saving time by working same thing repeatedly, finding short cut way to do and saving of money for the organization? | | | | | |
| 11 | How do you rate the job specialization for its benefit to the organization by reducing expenses on training for same task? | | | | | |
| 12 | How do you rate the job specialization for its contribution in increased labor productivity? | | | | | |
| 13 | How do you rate the job specialization for its contribution in higher outputs and increase in salary rate? | | | | | |
| 14 | How do you rate the organizational benefit of saving work time because of concentration on one process and not requiring to change tools and increase technical knowledge? | | | | | |
| 15 | How do you rate the nature of job specialization for less fatigues and no mental and physical strain? | | | | | |
| 16 | How do you rate the condition that specialization encourages largely the innovation of special tools and equipment in order to perform particular function more effectively, doing the work as well as encourage largely the invention of special tools and equipment in order to perform? | | | | | |
| 17 | How do you rate the proportion of satisfied employees in the organization due to clear job specialization? | | | | | |
| 18 | How do you rate the level of absentees and failure in performance in the organization? | | | | | |
| 19 | How do you rate the feeling of pleasure and worth doing or degree to which work gives the feeling of achievement? | | | | | |
| 20 | How do you rate employee's continuous growth and rank alongside professional knowledge, skills, competences, as well as strategies, in determining organizational success and performance? | | | | | |
| B4 | Organizational innovation | | | | | |
| 1 | How do you rate a condition where use of prescribed procedures and specific directions for its convenience to motivating employees' to engage in flexible behaviors and freedom to endorse innovativeness in several course of action? | | | | | |
| 2 | How do you rate use of procedures and explicitly written directions to broadening the creation of new knowledge by encouraging the chances for organizational members to communicate and interact with each other? | | | | | |
| 3 | How do you rate welcoming of new ideas and methods of work while formal rules dominate the organization? | | | | | |
| 4 | How do you rate the practice of increased flexibility and informal behavior within the organization structure and the spaces that results in increased creation of new knowledge? | | | | | |
| 5 | How do you rate the current level formalization of the structure for facilitating flexibility to generate idea? | | | | | |
| 6 | How do you rate the condition formalization within an organization offer better motivation to employee to generate new idea at workplace? | | | | | |
| 7 | How do you rate the condition formalization allow workers to decide how things are done? | | | | | |
| 8 | How do you rate the condition formalization motivates workers feel helpfulness and work's meaningfulness? | | | | | |
| 9 | How do you rate the experience the current formalization has linked to higher cooperation for innovation among the employees? | | | | | |

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|----|--|--|--|--|--|--|
| 10 | How do you rate the situation current formalization encourages the generation of ideas due to the flexibility of the operating mode that reinforce creativity and innovation? | | | | | |
| 11 | How do you rate the situation formalization encourages divergence from standard knowledge and seek difference and accelerates organizational innovation? | | | | | |
| 12 | How do you rate the experiences of easing work rules and allowing flexibility that facilitates innovation in the organization? | | | | | |
| 13 | How do you rate the experience formalization permits openness that encourages new ideas and behaviors? | | | | | |
| 14 | How do you rate the organization's practices of developing technology supported fastest delivery of services in ways that are efficient and cost effective? | | | | | |
| 15 | How do you rate the organization's practices of developing technology supported fastest delivery of services in ways that are convenient to clients? | | | | | |
| 16 | How do you rate the experience organization cultivate greater trust and satisfaction amongst clients and beneficiaries of services, even reducing costs and increase efficiency? | | | | | |
| 17 | How do you rate the organizations' capability of accommodating changing stakeholders interest and increasing demands in the light of organizational innovation? | | | | | |
| 18 | How do you rate the practices organization rewards employees who developed innovative working approaches? | | | | | |
| 19 | How do you rate the practices organization rewards employees who developed new products? | | | | | |
| 20 | How do you rate the organization success in promoting innovations in line with the current services demand by stakeholders and the operating environment? | | | | | |
| 21 | How do you rate the organization success in promoting innovations in line with its strategic objective? | | | | | |
| 22 | How do you rate the organization success in promoting innovations in line with its competitiveness? | | | | | |

Qualitative data collection (FGD &KII): List of discussion topics for qualitative data

FGDs to selected employees of the 3 sub -departments who completed the individual questionnaires

1. How do you understand the organizational structure of Enterprises and Industries Development Main Department of Wolaita Zone?
1. How did the current structure come to exist? Did any of you take part during its design?
2. How do you explain the advantages?
3. disadvantage about the configuration of the current organizational structure?
4. How do you see the role of the organizational structure on the performance of the organization?
5. How do you explain the compatibility of the structure with the services recipients as well as socioeconomic/livelihood/population condition of the Zone?
6. Do you think the current structure will be fit to accommodate innovation, use of new technologies and achieve strategic and operational goal?
7. Is there any structural configuration you propose to the Enterprises and Industries development Main Department? Why?

KII topic list :3 participants will be selected on basis of their position, knowledge about the organization and their expertise

1. What do you say about the importance of the main department to the economy of the area?
2. How do you see the role of the organization structure in shaping the performance of the department?
3. What do you say about competences of the main department in converting the available opportunities to income and livelihood of the peoples in the area?
4. Do you think the current structure favors innovations that transform tackling poverty and contributing to local and national economy?
5. What do you think about the quality of services delivery, key constraints and measures being taken and its effectiveness?
6. What is your overall thought about the Enterprises and Industries development department and its overall strive?
What is your recommendation about the main department?