AN INVESTIGATION OF FACTORS AFFECTING MANAGEMENT DECISION MAKING IN PARASTATALS IN KENYA
A CASE OF KENYA REVENUE AUTHORITY

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UNITED STATES INTERNATIONAL UNIVERSITY

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BY

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UNITED STATES INTERNATIONAL UNIVERSITY

SPRING 2013
DECLARATION

I, Veronica N. Mburu, hereby declare that this project is my own work and effort and that it has not been presented in any other university for an award.

Signature: …………………………………...                          Date: …………………

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This management Research Project has been submitted for examination with my approval as the University supervisor.

Signature: …………………………………...                          Date: …………………

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DEDICATION

I wish to dedicate this work to my best friend Francis Mwangi and my sons Kevin, Ian and Anthony for their inspiration and understanding during the period of study. Special dedications to my mother who taught me the value of education and encouraged me to always seek knowledge and understanding.
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ABSTRACT

Decision making becomes a problem when an organization grows; however, it becomes increasingly difficult to manage without more formal work assignments and some delegation of authority. Managers are required to anticipate future events well in advance and to consider the options available to them in preparing the organization to face the future events as they occur. However the management of parastatals often takes decision-making as synonymous with poor management. They judge good and bad decisions with the benefit of hindsight based on how the decision had been made in the first place. The purpose of this study was to investigate the factors affecting management decision making at Kenya Revenue Authority. The study was guided by the following research questions: how does leadership behaviour influencing management decision making at Kenya Revenue Authority?, what is the extent to which decision support systems adopted in the organization affects management decision making at Kenya Revenue Authority?, what role does the organizational structure play in management decision making at Kenya Revenue Authority? and how does the environment factor influence management decision making at Kenya Revenue Authority?. The research design used in this study was descriptive survey. The population study was the top management, middle level management and all the staffs of Kenya Revenue Authority targeting 853 respondents. Probability sampling occurs when the population has equal chance of being selected. Using stratified random sampling design, the researcher selected 256 respondents on whom to conduct the survey. A table of random Numbers was used to select the individual respondents for the study. Data collected was sorted, classified and coded then tabulated for ease of analysis. The data was summarized and categorized according to common themes. Data collected was analyzed using frequency distribution tables, descriptive statistics and inferential statistics. The SPSS (version 17) computer software aided the analysis.
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

Human performance in decision terms has been the subject of active research from several perspectives. From a psychological perspective, it is necessary to examine individual decisions in the context of a set of needs, preferences individuals have and values they seek. From a cognitive perspective, the decision making process must be regarded as a continuous process integrated in the interaction with the environment (Eisenhardt, 2005). From a normative perspective, the analysis of individual decisions is concerned with the logic of decision making and rationality and the invariant choice it leads to.

A major part of decision making involves the analysis of a finite set of alternatives described in terms of some evaluative criteria. These criteria may be benefit or cost in nature. Then the problem might be to rank these alternatives in terms of how attractive they are to the decision maker(s) when all the criteria are considered simultaneously. Another goal might be to just find the best alternative or to determine the relative total priority of each alternative (for instance, if alternatives represent projects competing for funds) when all the criteria are considered simultaneously. Solving such problems is the focus of multi-criteria decision analysis (MCDA) also known as multi-criteria decision making (MCDM). This area of decision making, although it is very old and has attracted the interest of many researchers and practitioners, is still highly debated as there are many MCDA / MCDM methods which may yield very different results when they are applied on exactly the same data (Fiedler, 2004).

Decision makers and managers need to allow themselves to be in the process of decision making. This decision making process will give the opportunity to decision makers and managers to come up with the alternatives, evaluate each alternatives, and select the best alternative or solution to the problem. Decision making process comprise of the steps the decision maker has to arrive at his choice. The process a manager uses to make decisions has a significant impact on the quality of those decisions (Certo, 2003). Moreover, Provan (2009) stated that people who participate in the strategic decision making process are at a high level in their organization, are competent, and
are reasonably intelligent and articulate. Strategic decision making process can be and is influenced by those major groups in the organization that are most powerful and that a rational consideration of external environmental factors may have little direct impact on how strategies are actually formulated and implemented.

Basi (2008) stated that type of decision is a function of administrative level, and the style is a function of organizational culture. Administrative level is classified as institutional or executive or upper level, organizational or managerial or middle level, and technical or lower level. Meanwhile organizational culture is known as paternalistic, bureaucratic, and synergistic.

Meanwhile, Nutt (2006) indicated in his study on the decision making models. He discussed 6 models of decision making of which bureaucratic model, normative decision theory, behavioral decision theory, group decision making, equilibrium-conflict resolution, and open system decision making. Nutt (2006) also discussed on the limits and ways to selection of the appropriate model for decision making for organization. As such organization performed unique functions; the levels identified were technological or primary level, managerial level, and institutional level. Thus, factors which characterize the decision making environment will stipulate the appropriate model that can be optimally used.

Parastatals play a major role in most economies through the provision of public services such as transport and energy. Also, because they were established to foster wider developmental goals, some of them such as the sugar industry in Kenya provide infrastructure and social amenities like schools and health services to communities. For instance, Kenya’s sugar industry supports an estimated six million Kenyans directly or indirectly. In addition, the sub-sector saves Kenya in excess of US$ 250 million in foreign exchange annually (Njeri, 2008).

Despite these important socio-economic gains, most of the parastatals in Kenya are characterized by inefficiency losses and the provision of poor products and services. Subsequently, they have caused heavy budgetary burdens to the public. The stunning Kshs.59 billion debt of the sugar industry bears a testimony to this. Against this background, the International Organizations such as the IMF (International Monetary Fund) and the World Bank proposed the privatization of Kenyan parastatals in 1994 (ibid). The Structural Adjustment Programs (SAP) were aimed at reducing government participation in the economic sector and to increase the productivity of
parastatals. Since then, this intervention has led to the popularization of privatization as a solution to the problems of parastatals even though the exercise did not bring the much coveted efficiency gains.

The Kenya Revenue Authority was established by an Act of Parliament on July 1st 1995 Cap. 469 for the purpose of enhancing the mobilization of Government revenue, while providing effective tax administration and sustainability in revenue collection. Before 1995, the revenue collection functions of the Government were distributed among at least five different ministries and as a result, lacked in co-ordination. Their performance was characterized by inefficiency and low levels of accountability. The rationale behind the establishment of the Authority arose from the need to enhance efficiency, transparency and accountability in this critical area of the public sector. The main objective of the establishment of KRA therefore, was to streamline the public revenue collection function by bringing the relevant agencies under the umbrella of the central revenue agency, under the Ministry of Finance (KRA, 2009).

The Board and Management of KRA have since its inception spent time and resources setting up systems, procedures and the adoption of new strategies aimed at enhancing the operational efficiency of the Authority's processes. In particular, the functions of the Authority are: To assess, collect and account for all revenues in accordance with the specified provisions of all revenue collection laws; To advise on matters relating to the administration, and collection of revenue under the specified provisions of all revenue collection laws and, to perform such other functions in relation to revenue as the Minister of Finance may direct. In fulfilling its mandate, KRA administers 17 revenue Acts, with the key ones (in terms of revenue importance) being the Value Added Tax (VAT) Act (Cap. 476), the East African Community Customs Management Act (EACCMA), the Income Tax Act (Cap. 470), the Customs and Excise Act (excise provisions) (Cap. 472) and the Traffic Act (Cap. 403).

KRA has continued to enlarge in size as well as in the scope of its operations. Regarding the organization structure, KRA is composed by centralized and decentralized units, located across the national territory. The centralized units are basically situated at Times Towers in Nairobi, the capital of the country. The jurisdictions of the decentralized units are geographically distributed across the country in five fiscal regions namely: Southern, Central, Rift Valley, Western and
Northern Region (ibid). Due to enlarged scope of operation KRA has been restructured and created ten functional departments as shown in its organizational structure below in figure.

1.2 Statement of the Problem

Decision making becomes a problem when an organization grows; however, it becomes increasingly difficult to manage without more formal work assignments and some delegation of authority. The study notes that large organizations develop formal structures. Tasks are highly specialized and detailed rules and guidelines dictate work procedures. There are other notable factors that influence or affect decision making in an organization in a study of strategic management challenges, the study seeks to look at factors such as the organization culture, competition, strategy and leadership within the public organizations in Kenya. Traditionally, managers are expected to be involved in planning, control and decision making. In Kenyan parastatals, in particular, top manager entirely are occupied with making decisions and taking decisive actions. Managers are required to anticipate future events well in advance and to consider the options available to them in preparing the organisation to face the future events as they occur. However the management of parastatals often takes decision-making as synonymous with poor management. They judge good and bad decisions with the benefit of hindsight based on how the decision had been made in the first place. The manager’s role is to apply experience and knowledge of the industry, weigh up the risk involved and make the decision (Zaleznik, 2009). However, activities of parastatals managers when performing this important role have not been widely researched.

Earlier research into management decision making focussed on the economics of capital budgeting, the agency relationship between directors and shareholders, and uncertainty (Vroom, 2003). The nature of managerial involvement in management decision making is an area that has to date received limited attention from scholars. This is the basis of the curiosity that has led to the conduct of this research study. Since managerial activities take place within parastatals, managerial involvement should not be investigated in isolation but within such organisational context: thus the aim of the study and research questions discussed below.

For the purpose of this study, managerial involvement at parastatals includes proactive communications with other managers, confronting ambiguity and fuzziness, seeking
clarification, modifying ideas, exercising managerial judgment, and the manner in which senior and junior managers relate during decision making. The nature of managerial involvement as used in this study refers to nature of managerial activities with respect to the constitution of decision making teams, existing systems and usual order of events during the decision making process, and the characteristics of managerial judgment.

1.3 Purpose of the Study

The purpose of this study was to investigate the factors affecting management decision making at Kenya Revenue Authority

1.4 Research Questions

The study was guided by the following research questions:

1.4.1 How does leadership behaviour influencing management decision making at Kenya Revenue Authority?
1.4.2 What is the extent to which decision support systems adopted in the organization affects management decision making at Kenya Revenue Authority?
1.4.3 What role does the organizational structure play in management decision making at Kenya Revenue Authority?
1.4.4 How does the environment factor influence management decision making at Kenya Revenue Authority?

1.5 Justification of the Study

This study was important to various stakeholders. It was specifically important to the following stakeholders for the following reasons:

1.5.1 To Parastatals Managers

The study was important not only to managers but also to other managers in other parastatals. It will help them understand how to improve management decision making. The study will also help other Managers know the methods used in improving management decision making, which will help them, improve their management styles.
1.5.2 To Researchers

The study will be a source of reference material for future researchers on other related topics; it will also help other academicians who undertake the same topic in their studies. The study will also highlight other important relationships that require further research; this may be in the areas of improving management decision making and institutions performance.

1.5.3 To Academics

The results of this study shall be used by academics to discuss issues of improving management decision making in other Parastatals in Kenya.

1.6 Scope of the Study

The study was conducted in Times Tower Nairobi which is the headquarter of Kenya revenue authority due to its expansive size and a rich menu of programmes and the location is close to the researcher making it cost and time effective. The study will target the top management, departmental heads and staff. The research will be done in the month of January 2013 taking a span of one month.

1.7 Definition of Terms

1.7.1 Management

Is the act of getting people together to accomplish desired goals and objectives using available resources efficiently and effectively. Management comprises planning, organizing, staffing, leading or directing, and controlling an organization (a group of one or more people or entities) or effort for the purpose of accomplishing a goal (Rausch, 2003).

1.7.2 Decision Making

Decision making regarded as the mental processes (cognitive process) resulting in the selection of a course of action among several alternative scenarios. Every decision making process produces a final choice. The output can be an action or an opinion of choice (Fiedler, 2004).
1.7.3 Parastatal

A government-owned corporation, state-owned company, state-owned entity, state enterprise, publicly owned corporation, government business enterprise, commercial government agency or parastatal is a legal entity created by a government to undertake commercial activities on behalf of an owner government. Their legal status varies from being a part of government into stock companies with a state as a regular stockholder. There is no standard definition of a government-owned corporation (GOC) or state-owned enterprise (SOE), although the two terms can be used interchangeably. The defining characteristics are that they have a distinct legal form and they are established to operate in commercial affairs. While they may also have public policy objectives, GOCs should be differentiated from other forms of government agencies or state entities established to pursue purely non-financial objectives.

1.7.4 Decision Support Systems

Computer system designed to provide assistance in determining and evaluating alternative courses of action. A DSS acquires data from the mass of routine transactions of a firm, analyzes it with advanced statistical techniques to extract meaningful information, and narrows down the range of choices by applying rules based on decision theory. Its objective is facilitation of ‘what if’ analysis and not replacement of a manager's judgment. Provan (2009).

1.7.5 Organizational Structure

Consists of activities such as task allocation, coordination and supervision, which are directed towards the achievement of organizational aims. Organizational structure allows the expressed allocation of responsibilities for different functions and processes to different entities such as the branch, department, workgroup and individual Nutt (2006).

1.8 Chapter Summary

This first chapter outlines the background of the study, the problem statement, the objective of the study and the research questions. The chapter highlights the background behind the decision making. It briefly states the challenges that affect decision making; the chapter then identifies the gap presented with the background information in the problem statement and goes ahead to
create the objectives that are to be addressed by the study. This chapter also highlighted the importance of the study to the society.

Chapter 2 Literature Review: In this chapter a literature review will be provided on the concept of factors affecting management decision making in parastatals. Specific focus will be leveled on the leadership behaviour influencing management decision making, the extent to which decision support systems adopted in the organization affects management decision making, role which organizational structure playin management decision making and environment factor influence management decision making will be addressed in terms of their relevance to the research topic.

Chapter 3 Design and Methodology: In this chapter the study design and methodology will be addressed. Specific focus will be leveled at aspects such as study design, data collection, the target population, the choice of sampling method and data analysis.

Chapter 4 Results and Findings: In this chapter, a data analysis and interpretation of results was conducted on the data gleaned from the research survey conducted within the ambit of this research. Specific focus was leveled at aspects such as descriptive survey analysis and key research findings.

Chapter 5 Conclusions and Recommendations: In this chapter the research concluded and recommendations were made and final analogies of the research were drawn.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
This chapter looks into various literatures done on the aspects of management decision making. This chapter reviews the research questions. For each of the four aspects the researcher analyses the findings of the different author and presents the results of this studies.

2.2 Leadership Behavior Influence on Management Decision Making

So and Smith (2003) indicated that differences in decision makers’ cognitive styles, cognitive abilities and personality are important factors in decision making and performance. Further, the Myers-Briggs type indicator (MBTI) (Myers and McCauley, 2005 in So and Smith, 2003) is used to determine cognitive styles along two basic dimensions, perception (information acquisition), and judgment (data processing and evaluation). MBTI categories individuals as sensors or intuitors in the perception dimension; and MBTI classifies individuals as thinking or feeling types in judgment dimension.

Rausch (2003) indicated that managers’ leadership roles need consider 8 suggested questions as they develop a plan, solve a problem, meet a challenge, or seek to exploit an opportunity. The questions to be considered are goals (outcome), communications, participation, competence, satisfaction, co-operation, norms, and reviews.

Roberto (2003) stated that strategic leadership is a powerful, visual and conceptual guide to strategic behavior. It focuses the organization on the delivery of value to the customer and highlights the key areas where effort must be continuously directed. Thus, the management of an organization would simultaneously be performing their strategic leadership role and ensuring the competitive success.

Leaders are capable of showing and promoting more ethical behavior in organizations. Factors such as authority, norms, and culture are amendable by organizational leaders who have a great influence on ethical and unethical decision making. Ethical leaders act as role models, promote ethical behavior among its subordinates, take ethical considerations into account in decision making, and involve their subordinates in the decision making process. Rausch (2006) label this
construct as ethical leadership. Organizational leaders commonly focus on short-term results instead of long-term success, which became apparent after the start of the financial crisis. Ethical leadership mainly focuses on the long-term perspective. Many studies have investigated the relationship between ethical leadership and organizational outcomes, such as leader effectiveness, subordinates’ optimism about the future, and the creation of an ethical climate.

Famous study on leader behavior by Blake and Mouton (2005, in Barton and Martin, 2004) of Managerial Grid classified that leaders were grouped based on their degree of concern on people and production (i.e. work). The study identified manager’s leadership behavior as: Impoverish management – exertion of minimum effort to get required work done is appropriate to sustain organization membership, Country club management thoughtful attention to needs of people for satisfying relationships leads to a comfortable friendly organization atmosphere and work tempo, Authority-obedience efficiency in operations results from arranging conditions of work in such a way that human elements interfere to a minimum degree, Organization man management adequate organization performance is possible through balancing the necessity to get out work with maintaining morale of people at a satisfactory level, and Team management– work accomplishment is from committed people; interdependence through a common stake in organization purpose leads to relationships of trust and respect.

Meanwhile, Burke and Steensma (2008) indicated that executive career experiences had relationship to firm performance. Further, their career experiences will affect the leadership behavior. This happened as an executive tenure will determine the way he or she will think and further involved in the strategic decision making.

On the other hand, Winter-Ebmer and Zweimuller (2009) in their study discovered that firm’s pay structure is an important determinant of firm performance. They also stated that wage dispersion or compression may become an important decision variable for a firm once employee engage in social comparison. Thus, this wage dispersion factor may affect the manager’s behavior; and later will affect the firm performance.

Good governance is prescriptively conceptualized for the purposes of this study as the achievement by a democratic government of the most appropriate developmental policy objectives to sustainably develop its society, by mobilizing, applying and coordinating all
available resources in the public, private and voluntary sectors, domestically and internationally, in the most effective, efficient and democratic way (Brown, 2008). Public service delivery is similarly conceptualized as the implementation of public policy aimed at providing services to the public. Developmental policies are public policies which succeed in raising the quality of life of a society’s citizens. The objective with sustainable development in this sense is to achieve a self-sustaining improvement in medium to long term life quality. This implies inevitably a coherent systemic integration of development initiatives, resulting in a structural, functional and cultural consolidation of a new way of life; in fact the creation of a development culture in society (Amott and Matthaei, 2001).

2.2.1 Effective Leadership Characteristics

An effective leader must be able to lead and make effective decisions over the people and place that one is in charge of. A leader must be able to understand and communicate the truth to others, and must possess an aptitude to being effective. A good leader will communicate effectively the message and will convey the message from one person to the entire corporation. The leader must be qualified to make right decisions. Most of the other qualifications may apply to the majority of the people, but the aptitude of making effective decisions must apply to the leading leader. A leader must have the ability to inspire others (Burke and Steensma, 2008).

Poor leadership in the field of decision-making may discourage the entire organization. The leader must always effectively encourage others and live no room for a complaining attitude. These characteristics authorize a leader to make effective decisions and to enjoy the respect of many people. No one can enjoy the fruit of leadership without paying the price of great discipline, self-sacrifice, great patience, and many hardships that come within the package of effective decision-making leadership. Developing these characteristics of effective leadership takes time and experience, along with some serious personal preparation and study research. Good leadership decisions are most needed in difficult times and best leaders always arise in times of great distress (Amott and Matthaei, 2001). A leader that can accomplish leadership success in his assignments will accumulate great respect from all people.

Leaders should lead all people in an equal manner with no discrimination of any kind. There is no compatibility between failure and success in the field of decision making. The success of a leader is based on one’s ability to deal with hard decisions and build proper relations with the
followers. Spiritual leaders are to be proven by their effectiveness to produce quality and quantity decisions. Blackaby and Blackaby (2010) disapprove the type of pseudo leaders that reflects more on image, but is missing the substance of an effective leader. Effective decision-making is best achieved by dedicated leaders that appreciate what they do. The key of effective decision-making is based on the moral values that a leader holds.

The motivation of effective decision-making varies based on the approach of the theories of leadership. While the spiritual factor is most important in the life of Christian leaders, the theories of leadership should contribute to leadership development and motivation. Different motivations are important to produce effective decision-making within the working place. Select leadership values uncompromised approaches, proper work attitudes, and decision behaviors that motivate people with a sense spiritual calling and membership. An authentic leader will have a structured vision for the future of the organization that will be build on effective decision-making stages (Miller, 2009). A clear vision strongly hold by leadership will enlighten the direction where the organization is going to with a precise mission of the near to distant future. Effective vision sets the destination of the educational organization and energizes the people toward work achievements by establishing high standards of excellences to be attained.

According to Drucker (2006), the executive is, first of all, expected to get the right things done. And this is simply that he is expected to be effective. Drucker precisely suggests that effectiveness can be measured by the value of intelligence, imagination or creativity, and knowledge that are to be converted into results. Information and knowledge are valuable as part of the decision effectiveness, proper direction, ability to discern what matters most, and the contribution that performs results is to be reflected by the effective executive. Effective managers are focusing their attention on the quality of work and on the fundamental decisions.

According to Kouzes and Posner (2007), attending to moral values will always direct your eyes to higher purposes. Leadership is based on relationship between those who aspire to lead those who choose to follow. Miller (2009) stated that people learn new behaviors by observing others. Additionally, it is extremely important to maximize the importance of the combined view of the theoretical and practical aspect of leadership when decisions are on the verge to be made. An effective leader would greatly correlate the theoretical method with the practical approach. A
decisional leader will allow no room of tolerance, but a leadership strategy that will inspire many people to follow such leadership.

2.3 Decision Support Systems Adopted in Organizations Influence Management Decision Making

So and Smith (2003) stated that a major components of any information system is the individuals that supply, manipulate, access and rely on the system. Individual’s information needs and requirements for decision making are the reasons information systems exist. Bounds et. al, (2005) defined decision support systems (DSS) as information systems that use decision rules, decision models, a comprehensive database, and the decision maker’s own insights in an interactive computer-based process to assist in making specific decisions.

Priem (2001) stated DSS is a well established area of information system applications, which assists the decision makers to derive an in-time, efficient solution. A DSS may also be defined as an integrated, interactive and flexible computer system that supports all phases of decision making with a user-friendly interface, data and expert knowledge. Majchrzak and Gasser (2010) indicated that Top-Modeler can help managers in overcoming the burden of strategic decision making in their daily business operations. The system also assists the managers to understand their organization structure in gaining closest relationship possible.

Ulvila and Brown (2010) stated that decision tree analysis is the oldest and most widely used form of decision analysis. Managers have used it in making business decisions. On the other hand, Heenan and Addleman (2001) proposed that mangers to use multivariate analysis (MVA), the quantitative methods can help to evaluate the complex and intangible factors that influence consumers. Moreover, MVA had been used for application to business problems in consumer packaged goods and services sector.

Intuitive way of making decision making has been realized by various researchers in the decision making process. They realized that various decision makings were made based on managerial intuitions. Managers are still using their parapsychology of intuition in making decision, although they were provided with ample information. An article by Emerald Group Publishing Limited (EGPL, 2005) stated that good judgment based on knowledge, decision-making based
on what is known, is a talent which people charged in running organizations have in common and in which they all participate with widely varying levels of success.

Behling and Eckel (2001) in their research indicated that executives should rely more on intuition and less on the systematic analysis long considered being good management practice. They indicated four tenable conceptualizations suggest optimistic conclusions in two of three aspects of decision making. The conceptualizations are personality traits, unconscious process, set of behaviors, and distilled experience of which will lead to intuition. Personality traits, set of actions, and distilled experience maintain the intuitive decision making requires relatively small amount of information. While, unconscious process category suggest otherwise, implying that analytical and intuitive decision making are parallel processes using roughly the same amount of information.

Further, Basi (2008) purported that significant decisions are likely to be intuitive at the executive level. Meanwhile, Majchrzak and Gasser (2010) stated that senior managers made difficult strategic decisions that affect their entire organization; thus they often must rely on management experience and intuition. Robbins and Coulter (2005) stated that managers do make decisions based on intuition. They will be making decision based on the basis of experience, feelings, and accumulated judgment.

2.3.1 Participation Oriented Decision Making

This type of behavior is primarily concerned with improving strategic decision making; adopting to change in environment; increasing flexibility and innovation; making major changes in process, product, or services; and gaining commitment to change, (McCormick and Meiners, 2007). Some benefits of this type of decision making are given below: Study of competitors and outsiders to get ideas for organizational improvement; Encourage people to view problems or opportunities in a different way; Encourage and facilitate innovation and entrepreneurship by others; Encourage and facilitate learning by individuals and teams; Experiment with new approaches; Build a coalition of employees to improve work quality and work environment and; Empower people to implement new strategies.

Although participation has been defined conceptually and operationally in many different ways (Cotton, 2008), participation is generally defined as a process in which individuals, who are
otherwise hierarchically unequal, share the influence among themselves. Participatory management balances the involvement of managers and their subordinates in decision making, and problem-solving processes (Wagner, 2004). Historically, management theories presented by (Hertzberg, 2006, Liker, 2007; Maslow, 2004) has emphasized the significance of coordinating the human and organizational relationship so that productivity is enhanced and human capital is developed. Although some researchers have supported these efforts because of their purported benefits to the organization, others have supported participation as a moral imperative, viewing the quality of life movement as a means to improve employees’ motivation which in turn helps employees to feel good about their work (Spreitzer, Kizilos, and Nason, 2007).

Employee participation programs have gained considerable positive appeal among managers, employees, and scholars alike. Participative management practices have been commonly perceived to have positive effects on employee performance (Bush and Spangler, 2010), satisfaction at work, lower levels of absenteeism and turnover, and organizational effectiveness. Empirical evidence has provided moderate support for these claims. For example, in a Meta analysis and survey of previous reviews of the literature on participation, Wagner (2004) found that research has produced reliable evidence of statistically significant changes in performance and satisfaction that are positive in direction but limited in size.

These studies, however, have tended to operationalize a direct relationship between participation and job satisfaction. In contrast, Daniels and Bailey (2009) argued that the evidence regarding the impact of employee participation on job satisfaction has not been consistent. And Cotton (2003) and (2005) suggested that the individual and situational variables could affect relationship between participation and job satisfaction. Since there is lot of emphasis on performance and result-oriented government services, researchers in public administration and government services have stressed effective Human Resources Management strategies such as empowerment and participative management (Kim, 2002; Ting, 2006). These strategies maximize the utilization of the organization’s human resources and have a direct effect on organizational performance. Reduction of cost is an indirect effect associated with these resources.

Several researchers (Freeman, Rush, and Lance, 2009) have argued that fair treatment and enhancement of individuals’ empowerment may produce affective reactions towards work and, ultimately, reduce rates of absenteeism and turnover. Studies have also demonstrated that
participative decision making can be beneficial to workers mental health and satisfaction they get from their job. Locke, (2006), defined it as the, positive emotional state which from the appraisal of one’s job or job experience. Job satisfaction represents an interaction between employees and their work environment by measuring the congruence between what employees want and what employees feel they receive from their jobs. Although job satisfaction has long been expected to have important implications for organizational productivity, a review of empirical evidence fails to support the assertion that job satisfaction directly affects productivity. One study suggests that replacement costs are about 50% to 60% of an employee’s annual salary (Wysocki, 2007). Other costs may be even more important for government agencies.

High turnover of university professors may cause a decline in the teaching quality. Given the significant cost incurred from employees’ turnover and absenteeism for organizational performance, scholars must clearly identify variables related to quality of work life that affect employees job satisfaction in government sector organizations, such as participative management, job characteristics, and supervisor support. Robins (2004) points out that, “Work specialization contributes to higher employee productivity but it reduces job satisfaction. Participative decision making in decentralized organizations is positively related to job satisfaction.

Democratic societies uphold the right of people to influence decisions that will affect them in important ways. Involving others in making decisions is often necessary part of political process for getting decisions approved and implemented in organizations. Delegation is a power sharing process that occurs when a manager gives subordinates the responsibility and authority for making some decisions which were formerly made by a manager (Rainey, 2007). Empowerment involves the perception by members of an organization that they have the opportunity to determine their work roles, accomplish meaningful work, and influence important events.

2.4 Organizational Structure Role in Management Decision Making

By definition, organizational structure is referred as the specific working relationship among people and their jobs to efficiently and effectively achieve that purpose. Further, the structure is important as it helps people to understand their position and role in the organization’s processes, who they work with, who works with them, to do the company’s work (Bounds et. al, 2005).
In an extensive overview of organizational structure and its many component parts, Robbins (1990) discussed ways many of those parts are related to one another and therefore affect organizational structure. He maintained that organization structure defines task allocation, reporting relationships, and formal coordination mechanisms in an organization. An organization’s structure includes the three components of complexity, formalization, and centralization. Structural complexity refers to the extent to which there is differentiation, or a division of labor, in an organization. A complex structure has a greater need for communication across many departments horizontally or between many levels vertically. The more complex an organization is, the greater the need for effective communication, coordination, and control (Robbins, 1990).

The level of formalization dictates the degree to which rules and procedures guide organizational behavior. There exists a link between complexity and formalization. It has been found that, due to the skill of specialists in highly complex organizations, high complexity generally sets the tone for low formalization. A formalized structure includes many rules and procedures that dictate how organizational activities are to be carried out; therefore, formalization generally tends to reduce the amount of communication in an organization due to the discouragement of innovation (Hatch, 1997). Centralization determines where the decision-making authority in the organization lies. Highly centralized decision-making leads the senior executive(s) to make judgments. In organizations that are less centralized, decision-making authority trickles down to lower levels. Highly complex organizations are generally more decentralized while organizations lower in job specialization require a central locus of control. Decentralized organizations require more communication and employee involvement (Robbins, 1990).

Structure encompasses three other dimensions that are present in an organization. Organizations may be mechanistic, organic, or bureaucratic, depending on their levels of complexity, centralization, and formalization. A mechanistic organization harbors a highly complex, formalized, and centralized environment where tasks are greatly specialized, workers receive little discretion through the presence of strict procedures, and decisions are made at the highest level of the organization. Organic environments, the opposite of mechanistic organizations, involve low complexity where jobs are generalized, informal settings give employees discretion in completing their tasks, and decentralized structures give employees power to make decisions.
A bureaucracy, however, incorporates high levels of complexity and formalization while retaining decentralization. The bureaucratic organization is governed very closely by a set of rules and procedures, but employees at different levels are granted the ability to make decisions according to those rules.

Based on Kang and Sorensen (2009), they stated that ownership organization is an important variable from the perspective of sociological and organizational. The ownership organization will have an impact on firm performance as the managers go through strategic decision making. Burt et. al, (2004) studied corporate culture and firm performance. They viewed culture as a control mechanism. In order to do this, a firm needs to have a strong corporate culture that able to clarify a firm’s goals and practices. They discovered that economic performance can be enhanced by a strong corporate culture, economic success results in a strong corporate culture, culture and performance determined each other, and correlation between performance and culture strength is spurious.

Montanari (2008) stated that organization size, technology, or environment was proposed as the single most important determinant of organization structure. Meanwhile, Michailova and Husted (2004) conducted a study on Russian organizations. They discovered Russian organizations practice a highly centralized decision making. Based on Henry Fayol’s definition, managerial functions are identified by planning, organizing, commanding, coordinating, and controlling. Thus strategic decision makings are involved in mangers during the operations of an organization. Managers have to make thousands of strategic decisions in order to keep their organization in the pace of business.

Due to globalization era, managers have to think and act fast in order to capture all business opportunities. Meanwhile, they also have to eliminate, and if not mitigate, the level of threats toward their organization. Thus, managers’ strategic decision makings are crucial to the survival of the organization. Robbins and Coulter (2005) stated that decision is part of managerial functions. Further, decision making is important in a manager’s job.

2.4.1 Administrative Decision Making

Basi (2008) breaks up decision-makers in organisations into executives, managers or supervisors. These are categories that are part of the general management structure of a typical organisation.
Basi (2008) describes how executives need to have a high level of intuition when making decisions, and be able to scan to environment for threats and opportunities. The lower level of manager needs to have good compromise and negotiation skills to successfully see a decision through to implementation. Basi (2008) goes on to suggest this is because of the need to work with many differing work units to accomplish a goal. The lowest level of supervisor needs to have good computational abilities, as the types of decisions here are usually unambiguous and less consequential. The non-ambiguity associated with more routine decisions makes them more amenable towards analysis through computation (computer analysis and other types of modelling).

The final point that Basi (2008) makes is that as the organisation that a decision-making process is part of evolves from a paternalistic to a synergistic structure, the decision-making process must also change. In a paternalistic structure a dictative decision-making style can be successful, but in a synergistic structure stakeholders require that decisions be made in a joint effort.

Decision-making in public administration is a much debated but little understood subject. For one thing, there is confusion about the vocabulary. Expressions such as strategic planning, policy making and decision-making are used indiscriminately and interchangeably. There is also no consensus on what constitutes a decision. It is generally agreed that a decision involves a choice among alternative courses of action. But this does not really help in selecting which decisions should be the focus of study for administrative purposes. In public administration, the varying roles of administrators add to the difficulty of understanding decision-making. In most developing countries, administrators describe their role in terms of implementing the laws and policies enunciated by the Government. In only a few cultures would administrators describe their role in managerial terms? In the former, administrators may be performing important managerial and decision-making functions, but they use an entirely different language. Different points of view about decision-making in developing countries also complicate attempts at generalization. Four such points of view are mentioned by way of example (Robbins and Coulter, 2005). Decisions are the result of the dynamics of a highly complex social phenomenon in which different values, interests, institutions and individuals interact in a variety of ways elite makes the decisions. It may include persons inside or outside government. When it comes from inside, it may be concentrated in certain institutions, to the exclusion of others, an inspired and
charismatic leader makes the decisions, technocrats make the decisions, supposedly based on some concept of utility.

Administrative decision-making is hierarchical. Decisions at the lowest levels may be more structured and amenable to few options. Administrators at higher levels make decisions with more discretion. However, there are strong linkages among the decision-making levels, although the nature and scope of the decision may be different (Crook et al., 2003). The recognition of these linkages is important to improve both the formulation and implementation of decisions. Promoting interaction between various levels in terms of goals and objectives, rather than cases and transactions, is critical for improving the overall decision-making process.

Administrators need a better understanding of how the structure of organizations impinges upon decision-making authority. In addition to hierarchical linkages, there are lateral ones. Most substantive decisions involve the commitment or redeployment of personnel, financial and logistical resources which may be situated in different units. Operating managers have to interact with these units to make realistic decisions. While the value systems and criteria used by various units may differ significantly, strategies have to be developed to build consensus. Administrative decision-making at the higher levels almost always involves interdepartmental and inter-organizational collaboration. Arrangements to promote collaboration may be extremely difficult, as the different entities involved may have competing and conflicting interests. At a minimum, higher-level decision-making involves planning, finance and personnel agencies. Other substantive agencies may also have a stake in the decision (Brinkerhoff, 2007).

2.5 Environment Factors Influence Management Decision Making

Environment or external factors influenced strategic decision makings, and subsequently affected the organization performance. Managers made strategic decision makings based on the external factors that affect their decisions. As such, Porter (2009) in his famous Five Forces that explained the environmental factors that affect managers’ strategic decision making. Moreover in Crook et al., (2003) stated that their strategic decision-making concept of competitive edge model needs to evaluate industry analysis, competitor analysis, country analysis, stakeholder analysis, legal and regulatory analysis, and company analysis.
Provan (2009) stated that the organization must deal with an environment that is determined by the strategic decisions of top management. Apart from that, Provan (2009) also listed external environment factors that have an impact on decision making such as Porter’s “five-forces,” regulatory pressures, emergent technologies, and economic conditions. A popular belief in the business literature is that the competitive environment is growing increasingly complex, uncertain, and adverse (Harrington et al., 2002). Hitt, Ireland, and Hoskisson (2009) suggested that organizations in the “new competitive landscape” need to have the ability to adapt to environmental change with innovation and speed. Contingency theorists have asserted that organizations in uncertain environments should create flexible processes to react effectively to adversity or unanticipated change. This literature suggests that in order for decision makers to be successful, they need to be vigilant in their assessment of environmental conditions. However, conditions of threat (i.e., an impending event that can create negative consequences) impact decision makers’ ability to reach rational and effective responses.

According to the threat-rigidity thesis (Steensma, 2008), the dominant responses will be maladaptive if the task or environment has radically changed and adaptive if the causal relationship between process and performance is stable. Broadly, they suggested that an event that has potentially negative or harmful consequences for the vital interests of an individual or group leads to a set of responses that tend to be less varied or more rigid. According to Chilabs (2002) threats have cognitive and motivational effects on decision makers. Restriction in information processing may result when stress and anxiety induced by threats cause decision makers to confine their range of attention and decrease their awareness of peripheral cues. This makes processing of new or complex information difficult and restricts alternatives considered to those that are consistent with conservative and well-learned interpretive frames. Consequently, when under highly threatening situations, individuals will reduce their effort to search for information (Staw et al., 2001), leading to a sub-optimal decision.

Types of Decisions: Herbert Simon makes distinction between two types of decisions: programmed un-programmed decision making. Besides these two types there’s another type of decision known as participatory decision making. A brief explanation of each is mentioned in this study. Programmed decision are decisions that have been made so many times in the past that managers have developed rules or guideline to be applied when certain situations are
expected to occur (Black & Gregersen, 2007). Programmed decisions making are a routine that you make every time so that the organization run smooth. Managers can develop rules and guidelines to regulate all routine organizational activities. Most decisions are related to daily activities. In programmed decision making there will be no error in the decisions because it is a routine and managers usually have the information they need to create rules and guidelines to be followed by others. On the other hand, un-programmed decisions are made in response to unusual opportunities and threats. This type of decision making does not need rules or guidelines to be followed because the situation is unexpected or uncertain. Un-programmed decision making are likely to have error because it causes more problems for managers and is inherently challenging. Managers must rely on their intuition to quickly respond to a pressing concern.(Brenda, 2001)

Participatory decision-making (PDM) is the extent to which the administration allow or encourage everyone to share or participate in organizational decision-making (Probst, 2005). According to Cotton et al. (2008), the format of PDM could be formal or informal. In addition, the degree of participation could range from zero to 100% in different stages (Cotton et al., 2008). PDM is one of many ways in which an organization can make decisions. The leader must think of the best possible style that will allow the organization to achieve the best results. According to psychologist Abraham Maslow, workers need to feel a sense of belonging to an organization.

2.5.1 Environmental Complexity

Refers to the number of environmental factors that encroach on organisations; environmental instability is defined by the rate of change in these factors (Thompson, 2007); environmental munificence refers to the extent to which the environment supports sustained growth. Environmental complexity was defined as heterogeneity in the environment and the concentration of resources. Child (2002) conceptualised environmental complexity as the heterogeneity of and range of an organisation’s activities. Duncan (2002) argued that managers who deal with complex (i.e. heterogeneous) environments will perceive greater uncertainty and have greater information-processing requirements than managers with simple environments. Organisations operating in complex environments are confronted with conflicting demands from multiple constituencies. Managing these stakeholders might require various skills and
competencies that force companies to adopt more structural differentiation. As Gupta (2008) stated the more diverse an organisation’s environment, the more necessary it becomes to have a differentiated top management team in order to appropriately monitor the diversity of the environment. Environmental complexity requires significant changes in the organisation and affects a wide range of organisational functions.

Executives operating in complex environments will experience difficulty in identifying the key strategic factors and to use valuable resources and capabilities. Environmental complexity has been also operationalised as heterogeneity in the environment. Firms in complex environments face problem-solving situations and they require larger and more heterogeneous TMT to copy with the circumstances (Janis, 2002). Heterogeneous groups are likely to develop diverse interpretations and perspectives. In less complex environments, this heterogeneity is not needed and it might create communication barriers and conflict.

Thompson (2007) argued that the degree of environmental complexity creates challenges for Top Management and larger coalition. However, environmental complexity promotes greater differentiation within the Top Teams and reduces the opportunity for executives to interact, share resources and operate in a cohesive manner. Environmental demands characteristics require task specialization and make coordination difficult to achieve. As Galbraith (2003) has argued, complexity forces greater specialization and decentralization, reduces opportunities for coordination and increases the number of individuals involved in decision-making and their decision-making independence.

2.5.2 Environmental Munificence

Munificence was defined as the relative level of resources available in an environment and was measured by growth at industry level. Starbuck (2006) described munificent environment as the extent to which the environment can support sustained growth. Rajagopalan et. al. (2003) pointed out uncertain environments that are also munificent (e.g. high growth industries in initial stages of industry evolution) are very different from environments that are far less munificent (e.g. mature industries with declining demand or increasing competition). Hence, the performance effects of comprehensiveness are likely to be different across these environments. Aldrich (1979) and Starbuck (2006) state that organisations pursue permit organisational growth and stability
which enable organisations to accumulate slack resources. Munificence gives organisational flexibility and growth opportunities (Aldrich, 2009) and limits external threats (Cyert and March, 2003).

The lack of external threat allows agreement and cooperation between TMT members. On the other hand, environmental munificent offers TMT a variety of choices on how to compete and diversity on opinions (Dess and Origer, 2007). Organisations that operate in munificent environments have available resources and the problem is how to use these resources. Munificent environment provides the chance to the organisation to obtain resources for the development of additional capabilities and make a better use than the competitors. The availability of resources increases the possibility for innovation and favours the changes in structures required to generate a proactive environmental strategy. Williamson (2003) has suggested that organisations with available resources tend to hire more executives.

2.5.3 Environmental Dynamism/Instability

The second environmental dimension was dynamism, which was defined as the level of turbulence or instability facing an environment and measured by variability in growth rates. The literature in organisation theory and business-policy theory refers to dynamism as a measurement of environmental stability-instability. Therefore, the terms “dynamism” and “instability” are used interchangeably. Organisations that operate in dynamic industries will be more likely to show some homogenous elements of their environment that enable them to copy with uncertainty (Simon and March, 2008).

Thompson (2007) considered dealing with uncertainty the essence of the administrative process. Uncertainty also affects organisation structure because as task uncertainty increases, more information must be processed among decision makers to achieve a given level of performance. Environmental turbulence leads to externally induced changes…that are obscure to administrators and difficult to plan for. Adrich focused on the extent of interdependence among environmental connections. Aldrich (2009) argued that interconnections among organisations create uncertainty and that changes can come from anywhere without notice and produce consequence unanticipated by those initiating the changes and those experiencing the consequences.
Environments vary on the extent to which they are characterised by unpredictability and unexpected change (Mintzberg, 2009). This environmental instability can affect the way organisations are structured and operate and the composition of top management teams. Environmental instability may refer to the “steady-state” rate of change in environmental factors that affect the organisations or to the extent of discontinuous change in the environment. Environmental instability might affect TMT as well as board heterogeneity and size. Instable environments increase the variation and fragmentation of managerial work and therefore, enlarge the information-processing demands on the top team. The information processing requirements of unstable environments have two effects on Top Teams: greater heterogeneity and greater size.

As environments become unstable, the TMT has to increase the information absorbed and recalled, the different perspectives on a problem and the recommendations required (Shaw, 2001). Therefore, the greater information-processing capabilities of larger and more heterogeneous groups are needed to adapt to the greater information-processing requirements of unstable environments (Haleblian and Finkelstein, 2003).

Environmental instability might affect other aspects of TMT as well as the Boards of Directors. Challenging environments create demands on TMT and on board member’s to adapt to environmental requirements. TMTs face greater information processing and decision-making demands and pressure to reach decisions (Janis, 2002). This results in less interdependence and social integration among group members. TMT consensus will be more difficult to attain due to instability and diversity of perspectives. This diversity of opinions might create conflicts and make consensus elusive. In contrast, higher consensus may be relatively achievable in stable environments (Gupta, 2008). The more unstable the environment is, the less the degree of role interdependence within TMTs.

According to organisational theory perspective, a strong and unified leadership structure is easier to adapt to environmental demands. A single leader has more power to make critical decisions (Duncan, 2002). Furthermore, stewardship theory suggests that joint leadership structure facilitates decision-making and improves organisational performance under specific circumstances. The existence of a single leader during periods of high environmental turbulence facilitates a more unified corporate response to events and limits potential agency costs.
By default, the environmental forces and conditions, which are not perceived by decision makers, go unnoticed and do not affect management decisions and actions. Thus, firms may perceive the same environmental characteristics differently and respond with different strategy formulation behavior. Given that the process of perceiving and interpreting information from environmental sources is both complex and uncertain, a decision maker’s cognitions and individual background greatly impact upon the way an organisation is likely to adapt and, ultimately, determine its future strategic posture (Child, 2002). The co-alignment between environmental dimensions and management decision making contribute to an outstanding organizational performance.

2.6 Chapter Summary

This chapter has reviewed various literature and studies carried out on decision making. The chapter first reviewed the four objectives of the study. Other aspects that relate to decision making are then discussed as follows: leadership behaviour, decision support, organisational structure and environmental factors. From the literature has highlighted that decision-making is a common everyday phenomenon. The next chapter the study will address the design and methodology to be used to achieve the results of the study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

In this chapter, the researcher describes the research design chosen to answer the research questions: “factors affecting management decision making in parastatals in Kenya”. The research was carried out in the month of June 2012 and it took a span of two weeks. The researcher outlined the research aim and explains the research paradigm. The appropriateness of the use of the single case study was outlined and the research participants were described. The data-gathering tool and methods of analysis were fully set out. The researcher explained the research procedure which was followed.

3.2 Research Design

Research design is the plan and structure of investigation so conceived as to obtain answers to research questions. The plan is the overall scheme or program of the research (Robson, 2002). The research design used in this study was descriptive survey. According to Mugenda and Mugenda (1999) a descriptive research is a process of collecting data in order to answer questions concerning the current status of the subjects in the study. The primary use of descriptive statistics was to describe information or data through the use of numbers. The researcher chose this research design because the study aimed at collecting information from respondents on their attitudes and opinions in relation to outsourcing strategy and its effects on company's performance. The dependent variable for the study was factors affecting management decision making while the independent variable of the study were leadership behavior, decision support systems, organizational structure and environment factor.
3.3 Population and Sample Design

3.3.1 Population

“A population is an entire group of individuals, events or objects having common characteristics that conform to a given specification” (Mugenda & Mugenda, 2003: 9). According to Saunders (2003) the population is the full set of cases from which a sample is taken. The population study was the top management, middle level management and all the staffs of Kenya Revenue Authority.

Table 3.1: Population Distribution

<table>
<thead>
<tr>
<th>Level</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top management</td>
<td>22</td>
<td>3</td>
</tr>
<tr>
<td>middle management</td>
<td>37</td>
<td>4</td>
</tr>
<tr>
<td>Non managerial staff</td>
<td>794</td>
<td>93</td>
</tr>
<tr>
<td>Total</td>
<td>853</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: KRA (2012)

3.3.2 Sample Design and Sample Frame

3.3.2.1 Sampling Frame

“Sampling is the process of selecting a number of individuals for a study in such a way that the individual selected represents the large group from which they are selected.” (Mugenda & Mugenda, 2003: 260). According to Chandran (2003) a sample is a small proportion of an entire population; a selection from the population. Sampling procedure may be defined as a systematic process of individuals for a study to represent the larger group from which they are selected (Cooper and Schindler, (2003), Robson (2002). They all define sample as method of selecting a portion of the population for conducting a study in order to represents the population adequately since it is impossible to take the entire population because of time, financial factors and errors which will discourage the researcher and lead him to surrender the study.
3.3.2.2 Sampling Technique

Probability sampling occurs when the population has equal chance of being selected. The study used stratified random sampling. Using a stratified random sampling design this choice is made because it gives each item in the population an equal probability of being selected.

3.3.2.3 Sample Size

Using a stratified random sampling design this choice was made because it gives each item in the population an equal probability of being selected. A quota of 30% was established for each stratum in the institute from the three stratus of top management, heads of departments and lectures. Using stratified random sampling design, the researcher selected 256 respondents on whom to conduct the survey. A table of random Numbers was used to select the individual respondents for the study.

**Table 3.2 Sample Distribution**

<table>
<thead>
<tr>
<th>Category</th>
<th>Target population</th>
<th>Sample representation 30%</th>
<th>% sample representation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top management</td>
<td>22</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Departmental heads</td>
<td>37</td>
<td>11</td>
<td>4</td>
</tr>
<tr>
<td>Non managerial staff</td>
<td>794</td>
<td>238</td>
<td>93</td>
</tr>
<tr>
<td>Total</td>
<td>853</td>
<td>256</td>
<td>100</td>
</tr>
</tbody>
</table>

3.4 Data Collection Methods

Data collection is gathering empirical evidence in order to gain new insights about a situation and answer questions that prompt undertaking of the research (Flick, 1998). Primary will be collected for the study. Primary data is defined as first hand information received from a respondent. The study collected primary data from the field which was collected using semi-structured questionnaires. The questionnaires was used because they allowed the respondents to give their responses in a free environment and helped the researcher get information that would not have been given out had interviews been used. Semi structured questionnaire were used to collect data. The closed ended questions and likert scale questions were used for easy coding and
analysis while the open ended questions were used to elicit more information from respondents to complete any missing links. The questionnaire had items aimed at answering the study questions and it meets the research objectives. The choice of this tool of data collection was guided by the time available and the objectives of the study. Questionnaire provided a high degree of data standardization and adoption of generalized information amongst any population.

The current study utilized Questionnaires because of their economy, permit use of standardized questions, and had uniform procedures, provide time for subject to think about responses and are easy to score. Questionnaires also provided greater anonymity. In this study, this was important because information regarding management decision making may have invoke some reticence on the part of respondents. Since a large quantity of data was required, the questionnaire is suitable for this study. The current study will also use them because the population under study can read and write and the researcher will not mail the questionnaires but administered them directly and with the issue of ambiguous items, the researcher reviewed the reliability and validity of these items with the help of supervisors and peers. Further, the researcher conducted a pilot study to find out if the questionnaires gathered the information they were meant to gather.

The questionnaire were administered to the Human Resource of the Kenya Revenue Authority due to their busy schedules. The closed and semi-closed questionnaire were used to collect data relating to the topic of study. The Questionnaire consisted of five sections. Sections A was seeking to background information of the Kenya Revenue Authority staff. Section B was seeking information about leadership behaviour on management decision making in KRA. Section C solicited for data that seeks to compare decision support systems impact on management decision making in KRA. Section D established organizational structure impact on management decision making in KRA. Finally, section E collected information on environment factor impact on management decision making in KRA. The sub-sections in the questionnaire contained Likert Rating (LR) Scale which consisted of five statements adopted from Stevens (1951).

3.5 Research Procedures

The questionnaires composed of carefully constructed questions which avoided ambiguity facilitated answers to all the research questions. The questionnaires was pre-tested in a pilot
study through a sample of two top management, three departmental heads and five staff at the Kenya Revenue Authority limited to avoid respondent contamination (Kothari, 2007), after which corrections and adjustments was done; this ensured reliability.

It took a period of two weeks to collect the data required as all the respondents were within close proximity to each other, domesticated by the nature of their employment and positively acquainted to the researcher. The respondents were required to complete questionnaire as honestly and as completely as possible. The researcher used assistants who to distributed the questionnaires to the respondents. Upon completion, the research assistants collected the questionnaires and ensured high completion rate and return of the completed questionnaires. The researcher used drop and pick method so as to give the respondents enough time as possible to fill the questionnaire. The researcher discussed realistic time for completion of the questionnaire with the respondents and ensured that it was clearly stipulated that the research was purely academic and confidentiality was maintained all through the research process.

3.6 Data analysis
According to (Yin 1994), Data analysis consists of examining, categorizing, tabulating, or otherwise recombining the evidence to address the initial propositions of a study. Yin further proposes that a researcher should start with a general analytic strategy in order to yield priorities for what to analyze and why, by using any of four dominant analytic techniques namely: pattern-matching, explanation-building, time series analysis and program logic models.

Data collected was sorted, classified and coded then tabulated for ease of analysis. The data was summarized and categorized according to common themes. Data collected was analyzed using frequency distribution tables, descriptive statistics and inferential statistics. The SPSS (version 17) computer software aided the analysis as it was more users friendly and most appropriate for analysis of Management related attitudinal responses (Newton and Jeonghun, 2010).

3.7 Chapter summary
This chapter covered the methodology used to conduct the research on the factors affecting management decision making in parastatals in Kenya. A case study of Kenya Revenue Authority was adopted. The population of the study was top management, middle level management and staff of KRA. Questionnaires were used as the tools for data collection. The questionnaires were
self administered. The statistical package for social sciences (SPSS) was used to analyze data collected which will then be presented using tables. The following chapter covered results and findings of the study.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the results of data analysis and discussion of findings. Data analysis is organized according to the objectives of the study and is presented as follows: First, a summary of respondent’s background information is presented. This is followed by analysis of each of the relationships according to the five research objectives.

4.1.1 Response Rate

The study targeted to sample 256 respondents in collecting data with regard to an investigation of factors affecting management decision making in parastatals in Kenya with a specific reference Kenya Revenue Authority. From the study, 224 out of 256 sampled respondents filled in and returned the questionnaire contributing to 88%. This commendable response rate was made a reality after the researcher made personal visits to remind the respondent to fill-in and return the questionnaires.

Table 4:1: Response Rate

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responded</td>
<td>224</td>
<td>88</td>
</tr>
<tr>
<td>Not responded</td>
<td>32</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>256</td>
<td>100.0</td>
</tr>
</tbody>
</table>
4.2 Background Information

4.2.1 Gender of the Respondents
The study shows that majority of the respondents (67%) of those who took part in the study were male while 33% were female. This shows that gender parity was not considered in this study. The findings are as shown in figure 4.1 below.

![Gender Pie Chart]

Figure 4.1 Gender of the Respondents

4.2.2 Age of the Respondents
Figure 4.1 shows that most of the respondents were between ages of 31-40 years and 41-50 years as revealed by 44% and 41% of the respondents respectively. Seven percent of the respondents revealed that they were between 20-30 years of age while 8% were above 50 years of age. This is an indication that majority of the respondents are youthful and still at their active stage.
Figure 4.2 Age of the Respondents

### 4.2.3 Highest Level of Educational Qualification

Table 4.2 shows majority of the respondents (67%) had attained a bachelor degree as their highest level of education while 32% had Masters Degree. The study further established that 1% of the respondents had attained reached PhD level.

**Table 4.2 Highest Level of Educational Qualification**

<table>
<thead>
<tr>
<th>Level of Educ.</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>College Diploma</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bachelors Degree</td>
<td>150</td>
<td>67</td>
</tr>
<tr>
<td>Masters Degree</td>
<td>72</td>
<td>32</td>
</tr>
<tr>
<td>PhD</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>224</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

### 4.2.4 Department

The study aimed at investigating the respondents departments. According to the findings 37% who were the majority were from the customs department, 24% were from the Income Tax
department, 23% were from the Road Transport department and 17% were from the Value Added Tax department. This shows there was departmental disparity in filling the questions. The findings are as shown in table 4.3 below.

### Table 4.3 Department

<table>
<thead>
<tr>
<th>Department</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customs</td>
<td>82</td>
<td>37</td>
</tr>
<tr>
<td>Income Tax department</td>
<td>53</td>
<td>24</td>
</tr>
<tr>
<td>Value Added Tax department</td>
<td>38</td>
<td>17</td>
</tr>
<tr>
<td>Road Transport department</td>
<td>51</td>
<td>23</td>
</tr>
<tr>
<td>Total</td>
<td>224</td>
<td>100</td>
</tr>
</tbody>
</table>

#### 4.2.5 Current Level of Employment

The study shows that 70% of the respondents were non-managerial staffs, 28% were departmental heads while 2% were in the top management. This indicates that the respondents were respondents to all the targeted strata. The findings are as shown by figure 4.3 below.

![Figure 4.3 Current Level of Employment](image)
On the duration worked for Kenya Revenue Authority, most of the respondents (40%) indicated that they had worked for 9 years and above while 31% indicated that they had worked for KRA for 6-8 years. Only, 6% of the respondents revealed that they had worked at KRA for 2 years and below 23% had worked for duration of 3-5 years. This is a clear indication that majority of the respondents have experience due to the period they have worked in KRA. The study findings are as shown below.

Table 4.4 Duration worked for Kenya Revenue Authority

<table>
<thead>
<tr>
<th>Duration</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 years &amp; below</td>
<td>14</td>
<td>6</td>
</tr>
<tr>
<td>3-5 years</td>
<td>52</td>
<td>23</td>
</tr>
<tr>
<td>6-8 years</td>
<td>69</td>
<td>31</td>
</tr>
<tr>
<td>9 years and above</td>
<td>89</td>
<td>40</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>224</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

On the number of employees in the departments, 32% of the respondents indicated that they were between 50-100 in their department and 29% indicated that they had 101-150 employees in their department. Only 16% of the respondents revealed that their department had less than 50 employees while 23% revealed that they had over 150 employees in their department.

Table 4.5 Number of Employees in the Department

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 50</td>
<td>36</td>
<td>16</td>
</tr>
<tr>
<td>50 – 100</td>
<td>72</td>
<td>32</td>
</tr>
<tr>
<td>101 – 150</td>
<td>64</td>
<td>29</td>
</tr>
<tr>
<td>More than 150</td>
<td>52</td>
<td>23</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>224</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
4.3 Leadership Behaviour

The study shows that majority of the respondents (87.5%) were in agreement that leadership behavior has an influence on management decision making in KRA. Only 12.5% of the respondents indicated that it didn’t influence.

Figure 4.4 Leadership behavior and Management Decision Making in KRA

4.3.1 Whether Leadership behavior Influence on Management Decision Making in KRA

Leadership behavior at KRA tend to lean on favor the management rather than on development and the needs of the institution where the majority fall and besides doesn’t look into the clients need which are the most vital, hence compromising on quality of services.

4.3.2 Inclusion in the Decision Making Process

On the whether the respondents were included in the decision making process, 92% of the respondents revealed that they were not included in the company’s decision making process; only 8% of the respondents revealed that they took part in the decision making process at KRA.
4.3.3 KRA Leadership Style

The study shows that most of the respondents (39%) revealed that leadership styles at KRA were obsolete and passed by modern times while 28% indicated that it was efficient and timely. However, 335 of the respondents were of the opinion that KRA leadership style was bureaucratic and sluggish.

Table 4.6 KRA Leadership Style

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficient and timely</td>
<td>63</td>
<td>28</td>
</tr>
<tr>
<td>Bureaucratic and sluggish</td>
<td>74</td>
<td>33</td>
</tr>
<tr>
<td>Obsolete and passed by modern times</td>
<td>87</td>
<td>39</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>224</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

4.3.4 Extent KRA leadership style corresponds with the given leadership behaviour

A scale of 1-5 was used. The scores “Never” and “Very little” were represented by mean score, equivalent to 1 to 2.5 on the continuous Likert scale (1 ≤ Disagree ≤ 2.5). The scores of
‘Sometimes’ were equivalent to 2.6 to 3.5 on the Likert scale (2.6 ≤ Sometimes ≤ 3.5). The score of “Considerable” and “Very great” was equivalent to 3.6 to 5.0 on the Likert Scale (3.6 ≤ Considerable ≤ 5.0).

Majority of the respondents revealed that KRA considered initiates and directs goals for the staff to support and accomplish, appreciated ideas and abilities of management and support staff, delegate power of responsibility to management and support staff, encouraged performance standard as a mutual agreement to all stakeholders and shared success and failures with other KRA stakeholders to a considerable extent; this is shown by mean scores of 3.9, 3.9, 3.8, 3.8 and 3.7 respectively on the continuous likert scale. However, the respondents revealed that sometimes decision making was consultative and that sometimes management and support staff were allowed to function freely as they wish; this is shown by mean scores of 3.0 and 2.3 respectively on the continuous likert scale.

| Table 4.7 Extent KRA leadership style corresponds with the given leadership behaviour |
|---------------------------------|---|---|
| Initiates and directs goals for the staff to support and accomplish | 3.9 | 1.4 |
| Appreciate ideas and abilities of management and support staff | 3.9 | 1.7 |
| Delegate power of responsibility to management and support staff. | 3.8 | 1.5 |
| Encourages performance standard as a mutual agreement to all stakeholders. | 3.8 | 1.3 |
| Share success and failures with other KRA stakeholders | 3.7 | 1.5 |
| Consultative in decision making | 3.0 | 1.6 |
| Allows management and support staff to function freely as they wish | 2.3 | 1.5 |

4.3.5 Ethics of Decision Making

Here, the researcher sought to find out the extent to which respondents agreed with the statements relating to ethics of decision making. A scale of 1-5 was used. The scores “No extent” and “Little extent” were represented by mean score, equivalent to 1 to 2.5 on the continuous Likert scale (1 ≤ Little extent ≤ 2.5). The scores of ‘Moderate extent’ were equivalent to 2.6 to 4.0.
3.5 on the Likert scale (2.6 ≤ Moderate extent ≤ 3.5). The score of “Great extent” and “Very great extent” was equivalent to 3.6 to 5.0 on the Likert Scale (3.6 ≤ Great extent ≤ 5.0).

On ethics of decision making, majority of the respondents agreed to great extent that leaders in KRA mainly focused on the long-term perspective, ethical leaders acted as role models and that leaders in KRA take ethical considerations into account in decision making; this is shown by mean scores of 4.3, 3.9 and 3.8 respectively on the continuous likert scale. However, the respondents agreed to a moderate extent that leaders in KRA involved their subordinates in the decision making process and that leaders in KRA promoted ethical behavior among its subordinates; this is shown by mean scores of 3.4 and 3.3 respectively.

Table 4.8 Ethics of Decision Making

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leaders in KRA mainly focuses on the long-term perspective</td>
<td>4.3</td>
<td>1.8</td>
</tr>
<tr>
<td>Ethical leaders act as role models</td>
<td>3.9</td>
<td>1.4</td>
</tr>
<tr>
<td>Leaders in KRA take ethical considerations into account in decision making</td>
<td>3.8</td>
<td>1.7</td>
</tr>
<tr>
<td>Leaders in KRA involve their subordinates in the decision making process</td>
<td>3.4</td>
<td>1.5</td>
</tr>
<tr>
<td>Leaders in KRA promote ethical behavior among its subordinates</td>
<td>3.3</td>
<td>1.4</td>
</tr>
</tbody>
</table>

4.4 Decision Support Systems

Figure 4.6 shows that majority of the respondents (60%) agreed that decision support systems adopted in KRA affected management decision making; however 38% of the respondents were of the contrary opinion.
Figure 4.6 Whether Decision Support Systems Adopted in KRA Affect Management Decision Making

On the decision support systems applications, majority of the respondents agreed to a great extent that a decision maker’s own insights and judgments assists the managers to understand their organization structure in gaining closest relationship possible and that an interactive computer-based modeling process can help to evaluate the complex and intangible factors that influence consumers. Further, the respondents agreed to a great extent that analytical models assisted the decision makers to derive an in-time, efficient solution. However, the respondents agreed to a moderate extent that specialized databases help managers in overcoming the burden of strategic decision making in their daily business operations.

Table 4.9 Decision Support Systems Applications

<table>
<thead>
<tr>
<th>Description</th>
<th>Mean</th>
<th>Std. deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>A decision maker’s own insights and judgments assists the managers to understand their organization structure in gaining closest relationship possible</td>
<td>4.2</td>
<td>1.6</td>
</tr>
<tr>
<td>An interactive computer-based modeling process can help to evaluate the complex and intangible factors that influence consumers</td>
<td>3.9</td>
<td>1.8</td>
</tr>
<tr>
<td>Analytical models assists the decision makers to derive an in-time, efficient solution</td>
<td>3.9</td>
<td>1.7</td>
</tr>
<tr>
<td>Specialized databases help managers in overcoming the burden of strategic decision making in their daily business operations</td>
<td>3.4</td>
<td>1.6</td>
</tr>
</tbody>
</table>
Majority of the respondents agreed to great extent that participation oriented decision making in organizations encouraged people to view problems or opportunities in a different way ensuring organizational performance and that decision making in KRA is as a form of experiment with new approaches which affects the overall performance; this is shown by mean scores of 4.6 and 4.2 respectively. Further, the respondents agreed to a great extent that participation oriented decision making in organizations encouraged and facilitated innovation and entrepreneurship by others hence boosting KRA overall performance (4.0) and that decisions made at KRA empowered people to implement new strategies hence ensuring performance (3.9). Moreover, the respondents agreed to a great extent that participation oriented decision making in organizations encouraged and facilitate learning by individuals and teams ensuring performance; this is shown by a mean score of 3.9 on the likert scale.

### Table 4.10 Benefits of Participation Oriented Decision Making In Organizations

<table>
<thead>
<tr>
<th>Description</th>
<th>Mean</th>
<th>Std. deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation oriented decision making in organizations encourage people to view problems or opportunities in a different way ensuring organizational performance</td>
<td>4.6</td>
<td>1.5</td>
</tr>
<tr>
<td>Decision making in KRA is as a form of experiment with new approaches which affects the overall performance</td>
<td>4.2</td>
<td>1.4</td>
</tr>
<tr>
<td>Participation oriented decision making in organizations encourage and facilitate innovation and entrepreneurship by others hence boosting KRA overall performance</td>
<td>4.0</td>
<td>1.5</td>
</tr>
<tr>
<td>Decisions made at KRA empower people to implement new strategies hence ensuring performance</td>
<td>3.9</td>
<td>1.8</td>
</tr>
<tr>
<td>Participation oriented decision making in organizations encourage and facilitate learning by individuals and teams ensuring performance</td>
<td>3.9</td>
<td>1.6</td>
</tr>
<tr>
<td>Decision made at KRA build a coalition of employees to improve performance</td>
<td>3.6</td>
<td>1.6</td>
</tr>
<tr>
<td>Study of competitors and outsiders to get ideas for organizational performance</td>
<td>2.9</td>
<td>1.6</td>
</tr>
</tbody>
</table>
4.5 Organizational Structure

In this section, the study sought to establish the extent to which various elements of organizational structure affects decision making at KRA.

The study established that elements of organizational structure such as centralization and decentralization, formalization, departmentalization and chain of command affected decision making at KRA to a great extent; this is shown by mean scores of 4.4, 4.1, 4.0 and 3.9 respectively on the likert scale. However the respondents indicated that span of control and work specialization affected decision making at KRA to a moderate extent as shown by mean scores of 3.5 and 3.0 respectively.

Table 4.11 Elements of Organizational Structure and Decision Making at KRA

<table>
<thead>
<tr>
<th>Element</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centralization and decentralization</td>
<td>4.4</td>
<td>1.6</td>
</tr>
<tr>
<td>Formalization</td>
<td>4.1</td>
<td>1.5</td>
</tr>
<tr>
<td>Departmentalization</td>
<td>4.0</td>
<td>1.4</td>
</tr>
<tr>
<td>Chain of command</td>
<td>3.9</td>
<td>1.5</td>
</tr>
<tr>
<td>Span of control</td>
<td>3.5</td>
<td>1.6</td>
</tr>
<tr>
<td>Work specialization</td>
<td>3.0</td>
<td>5.6</td>
</tr>
</tbody>
</table>

The study established that the current organizational structure at KRA depicted working relationship among people and their jobs to efficiently and effectively achieved that purpose; this was agreed upon by 68% of the respondents; however 32% were of the contrary opinion.
Figure 4.7 Organizational Structure at KRA Depict Working Relationship

Majority of the respondents (50%) indicated that size states the organisation structure of KRA while 29% indicated that technology states the organisation structure. Further, 21% of the respondents revealed that environment states the organisation structure of KRA.

Figure 4.8 What States Organisation Structure of KRA

The respondents agreed to a great extent that administrative decision making in KRA enabled a scan of environment for threats and opportunities; and that administrators at higher levels make decisions which are highly considered than for the non managerial staffs; this is shown by mean scores 4.2 and 4.0 respectively. However, the respondents agreed to a moderate extent that in an organization with a more formal and hierarchical structure a dictative decision-making style can be successful (3.3) while on the other hand, the respondents agreed to a little extent that the
varying roles of administrators add to the difficulty of understanding decision-making as shown by a mean score of 2.1 on the likert scale.

**Table 4.12 Administrative Decision Making in KRA**

<table>
<thead>
<tr>
<th>Administrative decision making in KRA enable scan of environment for threats and opportunities</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative decision making in KRA enable scan of environment for threats and opportunities</td>
<td>4.2</td>
<td>1.3</td>
</tr>
<tr>
<td>Administrators at higher levels make decisions which are highly considered than for the non managerial staffs</td>
<td>4.0</td>
<td>1.2</td>
</tr>
<tr>
<td>In an organization with a more formal and hierarchical structure a dictative decision-making style can be successful</td>
<td>3.3</td>
<td>1.4</td>
</tr>
<tr>
<td>The varying roles of administrators add to the difficulty of understanding decision-making</td>
<td>2.0</td>
<td>1.4</td>
</tr>
</tbody>
</table>

**4.6 Environment Factor**

Majority of the respondents agreed to a great extent that joint leadership structure facilitates decision-making and improves organisational performance (4.3) and environmental instability can affect the way organisations are structured and operate and the composition of top management teams (4.2). Further the respondents agreed to a great extent that a strong and unified leadership structure was easier to adapt to environmental demands (3.9). However, the respondents agreed to a little extent that environmental instability might affect the board size; this is shown by a mean score of 2.4.
Table 4.13 Level of Turbulence or Instability Facing an Environment

<table>
<thead>
<tr>
<th>Description</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint leadership structure facilitates decision-making and improves organisational performance</td>
<td>4.3</td>
<td>2.8</td>
</tr>
<tr>
<td>Environmental instability can affect the way organisations are structured and operate and the composition of top management teams</td>
<td>4.2</td>
<td>2.8</td>
</tr>
<tr>
<td>A strong and unified leadership structure is easier to adapt to environmental demands</td>
<td>3.9</td>
<td>1.5</td>
</tr>
<tr>
<td>A single leader has more power to make critical decisions</td>
<td>3.7</td>
<td>1.2</td>
</tr>
<tr>
<td>Environmental instability might affect the board size</td>
<td>2.3</td>
<td>1.3</td>
</tr>
</tbody>
</table>

Majority of the respondents (51%) revealed that KRA decisions environment was participatory decision making environment, 25% indicated that it was a programmed decision making environment while on the other hand 24% revealed that it was an un-programmed decision making environment.

Table 4.14 KRA Decisions Environment

<table>
<thead>
<tr>
<th>Environment</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programmed decision making environment</td>
<td>57</td>
<td>25</td>
</tr>
<tr>
<td>Un-programmed decision making environment</td>
<td>53</td>
<td>24</td>
</tr>
<tr>
<td>Participatory decision making environment</td>
<td>114</td>
<td>51</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>224</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
4.7 Chapter Summary

The chapter has analyzed the data as collected from the respondents. The questions aimed at answering the research questions of the study. The next chapter is chapter 5 which presents the studies discussions, conclusions and recommendations.
CHAPTER FIVE

5.0 DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides the summary of the findings from chapter four, and also it gives the conclusions and recommendations of the study based on the objectives of the study.

5.2 Summary

The purpose of this study is to investigate the factors affecting management decision making at Kenya Revenue Authority. The study was guided by the following research questions: how does leadership behaviour influencing management decision making at Kenya Revenue Authority?, what is the extent to which decision support systems adopted in the organization affects management decision making at Kenya Revenue Authority?, what role does the organizational structure play in management decision making at Kenya Revenue Authority? and how does the environment factor influence management decision making at Kenya Revenue Authority?

The research design used in this study was descriptive survey. The population study was the top management, middle level management and all the staffs of Kenya Revenue Authority. Stratified random sampling design was used whereby a 30% proportion was taken from each of the three stratus of top management, heads of departments and staffs giving a sample of 256 respondents. Primary was collected through the use of a semi-structured questionnaire. The questionnaires were first pre-tested in a pilot study on staffs at the British American Tobacco and adjustments were done. The researcher used drop and pick method so as to give the respondents enough time as possible to fill the questionnaire. Data collected was sorted, classified and coded then tabulated for ease of analysis. The data was summarized and categorized according to common themes. Data collected was analyzed through descriptive statistics. The SPSS (version 17) computer software aided the analysis. The analyzed data was presented in tables and figures.

The study shows that majority of the respondents were in agreement that leadership behavior has an influence on management decision making in KRA. Only a few of the respondents indicated that it didn’t influence. On the whether the respondents were included in the decision making
process, majority of the respondents revealed that they were not included in the company’s decision making process. The study shows that most of the respondents revealed that leadership styles at KRA were obsolete and passed by modern times and that it was efficient and timely. However, a number of the respondents were of the opinion that KRA leadership style was bureaucratic and sluggish.

Majority of the respondents revealed that KRA considered initiates and directs goals for the staff to support and accomplish, appreciated ideas and abilities of management and support staff, delegate power of responsibility to management and support staff, encouraged performance standard as a mutual agreement to all stakeholders and shared success and failures with other KRA stakeholders to a considerable extent. However, the respondents revealed that sometimes decision making was consultative and that sometimes management and support staff were allowed to function freely as they wish. On ethics of decision making, majority of the respondents agreed to great extent that leaders in KRA mainly focused on the long-term perspective, ethical leaders acted as role models and that leaders in KRA take ethical considerations into account in decision making. However, the respondents agreed to a moderate extent that leaders in KRA involved their subordinates in the decision making process and that leaders in KRA promoted ethical behavior among its subordinates.

On decision support systems majority agreed that they affected management decision making in KRA. Majority of the respondents agreed to a great extent that a decision maker’s own insights and judgments assists the managers to understand their organization structure in gaining closest relationship possible and that an interactive computer-based modeling process can help to evaluate the complex and intangible factors that influence consumers. Further, the respondents agreed to a great extent that analytical models assisted the decision makers to derive an in-time, efficient solution. However, the respondents agreed to a moderate extent that specialized databases help managers in overcoming the burden of strategic decision making in their daily business operations.

Majority of the respondents agreed to great extent that participation oriented decision making in organizations encouraged people to view problems or opportunities in a different way ensuring organizational performance and that decision making in KRA is as a form of experiment with new approaches which affects the overall performance. Further, the respondents agreed to a great
extent that participation oriented decision making in organizations encouraged and facilitated innovation and entrepreneurship by others hence boosting KRA overall performance and that decisions made at KRA empowered people to implement new strategies hence ensuring performance. Moreover, the respondents agreed to a great extent that participation oriented decision making in organizations encouraged and facilitate learning by individuals and teams ensuring performance.

The study established that elements of organizational structure such as centralization and decentralization, formalization, departmentalization and chain of command affected decision making at KRA to a great extent. However the respondents indicated that span of control and work specialization affected decision making at KRA to a moderate extent. Further, the study established that the current organizational structure at KRA depicted working relationship among people and their jobs to efficiently and effectively achieved that purpose.

Majority of the respondents indicated that size states the organisation structure of KRA while a number indicated that technology states the organisation structure and a few indicated that environment states the organisation structure of KRA. The respondents agreed to a great extent that administrative decision making in KRA enabled a scan of environment for threats and opportunities; and that administrators at higher levels make decisions which are highly considered than for the non managerial staffs. However, the respondents agreed to a moderate extent that in an organization with a more formal and hierarchical structure a dictative decision-making style can be successful while on the other hand, the respondents agreed to a little extent that the varying roles of administrators add to the difficulty of understanding decision-making.

Majority of the respondents agreed to a great extent that joint leadership structure facilitates decision-making and improves organisational performance and environmental instability can affect the way organisations are structured and operate and the composition of top management teams. Further the respondents agreed to a great extent that a strong and unified leadership structure was easier to adapt to environmental demands. However, the respondents agreed to a little extent that environmental instability might affect the board size.
5.3 Discussion

5.3.1 Leadership Behavior Influence on Management Decision Making

The study shows that majority of the respondents were in agreement that leadership behavior has an influence on management decision making in KRA. According to Burke and Steensma, 2008, a leader must have the ability to inspire others. An effective leader must be able to lead and make effective decisions over the people and place that one is in charge of and that a leader must be able to understand and communicate the truth to others, and must possess an aptitude to being effective. However, the respondents revealed that they were not included in the company’s decision making process. This is contrary to Rausch (2003) who indicated that managers’ leadership roles need consider suggested questions as they develop a plan, solve a problem, meet a challenge, or seek to exploit an opportunity. The questions to be considered are goals (outcome), communications, participation, competence, satisfaction, co-operation, norms, and reviews.

In the study, most of the respondents most revealed that leadership styles at KRA were obsolete and passed by modern times while a few indicated that it was efficient and timely. However, of the respondents were of the opinion that KRA leadership style was bureaucratic and sluggish. According to So and Smith (2003) indicated that differences in decision makers’ cognitive styles, cognitive abilities and personality are important factors in decision making and performance. Majority of the respondents revealed that KRA considered initiates and directs goals for the staff to support and accomplish, and that they appreciated ideas and abilities of management and support staff. This is in line with Crook et al., (2003) findings who revealed that promoting interaction between various levels in terms of goals and objectives, rather than cases and transactions, is critical for improving the overall decision-making process. The respondent also indicated that leaders delegated power of responsibility to management and support staff, encouraged performance standard as a mutual agreement to all stakeholders and shared success and failures with other KRA stakeholders to a considerable extent. Moreover, the respondents revealed that sometimes decision making was consultative and that sometimes management and support staff were allowed to function freely as they wish. Rausch (2003) revealed that managers’ leadership roles need to consider goals (outcome), communications, participation, competence, satisfaction and co-operation.
On ethics of decision making, majority of the respondents agreed to great extent that leaders in KRA mainly focused on the long-term perspective, ethical leaders acted as role models and that leaders in KRA take ethical considerations into account in decision making. This concurs with Rausch (2006) who revealed that ethical leaders should take ethical considerations into account in decision making, and involve their subordinates in the decision making process; ethical leaders act as role models, promote ethical behavior among its subordinates. However, the respondents revealed that leaders in KRA involved their subordinates in the decision making process to a moderate extent and that leaders in KRA promoted ethical behavior among its subordinates also to a moderate extent. Rausch (2006) asserts that leaders need to show and promote more ethical behavior in organizations and that factors such as authority, norms, and culture are amendable by organizational leaders who have a great influence on ethical and unethical decision making.

5.3.2 Decision Support Systems Adopted in Organizations Influence Management Decision Making

Majority of the respondents agreed that decision support systems adopted in KRA affected management decision making. On the systems applications, majority of the respondents agreed to a great extent that a decision maker’s own insights and judgments assists the managers to understand their organization structure in gaining closest relationship possible and that an interactive computer-based modeling process can help to evaluate the complex and intangible factors that influence consumers. Further, the respondents agreed to a great extent that analytical models assisted the decision makers to derive an in-time, efficient solution. The respondents also agreed that specialized databases help managers in overcoming the burden of strategic decision making in their daily business operations, though to a moderate extent. According to Majchrzak and Gasser (2010), decision support systems can help managers in overcoming the burden of strategic decision making in their daily business operations and also assists the managers to understand their organization structure in gaining closest relationship possible.

Majority of the respondents agreed to great extent that participation oriented decision making in organizations encouraged people to view problems or opportunities in a different way ensuring organizational performance and that decision making in KRA is as a form of experiment with new approaches which affects the overall performance. This concurs with Spreitzer, Kizilos, and
Nason, (2007) who found participation as a moral imperative, viewing the quality of life movement as a means to improve employees’ motivation which in turn helps employees to feel good about their work. Wagner, (2004) also revealed that participatory management balances the involvement of managers and their subordinates in decision making, and problem-solving processes.

The study further shows that respondents agreed to a great extent that participation oriented decision making in organizations encouraged and facilitated innovation and entrepreneurship by others hence boosting KRA overall performance and that decision made at KRA empowered people to implement new strategies hence ensuring performance. Moreover, the respondents agreed to a great extent that participation oriented decision making in organizations encouraged and facilitate learning by individuals and teams ensuring performance. This is in line with McCormick and Meiners, (2007) who revealed that participation oriented decision making encourage people to view problems or opportunities in a different way; encourage and facilitate innovation and entrepreneurship by others; encourage and facilitate learning by individuals and teams; experiment with new approaches; build a coalition of employees to improve work quality and work environment and; empower people to implement new strategies.

5.3.3. Organizational Structure Role in Management Decision Making

Majority of the respondents indicated that size states the organisation structure of KRA while a few indicated that technology states the organisation structure. This is line with Montanari (2008) who stated that organization size, technology, or environment was proposed as the single most important determinant of organization structure. The study further established that the current organizational structure at KRA depicted working relationship among people and their jobs to efficiently and effectively achieved that purpose. This concurs with Bounds et. al, (2005) who revealed that organizational structure is referred as the specific working relationship among people and their jobs to efficiently and effectively achieve that purpose. The structure is also important as it helps people to understand their position and role in the organization’s processes, who they work with, who works with them, to do the company’s work.

The study established that elements of organizational structure such as centralization and decentralization, formalization, departmentalization and chain of command affected decision
making at KRA to a great extent. According to Hatch, (1997), the level of formalization dictates the degree to which rules and procedures guide organizational behavior. There exists a link between complexity and formalization. It has been found that, due to the skill of specialists in highly complex organizations, high complexity generally sets the tone for low formalization. A formalized structure includes many rules and procedures that dictate how organizational activities are to be carried out; therefore, formalization generally tends to reduce the amount of communication in an organization due to the discouragement of innovation. On the other hand, Robbins, 1990 revealed that centralization determines where the decision-making authority in the organization lies. Highly centralized decision-making leads the senior executive(s) to make judgments. In organizations that are less centralized, decision-making authority trickles down to lower levels. Highly complex organizations are generally more decentralized while organizations lower in job specialization require a central locus of control and that decentralized organizations require more communication and employee involvement.

5.3.4 Environment Factors Influence Management Decision Making

Majority of the respondents agreed to a great extent that joint leadership structure facilitates decision-making and improves organisational performance and environmental instability can affect the way organisations are structured and operate and the composition of top management teams. Executives operating in complex environments will experience difficulty in identifying the key strategic factors and to use valuable resources and capabilities. This concurs with Janis, (2002) who indicated that environmental complexity has been operationalised as heterogeneity in the environment and that firms in complex environments face problem-solving situations and they require larger and more heterogeneous TMT to copy with the circumstances.

Further the respondents agreed to a great extent that a strong and unified leadership structure was easier to adapt to environmental demands. This concurs with Duncan, (2002) who indicated that, a strong and unified leadership structure is easier to adapt to environmental demands. A single leader has more power to make critical decisions. Stewardship theory also suggests that joint leadership structure facilitates decision-making and improves organisational performance under specific circumstances. However, the respondents agreed to a little extent that environmental instability might affect the board size; this finding is contrary to stewardship theory which shows
that the existence of a single leader during periods of high environmental turbulence facilitates a more unified corporate response to events and limits potential agency costs.

5.4 Conclusions

The following are the major conclusions to the study.

5.4.1 Leadership Behavior Influence on Management Decision Making

The study concludes that leadership behaviour influence management decision making at Kenya Revenue Authority. Leader must have the ability to inspire others and should be able to lead and make effective decisions over the people and must be able to understand and communicate the truth to others. Cognitive abilities and personality are essential factors in decision making and performance. Managers’ leadership roles need to consider goals, communications, participation, competence and co-operation. Leaders should be ethical and should take ethical considerations into account in decision making, and involve their subordinates in the decision making process; ethical leaders act as role models, promote ethical behavior among its subordinates. Whenever leaders delegate power of responsibility to management and support staff, they feel encouraged and improve on performance.

5.4.2 Decision Support Systems Adopted in Organizations Influence Management Decision Making

The study concludes that decision support systems affects management decision making to a great extent. The decision support systems assist the managers to understand their organization structure in gaining closest relationship possible and that an interactive computer-based modeling process can help to evaluate the complex and intangible factors that influence consumers. They also help managers in overcoming the burden of strategic decision making in their daily business operations and also assists the managers to understand their organization structure in gaining closest relationship possible. On the other hand, participation oriented decision making in organizations, empowers and encourages people to view problems or opportunities in a different way ensuring organizational performance and facilitates innovation; it also balances the involvement of managers and their subordinates in decision making, and problem-solving processes.
5.4.3 Organizational Structure Role in Management Decision Making

The study concludes that organizational structure plays a great role in organization’s management decision making. It is apparent that elements of organizational structure such as centralization and formalization affect decision making to a great extent. A formalized organization tends to reduce the amount of communication in an organization due to the discouragement of innovation. However, a highly complex organization such as KRA needs to be more decentralized so as to facilitate more communication and employee involvement.

5.4.5 Environment Factors Influence Management Decision Making

The study further concludes that environment factor influence management decision making at Kenya Revenue Authority. Environmental instability affects the way organisations are structured and operate and the composition of top management teams. Moreover, environmental instability might affect the board size. A high environmental turbulence facilitates a more unified corporate response to events and limits potential agency costs. Hence, a strong and unified leadership structure is recommendable as it’s easier to adapt to environmental demands; a joint leadership structure facilitates decision-making and improves organisational performance.

5.5 Recommendations

5.5.1 Recommendations for Improvement

It is recommended that leadership style be improved to enhance efficient, timely and quality services. KRA should encourage consultative in decision making in all sectors and incorporate stakeholders this can be done by encouraging performance standard as a mutual agreement to all stakeholders. KRA managements should share success and failures with other KRA stakeholders to ensure customer satisfaction.

5.5.1.1 How does leadership behaviour influencing management decision making at Kenya Revenue Authority?

The study recommends that for effectiveness at KRA the management should work to improve on the intelligence, imagination or creativity, and knowledge that are to be converted into results.
Information and knowledge are valuable as part of the decision effectiveness, proper direction, ability to discern what matters most, and the contribution that performs results is to be reflected by the effective executive. Effective managers are focusing their attention on the quality of work and on the fundamental decisions. The study recommends that KRA should enhance and involve all staff at all level in decision making as a way of ensuring that all stakeholders are included in the decision making process. They should also make sure that the decision Support Systems supports a participative environment since it has a positive effect on employee performance.

5.5.1.2 What is the extent to which decision support systems adopted in the organization affects management decision making at Kenya Revenue Authority?

The study also recommends that top-Modeler should help managers in overcoming the burden of strategic decision making in their daily business operations. The system should also assist the managers to understand their organization structure in gaining closest relationship possible. The management should focus on the major components of the KRA information system, this will help in monitoring any changes needed to improve decision making and ensure satisfaction. Individual’s information needs and requirements for decision making are the reasons information systems exist.

5.5.1.3 What role does the organizational structure play in management decision making at Kenya Revenue Authority?

Since KRA is a highly complex organization with a large population of employees, the study recommends for adoption of a decentralized form of organization. A decentralized organization ensures a more communication and employee involvement and decision-making authority trickles down to lower levels.

Thus strategic decision makings should involve the KRA management during the operations of an organization. Managers have to make thousands of strategic decisions in order to keep their organization in the pace of business. Due to globalization era, managers have to think and act fast in order to capture all business opportunities. Meanwhile, they also have to eliminate, and if
not mitigate, the level of threats toward their organization. Managers’ strategic decision makings are crucial to the survival of the organization.

5.5.1.4 How does the environment factor influence management decision making at Kenya Revenue Authority?

KRA should deal with an environment that is determined by the strategic decisions of top management, apart from that, they should work on improving the regulatory pressures, improve and adopt new technologies, and ensure favorable economic conditions. Environments will perceive greater uncertainty and have greater information-processing requirements than managers with simple environments. Organisations operating in complex environments are confronted with conflicting demands from multiple constituencies. Managing these stakeholders might require various skills and competencies that force companies to adopt more structural differentiation.

5.5.2 Recommendations for Further studies

The study has explored the factors affecting management decision making in parastatals in Kenya with a specific reference to Kenya Revenue Authority. The parastatals in Kenya however comprises of various other parastatals located in other areas in Kenya which differ in their way of management and have different settings all together. This warrants the need for another study which would ensure generalization of the study findings for all the parastatals in Kenya and hence pave way for new policies. The study therefore recommends another study be done with an aim to investigate the investigation of factors influencing management decision making in parastatals in Kenya. Further a study should also be carried out to investigate the factors affecting management decision making in the Kenyan ministries.
REFERENCES


APPENDICES

Appendix: Questionnaire

PART A: BIOGRAPHICAL DATA (Please TICK (√) appropriately)

5 Gender
   Male [ ] Female [ ]

6 What is your age bracket?
   20-30 years [ ] 31-40 years [ ] 41-50 years [ ] above 51 years [ ]

7 What is your highest level of educational qualification?
   Primary [ ] Secondary [ ]
   College [ ] University [ ]

8 Name of your Department (Indicate) ………………………………

9 What is your current level of employment?
   Top management [ ]
   Departmental heads [ ]
   Non managerial staff [ ]

10 For how long have you worked for Kenya Revenue Authority?
   2 years & below [ ]
   3 -5 years [ ]
   6- 8 years [ ]
   9 years and above [ ]

11 Number of employees in your department. Please tick one.
   Less than 50 [ ] 50 – 100[ ] 101 – 150 [ ] More than 150 [ ]
12. Does leadership behavior influence on management decision making in KRA?
   Yes [ ] No [ ]

13. Kindly describe leadership behavior and the management decision making at Kenya Revenue Authority? ………………………………………………………………………
    ……………………………………………………………………………………………

14. Are you included in the decision making process?
   Yes [ ] No [ ]

15. Please indicate by ticking ( ) statement that applies to KRA leadership style.
   Efficient and timely [ ]
   Bureaucratic and sluggish [ ]
   Obsolete and passed by modern times [ ]

16. To what extent do you feel KRA leadership style corresponds with the given leadership behaviour as well as the extent?

   **Key: 1 – Never 2 – Very little 3 – Sometimes 4 – Considerable 5 – Very great**

<table>
<thead>
<tr>
<th>Leader's behaviour</th>
<th>Perception</th>
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<tr>
<td></td>
<td>Never</td>
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<td>1</td>
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<tr>
<td>A</td>
<td>Appreciate ideas and abilities of management and support staff</td>
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<tr>
<td>B</td>
<td>Consultative in decision making</td>
</tr>
<tr>
<td>C</td>
<td>Delegate power of responsibility to management and support staff.</td>
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<tr>
<td>D</td>
<td>Initiates and directs goals for the staff to support and accomplish</td>
</tr>
<tr>
<td>E</td>
<td>Allows management and support staff to function freely as they wish</td>
</tr>
<tr>
<td>F</td>
<td>Share success and failures with other KRA stakeholders</td>
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<tr>
<td>G</td>
<td>Encourages performance standard as a mutual agreement to all stakeholders.</td>
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</tbody>
</table>
17 To what extent do you agree with the following statements that relate to ethics of decision making? Use the scale: 5 Very great extent, 4 Great extent, 3 Moderate extent, 2 Little extent 1 No extent.

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<thead>
<tr>
<th>Statement</th>
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<th>2</th>
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<tbody>
<tr>
<td>Ethical leaders act as role models</td>
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<tr>
<td>Leaders in KRA promote ethical behavior among its subordinates</td>
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<tr>
<td>Leaders in KRA take ethical considerations into account in decision making</td>
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<tr>
<td>Leaders in KRA involve their subordinates in the decision making process</td>
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<tr>
<td>Leaders in KRA mainly focuses on the long-term perspective</td>
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</table>

PART C: DECISION SUPPORT SYSTEMS

18 Do decision support systems adopted in KRA affect management decision making?

Yes [ ]  No [ ]

Briefly support your answer…………………………………………………………………………………………

19 To what extent do you agree with the following statement in regards to decision support systems applications? Use the scale: 5 Very great extent, 4 Great extent, 3 Moderate extent, 2 Little extent 1 No extent.

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<tr>
<td>Analytical models assists the decision makers to derive an in-time, efficient solution</td>
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<td>specialized databases help managers in overcoming the burden of strategic decision making in their daily business operations</td>
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<td>A decision maker’s own insights and judgments assists the managers to understand their organization structure in gaining closest relationship possible</td>
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<tr>
<td>An interactive computer-based modeling process can help to evaluate the complex and intangible factors that influence consumers</td>
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</table>
Given below are some benefits of participation oriented decision making in organizations. To what extent do you agree with the statements? Use the scale: 5 Very great extent, 4 Great extent, 3 Moderate extent, 2 Little extent  1 No extent.

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<tbody>
<tr>
<td>Study of competitors and outsiders to get ideas for organizational performance improvement</td>
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<td>Participation oriented decision making in organizations encourage people to view problems or opportunities in a different way ensuring organizational performance</td>
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<tr>
<td>Participation oriented decision making in organizations encourage and facilitate innovation and entrepreneurship by others hence boosting KRA overall performance</td>
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<tr>
<td>Participation oriented decision making in organizations encourage and facilitate learning by individuals and teams ensuring performance</td>
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<td>Decision making in KRA is as a form of experiment with new approaches which affects the overall performance</td>
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<tr>
<td>Decision made at KRA build a coalition of employees to improve performance</td>
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<tr>
<td>Decisions made at KRA empower people to implement new strategies hence ensuring performance</td>
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**PART D: ORGANIZATIONAL STRUCTURE**

The following are elements of organizational structure to what extent do they effects decision making at KRA? Use the scale: 5 Very great extent, 4 Great extent, 3 Moderate extent, 2 Little extent  1 No extent.

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<th>Element</th>
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<tr>
<td>Work specialization</td>
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<td>Departmentalization</td>
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<td>Chain of command</td>
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<td>Span of control</td>
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<td>Centralization and decentralization</td>
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<td>Formalization</td>
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</table>
22. Does the current organizational structure at KRA depict working relationship among people and their jobs to efficiently and effectively achieve that purpose?

   Yes [ ]    No [ ]

23. What states organization structure of KRA?

   Size [ ]    Technology [ ]    Environment [ ] other specify ……………………….

24. To what extent do you rate the following statements that relate to administrative decision making in parastatals? Use the scale: 5 Very great extent, 4 Great extent, 3 Moderate extent, 2 Little extent 1 No extent.

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<tr>
<td>Administrative decision making in parastatals enable scan of environment for threats and opportunities</td>
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<td>In an organization with a more formal and hierarchical structure a dictative decision-making style can be successful</td>
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<td>The varying roles of administrators add to the difficulty of understanding decision-making</td>
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<td>Administrators at higher levels make decisions which are highly considered than for the non managerial staffs</td>
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25. Give suggestion on how to improve the current KRA organisational structure to ensure free and efficient decision making process? ……………………………………………..

………………………………………………………………………………………………………………………….

PART E: ENVIRONMENT FACTOR

26. How does the environment factor influence management decision making at Kenya Revenue Authority?…………………………………………………………………………………..

………………………………………………………………………………………………………………………….

27. The following are statements that relate to level of turbulence or instability facing an environment, state you level of agreement. Use the scale: 5 Very great extent, 4 Great extent, 3 Moderate extent, 2 Little extent 1 No extent.
Environmental instability can affect the way organisations are structured and operate and the composition of top management teams

Environmental instability might affect the board size

A strong and unified leadership structure is easier to adapt to environmental demands

A single leader has more power to make critical decisions

Joint leadership structure facilitates decision-making and improves organisational performance

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<td>Environmental instability can affect the way organisations are structured and operate and the composition of top management teams</td>
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<td>Environmental instability might affect the board size</td>
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<td>A strong and unified leadership structure is easier to adapt to environmental demands</td>
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<td>A single leader has more power to make critical decisions</td>
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<td>Joint leadership structure facilitates decision-making and improves organisational performance</td>
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28 How is KRA decisions environment?

Programmed decision making environment [ ]

Un-programmed decision making environment [ ]

Participatory decision making environment [ ]

THANK YOU FOR YOUR TIME AND PARTICIPATION
Appendix II: KRA Organization Structure

KRA organization structure facilitates the management process through which the organization achieves its strategic intent. It is therefore focused on the core business of the organization and key support process. To enhance efficiency, eliminate wastage and promote integration, KRA has set up senior offices at regional level to spearhead implementation of corporate strategies and achievement of synergy between its ten different departments (KRA, 2012).

Source: KRA Fourth Corporate Plan 2012