THE EFFECT OF INTERNAL FACTORS ON NON-FINANCIAL PERFORMANCE OF FIRMS: A CASE OF DHL

BY

KAWITI MICHAEL NGUI

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

SUMMER 2017
THE EFFECT OF INTERNAL FACTORS ON NON-FINANCIAL PERFORMANCE OF FIRMS: A CASE OF DHL

BY

KAWITI MICHAEL NGUI

A Research Project Report Submitted to the School of Business in Partial Fulfillment of the Requirement for the Degree of Masters in Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

SUMMER 2017
STUDENTS DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University-Africa for academic credit.

Signed: __________________________       Date: __________________________
Kawiti N. Michael (ID: 634274)

This project proposal has been presented for examination with my approval as the appointed supervisor.

Signed: __________________________       Date: __________________________
Prof. Katusue Paul

Signed: __________________________       Date: __________________________
Dean, Chandaria School of Business
COPYRIGHT

All rights reserved. No part of this research proposal may be photocopied, documented, stored in recovery system or transferred in any means without prior permission of United States International University-A or the author.

© Copyright by Kawiti N. Michael, 2017
ABSTRACT

The general purpose of the study was to analyze the effect of internal factors on non-financial performance of firms examining the case of DHL. This research will be governed by the following research objectives: To determine the effect of organizational structure on non-financial performance of DHL, to assess the effect of organizational leadership style on non-financial performance of DHL, to evaluate the effect of organizational culture on non-financial performance of DHL, to examine the effect of information systems on non-financial performance of DHL.

The study conducted a critical literature review in examining the effects of internal factors on non-financial performance of firms. The study adopted the funnel approach in examining global studies, regional, and local studies while conducting the critical literature review. Literature based on study objectives which include; determining effect of organizational structure on non-financial performance of firms, assessing effect of organizational leadership style on non-financial performance of firms, evaluating effect of organizational culture on non-financial performance of firms, and examining the effect of information systems on non-financial performance of firms.

This research proposal employed a descriptive research technique. The major objective of the descriptive study will be to provide a valid and accurate representation of the variables that are relevant to the research objectives. The target population of the study was top management, middle level management and the subordinate staff of DHL. Data collection was done through the use of structured questionnaires containing both open and closed ended questions to obtain both qualitative and quantitative data. The sample size from the target group was selected using stratified random sampling. Questionnaires was delivered to the respondents by hand and through electronic mail and will be collected after submission. Data analysis was conducted with the help of SPSS and presentation of study findings was presented through tables and figures for ease interpretation and understanding.

The findings revealed that a majority agreed that organizational structure supports effective controls, and that organizational structure provides a visual explanation of decision making process and resource allocation, it was also revealed that organizational structure assists management in determining departments and functions in an organization. The findings also
revealed that leadership style has an effect on organizational performance and it also influenced people to achieve certain goals or objectives. It was also revealed that leadership style impacts organizational culture, employee effectiveness, and motivation in the organization. It was also revealed that majority of the respondents agreed that organizational culture influences organizational actions and it also influenced how individuals and groups interact with each other. The study also established that information technology is a major contributor organizations success and information systems offer organizations competitive and effective communication channel.

The study concluded that organization structure is very important in supporting and effective controls over the firm’s operations. It has also been established that the structure was very vital in decision making process and resource allocation. It was also concluded that leadership style influenced the performance of the organization and this has an influence on the goals or objectives that the firm needs to achieve. In addition, organizational culture impacts the organizational actions and plays a role in determining how employees treat each other. It was also concluded that information technology plays a vital role in determining the organizations success and in order for the competitiveness and effectiveness of the firm and the level of application depends on the firm size. The study further shared its recommendations and the need to further studies to determine how other internal factors such as innovation or industry affect non-financial performance.
ACKNOWLEDGEMENT

I would like to acknowledge the Almighty God for making it possible for me to undertake this course and finish my research proposal. I acknowledge Prof. Paul Katuse for the supervision and continuous support while working on my research proposal. I am grateful for the continuous support and encouragement from my family, colleagues and friends.
DEDICATION

I dedicate this research proposal to my family who have encouraged and supported me throughout the research and to DHL management for their continuous support.
TABLE OF CONTENTS

STUDENTS DECLARATION ........................................................................................................... ii
COPYRIGHT ................................................................................................................................. iii
ABSTRACT ................................................................................................................................. iv
ACKNOWLEDGEMENT............................................................................................................... vi
DEDICATION ............................................................................................................................... vii
LIST OF TABLES ........................................................................................................................ xi
LIST OF FIGURES ....................................................................................................................... xii
LIST OF ABBREVIATIONS ......................................................................................................... xiii

CHAPTER ONE ............................................................................................................................. 1

1.0 INTRODUCTION .................................................................................................................... 1

1.1 Background of the Study ...................................................................................................... 1
1.2 Problem Statement .............................................................................................................. 5
1.3 Purpose of the Study .......................................................................................................... 6
1.4 Specific Objectives ............................................................................................................. 6
1.5 Significance of the Study ................................................................................................. 6
1.6 Scope of the Study ............................................................................................................. 7
1.7 Definition of Terms ......................................................................................................... 7
1.8 Chapter Summary .............................................................................................................. 8

CHAPTER TWO ............................................................................................................................ 9

2.0 LITERATURE REVIEW ........................................................................................................ 9

2.1 Introduction ........................................................................................................................ 9
2.2 Effect of organizational structure on Non-Financial performance ..................................... 9
2.3 Effects of Organizational Leadership Style on Non-Financial Performance .................... 14
2.4 Effect of Organizational Culture on Non-Financial Performance ..................................... 18
2.5 Effect of Information Systems on Non-Financial Performance ....................................... 24
2.6 Chapter Summary .............................................................................................................. 28
LIST OF TABLES

Table 4.1: Response Rate................................................................................................................. 34
Table 4.2: Descriptive of Organizational Structure On Non-Financial Performance ............... 37
Table 4.3: Organizational Leadership Style On Non-Financial Performance ....................... 38
Table 4.4: Descriptive of Organizational Culture On Non-Financial Performance ............... 39
Table 4.5: Descriptive of Information Systems on Non-Financial Performance .................... 40
Table 4.6: Descriptive on Performance .......................................................................................... 41
Table 4.7: Reliability Test............................................................................................................... 42
Table 4.8: Correlation Analysis ...................................................................................................... 42
LIST OF FIGURES

Figure 4.1: Age ................................................................. 35
Figure 4.2: Education .......................................................... 35
Figure 4.3: Years worked ......................................................... 36
Figure 4.4: Management Level .................................................. 36
LIST OF ABBREVIATIONS

DHL  DalseyHillblom Lynn
SCP  Supply Chain Performance
OS  Organizational Structure
OC  Organizational Culture
IT  Information Technology
IS  Information Systems
FTL  Full Truck Load
LTL  Less than Truck Load
ERP  Enterprise Resource Planning
RBV  Resource Based View
SPSS  Statistical Package for Social sciences
DSC  DHL Supply Chain
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study
Organizational internal environment consists of the trading status of the business, firm’s finances, physical resources, operational and control, staff and management skillset, stakeholders’ interests, policies and procedures. Internal environment of any organization mainly comprises firm related factors that have an impact on the firm’s capacity to set objectives, formulate and implement a viable plan, which eventually contribute to its performance (Amaoko-Gyampah., 2003). Firms need to develop a conducive environment for creativity, with a strong external focus on multiple stakeholders (Cagliano, 2001). A recent study has found out that culture is a good predictor of organizational performance (Prajogo & McDermott, 2011).

Report on internal processes of firms emphasizes on the effectiveness and efficiency of the internal systems and processes (Gekonge, 2005). Additional components of the internal environment include: current employees, management especially organizational culture which describes employee behavior. Despite the fact that some elements affect the organization as a whole, others basically affect the manager alone (Bass, 1999). A manager’s leadership style has a direct impact on employees. Traditional managers give explicit instructions to employees, whereas progressive managers empower to make many of their own decisions. Changes in leadership style are under the control of the manager (Freeman, 2006).

Organizational performance entails ability of an organization to realize and fully optimize its potential or targets over time. It’s the responsibility of senior managers to guide and navigate their organizations through various goals with the aim of achieving desired performance (Minkov & Blagoev, 2011). Research done in United Arab Emirates discovered that organizational internal variables such as managerial attitudes, decentralization, support staff, employee satisfaction, diversity, and better management thinking were found to be
significantly to departmental innovative behavior and organizational performance (Mohamed, 2002).

Organizations today are facing major challenges in maintaining commercial beings and success. This is as a result of changes in the market place and emerging business practices. An organization may easily fall back due to failure of not keeping up with the environmental changes (Albright, 2004). The operationalization of an organizations internal environment remains varied; there have been consensus among scholars on the issue of considering the internal environment as a major determinant of a firm’s performance. Internal environmental forces provide firms with strength and weaknesses of doing business (Tolbert & Hall, 2009). In order for a firm to meet business objectives and meeting customer expectations, firms are required to identify key business activities and processes that they must excel in. The identified business activities and process must be monitored to ensure satisfactory deliverance of results (Denison, 2008). Study conducted by Magnier-Watanabe and Senoo (2008) describe firm’s characteristics (culture, structure and leadership style) as attributes originating from both the management style adopted by the organization, through its structure or strategy, and the organizational culture exemplified in the nature of both its employees and relationship with management. Firms internal environment factors concentrate on activities that enable the firm deliver value and expected customer satisfaction.

Internal environment is described as a key internal aspect that needs to be aligned within a firm for improved performance and effective change implementation. Internal environment can also be referred to as the internal controllable forces in operation within the firm and have a great impact on the firm’s performance. These comprise of the firm’s financial resources, information and management know how, firm’s general capabilities, incentives, firm’s demographics such as size, inter-institutional linkages, firm’s objectives, goals and employees’ skillset (Freeman, 2006). A firm’s internal environment forms an essential part of its environment. It plays a significant role of shaping the competitiveness of a firm (Hine, 1999). The internal environment is typically described by its organizational structure, resources, climate and culture (Tang, 1998). Additional components of the internal environment include: current employees, management especially organizational culture which describes employee behavior.
Several studies on have been focusing on understanding how internal organizational factors including top management, human resources, technological capabilities, and organizational culture, affect organizational performance (Aragon-Correa et al., 2007; Herzog & Leker, 2010; Murat Ar&Baki, 2011;)

Organizational performance describes the ability of an organization to fulfill its mission through strong governance, sound management, and determination to achieving specified organizational goals within the set period (Stafford & Miles, 2013). Furthermore, performance is described as the achievement of financial and non-financial goals that enables a firm to remain viable and have both short and long term sustainability (Denison D., 2008). Organizational performance is usually used as a dependent variable while conducting business research and is considered to have a great significance in the field of management (Pagel & Gobeli, 2009; Richard et al., 2009). Measurement and analysis of organizational performance has an important role in converting goals into reality, which is crucial and of great importance in today’s competitive environment and for the business to succeed and remain relevant to competition (Popova & Sharpanskykh, 2010).

Organizational performance explains the extent to which organizations achieve their goals in every aspects of business. However, several methods have been used in conceptualizing and measuring organizational performance (Wilden et al., 2013). Employee capabilities, firm’s information capability and other internal factors such as culture, leadership styles, and teamwork have an impact on a firm’s goal and performance (Gekonge, 2005). Firm’s processes will only succeed with the existence of skilled and motivated staff, provided with accurate and urgent information supported with effective leadership. They will lead to production and delivery of quality products and services and eventually improved financial performance (Gekonge, 2005).

Organizational performance is of great concern for managers due to the fact that it allows them to assess the success of elements of organizational strategy in objective terms (Nazarian & Atkinson, 2017). Although most scholars tend to use the terms of effectiveness and performance interchangeably, effectiveness is mostly used to describe organizational potentials whereas performance evaluates firm’s outcomes. However, organization effectiveness and performance have greatly evolved in parallel from same needs but
effectiveness evaluates the resources and processes from an internal perspective whereas performance evaluates perspectives that may be of interest to stakeholders (Henri, 2004).

DHL is present in over 220 countries and territories across the globe, making it the most international company in the world. DHL has a workforce exceeding three hundred thousand employees who provide solutions for an almost infinite number of Logistics needs across the world. DHL enjoys a large market share and is a leader in postal and logistics services. Furthermore DHL is comprised of several business units such as DHL express, DHL ecommerce, DHL parcel, DHL global forwarding, DHL freight and DHL supply chain. Within the strategy 2015, DHL decided to focus even further on industries starting with the sectors such as Life Sciences & Healthcare, technology, energy, automotive and engineering & manufacturing. In those sectors the company is working on DHL’s overall sector strategies to deliver the best value possible and to work with its target market on optimizing value propositions for each specific industry. With this approach DHL manages to stay ahead of customer or market needs, and work on new solutions in anticipation of future requirements.(Group, 2017).

DHL Logistics offers several services to its target customers and is comprised of DHL express, DHL global forwarding, DHL Freight, DHL global mail and DHL supply chain. DHL Express, one of the largest air carrier of the world, offers urgent documents and goods transportation to its customers while DHL Global Forwarding division offers air, ocean, rail and road freight options to its customers in addition to warehousing and distribution opportunities. Freight division of the company supplies road and rail freight with LTL (less than truck load), FTL (full truck load) and intermodal services options and DHL Supply Chain provides warehousing, managed transport and value added services. Ultimately, DHL Global Mail division offers customized mail and B2C parcel shipments (Oflac et al., 2015).

DHL aims to connect people and improve their lives; the company manages to do this by being uncompromisingly customer-centric and delivering excellence day in and day out. By bringing people together and making life simpler for the company’s’, employees, investors, and society the company aims to make the world a better place. Being The Logistics Company for the World goes well beyond DHL’s global presence in over two hundred and twenty countries and territories, and the company’s’ tireless pioneer spirit when it comes to
new markets. DHL aims to be the leading logistics company people turn to – the first choice not only for all shipping needs, but also the first choice for career and investment opportunities, and being the global benchmark for responsible business practice (Group, 2017).

1.2 Problem Statement
The internal environment of the organization can ignite or prevent performance of a company. Studies show the existence of centralized decision making, formalities in processes, and work operations discourages new creativity and new idea creation; whereas distribution of power and flexibilities in management result to improved organizational performance (Shafiee et al., 2016). The main objective of a firm is not only to survive, rather to sustain its existence and operations through performance improvement. For a firm to meet the needs of the highly competitive markets, organizations must continuously increase performance (Arslan & Staub, 2013) A study conducted by Baum and Willy (2003) posit that, the relationship between strategy and internal organizational systems is complimented by strategy configuration and strategic fit which is important in concluding regarding the moderating effect of the organizational characteristics on organizational performance.

Literature from a study conducted by Richard et al., (2009), explains that organizational performance comprises of three specific areas of firm outcomes: Financial performance (Returns on Assets, Profits, Return on Investment); product market performance (sales, market share); and shareholder return (total shareholder return, economic value added). Other researchers claimed that external factors play major roles in dictating the influence of firm’s performance (Hawawini & Subramanian, 2003). Other studies opined that the internal factors of a firm stand as the determinants of the firms’ operating performance as well as they are the major drivers for the firms’ competitive advantage which is crucial during the economic recession period (Opler, 1994). Based on the studies conducted by various researchers, it was reviewed systematically, and it clearly highlights the different variables used by the different researchers that are considered to have an effect on a firm’s performance, based on their case studies (Mohammed, 2015).
Hence, from the listed studies; it is clear that no study has been done investigating the effect of internal factors on firm’s non-financial performance examining the case of DHL. The study aims bridge the knowledge gap by providing the relevant information needed to communicate the effect of internal factors on non-financial performance of firms examining the case of DHL. This study will rely on previous studies aiming to improve on what has already been done and further recommend other areas that need to be researched on.

1.3 Purpose of the Study
The general purpose of the study is to examine the effects of internal factors on non-financial performance at DHL.

1.4 Specific Objectives
1.4.1 To determine the effect of organizational structure on non-financial performance of DHL

1.4.2 To assess the effect of organizational leadership style on non-financial performance of DHL

1.4.3 To evaluate the effect of organizational culture on non-financial performance of DHL

1.4.4 To examine the effect of information systems on non-financial performance of DHL

1.5 Significance of the Study.

1.5.1 Academicians and Researchers
The study can be used as a reference by academicians and other researchers conducting research on a similar field and utilize the findings as secondary data. This study highlights importance of other areas yet to be researched on.

1.5.2 Management
Management can utilize findings from the study to make better decisions in line with the company’s objective. In addition, better decision making, implementation and control will contribute to improved non-financial performance. Thus, the management of different organizations will get to learn the relationship between the internal organization factors and
how they affect the company’s non-financial performance and will be able to incorporate the two to maximize business performance.

1.5.3 Policy Makers
The study results will be of great importance to relevant policy makers. It will ensure that the policies implemented by the relevant policy makers will positively impact organizational non-financial performance.

1.6 Scope of the Study
The study seeks to investigate the effect of internal factors on non-financial performance at DHL. In this case, the researcher intends to collect relevant data from DHL. Hence, data will be obtained from the intended target population at the operational level. The study will be carried out between January and August 2017.

1.7 Definition of Terms
1.7.1 Internal Environment
The internal environment includes all elements that are endogenous to the organization, which are greatly influenced as well as controlled by it. They include both tangible and intangible resources that have an effect on the firm’s ability in meeting its objectives. (Porter, 1981).

1.7.2 Performance
Performance entails the effectiveness of an organization in fulfilling its purpose thus referring to something completed, something in currently in progress, or activities conducted in preparation for new needs (Louise, 2012).

1.7.3 Resources
Resources are the possessions owned by a firm and they include physical (land, factories, equipment), intellectual (patents, copyrights, logos, etc.), and employees(Collins, 2008)
1.7.4 Organizational Culture
Organizational culture entails a system of shared values, assumptions, and beliefs which dictate how people behave in the organization (Hofstede & Hofstede, 2010).

1.7.5 Organizational Structure
Organizational structure describes the arrangement of responsibilities or the architecture of business capability, leadership ability, functional relationships that are established as the basis for organizing. This describes the hierarchical levels and key responsibilities, roles and positions, and methodology for problem solving and integration (Tran & Tian, 2013).

1.7.6 Organizational Leadership Style
Organizational leadership style describes the approaches used by managers in directing, implementing and motivating subordinates. There exist various leadership styles that can be adopted by leaders in the political, business or other fields (Dubrin, 2007).

1.7.7 Information Systems
Current literature on information systems is directed at the perspective of information system capabilities, representing the ability of enterprises integrating and developing resources based in IT (Chen et al., 2015).

1.8 Chapter Summary
This chapter gave a brief overview global, regional and local overview of the effect of internal factors on non-financial performance of firms examining the case of DHL. Furthermore the chapter stated the specific objectives, defined the study terms, significance of the study and discussed the scope. The second chapter will thoroughly conduct critical literature review based on the research objectives examining the work and literature of other authors with an aim of obtaining answers to the research objectives.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
This chapter will mainly present literature review by other scholars and researchers on the effect of internal factors on non-financial performance of firms, a case of DHL. In this section, the reader will be provided with a review of relevant literature to the stated objectives, which are: To determine the effect of organizational structure on non-financial performance of DHL, to assess the effect of organizational leadership style on non-financial performance of DHL, to evaluate the effect of organizational culture on non-financial performance of DHL, and to examine the effect of information systems on non-financial performance of DHL.

2.2 Effect of organizational structure on Non-Financial performance
Organizational structure has been described as the formalized arrangements of interactions between responsibilities for the tasks, people, and resources in an organization (Pearce & Robinson, 2013). Organizational structure assists management in determining departments and functions in an organization, describing the hierarchy, control timeline and reporting relationships, communication systems, coordination and both horizontal and vertical integration across different organizational functions (Daft, 2001). A study by Schaap (2006) posits that adjusting organizational structure to match a firm’s strategy has a great significance to success in organizations strategy implementation.

A Firm’s structure has been further explained to be the coordination of firm’s processes and activities (Miles & Snow, 2000). Organizational structure further identifies the design in relation to roles, responsibilities, flow of information, and existing internal relationships between individuals and departments. Galbraith (2002) in his study described the different structures adopted by different organizations resulting from different factors that influence the operations of firms. The study further suggested that despite the structure adopted, it is essential for a firm to ensure that the design adopted will enhance firm’s performance.
Organizational structure has been described as the process of determining relations, individual responsibility, accountability, power and specifying the way of conducting operations for effective use of human resources needed for organizational goal achievement (Willem & Buelens, 2009). For a firm to survive in the dynamic and complicated environment, it is essential for the firm to have agility and flexibility in which the main factor is organizational structure which is said to be the principal force of change (Hadi et al., 2016). In fact, Wilden et al (2013) described organizational structure as a “contextual moderator” that is capable of determining the degree to which dynamic capabilities influence firm’s performance. Appropriate organizational structure is crucial in the achievement of the organization goals and objectives. It enables formulation of the right strategies to enable the organization remain relevant with the environmental turbulence due to its flexibility in adapting to change (Shafiee et al., 2016).

A study conducted on public organizations established that changes in organizational structure had an effect on organizational performance. The study sampled employees from several such organizations and established that there were instances of ambiguity in job roles and poor communication which resulted to poor organizational performance both at the firm level and competitive market (Jang & Kim, 2014). Another study conducted explains that organizational structure guides the proficiency of work, the enthusiasm of employees and coordination among the top management and subordinates for continuous implementation of the organizational operations in line with organizations goals and objectives. However, at the same time formalization comes about and may be affected due to the fact that rules and regulations such as policies may not be applicable when the organizational structure has changed (Tran & Tian, 2013).

**2.2.1 Significance of Organizational Structure in Decision Making**

A study by Kumar and Meenakshi (2009), explains that organizational structure supports effective controls. According to Rajasekar (2014), organizational structure is said to provide a visual explanation of decision making process and resource allocation. Additional factors include decision levels, division of labor work systems and remuneration levels. Organizational structure is very common in organizational diagnostic models (Kates & Galbraith, 2007). Linkage between departments is a result of organizational structure.
Organizational structure enables firms to fulfill their functions in the environment (Nelson & Quick, 2011). Structure describes how parts of an organization fit together as evident from an organizational chart (Griffin & Moorhead, 2010).

Some studies posit that organizational structure can moderate the relationship between competitive strategy and performance, but the impact is indirect (Pertusa-Ortega & Molina-Azorin, 2010). Organization structure as well as management style are key in configuring organizational resources, gaining competitive advantage and improving the firm’s performance (Pertusa-Ortega & Molina-Azorin, 2010). According to the survey of Chinese Enterprises Association (2012), it was discovered that China’s enterprises have excessive levels of organizational structure, rigid mechanism, and poor information transfer. A large number of scholars have managed to investigate organizational performance from the perspective of firm’s characteristics, corporate culture and structure, and knowledge management. However, there is lack of enough systematic research on the impact of organizational structure on cross-functional integration, which is the mediating role of cross functional integration between organizational structure characteristics and performance (Bai & Feng, 2017).

A study conducted suggested that organizations are shifting from traditional organizational structures to a hybrid structure that enhances interdependency, flexibility in interactions as well as bottom up approach. The study further explains that organizations are redefining and adjusting their organizational structures to match their strategic activities and coordinating and controlling activities to match organizational goals and objectives (Pearce & Robinson, 2013). A study by Ahmadi et al (2012) explains that twenty-first century leaders have greatly emphasized on the need of organizations to adopt to bounder less techniques which entail the lack of internal and external boundaries between units, levels and location that may limit a firm’s ability to generate useful knowledge that may be crucial to firms value creation motive. Other studies posit that firms with lesser formal procedures commonly referred to as organic firms are said to encourage horizontal and vertical communication (Brenes et al., 2008).

Good performance in the organization also requires a specific structure in it. The organizational structure also involves system plans by which all units are coordinated and as
a result, effective communication in the organization is guaranteed (Shafiee et al., 2016). Organizational structure can be said to be the mean of strategy implementation for achieving desired goals and adaptation to the environmental dynamism (Englehardt & Simmons, 2002). Knowing and investigating the organizational structure factors is the beginning of utilizing the organizational resources and benefits, empowerment of identification of opportunities, provision of available resources and ultimately contributing to organizational development (Willem & Buelensena, 2009). Other studies posit that organizational structure is a framework for all organizational decisions, processes and influence the performance improvement and increase in productivity (Hadi et al., 2016).

Coordination of the different organizational functions and mechanisms are of great importance for appropriate functioning of any organization (Ireland et al., 2013). Furthermore, the study explained that organizations are predisposed many factors which arise from their dynamic surrounding or from the firm itself. As a result of the nature of the organizational structure at a given time, the organization may end up not meeting requirements of efficiency and adoptability and various mechanisms of the organization may be affected due to the organizational structural dynamism (Tran & Tian, 2013).

2.2.2 Effect of Organizational Structure on Communication

A study conducted suggested that organizational structure has an effect on communication. The study gave an example of horizontal structures which are said to have more impaired communication than vertical structures due to the factor of increased hierarchy (Elman & Pezanis-Christou, 2010). For instance, in a single unit structure, communication is more direct to the CEO but as the organization grows and becomes functional or multidivisional, communication may become a bit complex. Multidivisional and matrix structures are more closely related to bureaucratic organizing structure. The organization expands further making it less effective thus leading to reorganizing it according to specialization or geographical, and decentralizing communication (Werder & Holtzhausen, 2011).

However some authors do not agree with this and believe that when the organizational structure becomes more diversified, subordinates are able to report to their respective functional departments contributing to improved communication efficiency (Ireland et al.,
In addition, the more interdependent the departments the greater the level of feedback as subordinates will be more willing to give feedback to their immediate supervisors as compared to reporting to top management (Dawna & Seibold, 2004). For instance in the marketing department, an employee would be more comfy reporting to the head of marketing about sales and promotional budgets as compared to the employee reporting to the CEO or senior management.

Hence, as organizations opt for change in their organizational structure to allow for more innovative methods, the study suggested that communication is usually affected and becomes more decentralized and more complex (Tan & Wang, 2011). It becomes less direct as it was before the organizational change. Other authors debate that communication is usually oversimplified in simple organizational structures and must be responsive and reactive to new strategies or structures. The study further describes the discourse resulting due to the change in organizational structure (Mclellan, 2011). The study concluded that communication patterns and mechanisms are directly implicated by the changing organizational structures very evident in the fact that a chain of command or processes have been altered.

2.2.3 Organizational Structure as a Function

Research by Miles and Snow (2000) managed to explain firm structure as the flow or arrangement within the firms that links different functions and components within the organization. The study further explains the authority, task allocation and staff responsibility and that most firms have structures that are dependent to the goals and that will facilitate the firm to work towards achieving its set objectives. The study by Miles and Snow (2010) further explains that organizational structure has three core characteristics; centralization, complexity and formalization. Hence, the core factors that facilitate effectiveness should be considered (Galbraith, 2002). A study by Markiewicz (2011) also highlights the importance of processes and structures needed in successful implementation of strategies and the study further emphasized on the need of creativity and innovation which are of great importance in implementing strategies.
2.3 Effects of Organizational Leadership Style on Non-Financial Performance

There has been increased interest in the subject of leadership over last decades. Leadership as a concept on its own has greatly evolved, as a result of changes in demographics, globalization, technology and work practices. Various studies have been conducted to investigate the effects of leadership on organizational performance, how various leadership styles impact organizational culture, employee effectiveness, performance, motivation, satisfaction in organizations (Yang, 2014). Leadership styles are of great significance for achieving a high level of employee performance within an organization (Ekaterini, 2010). Hence, the application of the appropriate leadership style contributes to improved employee performance and organizational growth. Employee performance is mainly measured through increase in productivity, revenue, profit maximization and customer satisfaction (Menz, 2012).

Leadership styles are described by a combination of leadership behaviors (Howell & Costley, 2006). The way a leader behaves in order to achieve a set goal or objective determines the kind of leadership behavior that the leader adopts. Some examples would involve showing concern for the personal feelings of a follower, involving providing information that will enable a follower perform more effectively (Howell & Costley, 2006).

Leadership style has been described as “a relatively consistent pattern of behavior demonstrated by a leader or manager while dealing with and influencing staff”. Among various theories of leadership approaches in relation to effective organizational performance, the most prominent one is the transformational-transactional theories of leadership. The two approaches of transactional and transformational are described as dominant approaches in study of leadership according to the school of thought (Dulewicz & Higgs, 2005).

Various scholars have managed to explain the concept of leadership from different angles and understanding. Hence, a wide scope of traditional theories all purports to describe leadership (Dansereau et al., 2013). However, the key message from the definition and theories entail that leadership is generally described as an interpersonal process which a leader influences followers. A study by Yulk (2006), describes leadership as a process whereby intentional influence is exerted by one person over other people to structure, control and facilitate activities and relationships in a group or organization. The basic elements in
most leadership definitions included a leader, a follower, and the existence of rationale interactions. Thus, major issues in leadership is mainly how a leader can influence followers efficiently through rational interactions in order to achieve intended goal and objective.

Study by Fernandez (2008), describe leadership as: task-oriented, relations oriented and development oriented. He further claims that all three types of leadership have positive relation with employee’s perception regarding performance while the remaining two have positive relation with their job satisfaction. Studies suggest that leadership style is one of the most important factors with respect to a firm’s capacity to innovate and adapt to change has shown to have a significant positive relationship with organizational performance (Mitchell & Boyle, 2009). Research describes leadership style to have both a direct, immediate relationship as well as an indirect, sustained relation with organizational success. Yet, questions still exist regarding how leadership drives performance (Jing & Avery, 2008).

A study conducted managed to investigate the influence of leadership styles on performance at state owned corporations in Kenya. The study aimed to investigate the impact of laissez-faire, transactional and transformational leadership approaches on organizational performance at state owned corporations in Kenya. The study recommended managers to do away with laissez-faire leadership approach and adopt a more participative leadership approach in guiding their subordinates. The study further put emphasis on the need for managers to formulate and implement effective reward and recognition systems a view which was supported as well by (Nderu, 2013).

A study conducted by Cater and Pucko (2010) which examined 172 Slovenian companies and reported that the major cause of failure in strategy implementation was due to poor leadership. The study posited that strong leadership is always essential for effective execution however there are numerous hardships in exercising leadership and getting things done. Hence leadership will require the need to establish an effective leadership style as well as the right staff with the right skills to execute tasks which is a challenge in itself. This in turn will need a leader who is committed with a clear understanding of the firm’s mission and vision for it to be able to achieve organizational goals and objectives (Thompson & Strickland, 2003).
Organizations are greatly challenged to get good leaders with clear vision, consisted and committed as well as informed and are able to use their authoritative power. A study by Thompson and Strickland (2003) explains that effective leadership will highlight attributes which such as: continuous monitoring to stay on top of events; culture of employee motivation to improve organizational performance, ensure organization adapts to dynamic environment and exercising ethical behavior. Leadership is said to be multifunctional and involves managing through others and assists in the process required to ensure that firms’ cope with change that seems to continuously increase as a result of globalization (Gumusluoglu & Ilsev, 2009)

Due to the multidimensional nature of leadership, it is difficult to provide a precise definition, which would include all aspects of leadership. Leadership is said to be identified in someone’s behavior, when experienced or seen (Pardey, 2007). Some definitions refer to leadership as a process to influence people to achieve certain goals or objectives (Howell & Costley, 2006). On the other hand, other researchers focus more on the leader and his/her qualities and abilities (Grint, 2005). Leadership theories took a long while in developing. It all begun with the Great Man theory in the early twentieth century which focused on unique leadership traits demonstrated. Later on, the leadership theory was criticized and other theories emerged: leadership styles, situational, contingency, path-goal, team leadership and other theories (Beyer, 2012).

In the beginning of the twentieth century, other leadership approaches further developed much later on such as servant, authentic, visionary, distributed, shared, ethical, and moral and others (Beyer, 2012). Furthermore, Beyer (2012) went ahead and listed fifty different leadership styles that are present or can be found in the recent academic literature. However, the author noticed that “the recent concepts appear to be more of a blending of ideas and concepts interrelated between and building upon each other rather than singular theoretical frameworks” (p.2). Other discussions conducted described other styles of leadership such as: participative, cooperative, collaborating, sustainable, partial and autocratic (Grint, 2005). Leaders usually demonstrate particular leadership styles, and the most commonly
investigated are transactional, transformational and leisze-faire approaches. However, new leadership styles are constantly emerging. On the other hand, there are limited empirical studies on more than few leadership approaches studied in the same context (Webb, 2009).

2.3.1 Behavior Patterns

There exist behavior patterns than can be grouped in accordance to specifics of a certain behavior. Hence, a number of leadership styles are identified by Howell and Costles (2006): coach, human relations specialist, controlling autocrat, transformational visionary, transactional exchange and servant. Each leadership style is mainly differentiated by the set of leadership behavior. For instance, coach leadership style is highly directive and supportive, concern and consideration is shown, it also describes the need for power and need for affiliation. Human relations specialist leadership approach exhibits the following behaviors: Focuses on keeping the followers happy and comfortable, not usually directive with followers, modifies situations to enable followers work more comfortably. Whereas, controlling autocrat is mainly obsessed with controlling actions around the leaders environs, leaders is highly directive with followers, leader is aggressive in his or her believes. In addition, Howell and Costley (2006) posit that some but not all behaviors in different leadership approaches may overlap, such as both coach and controlling autocrat are highly directive with their followers.

A study conducted by Malik, Aziz and Hassan (2014) on behavior and acceptance of leaders by subordinates. The study applied the path-goal theory of leadership in the Telecom sector in Pakistan. Findings from data analysis revealed a significant relationship of subordinate acceptance of leadership behavior and situational factor (Northouse, 2013). It was discovered that leadership style affects subordinates’ acceptance of the leader

2.3.2 Transformational Leadership

Transformational leadership style is mainly characterized by a leader who motivates and appeals to the ideals and values of his or her followers or subordinates by creating a motivating vision for the future. Transformational leaders are said to have a tendency of influencing, motivating, and inspiring followers towards accomplishing a common vision(Rizvi, 2017). Other studies describe transformational leadership as a leadership style
characterized by inspiration, motivational, intellectual aspects and individualism (Bass, 1985). Transformational leaders are said to act as models, create a sense of identification with common and shared vision, implant pride and faith in followers, inspire and empower followers, continuously motivate followers to rethink their conventional practices and ideas and pay attention to individuals and their needs (Bass, 1999).

2.3.3 Transactional Leadership

Transactional leadership style is task focused and entails the process of exchange to motivate subordinates by appealing to their personal drivers for work. The leaders usually take advantage of their position and authority to delegate and ensure work is correctly executed through constructive and corrective transactions of reward and punishment (Rizvi, 2017). However, Bass (1998) argues that transactional leadership behaviors lay the platforms for transformational behaviors from the concept of consistent delivery of rewards in return for work accomplished builds trust in the leader. The author further suggests that a leader may apply either transformational or transactional leadership style depending on the situation (Rizvi, 2017).

Theoretically, leadership is said to have different approaches and it has been argued that there exist three key approaches to leadership theories namely the trait theory, behavioral theory and contingency theory (McLaurin & Al Amri, 2008). Other studies explain that an effective leader has the mandate of setting clear and well defined goals and objectives. However before setting goals, the leader must conduct an analysis on both the internal and external environment. This can be done through seeking for assistance from the subordinates before making the final decision (Zaribaf & Bayrami, 2010). A study by Cater and pucko(2010) further observed that effective human capital and a well formulated strategy is crucial however poor leadership is and impediment to successful strategy implementation.

2.4 Effect of Organizational Culture on Non-Financial Performance

Since the advancement of the concept of organizational culture earlier on in the mid-twentieth century, the concept has been described in several ways. However, the existing similarity in all these definitions is that organizational culture consists of values, beliefs and assumptions which are shared or communicated among members (Schein, 2010), control
behavior and facilitate shared meaning (Alvesson, 2013). Organizational culture has a wide scope as an important factor of firm’s performance. It is a concept that highlights many internal organizational parts as it interfaces with the external organizational environment. Organizational culture assists managers in interpreting and initiating organizational activities when there exists few other cues to guide behavior, even as it informs and shapes a company’s reputation in the public market environment. As a result of its strong significance to organizational actions, organizational culture continues to exist as a functional variable in business studies. It also leads to the most significant and important queries in business studies (Ravasi & Schultz, 2006).

Other researchers posit that organizational culture is a set of shared mental assumptions that guide interpretation and action in organizations by describing appropriate behavior for various situations (Ravasi & Schultz, 2006). Despite firms having their own culture, there sometimes exist conflicting cultures that co-exist owing to the characteristics of different management teams. A study by Kennedy (2000) posits that firms have varying cultures and subcultures. According to Hee (2009), Organizational culture can be described as a culture formed in accordance with organizational goals by sharing the things acquired through learning, and comprises of all values, activities, philosophy and ideals of a firm. Once formed, it does not easily change and greatly affects the behaviors and values of organization members and firm’s performance. Indeed, organizational culture can be described as a summary of individual cultures however, it is not similar to culture of individual members.

There are a number of studies over the years examining the impact of organizational culture on performance (Flamholtz & Kannan-Narasimhan, 2005). The result is a widely accepted view that organizational culture has a significant influence on both business and organizational performance (Trevor, 2013). Cultural compatibility was inclusive of the literature in the early 1990s with the study conducted by Cartwright and Cooper (1993). Other studies conducted describe the significance of supply chain performance is recognized in the supply chain management literature (Whitfield & Landeros, 2006), but few empirical studies focus on the influence of inter-organizational cultural fit on the performance of supply chain (Winklhofer et al, 2006).
Study conducted by Stokes and Wendy (2008) describe organizational culture as a tool that informs how responsibilities and authority is distributed within an organization in line with the organizational regulations created and maintained that define what is right or wrong. A study by Holt (2004) posits that 52% of most businesses fail due the inability to separate the firm’s structure and culture hence failing to balance the business operations. The link between organizational culture and performance has greatly received much attention among researchers and scholars in the field of organizational structure (Henri, 2006b). The main focus of discussion has been that if an organization maintains a strong culture by demonstrating a well-integrated and effective set of specific values, beliefs and behaviors, the assumption is that the organization will perform at a higher level of productivity (Sorensen, 2002). In addition, Stoica et al, (2004) argued that the relationship between organizational performance and culture is influenced by the way organizations search for and use information.

2.4.1 Significance of Organizational Culture

The ability to develop and sustain an organizational culture essential for organizational performance is of great significance to the organization. Organizational culture is described as the beliefs, attitudes, and ways of doing things (Burnes, 2004). Other studies describe organizational culture as a system of shared assumptions, values and beliefs that manage how a firm interacts with the internal and external environment (Stafford & Miles, 2013). The shared values have a great effect on the internal organizational factors while interacting with others within the environment. Study conducted by Hofstede and Hofstede (2010) explains that organizational culture is unique in different organizations based on different aspects such as rules, collaboration, teamwork, fairness and competitiveness.

A study conducted by Kamugisha (2013) explains that organizations that have good performance are perceived to have effective and essential organizational culture. Furthermore, organizational culture has been said to have a strong influence on the success for change strategies. Another study also suggests that organizational whose organizational culture is aligned with the firm’s mission and goals has a high chance of embracing change (Schein, 2007). Furthermore, the major objective of most firms’ today is the need to improve performance. Thus in this regard, improvement of a firm’s performance is greatly dependent
on the organizations interaction with effective and productive culture (Minkov & Blagoev, 2011). In order to increase the ability for organizational culture towards improving firms performance, there is need to examine the several inter interrelated dynamics. This includes examining the relation between the staff with what they do, and how they do it; clarity of understanding the principles and firms values; clarity in understanding the locus between individual behavior and performance and how effective planning impacts performance (Mbuvi, 2010).

Culture helps describe organizational performance despite aremarkablerange of definitions. Scholarsuniversallyagreethat culture is largely shared by members. This characteristic makes culture anthropological, historical, socially, stable, and holistic (Hofstede, 2001). Culture includes shared values isolated to direct observation but positively inferable from statements. Culture consists of a pattern of evolved ideology regarding the organizational life as perceived by members (Patrick & Murphy, 2013). Culture can be said to be a collective programming of the mind that distinguishes members of one organization from others based one shared values and norms in an organization (Hofstede, 2001). Culture also entails shared beliefs and behavioral expectations of an organizational unit. It entails the development of firm’s founders even before members choose to adopt its values (Bass, 1999). Despite the different definitions of organizational culture, it is clear that culture is peculiar to a given organization and inimitable to some extent. Its top-down values and shared assumptions are evident in behavioral norms and common experiences of members (Patrick & Murphy, 2013).

Studies conducted by other researchers posit that culture influences collaboration, perspective taking, and many organizational actions (Zohar & Luria, 2004). It is usually the best way to explain the firms inimitability actions such as adaptively and innovation that frustrate traditional approaches that assume a central tendencies and known distributions (Naranjo-Valencia et al., 2011). Studies by other scholars have been conducted to examine the impact of organization culture on performance. Study conducted by Wilson and Bates (2003), argues that a strong organizational culture plays the important roles of shaping and providing guidance to organization members’ behavior. Other research conducted describes organizational culture as the main resource that organizations have to maintain their
competitive advantage (Barney, 1991). Research conducted by other scholars managed to investigate the impact of organizational culture on organizational performance (Sinclair & Sinclair, 2009). The existing literature implies that there is a relationship between organizational culture and firm’s performance (Kemp & Dwyer, 2001).

2.4.2 Inefficiency of Organizational culture

Study conducted by Burk and Litwin (2007) argues that to some extent, organizational culture may turn out to being unproductive and chaotic. The study gave a scenario whereby the more organizations bring peoples into their corporate decision process, failure or lack of a cohesive organizational vision may result to reduced organizational effectiveness. This implied that, conflict between perceived culture, desired culture, and informal culture can reduce a firms’ potential performance (Kamugisha, 2013). A study by Kornberger and Pitsis (2010) described organizational culture as the feeling of shared convictions and qualities. The major advantage of shared conviction is its contribution to administrative and representative goals thus decreasing association issues. Hence, shared philosophies contributed to increased delegation, effort and utility, reduction of data accumulation influenced activities and experimentation (Van den Steen, 2010). Organizational culture was basically characterized by the majority of the life, shortcomings, quality, education and upbringing of workers. However, executive leaders had the assumption that extensive part in characterizing organizational culture by their activities and tasks, all representatives contributed to organizational culture (Hofstede & Hofstede, 2010).

2.4.3 Relationship between Organizational Culture and Performance

Study conducted by Nazarian and Atkison (2007) established a relationship between balanced organizational culture and organizational performance. The study was consistent with the study conducted by Gregory et al (2009) which suggested that an organization requires not only a strong organizational culture but one that has a balance of all different types of culture which will enhance flexibility in thinking. A study by Needle (2004) explained the firms culture to comprise of values, beliefs and the overall organization principle that govern the way a given firm conducts its business operations. Organizational culture entails the behavior of humans within an organization and the meaning that people
attach to those behaviors. Culture entails firm’s vision, mission, beliefs, norms, processes, language, habits and assumptions. Organizational culture describes the behaviors and assumptions that are taught to new organizational members as a way of perceiving, thinking and feeling. Furthermore, organizational culture influences how individuals and groups interact with each other, with clients and stakeholders.

A study conducted to investigate the relationship between the organizational cultures types of Singaporean organizations discovered that the cultural strength of organizations was often related to organizational performance (Lee & Yu, 2004). The study also discovered that those cultural elements that distinguish organizations from each other have a positive impact on organization performance. In a recent study on the relationship between organizational culture and organizational performance, the study investigated a sample of 194 middle and senior managers of Australian firms and found that among all four cultural types only developmental culture was a superior predictor of organizational performance (Prajogo & McDermott, 2011). Several studies to date indicate that none of the organizational culture types alone is likely to provide organizations with all values and approaches that they need to respond to their dynamic environment and achieve organizational high performance (Nazarian & Atkinson, 2017).

A study by Makhlouk and Shevchuk (2008) explains the impact of organizational culture on organizational performance, since it determines how an organization handles issues and inquiries, individuals change attitude, teamwork, firms communication with partners and commitment to strategy by individuals (Louise, 2012). The relationship between organizational culture and performance has been examined by many scholars and researchers. However, majority of the studies have greatly focused on the western developed nations (Magee, 2002). This implies that there is limited research on effects of organizational culture in the context of developing countries (Farashahi et al., 2005). Some studies conducted have recommended further research to investigate the concept of organizational culture in different cultural context particularly in non-Western nations (Denison, 2008).
2.5 Effect of Information Systems on Non-Financial Performance

Information technology has been explained as a set of computer systems which include software, hardware and other tools in organizations. In general, information technology can be said to be set of information systems for use of administrators and management teams which can effectively improve customer communication with the organization (Shi-Ming et al., 2006). Some of the benefits of information technology include: increasing efficiency and productivity, cost reduction and increased accountability, facilitating operations, increased flexibility, exploring new opportunities and increased globalization (Turban, 2007).

A study by Ray (2004) posits that IT involves the use of technology to process and manage information and helps in information storage, coding, retrieving and transfer of information. A study by Maier (2010) managed to explain the evolution of IT from a static record of information to an integral enabler of connections and communication between or among personnel, systems, and SBU’s. For an organization to be successful in the long term, it must be able to identify and sustain its core competencies. IT can be used by a company as a core competence in conducting a firm’s operations. A number of IT systems are employed by firms in conducting their operations such as the use of emails, fax, telephone as well as video conferencing. Integrated information technology systems such as ERP are of great importance and assist firms in decision making. Furthermore, ERP systems increase the level of cooperation interaction between firms’ functional areas by ensuring availability of information (Shatat & Udin, 2012).

One major subject of interest for policy makers and economists is the revolution of IT and communication which continuously improving and progressing with the objective of reshaping the material foundation of society (Mutula, 2006). Many firms have recognized the importance of IT and its influence on the speed and accuracy of affairs, customers’ satisfaction, support system, management decision making, and its contributions to firm’s effectiveness and efficiency. The awareness of such facts has contributed to organizations utilizing information technology (Yardley, 2005). Information technology has been broken down by Martinez into different categories based on the purposes for which they are used. These categories include: information technology in decision making, communication, administration, planning, and production control and product design. Furthermore, a
summary of the criteria of measurement of information technology application in different firms was provided (Sarrafzadeh, 2004).

Study by Arvanitis and Loukis (2009) describes technology as knowledge, products, processes, procedures and systems which facilitate the production of goods and services. Technology offers great assistance to organizations and facilitates policy implementation, procedures, and initiative. Other studies posit that technology enhances and maintains communication and accountability for the management in policy formulation, implementation, evaluation and control and ensuring the firm is working in line with its set objective (Byrd, Lewis, & Bryan, 2006). However, organizations have the mandate to ensure that additional systems and infrastructure are present to enable all systems function reliably. Furthermore, the management has to ensure that the management team is well trained on how to use the organizational systems and programs which is great importance to enhance performance and successful implementation of strategies (Kenworthy, 2012).

A study by Lai et al (2008) explains the major determinant of organizational logistics performance to be the combination of information system infrastructure with other not-IT resources. Findings from a study by Ayabakan 2017 implied that information technology needed to be merged with other resources to develop firm specific, sustained and strategic advantage. Furthermore, the study focused on specific types of information systems and their association with plant performance and the main interest of the study was to describe the relationship between IT resources, enablement of production capabilities and plant profitability. Findings from a study by Ayabakan and Bardhan (2017), posited that the impact of IT usage on plant performance was partially intervened through the enablement of production capabilities. Furthermore, results from the study indicated that the effect of IT was greatly significant than any other form of capital expenditures, and the impact of IT enablement was a significant determinant of plant profitability variations.

Study by Pearce and Robinson (2013) describe technology as the removal of hands and minds from conducting firms’ operations shifting to automation of operations. This entails digitizing from employee design, accounts receivables; product design cut costs, time and payroll resulting to improved efficiency and effectiveness in company’s operations. Information systems also render support services to business operations such as processing
transactions and issuing of timely business reports. Different software’s utilized in implementing business operations across different business functions help in simplifying work within the organization. However, it is crucial for the technology to be reliable, suitable, and secure and have the capability of contributing to successful operations (Kaplan R., 2010)

**2.5.1 Significance of Information Systems**

IT is considered to be a great pillar in an organization and greatly contributes to organizations success and improved (Gholami et al., 2013). Thus, firms with the ability to maintain its technological and innovation capabilities are able to have a competitive advantage over its rival firms (Wong & Aspinwall, 2005). IT systems enable firms improve on their communication channels and continuously source for more information crucial to the firm’s success. Information system is said to provide assistance in conducting firm’s business operations such as continuous innovation, service delivery, improved performance, and firm’s responsiveness (Gholami et al., 2013). In addition, the author put emphasis on the importance of these factors and their significance to achieving organizational responsiveness.

Despite the large body of literature on capabilities and the relationship with firms’ performance, a critical information system research on information technology enabled capabilities lies in the conceptualization and definition of capabilities (Ayabakan & Bardhan, 2017). The operations management literature has recognized IT as a backbone of operational activities (Alavi and Leidner, 2001), and has requested for further research to examine and assess ways to measure IT enabled operations capabilities (Peng et al., 2008).

A study conducted explains the importance of information systems to manufacturing plants is continuously increasing since information systems enable firms manage plant schedules and coordinate complex information processing requirements of their customers and suppliers (Bharadwaj et al., 2007). Furthermore, the study suggests that IT is a critical enabler of the coordination required between manufacturing; marketing and supply chain processes enabling the organization realize efficiency and effectiveness (Pavlou & Sawy, 2010). According to RBV, information technology resources alone are not considered to be a strategic asset if they can be substituted and imitated by competitors (Wade & Hulland,
However, organizational performance can be realized through leveraging information system resources to develop and improve firm-specific processes (Mishra et al., 2013). For instance, advanced manufacturing information systems such as enterprise resource planning (ERP) systems, automated manufacturing and flexible manufacturing systems help organizations strengthen their operations capabilities and other firm specific processes and resources (Chung & Swink, 2009).

### 2.5.2 Information Technology Limitations

Currently in developing countries like Iran, one of the major hardships in managing investment in the field of information technology is the lack of control and assessment of programs, performances and results (Albadawi & Keramati, 2004). Studies by other researchers posit that the major reason for organizations failure to increase productivity include failure to use information technology, failure to pay attention to the complementary organizational investments alongside investment on information technology (Albadawi & Keramati, 2004).

A study by Zegardy and Ismaili (2008) concluded that the size of a firm has influence on the level of applying information technology and organizational excellence model. The study concluded that one of the significant factors in achieving organizational excellence is through the utilization of information technology in organizations. Furthermore, the study went ahead and investigated the relationship between applying information technology and organizational excellence in state banks. The study results showed a significant, positive and direct relationship between applying information technology and achieving organizational excellence thus suggesting that banks should give priority to using information technology so as to attain organizational excellence and remain competitive (Rookhandeh & Ahmadi, 2016).

A study by Chi-Hung et al (2012) examined the effect of information system capability on e-business information technology strategy implementation. The study findings concluded that information system capability could have a direct effect on the quality of IT strategy implementation and the impact of quality on business performance.

### 2.5.3 Enterprise Resource Planning System
A number of studies have noted that most organizations have adopted the ERP system over the past two decades. Due to the high complexity nature of the ERP system, the system requires management to focus on users and management for the system to be effective (Seo, 2013). A study by Bray and Konsynski (2015) on knowledge management and its effect on firm’s performance puts emphasis on the importance of IT knowledge dissemination across the entire organization. The authors put emphasis on the importance of IT knowledge across the organization and its contribution to improved organization performance (Burtonshaw-Gunn & Salameh, 2009). Other studies by Avison et al (2004) posited that technology is a major element utilized in investigating customer needs and ways of delivering customer satisfaction.

2.6 Chapter Summary
This chapter presented the literature review based on research objectives which include: to determine the effect of organizational structure on non-financial performance of DHL, to assess the effect of organizational leadership style on non-financial performance of DHL, to evaluate the effect of organizational culture on non-financial performance of DHL, to examine the effect of information systems on non-financial performance of DHL. Chapter three will discuss the research methodology that will be employed by the study to collect data.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
This chapter describes the methodology that was applied while conducting the research. It is divided into different sections including the research design, the population and sampling design, data collection methods, research procedures and instruments, and data analysis methods. The adopted research methods are appropriate in terms of cost effectiveness, time, and information accuracy.

3.2 Research Design
Research design refers to a framework which acts as the blueprint for data collection, measurement, and analysis which explains the procedure necessary for obtaining the information needed to solve a research problem (Cooper & Schindler, 2014). Hence, research design is a layout of the research project which determines the most suitable method of investigation, nature of instruments, sampling plan and different data types (Saunders, Lewis, & Thornhill, 2015). There exists a number of research designs but the main ones are descriptive, exploratory, correlation design and causal (Collis & Hussey, 2009).

Descriptive research is usually used in obtaining information in regards to the current status of the phenomena and explains what exists with respect to variables or conditions in a situation. The major objective of a descriptive research is to provide a valid and accurate representation of the variables that are relevant to the research questions and objectives (Creswell, 2014). This study adopted this design since the study aimed to collect information from the respondents regarding their perception on the effect of internal factors (independent variable) on non-financial performance (dependent variable) of firms. The descriptive approach was applied since it enabled the researcher to use quantitative data so as to find common characteristics about the population or phenomena being studied (Zikmund, Babin, Carr, & Griffin, 2010). In addition, the study adopted the correlation approach and managed to describe the dependent and independent variables relationship. Correlation research
represents a general approach to research that focuses on examining the co-variation among natural occurring variables (Creswell, 2014).

The major objective of correlation research was mainly to identify predictive relations using correlations or other statistical techniques (Cooper & Schindler, 2014). Furthermore, the study employed both quantitative and qualitative research approaches. Quantitative approach entails the use of tools such as questionnaires, or data analysis procedure including graphs, that use numerical data. Whereas, qualitative approach assisted in analysis of non-numerical data such as interviews (Saunders, Lewis, & Thornhill, 2015).

3.3 Population and Sampling Design

3.3.1 Population
Population is described as the total collection of elements about which the researcher wishes to make reference (Cooper & Schindler, 2014). It is basically the universe of people, place or things to be investigated (Saunders, Lewis, & Thornhill, 2016). The target population for this study was comprised of top management, middle level management and subordinate staff across the organization. Table 3.1 shows the population distribution across the organization.

Table 3.1: Population

<table>
<thead>
<tr>
<th>UNITS OF ANALYSIS</th>
<th>TARGET POPULATION</th>
<th>% DISTRIBUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOP MANAGEMENT</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>MIDDLE LEVEL MANAGEMENT</td>
<td>16</td>
<td>15</td>
</tr>
<tr>
<td>SUBORDINATE STAFF</td>
<td>80</td>
<td>74</td>
</tr>
<tr>
<td>TOTAL</td>
<td>108</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: DSC (2017)

3.3.2 Sampling Design
Sampling design is described as that part of research plan that indicates how cases are to be carefully chosen for observation (Cooper & Schindler, 2014). Hence, the design gives a blueprint of the process to be followed to draw the study’s sample based on the sample
size (Saunders, Lewis, & Thornhill, 2016). The study adopted this design as the sample was inferred to the population.

### 3.3.3 Sampling Frame

Sampling frame is described as the physical representation of all the elements of the population from which the sample size is drawn (Sekaran & Bougie, 2013). Other studies posit that sampling frame is the detailed presentation of population of study outlined in a table or figure (Oladipo, Ikamari, & Kiplang'at, 2015). According to Cooper and Schindler (2011), sampling frame has been defined as a list of elements from which the sample is drawn and closely related to the population. The sample of the study mainly constituted of the top management, middle level management and subordinate staff at DHL.

### 3.3.4 Sampling Technique

Sampling technique entails the method that is used to select the members of a sample (Cooper & Schindler, 2011). A study by Sekaran and Bougie (2013) explains the various sampling designs types which include: probability and nonprobability. The study findings were assumed to be a true representative of the study population (Cooper & Schindler, 2014). Since the population was divided into the various categories of top management, middle level management and subordinate staff, a stratified random sampling was used to collect data from the various strata of the respondents. This technique was to ensure full representation of all respondents and eliminate the aspect of biasness. Stratifying the entire population will help ensure a sample that accurately reflects the population being studied (Zinkmund et al., 2012).

### 3.3.5 Sample Size

Sample size is described as the number of items to be selected from the universe to constitute a sample (Oladipo, Ikamari, & Kiplang'at, 2015). The sample size is an important element of any empirical study in which the objective is to make inferences about a given population from a sample. Basically the sample size utilized in a study is determined based on the expense of data collection and needs to have sufficient statistical power (Creswell, 2014).

A good sample should be accurate, precise, ensure to have a good representation of the population, and be at least 20% of the population (Cooper & Schindler, 2011). From the
initial target population of 108, this being more than 100 but less than 500, and guided by the rule of thumb, the study used stratified random sampling and a quota of 50% was drawn from each strata.

Table 3.2: Sample Size

<table>
<thead>
<tr>
<th>UNIT OF ANALYSIS</th>
<th>TARGET POPULATION</th>
<th>% OF SAMPLE</th>
<th>SAMPLE SIZE</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOP MANAGEMENT</td>
<td>12</td>
<td>50%</td>
<td>6</td>
</tr>
<tr>
<td>MIDDLE LEVEL MANAGEMENT</td>
<td>16</td>
<td>50%</td>
<td>8</td>
</tr>
<tr>
<td>SURBODINATE STAFF</td>
<td>80</td>
<td>50%</td>
<td>40</td>
</tr>
<tr>
<td>TOTAL</td>
<td>108</td>
<td>50%</td>
<td>54</td>
</tr>
</tbody>
</table>

3.4 Data Collection Methods

This study used a structured questionnaire as a data collection tool to collect both qualitative and quantitative data. The questionnaire issued consisted of both closed and open ended questions. The decision to use a questionnaire was based on the fact that the tool is considerably easy to understand and use for the respondents (Burns & Ryman, 2008). Furthermore, it offered a high rate of response as it is less time consuming in comparison to other tools such as focus groups. In addition, a Likert scale was also used with options ranging from strongly agree to strongly disagree on a 5-point scale. This scale was used because it had proven to be effective in other studies (Bryman & Bell, 2011). The questionnaire was divided into five main segments. The first section of the questionnaire comprised of questions on the respondents’ general information. The second, third, fourth and fifth parts will entailed questions based on the research objectives. The researcher obtained a letter from Chandaria School of Business which facilitated the authorization to collect data from DHL.

3.5 Research Procedures

The research utilized a developed questionnaire as the data collection tool, and ensured that the questions were appropriate for the study. The questionnaires were developed in accordance to the research objectives. A pretest was conducted before administering the questionnaire to the
study population. A study by Cooper and Schindler (2014) posits that pretests aid in improvement of instrumentation and design. Pretest is said to helpful in refining information contained in the questionnaire which in turn increases efficiency and identifies any shortcomings in the questionnaire (Bryman & Bell, 2011). This enabled the researcher make changes based on suggestion from the pretest participants and eliminated errors and improved on validity. The researcher obtained permission from Chandaria School of Business to facilitate the data collection process. Time was given for respondents to fill in the questionnaires and phone calls were used as a measure to follow up. The researcher was able to physically deliver and email the questionnaires and feedback from respondents was treated with high degree of confidentiality.

3.6 Data Analysis Methods

Data analysis entails the process of analyzing, cleaning, transforming, and modeling data collected in a research with the objective of identifying useful information (Cooper & Schindler, 2014). The information collected was used to make decisions. The data collected was edited and keyed into SPSS tool for analysis. The main purpose of the analysis was to consolidate the observations so as to provide solutions to the research objectives or questions. Quantitative and qualitative data analysis tools were used, which comprised of descriptive analysis and, in particular cross-sectional analysis. A cross-sectional analysis basically entails a study carried out once and represents a snapshot of one point in time (Bryman & Bell, 2011). Finally, the data collected was presented in form of tables and figures which aimed at facilitating interpretation of information obtained.

3.7 Chapter Summary

The chapter managed to clearly describe the methodology that the study expects to use to reach the objective of the study. The research methodology was explained in sections including: research design, population, sampling frame, sampling technique, sample size, data collection and data analysis. Chapter four will discuss data analysis and presentation of study findings.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter brings forth the results as acquired from the data analysis done. This included results relating to the demographical features of the respondents and the specific research objectives aimed at establishing the effects of internal factors on non-financial performance at DHL.

4.1.1 Response rate

The research issued a total of 54 questionnaires and a total of 44 were filled and returned giving a response rate of 93%. This was sufficient for the study as indicated in table 4.1

Table 4.1: Response Rate

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filled and returned</td>
<td>44</td>
<td>81</td>
</tr>
<tr>
<td>Non-response</td>
<td>10</td>
<td>19</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>100</td>
</tr>
</tbody>
</table>

4.2 Demographical Features

The research analysed demographic data and the results were presented as follows:

4.2.1 Age

On analysing the ages of the respondents only 2% were aged below 25, those of 26-35 were the majority and represented 75%, those aged 36-45 were 14%, and those above 46 were 9%. This implies that at DHL the employees are young and can serve the company many more years to come, however, the majority being young may also bring the company to its knees incase they seek greener pastures.
4.2.2 Education

With regard to education diploma holders were 23%, degree holders were 57% while master holder were 21% as indicated. This implies that the employees are well educated to work well in their respective departments.

4.2.3 Years worked

As indicated in figure 4.3, majority of the respondents had worked at DHL for less that 5 years, those who had worked for 5-10 years were 34%, 15-20 were 7% and those of more than 20 years were 11%
To analyse management levels, the findings revealed that top level managers accounted for 5% of the total, middle level was 59% while subordinate was 36% as indicated.

**Figure 4.3: Years worked**

To analyse management levels, the findings revealed that top level managers accounted for 5% of the total, middle level was 59% while subordinate was 36% as indicated.

**Figure 4.4: Management Level**

**4.3 Effect Of Organizational Structure On Non-Financial Performance Of DHL**

To analyse the first objective respondents were asked a set of questions which they were to rate based on the rating of five; (1) Strongly Disagree, (2) Disagree, (3) Not Sure, (4) Agree and (5) Strongly Agree.
4.3.1 Descriptive of Effect Of Organizational Structure On Non-Financial Performance

The findings revealed that a majority agreed that organizational structure supports effective controls (4.11), and that organizational structure provides a visual explanation of decision making process and resource allocation (4.02), it was also revealed that organizational structure assists management in determining departments and functions in an organization (4.25). Organizations are shifting from traditional organizational structures to a hybrid structure (4.07) and they are also redefining and adjusting their organizational structures to match their strategic activities (4.07). It was also noted that appropriate organizational structure is crucial in the achievement of the organization goals and objectives (4.20) and changes in organizational structure had an effect on organizational non-financial performance (4.09).

Table 4.2: Descriptive of Organizational Structure On Non-Financial Performance

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational structure supports effective controls.</td>
<td>44</td>
<td>4.11</td>
<td>.868</td>
</tr>
<tr>
<td>Organizational structure provides a visual explanation of decision</td>
<td>44</td>
<td>4.02</td>
<td>.849</td>
</tr>
<tr>
<td>making process and resource allocation.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational structure assists management in determining departments</td>
<td>44</td>
<td>4.25</td>
<td>.751</td>
</tr>
<tr>
<td>and functions in an organization.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizations are shifting from traditional organizational structures</td>
<td>44</td>
<td>4.07</td>
<td>.728</td>
</tr>
<tr>
<td>to a hybrid structure.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizations are redefining and adjusting their organizational</td>
<td>44</td>
<td>4.07</td>
<td>.950</td>
</tr>
<tr>
<td>structures to match their strategic activities.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriate organizational structure is crucial in the achievement</td>
<td>44</td>
<td>4.20</td>
<td>.904</td>
</tr>
<tr>
<td>of the organization goals and objectives.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>changes in organizational structure had an effect on organizational</td>
<td>44</td>
<td>4.09</td>
<td>.960</td>
</tr>
<tr>
<td>non-financial performance</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.4 Effect of Organizational Leadership Style On Non-Financial Performance

To analyze the second objective respondents were asked a set of questions which they were to rate based on the rating of five; (1) Strongly Disagree, (2) Disagree, (3) Not Sure, (4) Agree and (5) Strongly Agree.

4.4.1 Effect of Organizational Leadership Style On Non-Financial Performance

The findings revealed that leadership style has an effect on organizational performance (4.48) and it also influenced people to achieve certain goals or objectives (4.39). It was also revealed that leadership style impacts organizational culture, employee effectiveness, and motivation in the organization (4.18).

Most of the respondents neither agreed nor disagreed that leaders take advantage of their position and authority to delegate and ensure work is correctly executed (3.89) and that leadership style contributes to improved employee performance and organization’s growth (3.82) nor that environmental turbulence influences leadership style in the organization (3.84).

Table 4.3: Organizational Leadership Style On Non-Financial Performance

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership style has an effect on organizational performance.</td>
<td>44</td>
<td>4.48</td>
<td>.902</td>
</tr>
<tr>
<td>Leadership influences people to achieve certain goals or objectives.</td>
<td>44</td>
<td>4.39</td>
<td>.722</td>
</tr>
<tr>
<td>Leaders take advantage of their position and authority to delegate and ensure work is correctly executed</td>
<td>44</td>
<td>3.89</td>
<td>1.083</td>
</tr>
<tr>
<td>Leadership style impacts organizational culture, employee effectiveness, and motivation in the organization.</td>
<td>44</td>
<td>4.18</td>
<td>.843</td>
</tr>
<tr>
<td>Leadership style contributes to improved employee performance and organization’s growth</td>
<td>44</td>
<td>3.82</td>
<td>1.225</td>
</tr>
<tr>
<td>Environmental turbulence influences leadership style in the organization.</td>
<td>44</td>
<td>3.84</td>
<td>1.077</td>
</tr>
</tbody>
</table>
4.5 Effect of Organizational Culture On Non-Financial Performance

To analyze the third objective respondents were asked a set of questions which they were to rate based on the rating of five; (1) Strongly Disagree, (2) Disagree, (3) Not Sure, (4) Agree and (5) Strongly Agree.

4.5.1 Descriptive of Organizational Culture On Non-Financial Performance

The findings revealed that majority of the respondents agreed that Organizational culture influences organizational actions (4.03) and it also influenced how individuals and groups interact with each other (4.26).

However, most of the respondents were not sure if Organizational culture had a wide scope as an important factor of firm’s performance (3.85), or if organizational culture plays an important role of shaping organization members behavior (3.92). Similarly, many were also not sure if organizational culture described the firms behaviors and assumptions (3.92) or if it has an influence on the success for change strategies (3.87).

Table 4.4: Descriptive of Organizational Culture On Non-Financial Performance

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational culture has a wide scope as an important factor of firm’s performance</td>
<td>44</td>
<td>3.85</td>
<td>.933</td>
</tr>
<tr>
<td>Organizational culture influences organizational actions</td>
<td>44</td>
<td>4.03</td>
<td>.584</td>
</tr>
<tr>
<td>Organizational culture plays an important role of shaping organization members behaviour</td>
<td>44</td>
<td>3.92</td>
<td>1.010</td>
</tr>
<tr>
<td>Organizational culture describe the firms behaviours and assumptions</td>
<td>44</td>
<td>3.92</td>
<td>.929</td>
</tr>
<tr>
<td>Organizational culture influences how individuals and groups interact with each other</td>
<td>44</td>
<td>4.26</td>
<td>.785</td>
</tr>
<tr>
<td>Organizational culture has an influence on the success for change strategies</td>
<td>44</td>
<td>3.87</td>
<td>.923</td>
</tr>
</tbody>
</table>
4.6 Effect of Information Systems On Non-Financial Performance

To analyze the fourth objective respondents were asked a set of questions which they were to rate based on the rating of five; (1) Strongly Disagree, (2) Disagree, (3) Not Sure, (4) Agree and (5) Strongly Agree.

4.6.1 Descriptive of Information Systems on Non-Financial Performance

It was revealed that information technology is a major contributor organizations success (4.47) and information systems offer organizations competitive and effective communication channels (4.51). The findings also revealed that information systems have an influence on the firm’s effectiveness and efficiency (4.44) and the size of the firm has an influence on the level of application of information systems technology (4.26). It was also established that information systems is a backbone of firms operational activities (4.17) and it offer support services to business operations (4.47).

Table 4.5: Descriptive of Information Systems on Non-Financial Performance

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information technology is a major contributor organizations success</td>
<td>44</td>
<td>4.47</td>
<td>.827</td>
</tr>
<tr>
<td>Information systems offer organizations competitive and effective communication channels</td>
<td>44</td>
<td>4.51</td>
<td>.736</td>
</tr>
<tr>
<td>Information systems have an influence on the firms effectiveness and efficiency</td>
<td>44</td>
<td>4.44</td>
<td>.796</td>
</tr>
<tr>
<td>Size of the firm has an influence on the level of application of information systems technology</td>
<td>44</td>
<td>4.26</td>
<td>1.002</td>
</tr>
<tr>
<td>Information systems is a backbone of firms operational activities</td>
<td>44</td>
<td>4.17</td>
<td>1.010</td>
</tr>
<tr>
<td>Information systems offer support services to business operations</td>
<td>44</td>
<td>4.47</td>
<td>.797</td>
</tr>
</tbody>
</table>

4.7 Performance

To analyze the performance respondents were asked a set of questions which they were to rate based on the rating of five; (1) Strongly Disagree, (2) Disagree, (3) Not Sure, (4) Agree and (5) Strongly Agree.
4.7.1 Descriptive on Performance
Most of the respondents agreed that competition has an effect on the firm’s market position (4.20), level of firm’s efficiency affects firms internal business processes (4.36), profitability has an effect on firms financial health (4.55) and lead time affects internal business processes (4.28) and earnings per share affects firms non-financial performance (4.02) return on Investment affects non-financial performance of a firm (4.00).

Table 4.6: Descriptive on Performance

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competition has an effect on the firm’s market position</td>
<td>44</td>
<td>4.20</td>
<td>.765</td>
</tr>
<tr>
<td>Level of firms efficiency affects firms internal business processes</td>
<td>44</td>
<td>4.36</td>
<td>.750</td>
</tr>
<tr>
<td>Profitability has an effect on firms financial health</td>
<td>44</td>
<td>4.55</td>
<td>.791</td>
</tr>
<tr>
<td>Lead time affects internal business processes</td>
<td>43</td>
<td>4.28</td>
<td>.882</td>
</tr>
<tr>
<td>Earnings per share affects firms non-financial performance</td>
<td>44</td>
<td>4.02</td>
<td>.902</td>
</tr>
<tr>
<td>Return on Investment affects non-financial performance of a firm</td>
<td>44</td>
<td>4.00</td>
<td>.964</td>
</tr>
</tbody>
</table>

4.8. Inferential

4.8.1 Reliability Test
A reliability test was done by use of Cronbalch Alpha on the variables of Organizational Structure, Organizational leadership style, Organizational culture, information systems and performance. Cronbach’s alpha measure assesses the reliability or internal uniformity, of a set trial items. The desired Cronbalch Alpha value should be above 0.7 (α >0.7) For the study the value all the values were above 0.7 hence making the variables very reliable as indicated in table 4.7
Table 4.7: Reliability Test

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Structure on Non-Financial Performance</td>
<td>.854</td>
<td>7</td>
</tr>
<tr>
<td>Organizational leadership style on non-financial performance</td>
<td>.796</td>
<td>6</td>
</tr>
<tr>
<td>Organizational culture on non-financial performance</td>
<td>.876</td>
<td>6</td>
</tr>
<tr>
<td>Information systems on non-financial performance</td>
<td>.909</td>
<td>6</td>
</tr>
<tr>
<td>Performance</td>
<td>.851</td>
<td>6</td>
</tr>
</tbody>
</table>

4.8.2 Correlation Analysis

A Pearson correlation analysis was done to establish the relationship between the dependent variable (Non-financial Performance) against other core factors and the result established a strong positive relationship between the variables. All the variables were significant as indicated in table 4.8. Therefore, an increase in combined variables of organizational structure (r=0.600, P<0.01), organization leadership (r=0.631, P<0.01), Organisational Culture (r=0.615, P<0.01) and information system(r=0.744, P<0.01)lead to an increase in non-performance as indicated in table 4.8.

Table 4.8: Correlation Analysis

<table>
<thead>
<tr>
<th>Variable</th>
<th>Performance</th>
<th>OS</th>
<th>OL</th>
<th>OC</th>
<th>IS</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERF</td>
<td>1</td>
<td>.600**</td>
<td>.631**</td>
<td>.615**</td>
<td>.744**</td>
</tr>
<tr>
<td>OS</td>
<td>.600**</td>
<td>1</td>
<td>.826**</td>
<td>.575**</td>
<td>.801**</td>
</tr>
<tr>
<td>OL</td>
<td>.631**</td>
<td>.826**</td>
<td>1</td>
<td>.599**</td>
<td>.781**</td>
</tr>
<tr>
<td>OC</td>
<td>.615**</td>
<td>.575**</td>
<td>.599**</td>
<td>1</td>
<td>.650**</td>
</tr>
<tr>
<td>IS</td>
<td>.744**</td>
<td>.801**</td>
<td>.781**</td>
<td>.650**</td>
<td>1</td>
</tr>
</tbody>
</table>

Where: OS, Organizational Structure; OL, Organizational Leadership; OC, Organizational Culture; IS, Informational System.
CHAPTER FIVE

5.0 RECOMMENDATIONS DISCUSSIONS AND CONCLUSION

5.1 Introduction
This section will seek to break down the findings by undertaking a comparison and contrasting previous literature related to internal factors affecting non-financial performance at DHL. This will be organized based on the specific research questions which sought to establish how organizational structure, organizational leadership style, organizational culture and information systems on non-financial performance of DHL.

5.2 Summary of Findings
The general purpose of the study was to analyze the effect of internal factors on non-financial performance of firms examining the case of DHL. This research will be governed by the following research objectives: To determine the effect of organizational structure on non-financial performance of DHL, to assess the effect of organizational leadership style on non-financial performance of DHL, to evaluate the effect of organizational culture on non-financial performance of DHL, to examine the effect of information systems on non-financial performance of DHL.

This research proposal employed a descriptive research technique. The major objective of the descriptive study will be to provide a valid and accurate representation of the variables that are relevant to the research objectives. The target population of the study was 54 top management, middle level management and the subordinate staff of DHL, however only 44 responded. Data collection was done through the use of structured questionnaires containing both open and closed ended questions to obtain both qualitative and quantitative data. The sample size from the target group was selected using stratified random sampling. Questionnaires was delivered to the respondents by hand and through electronic mail and will be collected after submission. Data analysis was conducted with the help of SPSS with the aim of providing solutions to the research objectives. Presentation of study findings was presented through tables and figures for ease interpretation and understanding.
The findings revealed that a majority agreed that organizational structure supports effective controls, and that organizational structure provides a visual explanation of decision making process and resource allocation, it was also revealed that organizational structure assists management in determining departments and functions in an organization. Organizations are shifting from traditional organizational structures to a hybrid structure and they are also redefining and adjusting their organizational structures to match their strategic activities. It was also noted that appropriate organizational structure is crucial in the achievement of the organization goals and objectives and changes in organizational structure had an effect on organizational non-financial performance.

The findings also revealed that leadership style has an effect on organizational performance and it also influenced people to achieve certain goals or objectives. It was also revealed that leadership style impacts organizational culture, employee effectiveness, and motivation in the organization. Most of the respondents neither agreed nor disagreed that leaders take advantage of their position and authority to delegate and ensure work is correctly executed and that leadership style contributes to improved employee performance and organization’s growth nor that environmental turbulence influences leadership style in the organization.

The findings revealed that majority of the respondents agreed that Organizational culture influences organizational actions and it also influenced how individuals and groups interact with each other. However, most of the respondents were not sure if Organizational culture had a wide scope as an important factor of firm’s performance, or if organizational culture plays an important role of shaping organization members behavior. Similarly, many were also not sure if organizational culture described the firm’s behaviors and assumptions or if it has an influence on the success for change strategies.

It was revealed that information technology is a major contributor organizations success and information systems offer organizations competitive and effective communication channel. The findings also revealed that information systems have an influence on the firm’s effectiveness and efficiency and the size of the firm has an influence on the level of application of information systems technology. It was also established that information systems is a backbone of firms operational activities and it offer support services to business operations.
5.3 Discussion

5.3.1 Effect of Organizational Structure On Non-Financial Performance

The findings revealed that a majority agreed that organizational structure supports effective controls. Organizational structure has been described as the formalized arrangements of interactions between responsibilities for the tasks, people, and resources in an organization (Pearce & Robinson, 2013). Organizational structure assists management in determining departments and functions in an organization, describing the hierarchy, control timeline and reporting relationships, communication systems, coordination and both horizontal and vertical integration across different organizational functions (Daft, 2001). A study by Schaap (2006) posits that adjusting organizational structure to match a firm’s strategy has a great significance to success in organizations strategy implementation.

It was also revealed that organizational structure assists management in determining departments and functions in an organization. Organizational structure further identifies the design in relation to roles, responsibilities, flow of information, and existing internal relationships between individuals and departments. Galbraith (2002) in his study described the different structures adopted by different organizations resulting from different factors that influence the operations of firms. The study further suggested that despite the structure adopted, it is essential for a firm to ensure that the design adopted will enhance firm’s performance.

Organizations are shifting from traditional organizational structures to a hybrid structure and they are also redefining and adjusting their organizational structures to match their strategic activities. For a firm to survive in the dynamic and complicated environment, it is essential for the firm to have agility and flexibility in which the main factor is organizational structure which is said to be the principal force of change (Hadi et al., 2016). In fact, Wilden et al (2013) described organizational structure as a “contextual moderator” that is capable of determining the degree to which dynamic capabilities influence firm’s performance. Appropriate organizational structure is crucial in the achievement of the organization goals and objectives. It enables formulation of the right strategies to enable the organization to
remain relevant with the environmental turbulence due to its flexibility in adapting to change (Shafiee et al., 2016).

It was also noted that appropriate organizational structure is crucial in the achievement of the organization goals and objectives and changes in organizational structure had an effect on organizational non-financial performance. Another study conducted explains that organizational structure guides the proficiency of work, the enthusiasm of employees and coordination among the top management and subordinates for continuous implementation of the organizational operations in line with organizations goals and objectives. However, at the same time formalization comes about and may be affected due to the fact that rules and regulations such as policies may not be applicable when the organizational structure has changed (Tran & Tian, 2013). A study by Kumar and Meenakshi (2009), explains that organizational structure supports effective controls. According to Rajasekar (2014), organizational structure is said to provide a visual explanation of decision making process and resource allocation. Additional factors include decision levels, division of labor work systems and remuneration levels. Organizational structure is very common in organizational diagnostic models (Kates & Galbraith, 2007).

5.3.2 Effect Of Organizational Leadership Style On Non-Financial Performance

The findings also revealed that leadership style has an effect on organizational performance. Various studies have been conducted to investigate the effects of leadership on organizational performance, how various leadership styles impact organizational culture, employee effectiveness, performance, motivation, satisfaction in organizations (Yang, 2014). Leadership styles are of great significance for achieving a high level of employee performance within an organization (Ekaterini, 2010). Hence, the application of the appropriate leadership style contributes to improved employee performance and organizational growth. Employee performance is mainly measured through increase in productivity, revenue, profit maximization and customer satisfaction (Menz, 2012).

It was also revealed that leadership influenced people to achieve certain goals or objectives. Past studies state that leadership style has been described as “a relatively consistent pattern of behavior demonstrated by a leader or manager while dealing with and influencing staff”.

46
Among various theories of leadership approaches in relation to effective organizational performance, the most prominent one is the transformational-transactional theories of leadership. The two approaches of transactional and transformational are described as dominant approaches in study of leadership according to the school of thought (Dulewicz & Higgs, 2005).

It was also revealed that leadership style impacts organizational culture, employee effectiveness, and motivation in the organization. Study by Fernandez (2008), describe leadership as: task-oriented, relations oriented and development oriented. He further claims that all three types of leadership have positive relation with employee’s perception regarding performance while the remaining two have positive relation with their job satisfaction. Studies suggest that leadership style is one of the most important factors with respect to a firm’s capacity to innovate and adapt to change has shown to have a significant positive relationship with organizational performance (Mitchell & Boyle, 2009). Research describes leadership style to have both a direct, immediate relationship as well as an indirect, sustained relation with organizational success. Yet, questions still exist regarding how leadership drives performance (Jing & Avery, 2008).

A study conducted managed to investigate the influence of leadership styles on performance at state owned corporations in Kenya. The study aimed to investigate the impact of laissez-faire, transactional and transformational leadership approaches on organizational performance at state owned corporations in Kenya. The study recommended managers to do away with laissez-faire leadership approach and adopt a more participative leadership approach in guiding their subordinates. The study further put emphasis on the need for managers to formulate and implement effective reward and recognition systems a view which was supported as well by (Nderu, 2013).

Most of the respondents neither agreed nor disagreed that leaders take advantage of their position and authority to delegate and ensure work is correctly executed. A study conducted by Cater and Pucko (2010) which examined 172 Slovenian companies and reported that the major cause of failure in strategy implementation was due to poor leadership. The study posited that strong leadership is always essential for effective execution however there are numerous hardships in exercising leadership and getting things done. Hence leadership will
require the need to establish an effective leadership style as well as the right staff with the right skills to execute tasks which is a challenge in itself. This in turn will need a leader who is committed with a clear understanding of the firm’s mission and vision for it to be able to achieve organizational goals and objectives (Thompson & Strickland, 2003)

5.3.3 Effect Of Organizational Culture On Non-Financial Performance

The findings revealed that majority of the respondents agreed that Organizational culture influences organizational actions. Organizational culture has a wide scope as an important factor of firm’s performance. It is a concept that highlights many internal organizational parts as it interfaces with the external organizational environment. Organizational culture assists managers in interpreting and initiating organizational activities when there exists few other cues to guide behavior, even as it informs and shapes a company’s reputation in the public market environment. As a result of its strong significance to organizational actions, organizational culture continues to exist as a functional variable in business studies. It also leads to the most significant and important queries in business studies (Ravasi & Schultz, 2006).

Organizational culture influenced how individuals and groups interact with each other and to emphasize this, a study by Kennedy (2000) posits that firms have varying cultures and subcultures. According to Hee (2009), Organizational culture can be described as a culture formed in accordance with organizational goals by sharing the things acquired through learning, and comprises of all values, activities, philosophy and ideals of a firm. Once formed, it does not easily change and greatly affects the behaviors and values of organization members and firm’s performance. Indeed, organizational culture can be described as a summary of individual cultures however, it is not similar to culture of individual members.

However, most of the respondents were not sure if Organizational culture had a wide scope as an important factor of firm’s performance. This contradicts a number of studies who over the years examining the impact of organizational culture on performance (Flamholtz & Kannan-Narasimhan, 2005). The result is a widely accepted view that organizational culture has a significant influence on both business and organizational performance (Trevor, 2013). Cultural compatibility was inclusive of the literature in the early 1990s with the study conducted by Cartwright and Cooper (1993). Other studies conducted describe the
significance of supply chain performance is recognized in the supply chain management literature (Whitfield & Landeros, 2006), but few empirical studies focus on the influence of inter-organizational cultural fit on the performance of supply chain (Winklhofer et al, 2006).

There was uncertainty on whether if organizational culture plays an important role of shaping organization members behavior. Study conducted by Stokes and Wendy (2008) describe organizational culture as a tool that informs how responsibilities and authority is distributed within an organization in line with the organizational regulations created and maintained that define what is right or wrong. A study by Holt (2004) posits that 52% of most businesses fail due the inability to separate the firm’s structure and culture hence failing to balance the business operations. The link between organizational culture and performance has greatly received much attention among researchers and scholars in the field of organizational structure (Henri, 2006b)

Similarly, many were also not sure if organizational culture described the firm’s behaviors and assumptions or if it has an influence on the success for change strategies. Other studies describe organizational culture as a system of shared assumptions, values and beliefs that manage how a firm interacts with the internal and external environment (Stafford & Miles, 2013). A study conducted by Kamugisha (2013) explains that organizations that have good performance are perceived to have effective and essential organizational culture. Furthermore, organizational culture has been said to have a strong influence on the success for change strategies. Another study also suggests that organizational whose organizational culture is aligned with the firm’s mission and goals has a high chance of embracing change (Schein, 2007).

5.3.4 To Examine the Effect Of Information Systems On Non-Financial Performance

It was revealed that information technology is a major contributor organizations success and information systems offer organizations competitive and effective communication channel. Information technology can be said to be set of information systems for use of administrators and management teams which can effectively improve customer communication with the organization (Shi-Ming et al., 2006). Some of the benefits of information technology include: increasing efficiency and productivity, cost reduction and increased accountability,
facilitating operations, increased flexibility, exploring new opportunities and increased globalization (Turban, 2007).

A study by Ray (2004) posits that IT involves the use of technology to process and manage information and helps in information storage, coding, retrieving and transfer of information. A study by Maier (2010) managed to explain the evolution of IT from a static record of information to an integral enabler of connections and communication between or among personnel, systems, and SBU’s. For an organization to be successful in the long term, it must be able to identify and sustain its core competencies. IT can be used by a company as a core competence in conducting a firm’s operations. A number of IT systems are employed by firms in conducting their operations such as the use of emails, fax, telephone as well as video conferencing. Integrated information technology systems such as ERP are of great importance and assist firms in decision making. Furthermore, ERP systems increase the level of cooperation interaction between firms’ functional areas by ensuring availability of information (Shatat & Udin, 2012).

The findings also revealed that information systems have an influence on the firm’s effectiveness and efficiency. Many firms have recognized the importance of IT and its influence on the speed and accuracy of affairs, customers’ satisfaction, support system, management decision making, and its contributions to firm’s effectiveness and efficiency. The awareness of such facts has contributed to organizations utilizing information technology (Yardley, 2005). Information technology has been broken down by Martinez into different categories based on the purposes for which they are used. These categories include: information technology in decision making, communication, administration, planning, and production control and product design. Furthermore, a summary of the criteria of measurement of information technology application in different firms was provided (Sarrafzadeh, 2004).

It was also established that information systems is a backbone of firms operational activities and it offer support services to business operations. Other studies posit that technology enhances and maintains communication and accountability for the management in policy formulation, implementation, evaluation and control and ensuring the firm is working in line with its set objective (Byrd, Lewis, & Bryan, 2006). However, organizations have the
mandate to ensure that additional systems and infrastructure are present to enable all systems function reliably. Furthermore, the management has to ensure that the management team is well trained on how to use the organizational systems and programs which is great importance to enhance performance and successful implementation of strategies (Kenworthy, 2012). Findings from a study by Ayabakan 2017 implied that information technology needed to be merged with other resources to develop firm specific, sustained and strategic advantage. Furthermore, the study focused on specific types of information systems and their association with plant performance and the main interest of the study was to describe the relationship between IT resources, enablement of production capabilities and plant profitability.

5.4 Conclusion

5.4.1 Effect Of Organizational Structure On Non-Financial Performance

The organization structure is very important in supporting and effective controls over the firm’s operations. It has also been established that the structure was very vital in decision making process and resource allocation. Management has also used the organization structure in determining the operations of the organization. While this is the case, issues of organizations upgrading has been on the rise and this has been in line with their strategic activities.

5.4.2 Effect of Organizational Leadership Style on Non-Financial Performance

Leadership style influenced the performance of the organization and this has an influence on the goals or objectives that the firm needs to achieve. Leadership style also influences the organizational culture, employee effectiveness, and motivation in the organization.

5.4.3 Effect of Organizational Culture on Non-Financial Performance

Organizational culture impacts the organizational actions and plays a role in determining how employees treat each other. Despite this, there is lack of awareness on if the organization culture plays a role in shaping the members behavior.
5.4.4 To Examine The Effect Of Information Systems On Non-Financial Performance

Information technology plays a vital role in determining the organizations success and in order for the firms to be competitive and effective, technological is a highly dependent factor as well as the firm’s size. In order for the firm to have well-functioning business operation, there is a need to have in place well-functioning information system.

5.5 Recommendation

5.5.1 Recommendation for Improvement

5.5.1.1 Effect of Organizational Structure On Non-Financial Performance

Organizational needs to have in place a well-functioning structure that supports effective controls, this will ensure that there is effective decision-making process and resource allocation. For firms to remain efficient organizational structure should be well structured in order to assists management in determining the functioning in the organization.

5.5.1.2 Effect of Organizational Leadership Style On Non-Financial Performance

DHL needs to ensure that the leadership style adopted is conducive for the firm as this would determine how the organization performances and for the firm to achieve set goals or objectives. Such moves will also influence employee effectiveness, and motivation in the organization.

5.5.1.3 Effect Of Organizational Culture On Non-Financial Performance

Organizational culture influences the policies and communication in the firm. However, there is a need for DHL to ensure that employees understand the organizational culture so as to facilitate the firm’s performance. There is also a need for the firm to undertake initiatives aimed towards promotion of organizational culture across the board.

5.5.1.4 Effect Of Information Systems On Non-Financial Performance

DHL needs to ensure it maintains its position in terms of technology use as information technology is a major contributor organizations success and maintaining a competitive edge over competitors. The firm also need to maintain its place with regard information systems.
adoption so as to remain effective and efficient in its operational activities and business operations.

5.5.2 Recommendations for Further Studies

This research aimed to determine how organizational structure, organizational leadership, organizational culture and information systems influenced non-financial performance at DHL. There is a need to undertake a similar study to determine how other internal factors such as innovation or industry affect non-financial performance.
REFERENCES


Seo, G. (2013). *Challenges in Implementing Enterprise Resource Planning (ERP) System in Large Organizations: Similarities and Differences Between Corporate and University Environment*. Cambridge, MA: Sloan School of Management, MIT.


APPENDICES

APPENDIX I: INTRODUCTION LETTER

Kawiti N. Michael
United States International University
P.O. BOX 14634-00800
Nairobi, Kenya

Date: 29/3/2017
Dear Respondent,

RE: EFFECT OF INTERNAL FACTORS ON NON-FINANCIAL PERFORMANCE OF FIRMS: A CASE OF DHL

I am a graduate student at United States International University pursuing a Master’s degree in Business Administration (MBA) with a concentration in Strategic Management. In partial fulfillment of the requirement for the degree, I am conducting a study to determine the effect of internal factors on non-financial performance of firms: A Case Study of DHL.

Your participation is of great importance for the accomplishment of this study and it will be highly appreciated. The information provided by the respondents will be protected by the principle of confidentiality and a high degree of anonymity will be maintained. Should you have any questions or concerns with regards to the questionnaire, kindly do not hesitate to contact me through the contact provided below. I would like to express my sincere gratitude and appreciation for your cooperation in advance.

Thank you in advance.

Yours Sincerely,

Kawiti N. Michael

Tel: +254-715 874 148

Email: Kawiti.ngui@gmail.com
APPENDIX II: QUESTIONNAIRE

SECTION A: GENERAL INFORMATION

Kindly Respond to the questions below by ticking in the boxes provided

1. What is your age range in years?
   - Less than 25 □
   - 26-35 □
   - 36-45 □
   - 46 and over □

2. What is your highest level of education?
   - Diploma
   - Degree
   - Master
   - Other...

3. Number of years worked in DHL
   - Less than 5 □
   - 5-10 □
   - 10-15 □
   - 15-20 □
   - More than 20 □

4. Management Level
   - Top Management □
   - Middle level Management □
   - Subordinate Staff □
**SECTION B: Organizational Structure**

Based on the rating of five; (1) Strongly Disagree, (2) Disagree, (3) Not Sure, (4) Agree and (5) Strongly Agree, share your opinion by placing a tick

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Organizational structure supports effective controls.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Organizational structure provides a visual explanation of decision making process and resource allocation.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Organizational structure assists management in determining departments and functions in an organization.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Organizations are shifting from traditional organizational structures to a hybrid structure.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Organizations are redefining and adjusting their organizational structures to match their strategic activities.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Appropriate organizational structure is crucial in the achievement of the organization goals and objectives.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 changes in organizational structure had an effect on organizational non-financial performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

What other organizational structure factors affect non-financial performance in your organisation

___________________________________________________________________________

___________________________________________________________________________

___________________________________________________________________________

69
**SECTION C: Organizational Leadership Style**

Based on the rating of five; (1) Strongly Disagree, (2) Disagree, (3) Not Sure, (4) Agree and (5) Strongly Agree, share your opinion by placing a tick

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Leadership style has an effect on organizational performance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Leadership influences people to achieve certain goals or objectives.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Leaders take advantage of their position and authority to delegate and ensure work is correctly executed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Leadership style impacts organizational culture, employee effectiveness, and motivation in the organization.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Leadership style contributes to improved employee performance and organization’s growth</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Environmental turbulence influences leadership style in the organization.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

What other organizational leadership style factors affect non-financial performance in your organisation

___________________________________________________________________________

___________________________________________________________________________
SELECTION D: Organizational Culture

Based on the rating of five; (1) Strongly Disagree, (2) Disagree, (3) Not Sure, (4) Agree and (5) Strongly Agree, share your opinion by placing a tick

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Organizational culture has a wide scope as an important factor of firm’s performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Organizational culture influences organizational actions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Organizational culture plays an important role of shaping organization members behaviour</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Organizational culture describe the firms behaviours and assumptions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Organizational culture influences how individuals and groups interact with each other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Organizational culture has an influence on the success for change strategies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

What other organizational culture factors affects non-financial performance in your organization

___________________________________________________________________________

___________________________________________________________________________

___________________________________________________________________________
## SECTION E: Information Systems

Based on the rating of five; (1) Strongly Disagree, (2) Disagree, (3) Not Sure, (4) Agree and (5) Strongly Agree, share your opinion by placing a tick

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Information technology is a major contributor organizations success</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2  Information systems offer organizations competitive and effective communication channels</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3  Information systems have an influence on the firms effectiveness and efficiency</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4  Size of the firm has an influence on the level of application of information systems technology</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5  Information systems is a backbone of firms operational activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6  Information systems offer support services to business operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

What other organizational information system factors affects non-financial performance in your organization

___________________________________________________________________________  
___________________________________________________________________________  
___________________________________________________________________________  
___________________________________________________________________________  

___________
SECTION F: Performance

Based on the rating of five; (1) Strongly Disagree, (2) Disagree, (3) Not Sure, (4) Agree and (5) Strongly Agree, share your opinion by placing a tick

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Competition has an effect on the firm’s market position</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Level of firms efficiency affects firms internal business processes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Profitability has an effect on firms financial health</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Lead time affects internal business processes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Earnings per share affects firms non-financial performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Return on Investment affects non-financial performance of a firm</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

What other factors affect non-financial performance of your firm

___________________________________________________________________________
___________________________________________________________________________
___________________________________________________________________________