EFFECT OF ORGANIZATIONAL STRUCTURES ON PERFORMANCE OF NON-PROFIT ORGANIZATIONS: THE CASE OF SELF-HELP GROUPS IN NAKURU COUNTY

By

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ABSTRACT

The uniform simple organizational structure applied in the management of Self Help Groups (SHGs) in Nakuru County, irrespective of their locations, goals and unique challenges is hypothesized in this study as causing suboptimal performance. This study sought to examine the effects of organizational structureson the performance of SHGs. The study took place in Nakuru County and covered SHGs- the single largest category of Non-Profit Organizations (NPOs) in Kenya, in terms of size. Descriptive research design was used in this study. Stratified sampling combined with systematic design techniques were applied. A closed-ended questionaire was used as the main instrument for primary data collection. Statistical Package for Social Sciences (SPSS)was applied in analysing data with graphs and tables for display.The study also examined other organizational structures and their possible incorporation in the management of Self-Help Groups in Kenya. The results of this study indicated that relationships do exist between organizational structures and organizational performance. Additional findings reveal relationships between the tasks commonly associated with the organizational performance which differ from previous research. This study resulted in a low response rate (N = 300), which must be taken into account when examining the results of the survey.The significance of this study lies in its ability to illustrate to managers the importance of understanding the organizational structures in which they work, so they may better adapt their organizations to the best performing structural configurations.

The study was limited to SHGs only but provided a framework for further research on the nexus between organizational structures and performance of other categories of NPOs such as Non-Governmental Organisations, Community Based Organizations, Foundations and Trusts. Development practitioners, scholars and government as development regulator can use the results of this study to appropriately structure their organizations for effective performance.

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