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**ORGANIZATIONAL STRUCTURES AND  
EMPLOYEE PERFORMANCE:**

**A CASE OF THE SUPREME AUDIT INSTITUTION (SAI) OF UGANDA.**



## ABSTRACT

Organization structures are considered to be an anatomy of the organization that provides a foundation within which organizations function. The structure of organizations affects or models the behavior of its employees who become products of organizational structures in either positive or negative manner. Thus, structural deficiencies may affect employee's behavior and performance negatively which adversely impacts organizational performance. This mixed methods study established the effect of organization structure on employee performance in the Supreme Audit Institution of Uganda. The study borrowed some of the constructs studied by Damanpour (1991) and Daft (2003) namely: structural integration, hierarchy, formal structures and centralized decision making to establish their effect on employee performance. The constructs formed the independent variables of the study, mediated by communication and coordination on the dependent variable of employee performance. The study has its theoretical foundation from Weber's Theory of Bureaucracy (1947, 1992), where, the principal components of the theory were employed to systemically ascertain its relevancy using SAI of Uganda as a case study. Results indicate that there is a significant relationship that exists between the study constructs / variables and employee performance. Hierarchy, formal structures, and centralized decision making may be a foundation for enhancing highly effective operations as advanced by the theory while specialization may usher in and cause unfortunate consequences in organizations. It is concluded therefore that Weber's theory is relevant to organizations to an extent. Every organization requires a basic structure within which systems are created for effective operations.

**Key words:** Organization Structure, Structural integration, Hierarchy, formal structure, centralized decision making, Employee performance, Supreme Audit Institution.