

Organizational structure and impact on service delivery: a case study of the Middle Ramu District Administration in Papua New Guinea

Brodney Kambjak Seip

Abstract

Lack of effective delivery of government services in the rural area is a concern throughout Papua New Guinea. One of the contributing factors is the organization of the government service delivery mechanisms at the district level. This study examines the organizational structure of the Middle Ramu District Administration (MRDA) and the impact on service delivery. The study finds that the MRDA structure has a high level of centralisation with nine levels of hierarchy and has a high degree of formalisation. It was noted that the contextual factors of organisational structure such as management strategy, the environment, technology, and size not considered in designing of the current structure. The study recommends that a new organisational structure should be designed to facilitate effective delivery of government services in Middle Ramu District. The findings also provided insights on governance structures at the district level in PNG.

Key words: organisational effectiveness, organisational structure, service delivery, District Administration (DA)

Introduction

This study examines the organisational management structure of Middle Ramu District Administration in Papua New Guinea (PNG) and its impact on service delivery from 2004 to 2009. This period was looked at to narrow the focus of the study and to manage the data more effectively. The Middle Ramu District is one of the six districts in the Madang Province and among the 89 districts in Papua New Guinea. It is classified as the fourth least developed district in PNG (National Economic & Fiscal Commission, 2004; Gibson, et al., 2005). The role of the Middle Ramu District Administration as defined by the Provincial Government Administration Act 1997 is to implement government development policies within the political and the administrative structure of the Madang Provincial Administration.

Organisational structure is the framework in which the organisation's strategic vision, roles and responsibilities are coordinated and tasks arranged in such a way that goals of the organisation can be achieved (Beamish, 2008; Samson and Daft, 2009). Organisational structure facilitates implementation of the organisation's business and management strategies, and responds to the needs and demands of the society. Clayton et al., (2005) highlighted that

organisational structure should be designed in such that the organisation can easily respond to the factors in the business environment, respond to the competition, respond to technological innovation and respond to the needs of customers. Samson and Daft (2009) mentioned that search for an optimal structure can be a challenging task in the contemporary business environment, where a number of factors in the general business environment influence the organization.

Improving organisational structure in the public sector in PNG recently has centred around privatisation, building management capabilities and promoting greater accountability (Turner & Hulme, 1997). The Middle Ramu District Administration structural design process has partially accommodated the structural dimension but not the contextual dimension and this problem is enduring and prevalent in districts throughout PNG. This deficiency is partially responsible for the lack of effective service delivery.

Theoretical background

The study investigates the structural dimensions and the contextual dimensions of the Middle Ramu District Administration and determines the level of influence these dimensions had on the performance of the administration. The organisational theorist view that *'the structure of an organisation can be designed to enhance organisational performance'* forms the theoretical basis of this study. There is a wide and multifaceted body of thinking and writing which addresses the problem of how to organise and manage organisations (Schwaninger, 2000; Geraldi, 2007). At a wider level, the three contributing theories include; classical theory, neo-classical theory and systems theory (Vecchio, et al., 1996).

Classical organization theory represents the merger of scientific management, bureaucratic theory and administrative theory. The shortcomings of classical organization theory quickly became apparent. Its major deficiency was that it attempted to explain peoples' motivation to work strictly as a function of economic reward. Neoclassical theory displayed genuine concern for human needs. Classical and neoclassical theorists however viewed conflict as something to be avoided because it interfered with equilibrium hence resulting to the emergence of system theory. The founding ideology of systems theory is that all the components of an organization structure are interrelated, and that changing one variable might impact many others. Thus organizations are viewed as open systems, continually interacting with their environment.

Henri Fayol's administrative theory (1918) explains the administrative functions of the organisation which includes planning, organising, controlling and leading. Henri Fayol highlighted organisational effectiveness will be achieved when the organisations are structured around the four main functions. Max Weber's bureaucracy theory (1956) also made important contribution to the study of organisational structure. Weber's work depicts a precise and impersonal structure of task, rules and authority relations as central to the rationalizing of the modern world (Ranson, et al., 1980). Though lack of

flexibility has been a major criticism, Weber's contribution is still very much in existence in all modern organisations. Burns and Stalkers (1961) view that organisational structures are influenced by external factors – contextual dimension – provided the solution to the problem of flexibility inherent in the theory of bureaucracy.

It is accepted that organisational structures are influenced by internal factors, that is, the structural dimension – and external factors, that is, the contextual dimension (Daft, 2010; Gupta, 2009; Stevens, 2009). While it is accepted that structure design is influenced by structural and contextual dimensions, the composition of elements making up these key dimensions has not been agreed upon among organisational and management theorists. This is one of the reasons for the endless search for optimal structures (Schwanger, 2000).

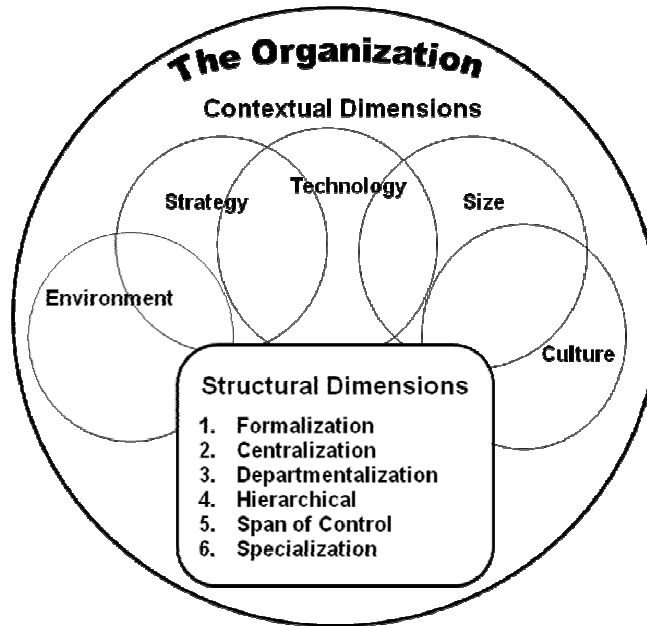


Figure 1: Structural and contextual dimensions of organizations, Source: Stevens, 2009

Structural dimensions include elements such as the degree of formalization, the degree of centralization, how roles are departmentalized, levels of hierarchy, and the span of management control. Contextual dimension comprise a number of factors from outside the organization and include: the strategy; business environment an organization operates in; the technology used to delivery services; and the size of the administration (Daft, 2010; Vecchio et al., 1996). There is a strong relationship between the two design dimensions. For example, if the organization wants a differentiated product then it will have more 'innovative-based teams' that are built on collaboration and learning whilst the size of the organization would be low on formalization; each member might

have wide job responsibilities, and employees will have high skills, and personnel ratios will be small (Stevens, 2009). This study will evaluate all the contextual parameters and then judge how they affect the different contexts in the Middle Ramu District Administration

Methodology

The data for this study came from interviews undertaken with the staff of the Middle Ramu District Administration (MRDA). A total of 17 staff from the top, middle and lower levels of management were interviewed using semi structured questionnaires. A five point Likert scale was used with one representing very weak and five representing very strong. The data collected were then subjected to statistical treatment using the tools of frequency distribution, rank and weighted mean.

The specific research questions investigated were

- (a) What is the level of influence of the contextual dimensions and the structural dimensions of the Middle Ramu District Administration to the performance of the organisation or socio-economic development of Madang Province?
- (b) What are the problems encountered by the Middle Ramu District Administration along the cited indices of sub-problems?
- (c) What measures can be recommended to minimize the problems encountered?

Research Findings

Level of influence of structural dimensions on the performance of the Middle Ramu District Administration

Findings in regard to the level of influence of structural dimensions on the performance of the Middle Ramu District Administration are shown in Table 1. The Table presents the various elements that make up the structural dimension of the organization and the degree of influence of each element of the structure.

Table 1: Influence of the structural dimensions on the performance of the Middle Ramu District Administration

Indicator(elements)	1	2	3	4	5	Mean	Rating
Formalization	7	5	3	1	1	2.06	Weak
Centralization	7	7	1	0	2	2.00	Weak
Departmentalization	5	4	4	4	0	2.41	Moderately Weak
Span of control	3	7	4	3	0	2.41	Moderately Weak
Overall mean						2.20	Weak

It can be seen that the structural dimension had a weak influence (2.20). The indicators of departmentalization and span of management control had the highest mean (2.41). The indicators of formalization and centralization had the lowest mean 2.06 and 2.00 respectively. The result therefore indicates a highly centralized administration with many steps of formalities. The level of hierarchical is also very high with the district and another two more to reach the provincial administrator, totaling up to nine levels of hierarchy.

Table 2 shows how the various structural elements were ranked in terms of weakness. A total response out of 17 was recorded as the frequency for each indicator. This then was converted to percentage and ranked accordingly from the highest to the lowest. A ranking of 1 indicated the weakest element.

Table 2: Ranking of the Middle Ramu District Administration structural elements in terms of weaknesses

Indicator (elements)	Frequency	%	Rank
Centralization	14	82%	1
Formalization	12	71%	2
Hierarchical	11	65%	3
Span of control	10	59%	4
Departmentalization	9	53%	5

Under the structural elements, the degree of centralization was ranked the weakest (82%), followed by degree of formalization (71%). The degree of level of hierarchy ranked third (65%), and then the degree of the span of management control (59%) in fourth place followed by the degree of departmentalization at (53%). These are the major contributing elements making up structural dimensions indicated by this study.

Level of influence of contextual dimensions on the performance of the Middle Ramu District Administration

Table 3 presents the various factors that make up the contextual dimension. The overall mean represents the level of influence of the contextual dimension on the Middle Ramu District Administration structure. This table also shows the degree of influence of each factor on the structure.

It can be seen that the contextual dimension had a weak influence (2.47). The factors of organizational size had the highest mean (2.83) while the operating business environment had the lowest (2.12). This indicates that the consideration of the factors of environment and strategy was weak when designing the Middle Ramu District Administration structure.

Table 3: Influence of the contextual dimensions on the performance of the Middle Ramu District Administration

Indicator (factors)	1	2	3	4	5	Mean	Rating
Operating business environment.	5	9	1	0	2	2.12	Weak
Strategy of the organisation	6	5	2	3	1	2.29	Weak
Application of new technology.	2	2	3	0	0	2.65	Moderately Strong
Size of Middle Ramu DA	6	1	3	4	3	2.83	Moderately Strong
Overall mean						2.47	Weak

Table 4 shows how the various contextual factors were ranked in terms of weakness. Under the contextual factors, the consideration of business environment was ranked the weakest (82%), followed by strategy of Middle Ramu District Administration (65%). This result shows that the factors of environment and strategy were rarely considered in designing the structure therefore resulting to an overall low influence of the contextual dimension on performance.

Table 4: Ranking of the contextual dimensions in terms of weaknesses

Indicator (elements)	Frequency	%	Rank
Operating business environment	14	82%	1
Strategy of the Middle Ramu DA	11	65%	2
Size of Middle Ramu DA	7	41%	3
Application of new technology	2	12%	4

Public sector reform in Papua New Guinea was designed to empower the roles and functions of the district administration in the delivery of goods and services. The challenge facing the government currently is to improve the mechanism at the district level to facilitate effective delivery of goods and services. The challenges vary in the provinces and locations and also determine by the management capacity and resource allocation in the provincial administrations (Turner & Hulme, 2007).

There are a number of factors to look at when investigating appropriate means and ways to improve service deliver mechanisms at the district level. The factors range from infrastructure requirements to staffing requirements and the organisational structure. Oakland (2008) highlighted that organisational structure is one of the conditions that enhance organisational effectiveness. This study only examined the organisational structure. The significance of studying the structure is that, structure determines the programs to deliver, number of people to be employed, locations of programs and staff, funds required etc. Improving the structure would allow improvement to other related factors as mention above.

This study discovered deficiency in the structure of Middle Ramu District Administration where contextual and the structural dimensions were not considered when designing the structure. It would be vital for a new organisational structure to be explored and designed in such a way to be more responsive to trends in the business environment. Many different types of structures have been recommended in the literature. Not one can be confidently recommended for the Middle Ramu District Administration. This is because study has proven that not one type of structure is suitable for all organisations (Drucker, 1977). However a combination of matrix structure and adhocracy type of structure proposed by Mintzberg (1979) which is called federal decentralisations by Drucker (1977) is recommended for the Middle Ramu District Administration. The reason for this being that the matrix structure will merge both the dual lines of authority and dual line of responsibility that is now prominent in the Middle Ramu District Administration. In addition federal decentralization will ensure the Middle Ramu District Administration is organised and operate as single unit. The findings also raise few questions to look into in future investigation particularly the type of organisational structure required for Middle Ramu District. The following are the suggested areas for further research

1. An in-depth study of the management aspect of the Middle Ramu District Administration structure using a *Policy Life Cycle Model* with organizational structure policy: research, approval, implementation and monitoring forming the variables.
2. Organisational management structure of a district administration with a centralized human resource management system.

Recommendations

This study found that the Middle Ramu District Administration structure had a high level of centralisation with nine levels of hierarchy and also had a high degree of formalisation. Similarly the study also discovered that the important contextual factors of: strategy of Middle Ramu District Administration, the environment, technology, and size were not adequately considered in designing the structure. In the investigation of the effectiveness of the management structure it was noted with concern that the structural dimension and the contextual dimension had a weak influence.

For effective delivery of services in Middle Ramu District Administration it is important that all these aspects of the organisational management structure are seriously considered. This study therefore recommends that a new organisational structure be designed in order to promote efficient and effective service delivery. The new structure design process should begin with a thorough investigation of the elements making up the structural dimensions and the factors making up contextual dimensions. Considering these elements in the design process will lead to a better structure. This will contribute to effective service delivery in the district whilst achieving the Middle Ramu District Administration's constitutional role of providing services to the people.

Further research needs to be done to determine the need for a new structure. Areas for consideration are (a) type and nature of the structure, (b) environmental factors that would influence the structure, (c) infrastructure requirements of the structure, (d) alignment of the structure to the key development priorities of Madang Provincial Administration, the infrastructure requirements, and *PNG Vision 2050*.

Conclusion

The study examined the organizational management structure of the Middle Ramu District Administration (MRDA) and how it influences service delivery in areas such as health and education. The study found that the administrative structure has a high level of centralisation with nine levels of hierarchy and had a high degree of formalisation. These are some of the factors that influence organisational effectiveness of the administration's service delivery. The study also found that the contextual factors of organisational structure such as management strategy, the environment, technology and size were not adequately considered in designing the current structure. The study recommends that a new organisational structure be designed to facilitate effective delivery of government services in the Middle Ramu District. The new structure design process must begin with thorough investigation of the elements making up the structural dimensions and the factors making up contextual dimensions.

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Author

Brodney Kambjak Seip is employed by the Madang Provincial Administration. He joined Madang Provincial Administration in 1997 and has served in the District and the Provincial Administration. His current position is the Provincial Economic Planner. He graduated from the University of Papua New Guinea in 1997 with a Bachelor of Business Administration (Public Policy) and a Master of Leadership in Business Administration from Divine Word University in 2011.