

International Journal of Management and Leadership Studies

2024; 5(1): 348-356

ISSN 2311-7575

DECISION-MAKING STYLES AND ORGANIZATIONAL PERFORMANCE IN NAIROBI COUNTY

^{1*}Ngaywa, C. M. K

²David Kanyanjua

¹MML Candidate, Management University of Africa

²Lecturer, Management University of Africa

Correspondent Author's email: cngaywa22@gmail.com

ABSTRACT

The performance of an organization is defined by how effectively it achieves its objectives and goals while making efficient use of its resources. It reflects a company's success, encompassing financial results, operational efficiency, customer satisfaction, and employee engagement. In the context of a rapidly changing business environment, maintaining high performance requires solid decision-making, strategic leadership, and a supportive organizational culture. This study explores the impact of decision-making styles on organizational performance within Nairobi City County, emphasizing the need for effective strategic leadership in today's dynamic business environment. It highlights how decision-making processes, influenced by cognitive abilities and environmental factors, play a pivotal role in aligning organizational goals with managerial choices. The research employs descriptive methodology to examine a target population of 180 personnel across various departments, utilizing structured questionnaires to gather data efficiently. The analysis reveals a significant relationship between decision-making styles—specifically democratic and coaching approaches and improved organizational performance. With a regression coefficient of 0.320 for decision-making styles, the findings indicate that enhanced decision-making correlates with increased productivity, efficiency, and employee engagement. Notably, the democratic style fosters collaboration and open communication, while coaching emphasizes personal development, thereby enabling employees to reach their potential. These results support existing literature that underscores the benefits of participative leadership. The study advocates for institutionalizing democratic and coaching decision-making styles through training programs and feedback mechanisms to cultivate an inclusive, high-performing organizational culture. Ultimately, the insights derived from this research aim to provide a framework for improved governance and service delivery in Nairobi City County, contributing to the broader understanding of effective management practices in public organizations.

Keywords: *Decision-making styles, organizational performance, Nairobi City,*

INTRODUCTION

The performance of an organization is defined by how effectively it achieves its objectives and goals while making efficient use of its resources. It reflects a company's success, encompassing financial results, operational efficiency, customer satisfaction, and employee engagement. In the context of a rapidly changing business environment, maintaining high performance requires solid decision-making, strategic leadership, and a supportive organizational culture (Richard et al., 2019). Globally, strategic decision-making is a critical function for managers, involving choices

aligned with organizational goals (Eisenhardt & Zbaracki, 1992). Studies reveal that decision-making processes have evolved, emphasizing agility, stakeholder engagement, and data-driven approaches in regions like the United States, Europe, and Asia (Grant, 2022; Kim & Lee, 2021; Schmidt & Bauer, 2020).

At the global level, variations in decision-making approaches are evident. For instance, firms in Japan and South Korea prioritize long-term strategic planning, while European organizations adopt a consultative approach that balances innovation with long-term planning. In contrast, U.S. companies, particularly in the technology sector, prioritize agility and frequent strategy adaptation, leveraging data analytics to stay competitive (Johnson & Anderson, 2023). These varying approaches highlight the influence of cultural, structural, and technological factors on decision-making across different regions.

Regionally, in Africa, leadership styles, cultural norms, and resource constraints significantly influence decision-making. In countries like Ghana and Nigeria, collectivist cultures promote consensus-driven decisions, while internal politics and resource limitations pose challenges for government agencies (Amoako & Dartey-Baah, 2022; Adebayo & Ojo, 2021). Uganda and Tanzania have also made progress in integrating information technology into decision-making, but issues such as poor communication and uncommitted leadership persist (Mugisha & Kamugisha, 2020).

Locally, in Kenya, particularly within Nairobi City County, decision-making is hampered by political interference, resource shortages, and poor communication. Studies have emphasized the need for a more inclusive, transparent approach to enhance organizational effectiveness. Leadership commitment and improved organizational structures are critical for overcoming these challenges and improving public service delivery (Odhiambo & Kamau, 2021).

This study investigates how strategic decision-making practices impact service delivery at the National Registration Bureau of Embu County, Kenya. It focuses on the effects of leadership commitment, decision-making structures, and stakeholder engagement. The study aims to evaluate the relationship between leadership and organizational effectiveness in delivering services. The findings will contribute to enhancing decision-making processes and improving service delivery at the local level, addressing the significant challenges posed by resource constraints and political dynamics.

Statement of the Problem

Effective implementation of decision making is indispensable for ensuring an organization's survival, even with the best management decisions. Rajasekar (2014) emphasizes that strong decision-making alone isn't enough; organizations also require robust processes for translating plans into action. This implementation phase is critical, as it determines whether strategic decisions yield the intended outcomes. Several factors can hinder successful implementation, as identified by Herbiniak (2016). These include the quality of the strategy itself, the allocation of resources, and the alignment of the strategy with the organization's structure, leadership style, and overall culture.

Effective implementation is crucial for turning management decisions into successful outcomes. Research by Omondi et al. (2019) highlights several key factors influencing implementation success, such as policy regulations, managerial skills, and resource allocation. The ability to effectively implement strategies is especially vital in the public sector, where the stakes often involve public welfare and community development. Given the high rate of strategy implementation failures across various sectors, executives must prioritize putting their decisions into action. In many cases, organizations may develop comprehensive strategies but fail to execute them due to a lack of clarity in roles, insufficient training, or inadequate communication. This gap between planning and execution can lead to wasted resources and missed opportunities, ultimately affecting organizational performance and public trust.

While substantial research and theoretical frameworks exist in the Western world regarding decision-making and implementation, this area has received less attention in African public sectors, particularly in Kenya. A significant body of research exists on management decision-making in Kenyan organizations, encompassing both private and public sectors (Abdalla, Kurendi, Nabwire et al., 2013-2021). However, there remains a notable gap in research specifically focused on how management decisions impact the performance of Kenyan counties. Kenya's shift to a devolved system under the new constitution brought both anxieties and hopes (Omari et al., 2021). Despite the constitutional framework aimed at enhancing local governance, concerns linger regarding effective decision-making within counties, particularly in alignment with strategic plans. Factors such as decision-making styles, access to information, organizational structure, and culture (Bantel & Osborn, 2016) are seen as potential hurdles that may impede effective implementation.

The nature of managerial involvement in decision-making processes remains understudied, particularly in the context of Kenyan counties. Many studies have focused on higher-level strategic decisions, often overlooking the nuances of day-to-day operational decisions that significantly affect performance. Understanding how managers at various levels engage in decision-making can provide insights into the dynamics that influence implementation success. Moreover, the interplay between organizational culture and decision-making cannot be understated. A culture that encourages open communication, collaboration, and innovation can facilitate better decision-making processes and enhance implementation efforts. Conversely, a culture resistant to change or characterized by hierarchical barriers can stifle creativity and slow down the execution of strategic plans.

This research aims to bridge the gap in understanding how management decision-making in Nairobi City County affects its organizational performance. By examining how managerial involvement unfolds within the county's specific organizational context, the study seeks to provide valuable insights into this critical area. By addressing the identified research gaps and focusing on the unique challenges faced by Nairobi City County, this study aims to enhance our understanding of how management decisions can be better aligned with organizational performance. Ultimately, the insights gained from this research can serve as a foundation for improved governance and service delivery in the region.

LITERATURE REVIEW

Decision-making styles in organizational settings have been extensively analyzed using various theories, with the most prominent being the Transformational Leadership Theory and Cognitive

Theories of Decision-Making. Transformational leadership emphasizes the role of leaders in inspiring their followers to exceed expectations, fostering growth and innovation (Burns, 1978; Bass, 1985). This theory suggests that leaders' decision-making styles significantly influence organizational performance by promoting adaptability, creativity, and employee engagement (Gathondu, 2014). The study is primarily anchored on Cognitive Theories of Decision-Making, which highlight how decision-making is influenced by individuals' cognitive abilities, preferences, and environmental factors (So & Smith, 2017). Additionally, Transformational Leadership Theory is used to explore the relationship between leadership decision-making styles and organizational performance, especially in complex environments like Nairobi County.

The relationship between decision-making styles and organizational performance is supported by extensive research. So and Smith (2017) found that cognitive styles, such as intuition and thinking, positively correlate with strategic decision-making, while sensing and feeling are more suited for operational tasks. Similarly, Zhang and Li (2021) demonstrated that transformational leaders excel in strategic, innovative decisions, whereas transactional leaders are more effective in routine decision-making. Theories and empirical findings suggest a direct link between decision-making effectiveness and organizational performance, though contextual factors such as industry and culture may modify these outcomes (Kim & Park, 2019).

Effective decision-making is integral to organizational success, influencing both strategic and operational outcomes. Research indicates that decision-making styles, shaped by factors such as personality traits, cognitive styles, cognitive ability, and leadership approaches, play a significant role in organizational performance. So and Smith (2017) highlighted that decision-making effectiveness differs based on cognitive preferences, while more recent studies, such as those by Jones and Harris (2020), have extended this analysis to include the impact of contextual factors on decision-making processes. Consequently, decision-making styles are complex and multidimensional, necessitating a thorough examination across diverse organizational contexts.

According to Gathondu (2014), transformational leadership theory serves as an effective strategy for leaders to genuinely motivate and honor employees in pursuit of organizational goals. This theory aligns closely with the objectives of strategic leadership, which encompasses anticipation, forecasting, flexibility, and the facilitation of strategic changes within organizations (Gathondu, 2014). Leadership research emphasizes the significance of transformational leadership in instilling followers with feelings of respect, dedication, and trust (Bass, 1985). Furthermore, it stimulates intellectual engagement, encouraging innovative problem-solving while utilizing contingent rewards to reinforce favorable outcomes (Gathondu, 2014).

Despite extensive research on decision-making styles, gaps remain in understanding how different leadership and decision-making approaches impact performance in various cultural and organizational settings, particularly in Nairobi County. Previous studies like So and Smith (2017) focused on corporate environments in Western contexts, overlooking African organizational dynamics. Furthermore, the reliance on psychometric tools such as MBTI, which oversimplifies decision-making, limits the generalizability of findings across diverse environments (Jones & Harris, 2020).

CONCEPTUAL FRAMEWORK

The conceptual framework outlines the hypothesized relationships between decision-making styles (independent variable) and organizational performance (dependent variable). The study posits that leadership decision-making styles, shaped by cognitive and leadership theories, directly impact organizational outcomes such as innovation, efficiency, and employee satisfaction.

Independent Variable



Dependent Variable



Figure 9: Conceptual Framework

RESEARCH METHODOLOGY

This study seeks to investigate the influence of decision-making styles on organizational performance within Nairobi City County (NCC). The overall objective is to explore the relationship between leadership decision-making approaches and key performance outcomes, such as service delivery, communication, and customer satisfaction, in a public sector setting.

A descriptive research design is applied to describe and analyze current decision-making practices and their effects on performance. This design is appropriate for examining the characteristics of decision-making within NCC and aligns with previous research on organizational behavior and performance (Mugenda & Mugenda, 2019). Descriptive research facilitates an in-depth understanding of the subject while minimizing bias, making it a suitable approach for this study (Kothari, 2014).

The target population includes 180 personnel from NCC across various departments, such as Administration, Finance, Procurement, IT, and Support Services. The study's focus on a county government provides a unique opportunity to address a gap in existing literature, which has often emphasized private or national-level organizations. Sampling was conducted using the Yamane formula to determine the sample size. With a target population of 180 and a 5% margin of error, the recommended sample size was 124 respondents. This sample is expected to provide a sufficient representation of the broader population while ensuring the accuracy and reliability of results.

Data was collected using structured questionnaires, which are cost-effective and efficient tools for gathering large volumes of data (Kothari, 2014). The questionnaire included both closed and open-ended questions, offering respondents the opportunity to provide quantitative data while also sharing their experiences and opinions. Likert scales were used to capture nuanced responses, and pilot testing was conducted to ensure the reliability and clarity of the questions.

The validity of the research instruments was ensured through expert feedback and alignment with the theoretical framework. Construct validity was achieved by drawing from established theories, while reliability was measured using Cronbach's Alpha. A pilot study with 10% of the sample was conducted to assess the internal consistency of the instrument. For data analysis, multiple linear

regression was used to test the relationship between decision-making styles and organizational performance. Ethical considerations, such as confidentiality, privacy, and voluntary participation, were upheld throughout the study. Respondents were assured that the information collected would be kept confidential and used solely for academic purposes. Participation was entirely voluntary, and anonymity was maintained to ensure that individual identities could not be traced back to their responses. These steps ensured that the study adhered to ethical standards, allowing for the collection of reliable and valid data that could provide meaningful insights into the decision-making processes and their impact on organizational performance at NCC.

RESEARCH FINDINGS

The respondents were asked to indicate the extent to which five decision-making styles autocratic, authoritative, democratic, coaching, and laissez-faire affect organizational effectiveness. To find out which style significantly affects performance, the data was subjected to descriptive statistics and regression analysis.

Table 1: Decision-Making Styles

Decision-Making Style	Mean	Std. Deviation
Autocratic	2.45	1.12
Authoritative	3.10	1.25
Democratic	4.05	0.85
Coaching	3.80	1.05
Laissez-faire	1.90	0.98

Results reveal that among the decision-making styles tested in Nairobi City County, democratic decision-making received the best mean score (4.05), suggesting its widespread use and effectiveness. The argument put out by Robbins and Judge (2019) that democratic leadership encourages participation from employees and hence boosts performance is corroborated by this discovery. A high mean score indicates that workers are appreciated and have a voice in company decisions, two hallmarks of a healthy work environment. The laissez-faire approach, on the other hand, seems to work less well here due to its low mean (1.90) and its emphasis on delegating decision-making to others.

This discovery shows how a hands-off strategy can backfire by leaving workers bewildered and unguided. These results have important consequences for leaders in organizations. To make sure that everyone gets the help they need, it may be important to reduce the use of laissez-faire approaches, while putting an emphasis on coaching and democratic forms might boost participation and performance. Leadership development programs may be better adapted to meet the needs of both the company and its employees if these dynamics are understood.

Regression Analysis

The link between organizational performance and decision-making styles, was examined using multiple regression theory. Organizational performance serves as the dependent variable, while decision-making styles, as the independent factors.



Table 2: Regression Analysis

Variable	Coefficient (β)	Standard Error	t-value	p-value
Constant	0.755	0.185	4.08	0.000
Decision-Making Styles	0.320	0.092	3.48	0.001

The regression analysis results presented in Table 11 indicate a significant relationship between decision-making styles and organizational performance. The constant term, with a coefficient of 0.755 and a p-value of 0.000, suggests that even without considering decision-making styles, there are contributing factors to organizational performance. More importantly, the decision-making styles variable has a positive coefficient of 0.320, implying that improvements in decision-making styles are associated with increased organizational performance. This coefficient indicates that for every unit increase in the effectiveness of decision-making styles, organizational performance is expected to rise by 0.320. Overall, these findings highlight the critical role that effective decision-making plays in enhancing organizational outcomes, underscoring the need for organizations to focus on optimizing their decision-making processes to drive performance improvements.

Table 12 shows the ANOVA analysis that was used to test the overall significance of the regression theory.

Table 12: ANOVA Table

Source of Variation	Sum of Squares	df	Mean Square	F	p-value
Regression	12.580	4	3.145	12.65	0.000
Residual	22.720	89	0.255		
Total	35.300	93			

The F-statistic is 12.65 and the p-value is 0.000, as seen in the ANOVA table. This proves the statistical significance of the regression theory and the fact that the independent variable account for a considerable amount of the variation in organizational performance when taken as a whole. The results are not attributable to chance, since the idea is supported by the low p-value.

This significant result underscores the importance of the independent variables in influencing organizational performance. It also highlights the need for continuous evaluation and refinement of these factors to ensure sustained performance improvements. Organizations should leverage these insights to implement targeted strategies that enhance decision-making, information availability, organizational structure, and culture.

In order to improve organizational performance, this study's results highlight the significance of effective decision-making styles, Employees' increased investment and sense of ownership in decision-making, as demonstrated by the democratic decision-making style's prevalence, should translate into better performance. In addition, the high ratings for information accessibility show how important it is to have solid information systems to help people make educated decisions quickly.



CONCLUSION AND RECOMMENDATIONS

The study found that democratic and coaching decision-making styles significantly enhance organizational performance in Nairobi City County. Democratic leadership promotes collaboration, employee involvement, and open communication, all of which contribute to improved productivity and performance. Similarly, coaching styles focus on guidance and personal development, helping employees realize their potential. This aligns with Robbins and Coulter's (2017) view that participative leadership increases job satisfaction and empowers employees to contribute to decision-making. Bass (1985) also supports this, noting that coaching fosters trust and individual growth, vital for sustained high performance. The study's empirical data shows that Nairobi City County primarily utilizes these styles, leading to enhanced efficiency, innovation, and performance, consistent with previous research emphasizing the benefits of participative leadership (Robbins & Judge, 2019). In conclusion, the study underscores the positive effects of democratic and coaching decision-making styles on organizational performance, advocating for their promotion within Nairobi City County. By institutionalizing these styles through training and leadership development programs, and establishing regular feedback mechanisms, the County can create an inclusive, high-performing environment where employees feel valued and empowered to engage in decision-making processes.

REFERENCES

- Abdalla, M., Kurendi, D., Nabwire, P., et al. (2013-2021). Various studies on management decision-making in Kenyan organizations.
- Adebayo, A. O., & Ojo, A. O. (2021). The Influence of Cultural Factors on Decision-Making in Nigerian Public Organizations. *International Journal of Public Administration*, 44(6), 475-489.
- Amoako, E., & Dartey-Baah, E. (2022). Decision-Making in Ghanaian Organizations: A Cultural Perspective. *Journal of African Business*, 3(2), 117-132.
- Bantel, K. A., & Osborn, R. N. (2016). Organizational Culture and Decision Making: A Review of the Literature. *Journal of Management Studies*, 53(1), 101-125.
- Bass, B. M. (1985). *Leadership and Performance Beyond Expectations*. New York: Free Press.
- Burns, J. M. (1978). *Leadership*. New York: Harper & Row.
- Eisenhardt, K. M., & Zbaracki, M. J. (1992). Strategic Decision Making: A Social Process. *Strategic Management Journal*, 13(6), 317-336.
- Gathundu, J. M. (2014). Transformational Leadership and Organizational Performance: A Kenyan Perspective. *International Journal of Business and Management*, 9(1), 12-21.
- Grant, R. M. (2022). Decision-Making in the 21st Century: A Review of Recent Research. *Academy of Management Review*, 47(3), 437-454.
- Herbiniak, M. (2016). The Challenges of Strategy Implementation. *Strategic Management Journal*, 37(1), 71-83.
- Jones, G. R., & Harris, S. E. (2020). Decision Making: A Cognitive Approach. *Journal of Management*, 46(1), 127-149.
- Kim, S., & Lee, J. (2021). The Evolution of Decision-Making Processes in Asia: A Comparative Study. *Journal of International Business Studies*, 52(1), 123-142.
- Kim, S., & Park, J. (2019). Decision Making and Organizational Performance: A Cross-Cultural Study. *Journal of International Business Studies*, 50(3), 378-397.
- Kothari, C. R. (2014). *Research Methodology: Methods and Techniques*. New Delhi, India: New Age International Publishers.

- Mugenda, O. M., & Mugenda, A. G. (2019). *Research Methods: Quantitative and Qualitative Approaches*. Nairobi, Kenya: Acts Press.
- Mugisha, J., & Kamugisha, M. (2020). "The Impact of Information Technology on Decision-Making in Ugandan and Tanzanian Government Agencies." *African Journal of Information Systems*, 12(3), 123-138.
- Odhiambo, M. O., & Kamau, J. M. (2021). "Decision-Making Challenges in Nairobi City County: A Case Study." *Journal of Public Administration and Governance*, 5(1), 12-27.
- Omari, F. O., et al. (2021). "Devolution in Kenya: Challenges and Opportunities." *Journal of Development Studies*, 47(3), 321-338.
- Omondi, M. O., et al. (2019). "Factors Influencing Strategy Implementation Success in Public Sector Organizations." *Journal of Public Administration and Governance*, 3(2), 118-132.
- Rajasekar, P. (2014). "Decision Making and Implementation: A Strategic Perspective." *International Journal of Management and Business Studies*, 4(2), 78-85.
- Richard, A., et al. (2019). "Organizational Performance: A Comprehensive Review." *Journal of Management Studies*, 56(2), 257-286.
- Robbins, S. P., & Coulter, M. (2017). *Management (13th ed.)*. Upper Saddle River, NJ: Pearson Prentice Hall.
- Robbins, S. P., & Judge, T. A. (2019). *Organizational Behavior: Principles and Practice (8th ed.)*. Upper Saddle River, NJ: Pearson Prentice Hall.
- Schmidt, R., & Bauer, J. (2020). "The Changing Landscape of Decision-Making in Europe: A Case Study of German Companies." *European Management Journal*, 38(3), 271-284.
- So, S., & Smith, J. (2017). "The Impact of Cognitive Styles on Decision Making and Organizational Performance." *Strategic Management Journal*, 38(2), 357-377.
- Zhang, Y., & Li, Y. (2021). "The Role of Leadership Styles in Decision Making and Innovation." *Journal of Management Studies*, 58(4), 987-1012.