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**DECISION QUALITY AND PERFORMANCE OF PROJECT  
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KENYA**

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## Abstract

**In the present globalized economy marked by fast-changing technologies, revolving consumer preferences and a volatile market environment, continuous improvement is requisite for organizations seeking survival, growth and success. This can only be informed by availing a pool of options from which an informed decision is made. This is increasingly the case in the non-profit sector, with a majority of Non-Governmental Organizations (NGOs) taking up strategies that were traditionally the reserve of commercial corporations. This study analyses the effect of decision quality on performance of project based non-governmental organizations in Kenya. A variety of investigated studies show a positive and significant association between the variables although restricted to the commercial contexts. Studies of the foregoing variables with a focus on the non-for-profit sphere remain scanty, prompting the present study. Anchored on the dynamic capability theory (DCT), the study was conducted based on the positivism school of thought and the descriptive cross-sectional research design. A census survey of all the 161 Project-Based NGOs (PBNGOs) was conducted and data collected using a structured questionnaire. Regression analysis was used to test the hypothesis. Results indicate that the concept of decision quality is both unidimensional and multidimensional, with each dimension influencing organizational performance differently. Taking the multidimensional approach, only three dimensions (decision makers competency, concordance of decisions to organizational goals and decision yield intended impact) had a significant effect on organizational performance, while one did not (decision-making process inclusivity). Taking the unidimensional approach, the study found a statistically significant and positive influence of decision quality on organizational performance. It is thus concluded that decision quality exerts a positive and significant influence on organizational performance among PBNGOs in Kenya. DCT is supported in the findings, in that, PBNGO managers ought to constantly take quality decisions informed by changes in the dynamic operating environment in order to realize desirable organizational performance. It is therefore**

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**recommended that organizations enhance the quality of their decisions in order to realize superior organizational performance. The study was delimited to decision quality and organizational performance, which are internal organizational factors. Considering the regulatory and policy environment in which PBNGOs operate, it is suggested that future studies explore a moderating variable in the relationship between decision quality and organizational performance.**

**Keywords:** Decision Quality, Project based non-governmental organizations, Organizational Performance, Resource based theory, Dynamic capability theory.

## Introduction

Critical to the performance of organization's is the quality of decisions taken with regard to project task activities, design and implementation with a view to realize project goals and by extension meet stakeholders demand and in general performance. Decision quality have important consequences for organizational performance and are often the result of the involvement of actors both from inside as well as outside the organization (Harrison, 2009). Decision quality is the value of a decision at that moment when the decision is made without consideration of the final outcome (Rausch 2007). It is the process that allows decisions of high quality to be made ensuring efficiency and effectiveness is achieved. According to Marn & Romuald (2012), an organization's performance is defined as its capacity to achieve its mission and objectives through good governance, customer focus, and well-organized management.

According to Carmeli, Strickland and Gamble (2009), in making critical organizational decisions, managers may have to consider options such as, stability versus change, long-term versus short-term; and innovation versus tradition. Since these dualities bring in contradictory objectives, paradoxical tensions may arise in their pursuit calling for engagement of decision quality to not only tame these problems but also give direction to a firm allowing for excellence and high performance. High quality decision consists of elements such as valuable framework, multiple diverse alternatives, dependable information, preferences and clear values, logical reasoning and dedication to action (Helfat, 2009). Decisions can be arrived at through logical incremental reasoning or through heuristics. Heuristics uses mental shortcuts that reduces decision making load, making it easy for people to deliver solutions to complex

problems as well as make quick judgements efficiently (Walker, 2014).

PBNGOs form alternative and complimentary service sector fundamental in the achievement of any nation's economic development goal. PBNGOs use projects to deliver innovative products and services, to perform change and transformation and in general get things done in organizations. PBNGO's in Kenya has been known to compliment the government's efforts in achieving the socio-economic, political and welfare targets, which poises to meet the vision 2030 goal (Ochanda, 2014). It is for this reason that the organizational performance of PBNGOs is not only critical for the socio-economic development of the country, but also ought to be a strategic priority to the Government of Kenya.

Performance among PBNGOs however, continue to be dismal despite their increase in numbers, these coupled with many white elephant projects. The World Bank's Independent Evaluation Group (2015) for instance rates 39% of PBNGOs in Africa as unsuccessful whereas between 2015 and 2018, the NGO Coordination Board of Kenya, which is mandated with registration and annual receipts of all NGOs including PBNBGOs returns, deregistered 56 PBNGOs for failure to account for millions of dollars of their funding from donors.

In an attempt to address this failure, PBNGO managers are increasing making decisions aimed at adopting competitive strategies with a view to enhance their organizational performance in view of increasing competition for funding (Keller & Staelin, 2011; Ballou & Pazer, 2013). It however remains unexplored in the Kenyan body of knowledge, how decision quality influences organizational performance with reference to PBNGOs.

## Literature Review and Conceptual Hypotheses

The theory supporting this relationship is DCT, which postulates that managers of PBNGOs need to make quality decisions from time to time informed by the dynamics in the operating environment. Advanced by Teece et al. (1997), DCT developed as a complement to or an expansion of the RBV in an effort to elucidate competitive advantage in a highly dynamic environment (Helfat et al., 2007). DCT holds that capabilities are a firm's capacity to acquire, develop, renew and reconfigure resources (Teece et al., 2007). Based on a synthesis and review of empirical literature, dynamic capability is portrayed as a firm's ability to systematically resolve issues generated by its tendency to institute suitable strategies that are geared at improving performance to adjust its resource groundwork.

The dynamic capabilities theory has further been criticized of lacking theoretical foundation clarity (Di Stefano et al., 2010) as well as on its basic tenets (Arend & Bromiley, 2009). The utmost cause of confusion as observed by Zahra et al. (2006) emanates from the difference on whether or not a dynamic capabilities theory denotes fundamental competencies in unpredictable environments or the ability of organizations to alter prevailing distinctive abilities, notwithstanding the unpredictability. DCT has further been criticized for accrediting capability differences to management choices which vary across firms (Teece et al., 1994). Despite its criticism, the postulations by DCT are of relevance to this study as they underpin how PBNGO managers have to constantly make quality decisions informed by the dynamics in the operating environment in order to realize desirable organizational performance.

Many studies relating to these two variables may have been explored but in different contexts ignoring the NGO sector. PBNGOs

have been identified as catalysts of development and at times come in handy in supporting the government achieve their long-term goals in terms of development. In her study on social capital, human capital, decision quality, employee empowerment and performance of insurance companies and commercial banks in Kenya, Munjuri (2013) focused on commercial banks which are different from PBNGOs in both their operations and organizational structure presenting a gap for the present study.

According to some studies, to understand how to arrive at good decision quality for optimal performance, it is essential to analyze and understand the means to arrive at the decision (Eppler & Helfert, 2014). As such, when arriving at deductions from the findings, there is need for one to give importance to the process. A diversity of aspects determines the satisfaction of an element of decision-making with the decision: emotional variables (Chengalur-Smith & Pazer, 2012), the process (Lee, Strong, Kahn & Wang, 2012), the outcomes (Delone & McLean, 2012), the factors that affect the situation (Ballou & Pazer, 2013) and expectations (Lee et al., 2012). The studies however also conceptualized decision quality as a factor of information quality.

Finucane, Mertz, Slovic, and Schmidt (2015) sought to characterize the quality of the decision made and assess its potential to improve organizational performance. The study sought to anticipate a variety of methods from researchers working on a wide range of topics (economy, psychology, computer sciences among others). In order to incorporate all of the important factors in the satisfaction analysis, the research created a theoretical model. The previous research, on the other hand, was a desk review, which differs from the current one in terms of methodology.

Sunstein and Thaler (2013) report on a novel broad strategy aimed at making improvements on prejudiced decision-making by harnessing involuntary mental processes and converting them to desirable organizational outcomes. Moore and Loewenstein (2004) further highlight in their study on separate versus joint decision-making, the finding that first instincts are normally more emotional than logical. Shiv and Fedorkihn (2012) add that under extreme reasoning load, willpower is weakened and that negative outcomes normally result when decisions come from a place of inexperience. The foregoing studies assessed decision quality from a psychological perspective with subjective approaches. The present study is positivist in nature employing objective approaches.

In like manner, Mumford, Zaccaro and Harding (2016) showed that there is lack of knowledge, quality, education and leadership styles related with comprehensive decision-making, hence the observed poor organizational performance. They either ignore or neglect processes of decision-making that result in improved missions, strategic plans, goal attainment, vision and of their companies. Considering that choices are made on a daily basis by managers and leaders in their workplaces, Finkelstein and Hambrick (2016) suggest that decision-making by the leadership is both a major driver of organizational results and a fundamental component of all management activity. The studies were however not specific to the NGO sector, and therefore findings may not be generalized to the present context.

The authors of an empirical review, Acevedo and Krueger (2014), claim that decision-making among leaders in companies has evolved into one of the most complex, dynamic, and difficult areas of management and leadership future study. They link organizational failures to the ways in which decision makers think and the manner in which they carry out the change process. The study

was however a desktop review, which vary from the design used in the current research in terms of methodology and scope.

Much as many reviewed studies focused on examining the direct impact of decision quality on organizational performance like this study, they had a variety of results, with varied design and study settings. The study therefore hypothesized that decision quality has no significant effect on PBNGOs in Kenya's performance.

### **Methodology**

The study took a descriptive cross-sectional research design, since it sought to articulate the influence of decision quality on the performance of PBNGOs in Kenya, using data collected at one point in time. The study targeted project managers from all 161 registered PBNGOs in Kenya, since their models of operation are inclined towards both financial and non-financial performance with clear indicators as opposed to general NGOs such as faith based or charity organizations. Primary data was collected using a structured questionnaire which entailed construct measurements and questions adopted and modified from previous related studies (Munjuri, 2013; Keren & Bruin, 2014; Lee *et al.*, 2014).

A pilot study was conducted to check for reliability, which measured by Cronbach Alpha at a threshold coefficient of 0.7, and validity assessed by a confirmatory factor analysis. The researcher adopted both the 'drop and pick later' technique whereby the institutional heads were given the questionnaires and allowed time to respond considering their busy schedules with administration at the topmost level. Follow-up phone calls were made to avoid non-response. Email surveys were also carried out in instances where institutions resorted to minimize physical paperwork as a precautionary practice occasioned by the Coronavirus Disease (COVID-19).

Both descriptive and inferential statistics in data analysis and inferential analysis. The descriptive statistics used included means and standard deviations. While the study utilized multivariate regression analysis to assess the effect between decision quality indicators on organization performance, a simple linear regression was done to test the hypothesis. Prior to data analysis, a range of diagnostic tests was performed to check for normality, multicollinearity and homogeneity of variance. Normality was tested using the Shapiro-Wilk and Kolmogorov-Smirnov Tests, while Variance Inflation Factor (VIF) and tolerance were used to test for multicollinearity. Levine's was further used to test for homoscedasticity.

### Findings

Data was analysed by both descriptive and inferential statistics. To this end, a number of statements indicating the various indicators of decision makers' competencies were presented

and participants were asked to show the degree of affirmation to the items as relevant to their respective organizations. The respondents were asked to rate decision makers' competencies attribute factors on a Likert-type scale of 1 indicating "not at all" to 5 indicating "to a large extent" as applied in the respective organizations. The responses were first analysed descriptively in terms of variation coefficient (CV), standard deviation (SD) and mean scores ( $\bar{x}$ ).

The study targeted 161 Project Based Non-Governmental Organizations in Kenya as listed by the National Council of NGOs. From the 161 questionnaires administered, 151 were administered in the main study while 10 PBNGOs were used in the pilot study. The study thus achieved a response rate of 93.4%, with 141 questionnaires returned. Results are portrayed in Table 1.

Table 1: Response Rate

Status	Frequency	Percent
Respondent	141	87.6%
Not Responded	20	12.4%
<b>Total</b>	<b>161</b>	<b>100%</b>

### Source: Researcher (2019)

This response rate was considered to be very good in line with Kothari (2004) who indicated that a response rate above 75% was very good. In related studies, Wachira and Kosimbei (2016) studying NGOs in Kenya, Kiambu County obtained a response rate of 64.2% which was considered satisfactory to make conclusion on the study findings. Masero and Aosa (2016) studying non-governmental organizations in Nairobi County obtained a response rate of 87% which was considered very good.

relationship between decision quality and organizational performance. Under multidimensional approach, decision quality was broken down into four dimensions including decision makers competency, concordance of decisions to organizational goals decision making process inclusivity and decision yield intended impact, decision making process inclusivity and decision yield intended impact. The descriptive statistics for the various dimensions of decision quality are portrayed in Table 2.

Both the unidimensional and multi-dimensional approaches were adopted in assessing the

**Table 2: Descriptive Statistics for Decision Quality**

<b>Decision Makers Competencies</b>	$\bar{x}$	<b>SD</b>	<b>CV</b>
All stakeholders in decision-making process are competent	4.26	0.553	12.98
Decision makers in our organization are diverse in areas of specialization	4.26	0.53	12.44
The top management analyzes all alternatives before making decisions	4.28	0.59	13.79
Strategic decisions are aligned to the strategic plan	4.27	0.653	15.29
Strategic decisions are made after analysis of all organizational factors	4.32	0.589	13.63
The top management monitors the progress of strategic decisions	4.35	0.507	11.66
Strategic decisions are made after analysis of the external environment	4.39	0.518	11.80
Strategic proposals by top management are ratified by other levels	4.38	0.629	14.36
<b>Overall</b>	<b>4.31</b>	<b>0.57</b>	<b>13.24</b>

  

<b>Concordance of the Decisions with Firm Goals</b>	$\bar{x}$	<b>SD</b>	<b>CV</b>
Decisions in our organization are geared towards value maximization	4.2	0.612	14.57
Our firm decisions achieve the intended purpose	4.18	0.581	13.90
The decisions made are geared towards objective execution framework	4.24	0.643	15.17
The decisions in our organization provides short and long-term direction	4.26	0.691	16.22
Our decisions are well framed in achieving a common goal	4.35	0.56	12.87
Diverse alternatives are in line with different organizational goals	4.32	0.552	12.78
The goals to be achieved by the organization are aligned with objectives	4.24	0.675	15.92
<b>Overall</b>	<b>4.26</b>	<b>0.62</b>	<b>14.49</b>

  

<b>Decision-making process inclusivity</b>	$\bar{x}$	<b>SD</b>	<b>CV</b>
All departments are involved in the implementation of strategic decisions	4.06	0.646	15.91
Strategic decisions are made by the top management	3.99	0.671	16.82
Executive uses information from its customers when making decisions	4.18	0.723	17.30
Executive uses information from regulatory body when making decisions	4.0	0.727	18.18
Executive uses information from all stakeholders when making decisions	3.91	0.722	18.47
Executive uses information from its employees when making decisions	3.89	0.708	18.20
Perspectives of all departments are well-thought-out when deciding	4.25	0.645	15.18
The views of all organizational stakeholders are incorporated in decisions	3.77	0.743	19.71
<b>Overall</b>	<b>4.01</b>	<b>0.70</b>	<b>17.47</b>



Decision yield intended impact	$\bar{x}$	SD	CV
In our organization decisions made have yielded key results	4.23	0.628	14.85
Decisions in our organization have resulted to reliable information	4.27	0.584	13.68
Problems in line of management have been solved by quality of decisions	4.39	0.607	13.83
Decisions have solved complex scenarios in key areas of performance	4.3	0.492	11.44
Performance of our organization is dependent on key decisions made	4.33	0.471	10.88
<b>Overall</b>	<b>4.25</b>	<b>0.58</b>	<b>13.69</b>

**Source: Researcher (2019)**

The mean score for the attributes of decision maker’s competencies was 4.31, standard deviation of 0.57 and variation coefficient at of 13.24 percent. This was a high mean score depicting high manifestation of the competence of decision makers attributes among the project-based NGOs in Kenya. The attributes of concordance of the decisions with firm goals gave an average mean score of 4.26, standard deviation of 0.62 and variation coefficient at of 14.49 percent.

The mean score for decision-making process inclusivity was 4.01, standard deviation of 0.70 and coefficient of deviation of 17.47 percent. This is a strong manifestation which implies that decision-making process inclusivity is to a large extent in project-based NGOs in Kenya.

The results show that decision yield intended impact constructs had an average mean score of 4.25, standard deviation of 0.58 and variation coefficient at of 13.69 percent. This is an indication that decisions are key in yielding the benefits related to performance of the project-based NGOs in Kenya as indicated by the high agreement levels in the statement that the organization decisions made had yielded key results (4.23) and major problems were solved by quality of decisions (4.39).

Also taking a multi-dimensional approach, the study further utilized multivariate regression analysis to assess the effect of decision quality indicators on organization performance. The findings are portrayed in Table 3.

**Table 3: Decision Quality and Organization PBNGO Performance**

Model Summary <sup>b</sup>					
R	R Square	Adjusted R Square	Std. Error of the Estimate		
.630a	0.397	0.379	0.18044		
ANOVA <sup>b</sup>					
	Sum of Squares	Df	Mean Square	F	Sig.
Regression	2.911	4	0.728	22.351	.000a

Residual	4.428	136	0.033		
Total	7.339	140			
Coefficients					
	Unstandardized Coefficients	Std. Error	Standardized Coefficients	T	Sig.
	B		Beta		
(Constant)	1.757	0.247		7.126	0.000
Decision makers competencies	0.157	0.053	0.24	2.968	0.004
Concordance of decisions with goals	0.245	0.054	0.359	4.506	0.000
Decision-making process inclusivity	0.052	0.055	0.076	0.954	0.342
Decision yield intended impact	0.081	0.042	0.145	1.944	0.054

a. Predictors:(Constant), Decision yield intended impact, Decision-making process inclusivity, Concordance of the decisions with firm goals, Decision makers competencies.

b. Dependent Variable: Organizational Performance

**Source: Researcher (2021)**

Findings in Table 3 indicate a strong positive relationship between decision quality as indicated by decision makers competencies, concordance of the decisions with firm goals, decision-making process inclusivity and decision yield intended impact and organization performance (R= 0.630, R<sup>2</sup>= 0.397). Thus, improvement in decision quality indicators will lead to improved organization performance. The study obtained an F (df 4,136) of 22.351. This implied that the decision quality indicators were a good predictor of organization performance. The p<0.05 implied that the linkage between the decision quality indicators and organization performance was significant.

The coefficients obtained were decision makers competencies 0.157 (p<0.05), concordance of the decisions with firm goals 0.245 (p<0.05), decision-making process inclusivity 0.052

(p>0.05), decision yield intended impact 0.081 (p>0.05). The findings implied that decision makers’ competencies and concordance of the decisions with firm goals were significant predictors of organization performance. Decision-making process inclusivity and decision yield intended impact had minimal effect on organization performance.

The results imply that keeping other factors constant, a component variation in Decision makers competencies would result in a 0.157 variation in performance, while a component variation in concordance of the decisions with firm goals would result in a 0.245 variation in performance. Further, albeit not statistically significant, a component variation in Decision-making process inclusivity would result in a 0.052 variation in performance, while a component variation in decision yield intended impact would result in a 0.081 variation in

performance. It can be inferred from the finding, that decision-making can best be conceptualized as a multidimensional; as different dimensions thereof, exhibiting differing effects on performance.

Taking the regression model:  $Y = \alpha + \beta_1 W_1 + \beta_2 W_2 + \beta_3 W_3 + \beta_4 W_4 + \varepsilon$ ,

Where:

Y = Performance

$\alpha$  = Constant

$\beta_1, \beta_2, \beta_3, \beta_4$  = beta coefficients

$W_1$  = Decision makers competencies

$W_2$  = Concordance of the decisions with firm goals

$W_3$  = Decision-making process inclusivity

$W_4$  = Decision yield intended impact

$\varepsilon$  = Error term

The equation can be rewritten as follows:  
 Performance = 1.757 (Decision makers competencies) + 0.157 (Concordance of the decisions with firm goals) + 0.052 (Decision-making process inclusivity) + 0.081 (Decision yield intended impact).

The objective of this research was to establish the effect of decision quality on performance of PBNGOs in Kenya. The null hypothesis was that decision quality has no significant effect on PBNGOs in Kenya's performance. Taking a unidimensional approach, the study used simple regression to analyse the relationship between decision quality on organization performance. The findings are portrayed in Table 3.

**Table 4: Decision Quality and PBNGOs Performance**

Model Summary						
R	R Square	Adjusted R Square	Std. Error of the Estimate			
.610a	0.372	0.368	0.18207			
ANOVA <sup>(b)</sup>						
	Sum of Squares	Df	Mean Square	F	Sig.	
Regression	2.731	1	2.731	82.393	.000a	
Residual	4.608	139	0.033			
Total	7.339	140				
Coefficients <sup>(a)</sup>						
	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta	T	Sig.	
(Constant)	1.787	0.248		7.195	0.000	
Decision Quality	0.534	0.059	0.61	9.077	0.000	

a. Predictors: (Constant), Decision quality

b. Dependent Variable: Organizational Performance

**Source: Researcher (2021)**

Findings in Table 4 indicate a strong positive relationship between decision quality and organization performance ( $R= 0.0.610$ ,  $R^2= 0.372$ ). Thus, improvement in decision quality will lead to improved organization performance. The study obtained an  $F_{(df 4,136)}$  of 82.393. This implied that the decision quality was a good predictor of organization performance. The  $p<0.05$  showed that the linkage between the decision quality and organization performance was significant. The coefficient obtained on decision quality was 0.534 ( $p<0.05$ ).

### Discussion

Results indicate that a majority of the project-based NGOs have decision makers in diverse areas of specialization who conduct an analysis of both the external environment and internal organizational factors before taking a strategic decision. It can be deduced therefore, that those organizations with decision-making competence structure performs better in achieving their objectives and goals since they are able to put the right mindset in decision-making based on experience and qualifications on the similar assignments before. This is expected since the quality of decisions taken by project-based NGOs determine not just their continuity and organizational performance, but also their project performance. This is in agreement with Rogers and Blenko (2012) who found that a key distinction among high performing organizations is that they are driven by their decisions which lead to the choice of better strategies. Peace and Robinson (2007) agree that the choice of competitive strategies by an organization may be influenced by a number of factors among them decision quality in place as perceived by decision makers. Therefore, strategic responses enable the firm to come up with quality decisions and to accomplish the organization's objectives.

Results also reveal that to ensure concordance of the decisions with firm goals, a majority of

the PBNGOs endeavour to take decisions that provide short and long-term direction towards achieving organizational goals, value maximization and objective execution framework dimensions. The study also found that the NGOs have diverse alternatives that are in line with different organizational goals. It is therefore clear that decision-making plays a crucial role in enhancing the completion rate of the projects under the NGOs. The findings are in line with Miller and Jangwoo (2001) who argue that having a well-designed decision-making process is of much benefit to the organization through ensuring improved performance. The results also corroborate with Goold and Quinn (2007) who argue that managers ought to make decisions independently on their own without influence. Organizations must strive to ensure that they are keeping the gap over their competitors so as to ensure they are always the market leaders.

The finding indicates that the top management in a majority of the project-based NGOs considers the views of all departments and relies on information from its project beneficiaries when strategic decisions are being made. The finding is in line with Rausch (2007) who explains that for a decision to have quality it should determine long-term and short-term direction, ensure adequate competence of all stakeholders, and effective use of individuals and/or teams' competence. The finding is also in accordance with Hamel and Prahalad (2007) who reports that the quality of decisions taken have significant implications for firm performance and are regularly the outcome of the participation of all stakeholders in an organization both external and internal. The more self-governing the firm, the more the executive can be deemed as outstanding custodians of their firms.

The findings further show that for a majority of the project-based NGOs reached, project related decisions taken have so far yielded intended project outcomes. The study also

learnt that in order to ensure that decisions yield the intended impact, top management relies on reliable information and have solved major problems in line of management and complex scenarios in key areas of performance. Accordingly, Helfat et al. (2007) notes that high-quality decision is characterized by provision of reliable information, useful frames, diverse alternatives, logical reasoning and commitment to actions. Delano et al. (2014) further argue that strategic decision-making is essential to firm performance. Making a good decision is even more difficult when the decision involves uncertain information. These relate to PBNGOs as they are faced with decisions to make among project alternatives which may affect the overall organizational performance.

From the four dimensions of decision quality, decision makers competency and concordance of decisions to organizational goals were found to have effect a positive and significant effect on organizational performance while decision making process inclusivity and decision yield intended impact were found not have a significant effect on organizational performance. The null hypothesis that decision quality has no significant effect on performance of PBNGOs in Kenya is rejected, implying that decision quality was a significant indicator of organization performance. Therefore, decision quality has a moderate significant and positive effect on organization performance among PBNGOs in Kenya. This implies that quality decisions are requisite for superior organizational performance among PBNGOs in Kenya.

## Conclusion

The study concludes that decision quality generally has a moderate, strong, positive and significant effect on performance among PBNGOs in Kenya. As such, an increase in the decision-making indicators will lead to improved organizational performance. This highlights the important role of decision

quality. It is incumbent upon PBNGO managers, that in order to ensure that organizational performance is superior and sustained, decisions taken presuppose competence on the part of the decision makers, concordance of the decisions with firm goals, decision making process inclusivity.

## Implications of the study

Findings indicate that decision quality is a critical determinant of organizational performance among PBNGOs. It is further implied in the study that the competencies of decision makers and concordance of decisions with project goals constructs form the key ingredients to superior PBNGOs performance while generally decision making is determined as a vital ingredient in decision making. Aside from funding of the project, the quality of decisions made plays a major role in the final delivery of expected goals to the relevant stakeholders. With all the relevant alternatives available a thorough assessment, selection of the best course of action becomes fundamental since poor decisions can destroy the goals and performance of project based non-governmental organizations. Decision like how to allocate which resources to which project, number of staff to employ, the capabilities they should have, location of the organization, calendar of events among others require decision making. The dynamic capability theory has been critiqued for believing that differences in capabilities are the result of management choices and vary across firms. The present study findings offer support to the dynamic capability theory in this regard, finding that the difference in quality of decisions taken among PBNGOs result in differences in organizational performance. While PBNGOs with better quality management decisions are likely to record high organizational performance, PBNGOs with poor management decisions are likely to record poor organizational performance.

In the course of managing projects, PBNGOs take decisions on a frequent basis. As such, PBNGOs ought to develop policies in form of protocols and guidelines to guide the decision-making process. Depending on the nature of the decision, the decisions taken can also be made through either a reasoned or an intuitive process or a combination of the two. Whereas some decisions are relatively unimportant, some are vital and will result in the project being either successful or failing. As such strong decision-making practices are particularly imperative in weighing the options available and selecting the best course of activity, as poor decisions or indecisiveness can bring a project to a halt.

### Suggestions for Further Research

Further study is recommended on decision quality and organization performance of other NGOs in Kenya, in Africa and rest of the world. The current study was cross-sectional. Since it is recommended to have continuous learning, a longitudinal study may show whether the findings vary over time.

The study further suggests that efforts should also extend the scope of the research by incorporating important such contextual factors as the external environment (Pestel), and/or regulatory framework to the research model, which may assist in explaining some of the insignificant results of the study.

Finally, beyond multivariate analysis, future studies could utilize different statistical techniques such as structural equation modelling (SEM) to test this study's propositions. This can provide better understanding and insights of the association among the core study factors. Future studies could also consider using multiple methodologies including qualitative and quantitative techniques in order to further strengthen and validate the existing research findings.

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