

Organizational Structure: A Corporate Performance Influencer (Evidence from Selected Nigerian Manufacturing Firms)

Dr. Aneozeng Awo Egbe, Esq

Department of Business Administration

Faculty of Management Sciences

University of Cross River State Calabar, Nigeria.

anegbe06@gmail.com

DOI [10.56201/ijebm.v10.no2.2024.pg173.192](https://doi.org/10.56201/ijebm.v10.no2.2024.pg173.192)

Abstract

This study investigated organizational structure: A corporate performance influencer. Evidence from selected Nigerian manufacturing firms. It assessed the effect of structural dimensions of specialization, hierarchy, on performance of manufacturing firms. The research design adopted was Ex-post facto research and stratified random sampling technique was used to self-administer copies of a five-point Likert-scale structured questionnaire to 282 respondents in three manufacturing firms. The data obtained were analyzed using simple linear regression. The findings showed that specialization and hierarchy play a significant role on the performance of manufacturing firms. Hierarchy layers should be managed in regards to the need for control and flexibility and employee empowerment. Too many hierarchies result in tight controls, rigidity, centralized decision making and too many specialized operations that stifle creativity, flexibility and innovation. Furthermore, there should always be room for modification of work rules, as specialization can be improved and needs to be balanced with the work.

Keywords: Organization, Structure, Performance, Hierarchy, Specialization

1.1 Introduction

The organizational structure (OS) is a topic of great interest and influence for present study and development in numerous fields. When it comes to the various activity systems within the organization, how to manage the scarce resources, and how authority is delegated among important individuals in a methodical way that facilitates coordination toward a shared goal, OS demonstrates a broad inference. According to the literature, a lot of business research focuses on customers' assets, staff members of low-profile companies currently operating, and new markets that businesses are trying to enter in order to gain market share (Lackeus, 2018). An organization's performance is significantly impacted by its organizational structure. As a result, everyone in management needs to be aware of how crucial organizational structure is. Numerous studies have been conducted on the relationship between organizational performance and structure. First of all, organization is primarily a managerial function of organizing, which includes assigning authority,

grouping activities, defining relationships of authority and responsibility, coordinating various functional activities in the interest of accomplishing overall organizational objectives and goals, and delegating authority.

In a study conducted by Chegini, Yousefi, and Rastad (2013), achieving the maximum possible level of productivity is the primary objective of any business. Productivity is crucial for an organization. According to Chegini et al. (2013), productivity allows all organizations to take advantage of all available resources and facilities in order to get more advantages. Performance is one of the most critical and major difficulties that all businesses deal with. Variety of factors affect both organizational structure and performance. An organogram, also known as organizational chart, is a chart that shows the structure of an organization. But structure is much more than just a diagrammatic representation of the levels of management; it addresses how people, groups, and tasks are assigned as well as the general work guidelines that control how each unit operates to maintain unity of effort. Because an organization's organizational structure is based on the kind and nature of its activities, it is specific to that organization. This is evident in how an organizational structure is displayed. (Lackeus (2018)

Statement of the problem

Attaining near-term goals and preserving the possibility of long-term success are central to organizational performance. Performance evaluation gauges how well an organization performs in achieving its goals and objectives. Many Nigerian manufacturing companies' performance is under question, which has an impact on all parties involved. About 272 manufacturing companies closed their doors in 2016, and others were forced to reduce staff, operations, and pay as a result of a variety of challenges, including a bad exchange rate, inadequate infrastructure, high raw material costs, and bank fees ("Nigerian Manufacturers Lament," 2017). An organogram, also known as organizational chart, is a chart that shows the structure of an organization. But structure is much more than just a diagrammatic representation of the levels of management; it addresses how people, groups, and tasks are assigned as well as the general work guidelines that control how each unit operates to maintain unity of effort. Because an organization's organizational structure is based on the kind and nature of its activities, it is specific to that organization. This is evident in how an organizational structure is displayed.

The structure of a firm is the primary strategic tool for influencing internal variables to benefit from external forces. Structure plays an important role in advancing the achievement of corporate goals by directing human and material resources toward productive endeavors with the goal of reaching predetermined objectives. An improper structure stifles innovation, breeds discord and tension, and undermines teamwork, all of which make it more difficult to complete scheduled tasks on time and effectively. However, one challenge in organizational structure is figuring out how to divide or cluster work activities and how differentiable the units should be from one another in order to accomplish the dual goals of integration and differentiation through the various organizational structure components. Although the majority of manufacturing companies are organized according to the functions they perform, most employees are assigned to tasks that are

outside of their areas of competence and skill. Employers frequently employ generalists, depriving the company of the efficiency that results from task

The number of hierarchical levels, the appropriateness and effectiveness of emphasizing formal rules and regulations, and the need for control are all crucial. The number of hierarchy levels can also be crucial to success because it affects operational costs, an organization's capacity to quickly adapt to changing conditions, and employee involvement in decision-making. These factors all affect how employees perceive the reasoning behind management decisions, which in turn affects their willingness to put in long hours and be persistent in their efforts to meet management goals. A mismatch between these structural features and the firm's uniqueness may increase the likelihood of employee turnover, which would lead to a lack of commitment from employees and poor organization citizenship, as well as inefficient use of resources.

1.3 Objectives of the study

this study focus on organizational structure: a corporate performance influencer with evidence from selected Nigerian manufacturing firm. The specific objectives are:

- i. To examine the effect of hierarchy on performance of manufacturing firms;
- ii. To determine the effect of specialization on performance of manufacturing firms

1.4 Research questions

Based on the above objectives the researcher developed the following research question to guide the study:

- i. To what extent does hierarchy affect performance of manufacturing firms?
- ii. To what extent does specialization affect performance of manufacturing firms?

1.5 Research hypotheses

Ho₁ there is no significant effect between Hierarchy and the performance of manufacturing firms

Ho₂ Specialization does not significantly affect the performance of manufacturing firms.

LITERATURE REVIEW

2.1 Concept of organizational structure

Achieving the highest degree of production is the main goal of any firm, according to Chegini, Yousefi, and Rastad (2013). Efficiency is essential to a company. Chegini et al. (2013) claim that productivity enables all businesses to utilize all facilities and resources at their disposal in order to obtain more benefits. One of the most important and significant challenges that every organization faces is performance. Droegge (2013) defines organizational structure as the arrangement of people and activities to facilitate the accomplishment of goals and the completion of tasks. The essential framework of positions, groups of positions, chains of command, and modes of communication that an organization adopts to ensure the efficient execution of tasks in the direction of predetermined goals and objectives is known as its organizational structure. The organizational

structure guides competent work effort and aligns the passion of top management and subordinates with the strategies and goals of the organization.

Within the company, structure divides people and activities into units that can be temporary or permanent. It offers the necessary means of allocating personnel to the different jobs and arranging them and their responsibilities in a way that adds value. It is impossible to overstate the significance of structure since it offers a way to coordinate and regulate employee behavior in order to achieve organizational objectives Jones (2013). It has a significant impact on the sources of an organization's advantage, the order in which operations are completed, and the organization's response to both internal and external stimuli (Kavale, 2012). The organization chart, a diagrammatic representation of the roles and tasks inside an organization, serves as a skeleton or representation of the organization's structure. It's important to keep in mind that while structure is produced by management's organizing function, it also serves as a framework or strategy for carrying out other management responsibilities.

According to Nelson and Quick (2011), an organization's structure provides it with the shape and form necessary to carry out its social goal. An effective structure reflects not just the authority available to all rungs of the management ladder, but also the local environment, people, and customs, as activities are derived from the organization's objectives and strategies (Wehrich, Cannice & Koontz, 2010). The impact of structure on knowledge acquisition and innovation, job satisfaction, employee trust, and employee perceptions of justice all underscore its importance.

2.1.2 Designing an organization's structure.

Chen (2013) asserts that one of management's primary duties is to establish a structure that is tailored to the particular requirements of the business, ensure that all of its elements are consistent, and ensure that it is flexible enough to adjust to changes in the surrounding environment. Therefore, structures can and should be adjusted to take these changes into consideration, since their purpose is to support the achievement of organizational goals. Regardless of an organization's age or condition, managers take into account four fundamental factors when deciding on its organizational structure: how to define lines and directions of accountability; how to combine work in a logical and efficient manner; how to assign specific tasks to individuals or groups and ensure a smooth flow of work between them; and how to create an arrangement that harmonizes unit activities into a logical system while monitoring the integration's operation. Among the factors Stoner et al. (2011) considered were:

- a. To what extent should specialization be promoted? To what extent should each task be described in respect to the others?
- b. To what extent should specialization be promoted? To what extent should each task be described in respect to the others?
- c. What level of procedures should be encourage within the organization?
- d. Should Discretion (Choice to act) be given a fair consideration??

The core structural elements of formalization, authority centers, hierarchy, and specialization that impact communication and activity harmonization—both crucial for implementing strategic plans—are comprised of the aforementioned elements (Olson, Slater & Hult, 2005). By dividing the company into units and then reassembling those units in an orderly fashion, managers attempt to foster synergy. This serves as the foundation for determining or influencing the firm's final structure as well as the particular requirements of the environment and, subsequently, strategy.

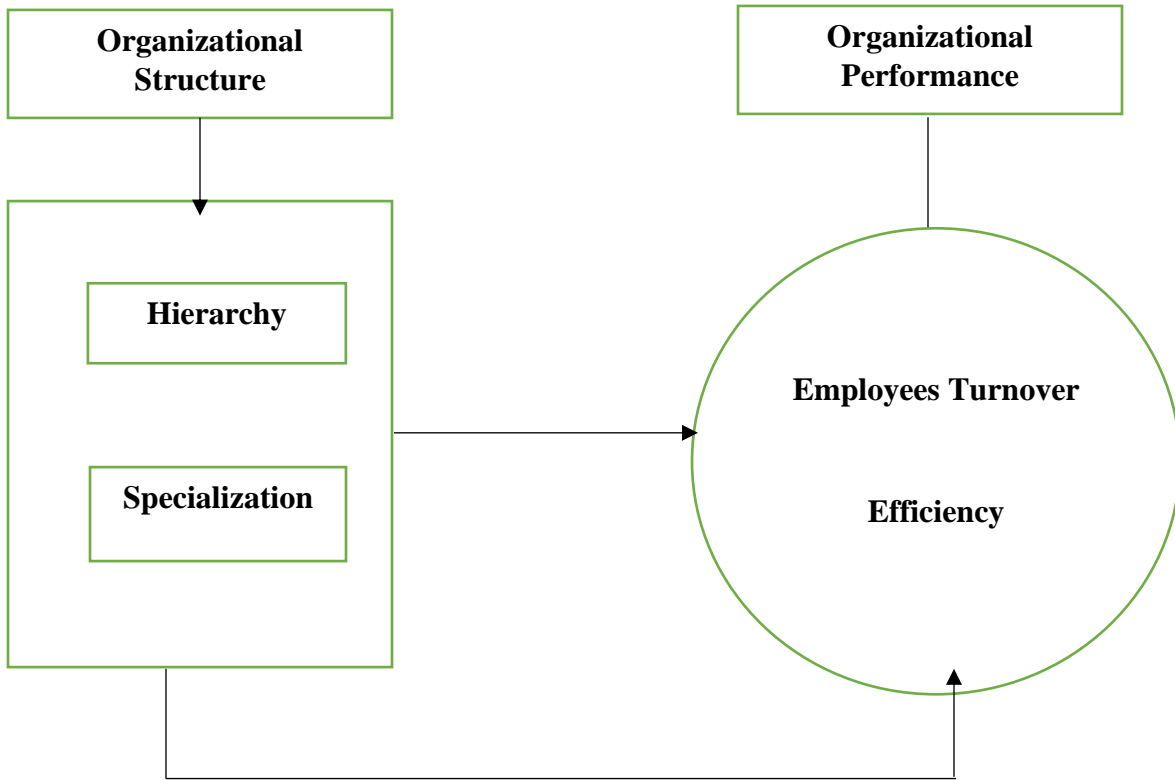


Figure 2.1 Conceptual Framework

2.1.2 Hierarchy

The complex and globalized business environment of today is too much for the traditional management systems that were created during a seller's market, when there were few competitors, loyal customers, an easily predictable business environment, and favorable financial results, claims Reshipal (2014). Furthermore, the hierarchy of an organization and the way in which tasks are assigned to workers in order to accomplish goals together shape its structure and flexibility in response to shifting external circumstances (Pedraza, 2014). An organization's hierarchy is the number of authority levels that divide its lowest- and highest-ranked personnel. An organizational hierarchy is pyramidal in structure, with the highest level of authority at the top and directives that continue to the next level below. The amount of hierarchical levels in an organization's structure determines whether it is said to as tall or flat. Organizations are choosing architectures that increase

flexibility instead of the traditional pyramidal structure, which places several levels between first line workers and top management and creates a large gap between the two. An organization's capacity to meet goals can be significantly impacted by its organizational structure, whether it is tall or flat, vertical or horizontal. (Rishipa, 2014).

Whereas flat structures have few managerial rungs between the lowest-level employees and the highest-level, tall structures have many managerial rungs between them (Capenter, Bauer & Erdogan, 2009). The span of management or control, which indicates the number of subordinates who report to or are under the direction of a single supervisor or manager, is a key component of hierarchy and a distinctive factor in the design of structures. Tall structures are characterized by multiple levels and a small number of workers who are directly overseen by a manager, giving them a tight sphere of influence. Excessive control from supervisor may result to high bureaucratic costs and loss of morale.

2.1.2 Specialization

Specialization refers to a staff member's high degree of proficiency or expertise in a given task. When a company uses functional specialization, it places workers in jobs that best suit their qualifications, experience, and abilities. The degree of horizontal integration within a company, or the depth of specificity or integration of tasks and workers, is reflected in departmental and worker specialization (Teixeira, Koufteros & Peng, 2012). One common strategy for allocating responsibilities and personnel is functional specialization. Some frequent areas by which organizations are structured are human resources, accounting and finance, marketing, production, and research and development. Multi-level hierarchical functional architectures improve productivity by encouraging greater cooperation and communication among participants (Anderson & Brown, 2010).

2.2 Theoretical framework

The baseline theory of this study is the bureaucratic theory. It is supported by resource-based theory.

2.2.1 Bureaucratic theory

Weber (1947) introduced the bureaucratic theory of management, which focuses on organizational structure. After observing wastefulness in German organizations and government companies due to nepotism and other illogical motives, Weber established the idea to improve administrative efficiency. According to Hellriegel, Jackson, and Slocum (2005), the theory provides an overview for the functioning of an organization by outlining several desirable characteristics, such as an official set of rules, work specialization and division of labor, hierarchy reason, organization, a thorough system of authority, and a lifetime dedication to work. According to Nadrifar, Bandani, and Shahryari (2016), it advises managers to create wide-ranging and clearly defined work procedures for carrying out preset duties by implementing rigid organizational structures that prioritize power, control, hierarchy, and specialization.

While authority structure refers to the specific right to make decisions at different levels of an organization, specialization and division of labor involve being specific about spheres of competence legitimized by official duties, and hierarchical office arrangement means that every lower-level position is controlled and supervised by a higher one (Ihejiamaizu, 2003). The purpose of formal rules and regulations is to establish order and discipline in the pursuit of organizational objectives. Efficiency is ensured by impartiality since employees are judged and assessed objectively rather than subjectively. There are many different ways that bureaucracy is dysfunctional. Weber emphasizes the formal aspects of organizational life far too much (Nhema, 2015). This runs counter to the realities of casual connections and communication styles, which are essential for organizational performance in a fast-paced corporate setting where knowledge is crucial.

2.1.3 Resource-based theory

Penrose (1959) proposed that organizations are composed of coordinated resource inputs that provide unique value. This idea is linked to Penrose's work. According to the theory, organizations differ fundamentally from one another since each one has its own unique set of resources, and performance is based on internal resources or competencies rather than those found outside the organization. Thus, an organization's resource allocation strategy ought to be a subject of strategic importance. These resources were categorized by Kazmi (2008) as organizational, non-human, and human. Technical know-how, production facilities and equipment, and the location of the factory or business in relation to raw material and buyer sources are examples of non-human resources. Organizational resources are the structures of formal and informal links between groups, whereas human resources are the knowledge, abilities, judgment, experience, connections, and relationships that exist inside an organization. Any of these resources that are hard to get, very costly, or challenging to replace result in better long-term performance.

2.3 Empirical review

Shyaman and Mabaotwana. (2020), investigated the impact of organizational structure on performance. an empirical study of small and medium-sized enterprises in Sri Lanka. By taking into account the Resource-Based View of the establishment as well as the Lumpkin and Dess model, a conceptual model was created. A structured questionnaire was used to collect data from 383 small- and medium-sized business owners in the sample. After collecting empirical survey data inside the Sri Lankan small and medium-sized industry, a structural equation modeling was carried out to evaluate the measures and test the hypotheses established concerning the impact of the two key constructs. Both descriptive and inferential statistics were employed in the analysis. Seven dimensions were used to look at how organization structure affected things. The findings indicated that formalization and coordination had no appreciable impact on company performance, whereas only five dimensions—Span of Management, Departmentalization, Specialization, and Delegation—were positively connected with it. Thus, whereas the formalization and coordination dimensions showed a statistically insignificant influence, the five organizational structure dimensions showed a statistically significant impact on the performance of small and medium-sized firms.

In a study of Samuel, et.al (2015) on how departmentalization and job specialization affect employees' job satisfaction in a university library in Nigeria: The degree to which an organization's overall duty is divided into smaller component sections is known as job specialization. Comparatively, departmentalization is the arranging of employment in a logical grouping. For this study, a survey method was used to collect data from the respondents using a descriptive research design. The employees at the Federal University of Agriculture, Abeokuta's Nimbe Adedipe Library were given fifty (50) copies of surveys with thirty structured questions; forty-five (90%) of the questionnaires were returned. The questionnaire asked about the respondents' departmentalization, job specialization, and effects on job satisfaction. It also asked about the respondents' demographics. 42 surveys were used for data analysis because three were deemed useless. One of the study's conclusions was that the vast majority of the sampled library's employees were content with their current field of expertise. The study's final conclusion is that job satisfaction is individualized and has an impact on a person's emotions and mental health. Employee turnover is lower in libraries when staff members are content with their jobs.

Iranian workers' career anchors and organizational structure were studied by Yousefi, Behboudi, and Zarghamifard (2016). Formality, centralization, and complexity were used to gauge structure. 339 respondents provided the data. The results of the regression study indicate that career anchors for persons and structure have a significant but unfavorable association. It was found that formality, centralization, and complexity rise leads to a decline in career anchor (technical/functional competence, inventiveness, and devotion). The study recommends that future researchers evaluate the productivity of companies with flexible structures to those without.

In the study of Salimbahrami, Ahmadi, Hajikolaei, Mirzajani, Asheghan and Sahebi (2015) discusses how the formality, centralization, and hierarchy of an organizational structure affect the well-being of its employees. Study data came from 191 respondents from an Iranian university. The findings of the correlation and regression analyses showed a strong positive association between quality of life and all dimensions of organizational structure. It also showed that structure was a strong predictor of work-life quality, with centralization, formality, and hierarchy showing the highest and lowest levels of correlation, respectively, with quality of work-life. Future research was advised since it might yield supplementary results and highlight important issues.

Latifi and Shooshtarian (2014) conducted study on the relationship between an organization's structural architecture and effectiveness as well as trust. The study postulated that there is no relationship between organizational effectiveness and trust and structure. Adaptation, target attainment, integration, and latency were used to gauge effectiveness. A correlational approach was employed to properly fill out and assess 142 copies of the questionnaire. The survey was carried out in Iran's Fars Province among businesses in five different industries. Results show that organizational structure and trust characteristics are significantly correlated. It also demonstrated that the dimensions of effectiveness are substantially associated with organic structures and not at all with mechanistic structures. It was determined that adaptable structural frameworks increase a firm's effectiveness.

METHODOLOGY

3.1 Research Design

This study on the impact of organizational structure on the performance of certain manufacturing enterprises used an ex-post facto research design. Ex-post facto research design permits the collection of data through survey tools like questionnaires, interviews, and observation. T

3.2 Study Area

The research was done in Calabar. Nigeria's first capital city, Calabar, is located in the South-South part of the country and serves as the capital of Cross River State. It consists of the two Local Government Areas (LGAs) of Calabar Municipality and Calabar South and is located in the southern portion of the state. Calabar Metropolitan Area consists of the two local government areas. The capital of the Eastern region prior to its relocation to Enugu was Calabar. 371 022 people were living there as of the 2006 national population census, taking up 604 square kilometers of land at an elevation of 32 meters (Ottong, Ering & Akapan, 2010).

3.3 Population of the study

The study covered selected manufacturing companies in Calabar, Cross River State, these selected companies is registered with Manufacturing Association of Nigeria (MAN). The selected firms in Calabar constitute the population of the study.

3.4 Sampling procedure and sample size determination

Three strata were used to categorize the population: food and drink, metals, and industrial chemicals, such as cement and paint. One business was chosen at random from each stratum using the uniform allocation technique. For this study, three companies were chosen from the population: Niger Mills (Nig.) Limited, Houston, Lafarge Plc, and Bao Yao. Data gathered from the administrative units of a few chosen companies revealed that Lafarge employs 463 people, Bao Yao employs 320, and Niger Mills employs 280 people. These make up the entire population of 1063, which consists of all employees of the businesses that were used to determine the sample size (282) for managers, supervisors, and other staff members of the chosen businesses using the sample determination table developed by Krejcie and Morgan (1970). The ratio of each company's population to the total population was used to calculate the sample size.

Niger Mills Company Limited: $\frac{280}{1063} \times 282 = 74$ staff

Bao Yao Huan Jian Iron & Steel: $\frac{320}{1063} \times 282 = 85$ staff

Lafarge Plc/Houston: $\frac{463}{1063} \times 282 = 123$ staff

The responders in each firm were selected by lottery. A copy of the questionnaire was distributed to the management team and supervisors of each functional unit in each of the chosen organizations, while other employees took part through a lottery system. One pair of slips of paper had the words "YES," and the other set had the words "NO." Each member of the organization selected only one paper from a bag after the papers, which were all of the same size, color, and quantity, had been folded and well mixed. This process was continued until each company had the necessary sample. A copy of the questionnaire was distributed only to the staff members who selected "YES." This approach was chosen because it gave every member of the organization an equal chance to be chosen, the population was limited, and respondents were more inclined to complete the questionnaire because they selected the "YES" paper.

3.5 Source of Data and Data Collection Method

For this study, primary data were gathered and utilized. A collection of observations made by the researchers by interaction with the individuals or components that comprise the study population or sample size is referred to as primary data. A questionnaire was used to collect primary data from participants in the Calabar manufacturing companies that were chosen.⁵⁴

3.6 Research Instrument

Data for this study were gathered using a questionnaire named "Organizational Structure and Performance of Manufacturing Firms (OSPMF)". The purpose of the instrument's development was to assess the performance and structure as described in the conceptual model. The study's independent variable, organizational structure, was determined using specialization and hierarchy. A five-point ordinal scale with the following values: strongly agreed (5), agreed (4), undecided (3), disagreed (2), and severely disagreed (1). Efficiency and staff turnover were used to quantify organizational performance, which is the dependent variable. The organizational performance test scale of firmly Agreed=5, Agree=4, Undecided=3, Disagree=2, and firmly Disagree=1 was used to operationalize the measures.

3.7 Validity and Reliability of Instrument

The term validity describes a research method that aims to determine if a researcher, a tool for measuring, or a model (design) measures what it wishes to test. (2016, Abara). The survey was designed with every facet of the study in mind, and every item was adequately reviewed by experts to guarantee validity. It is crucial to confirm the research instrument's dependability before utilizing any statistical technique because this indicates a scale's capacity to yield consistent results after multiple measurements (Singh & Kassa, 2016). It is the capacity of an apparatus to consistently generate the same reaction. In order to assess dependability, this study used Cronbach's Alpha value using SPSS software version 21. The procedure comprised conducting a trial study, giving the questionnaire to

3.9 Model specification

The model specification for this study is as follows:

$$\text{Perf} = a + \text{BOS} + e$$

Where,

Perf= Performance, a =the model Intercept

OS= Organizational Structure (OS₁ = Specialization; OS₂ = Hierarchy; OS₃ =

B = Coefficient of the independent variable (OS variables), and e= Error term

DATA ANALYSIS AND DISCUSSION OF FINDINGS

4.1 Presentation of data

Table 4.1

Distribution and retrieval rate of questionnaire

S/N	Qualification	Number of respondents	Percentage
1.	Number distributed	282	100.0
2.	Number returned	268	95.0
3.	Number not returned	14	5.0
4.	Number returned (void)	13	4.6
5.	Number used in analysis	255	90.4

Source: Field survey, 2024

Table 4.1 shows the percentile rate and total number of respondents to the questionnaire's distribution and retrieval. 95.0% of the 282 copies of the questionnaire that were distributed were recovered. Five percent was not returned, and the remaining four and a half percent was deemed unhelpful and prone to errors. As a result, 255 copies of the questionnaire, or 90.4% of the total, were used in the study.

TABLE 4.2
Respondents' opinion on hierarchy

Statement	SA	A	U	D	SD	MEAN
1. There are many levels Of leadership between Workers at the lowest level And topmost managers	85 (33.3%)	101 (39.6%)	30 (11.8%)	30 (11.8%)	9 (3.5%)	3.87
2. There are few workers Under the control of a 4.01 Manager, (or supervisor).	100 (39.2%)	95 (37.3%)	32 (12.5%)	18 (7.1%)	10 (3.9%)	
3. Instruments pass through Several levels before it Could get to the workers at the last level.	116 (45.5%)	103 (40.4%)	21 (8.2%)	12 (4.7%)	3 (1.2%)	4.24

Source: Field survey, 2024.

Table 4.2 gives the respondents' perspectives on the hierarchy inside their company. Opinions regarding the existence of multiple levels of leadership between the lowest-level employees and the highest-ranking managers are expressed in Statement 1. The following were the percentages of responses: 11.8 were undecided, 11.1 disagreed, 33.3 strongly agreed, 39.6 agreed, and 3.5 strongly disagreed. On a 5-point scale, the responses yielded a mean score of 3.87. Statement 2 displays the opinions of respondents regarding the number of employees under a manager's (or supervisor's) supervision. 39.2 highly agreed, 37.3 agreed, 12.5 undecided, 7.1 disagreed, and 3.9 strongly disagreed made up the percentile total. A mean score of 4.01 on a 5-point rating system was obtained. The perspectives of respondents on weather directives at their company are presented in Statement 3, which goes through multiple layers before

TABLE 4.3
Respondents' opinions on specialization

Statement	SA	A	U	D	SD	MEAN
1. Work activities in my Company are grouped into 3.90 Units such as production, Personnel/admin, and Accounts.	64 (25.1%)	150 (58.8%)	12 (4.7%)	12 (4.7%)	17 (6.7%)	
2. The work I do requires Qualified and trained Employees and everybody Cannot do it.	79 (31.0%)	140 (54.90%)	8 (3.1%)	18 (7.1%)	10 (3.9%)	4.02
3. A task assigned to one82		133	21	9	10	

Department cannot be (32.2%) (52.2%) (8.2%) (3.5%) (3.9%) 4.05
 Assigned to another
 Department at the same time.
Source: Field survey, 2024

Table 4.3 gives the respondents' perspectives on the hierarchy inside their company. Opinions regarding the existence of multiple levels of leadership between the lowest-level employees and the highest-ranking managers are expressed in Statement 1. The following were the percentages of responses: 11.8 were undecided, 11.1 disagreed, 33.3 strongly agreed, 39.6 agreed, and 3.5 strongly disagreed. On a 5-point scale, the responses yielded a mean score of 3.87. Statement 2 displays the opinions of respondents regarding the number of employees under a manager's (or supervisor's) supervision. 39.2 highly agreed, 37.3 agreed, 12.5 undecided, 7.1 disagreed, and 3.9 strongly disagreed made up the percentile total. A mean score of 4.01 on a 5-point rating system was obtained. The perspectives of respondents on weather directives at their company are presented in Statement 3, which goes through multiple layers before

TABLE 4.4

Respondent's opinion performance

Statement	SA	A	U	D	SD	MEAN
1. Incidences of error, many scraps or frequent rework 4.24 of products are reduced as a result of strict adherence to work rules.	116 (45.5%)	103	21 (40.4%)	12	3 (8.2%)	(4.7%) (1.2%)
2. Assigning experts to specialization tasks helps us produce reliable and trusted products.	142 (55.7%)	86	15 (33.7%)	8 (5.9%)	4 (3.1%)	4.39
3. Job task are well organized in manner at which there will be no waste of resources 4.05	82 (32.2%)	133	21 (52.2%)	9	10 (8.2%)	(3.5%) (3.9%)
4. The nature of my job provides me with the (avenue to apply my skills and knowledge. 3.77	48 (17.6%)	144 (56.5%)	31	21 (12.2%)	11 (8.2%)	(5.5%)
5. There is room for individual	61	139	29	21	5	

3.90	development in a shortest period.	(23.9%)	(54.5%)	(11.4%)	(8.2%)	(2.0%)
6.	My recommended about this	143	84	17	7	4
4.39	Can be given at any time or place	(56.1%)	(32.9%)	(6.7%)	(2.7%)	(1.6%)

Source: Field survey, 2024

Table 4.4 reveals respondents' perceptions of how well a company is performing. From statement 1, 45.5 firmly concurred that tight adherence to work rules reduces the likelihood of errors, numerous scraps, or frequent product rework. 82% were undecided, 4.7 disagreed, and 1.6 strongly disagreed with 40.4 who agreed. On a 5-point scale, it gave an average score of 4.24. The second claim concerns whether delegating specialists to specialized jobs aids in the production of dependable and reputable goods by the organization. 33.7 agreed, 55.7 strongly agreed, and 5.9 were unsure. 1.6 strongly disagreed, and 3.1 disagreed. On a 5-point scale, the responses yielded a mean score of 4.39. Statement 3 about whether or not interactions and job tasks are set up to prevent resource waste. The following percentage of responses was obtained: 32.2 were vehemently opposed,

4.2 Test of hypotheses

Simple linear regression is used to assess the effects and strength of relation between predictor (Organizational Structure) and outcome variables (Performance).

All Two hypotheses were tested in the null form.

The decision rule is:

$P < 0.05$ significant level= reject the null hypotheses

$P > 0.05$ significant level= accept the null hypotheses

Ho₁ Hierarchy has no significant effect on performance of manufacturing firms.

Ho₂ Specialization has no significant effect on performance of manufacturing firms.

TABLE 4.5

Model summary of the relationship between specialization of tasks and organizational performance

Model	R	R square	Adjusted R square	Std. error of the estimate
1	.920 ^a	.846	.845	1.609

a. Predictors: (Constant). Specialization of tasks

Source: SPSS output.

TABLE 4.6

Model summary of the relationship between layers of hierarchy and organizational performance

Model	R	R square	Adjusted R square	Std. error of the estimate
1	.887 ^a	.786	.785	1.897

a. Predictors: (Constant). Layers of hierarchy

Source: SPSS output.

TABLE 4.7

Analysis of variance (ANOVA) result on the effect of layers of hierarchy on organizational performance

Model		Sum of squares	Df	Mean Square	F	Sig.
1	Regression	3343.313	1	3343.313	928.830	.000 ^b
	Residual	910.671	253	3.599		
	Total	4253.984	254			

a. Dependent variance: Organizational performance

b. Predictors: (Constant). Layers of hierarchy

Source: SPSS output.

TABLE 4.8

Coefficients table for the effect of layers of hierarchy on organizational performance

Model	Unstandardized Coefficients		Beta	Standardized Coefficients		Sig.
	B	Std. Error		T		
1. (Constant)	.526	.388		1.355	.177	
Layers of hierarchy	1.472	.048	.887	30.477	.000	

a. Dependent variable: Organizational performance

Source: SPSS output.

TABLE 4.9

Analysis of variance (ANOVA) result on the effect of specialization of tasks on organizational performance

Model		Sum of squares	Df	Mean Square	F	Sig.
1	Regression	3598.992	1	3598.992	1390.161	.000 ^b
	Residual	654.993	253	2.589		
	Total	4253.984	254			

a. Dependent variable: Organizational performance

b. Predictors: (Constant). Specialization of tasks

Source: SPSS output.

TABLE 4.10
 Coefficients table for the effect of specialization of tasks on organizational performance

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1.	(Constant)	.885	.309		2.859	.005
	Specialization of tasks	1.392	.037	.920	37.285	.000

a. Dependent variable: Organizational performance

Source: SPSS output.

Table 4.5, 4.6 and 4.7 give the results of the regression testing Hypothesis 1 (Ho1). It demonstrated that specialization had a significant, direct, and favorable impact on performance ($B = 1.392$, $p < 0.05$, $t = 37.285$). This is supported by a significant F statistic in Tables 4.5 and 4.6, which shows the model's forecasting ability ($R^2 = .846$, $F = 1390.161$, $p < 0.05$). Ho1 is thus disproved. With the difference attributable to other factors in the model held constant, specialization can be jointly attributed to or explain up to 84.6% of organizational performance, according to the R^2 of .846.

The linear regression tables 4.8 4.9, 4.10 display the results of hypothesis 2's tests (Ho2). The results indicate that performance is significantly improved by hierarchy ($B = 1.472$, $p < 0.05$, $t = 30.477$). A significant F statistic from Tables 4.9 and 4.10 supports this and shows how predictive the model is ($R^2 = .786$, $F = 928.830$, $p < 0.5$). Ho2 is therefore disregarded. The R^2 of .786 indicates that, when the difference resulting from other model variables is held constant, up to 78.6% of organizational performance may be jointly assigned to or explained by hierarchy.

4.3 Discussion of findings

According to the outcome of hypothesis (Ho1), specialization significantly and favorably impacted performance in the chosen manufacturing companies. This result supports the findings of Samuel and colleagues (2015). conducted research on how departmentalization and job specialization affect employees' job satisfaction in a university library in Nigeria: The degree to which an organization's overall duty is divided into smaller component sections is known as job specialization. Comparatively, departmentalization is the arranging of employment in a logical grouping. For this study, a survey method was used to collect data from the respondents using a descriptive research design. This finding is in line with the findings of Samuel, et.al (2015) how job specialization affects employees' job satisfaction in a university library in Nigeria: Survey method was used to collect data from the respondents using a descriptive research design. The employees at the Federal University of Agriculture, Abeokuta's Nimbe Adedipe Library were

given fifty (50) copies of surveys with thirty structured questions; forty-five (90%) of the questionnaires were returned. The questionnaire asked about the respondents' departmentalization, job specialization, and effects on job satisfaction. It also asked about the respondents' demographics. 42 surveys were used for data analysis because three were deemed useless. One of the study's conclusions was that the vast majority of the sampled library's employees were content with their current field of expertise. The study's final conclusion is that job satisfaction is individualized and has an impact on a person's emotions and mental health. Employee turnover is lower in libraries when staff members are content with their jobs.

The outcome of the second hypothesis test (Ho2) demonstrates that performance in the chosen manufacturing enterprises is strongly and favorably impacted by hierarchies. This outcome is consistent with the research conducted by Salimbahrami et al. (2015), which looked at the relationship between the formality, centralization, and hierarchy of an organizational structure and the well-being of its employees. Study data came from 191 respondents from an Iranian university. The findings of the correlation and regression analyses showed a strong positive association between quality of life and all dimensions of organizational structure. It also showed that structure was a strong predictor of work-life quality, with centralization, formality, and hierarchy showing the highest and lowest levels of correlation, respectively, with quality of work-life.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of findings

Based on the analysis, the following findings were made:

1. Hierarchy significantly and positively affects performance of manufacturing firms.
2. Specialization has significant and positive effect on performance of manufacturing firms.

5.2 Conclusion

Organizational structure offers the foundation for the appropriate distribution, application, and purchase of resources to enhance the accomplishment of stakeholders' goals. Top management creates or modifies the organizational structure of the company at any time, including during its inception. Organizations segment their activities into units in order to uphold responsibilities and accountability while facilitating the efficient operation of each component. The many components must be connected in a way that promotes specialization and ensures communication and coordination of their operations in order to ultimately drive them all in the same organizational direction. An organization's operations usually get increasingly complicated and diverse as it expands in size and scope in response to prevailing environmental trends. Thus, in order to achieve an appropriate balance between the structural purpose of differentiation and integration, an organization must be able to identify and prioritize its areas of expertise, appropriately concentrate or devolve its decision-making authority, maintain the appropriate number of hierarchical rungs, and formulate appropriate work rules. The appropriateness of each structural feature's degree depends on how unique the firm is in relation to its surroundings and culture.

5.3 Recommendations

Based on the findings the following recommendations were made:

1. Layers of hierarchy should be preserved between employee empowerment and the demands of flexibility and control. Excessive hierarchies hinder creativity, adaptability, and innovation because they lead to tight restrictions, rigidity, centralized decision-making, and an excessive number of specialized processes.
2. There should always be room for modification of work rules, as specialization can be improved and needs to be balanced with the work.

References

- Abara, I. O. C [2016] Theory and practice of research methodology and research report writing: For research proposal, thesis, dissertation e.t.c. Abakariki: Meks Printing Concept Ltd .
- Alli, F. [2017, January 2]. 2016 in review: Manufacturing Sector groans under recession weight. Vanguard. Retrieved June20,2017, from <https://www.vanguardngr.com/2017/01/06-review-manufacturing-sector-groans-recession-weight>.
- Akande. O. O and Ojokuku R. M., (2008), Basic principle of management a text for management, published by *apex books limited*. Pg8
- Anderson, C., &Brown, C.E. [2010]. The functions and dysfunctions of hierarchy, *Research in Organizational behaviour*, 27,1-35
- Bartol, K.M., &Martin, D. C., [1994]. *Management*. New York: Mcgraw-Hill.
- Capenter, M., Bauer, T., &Erdogan, B. [2009] *Principles of management*, New York: Flat world knowledge, Inc
- Chen, X. [2013] Formalization in organization structure, Retrieved December 7,2016, from <http://www.hrorganisationalstructurestrategy.blogspot.com/2013/03/formalization-in-organization-structure.html/m=1>.
- Olso, D. Slater, S. F., &Hult, T. M [2005]. The importance of structure and process to strategy implementation. *Business Horizons*, 48, 47-54
- Hellriegel, D., Jackson, S. E., &Slocum, J. W. [2005]. *Management : A competence-based approach*, [10th ed.]. Mason, OH: Thompson south-western.
- Ibrahim, M., Sulaiman, M., Kahtani, A. A., &Abu-Jarad, I., [2012]. The relationship between strategy implementation and performance of manufacturing firms in Indonesia: The role of formality structure as a moderator. *World Applied Sciences Journal*, 20 [7], 955-964.
- Ihejjamaizu, E.C. [2003], *Formal organizations theory, structure and dynamics*. [2nd ed.], Calabar: Clear lines publications.

- Ireland, R. D., Kuratko, D. F., & Covin, J. G. [2003]. Antecedents, elements and consequences of corporate entrepreneurship strategy. *An Academy of Management proceedings* [Vol. 2003, No. 1 pp. 11-16] Academy of management
- Jones, G. [2013]. *Organizational theory, design, and change*. [7th ed]. Harlow: pearson.
- Kavale, S, [2012]. The connection between strategy and structure. *International Journal of Business and commerce*, 19 [6], 59-70.
- Kazmi, A. [2008]. *Strategic Management and business policy*, [3rd ed.] New Delhi: Tata McGraw-Hill Publishing Company..
- Krejcie, R. V., & Morgan, D. W. [1970]. Determining sample size for research activities, *Educational and psychological Measurement*, 30, 607-610.
- Lackeus, M., (2018), "What is Value?" A Framework for Analyzing and Facilitating Entrepreneurial Value. *United*, 41, 10-28. DOI: [10.18261/issn.1893-8981-2018-01-02](https://doi.org/10.18261/issn.1893-8981-2018-01-02).
- Latifi, K.I., Baloch, Q. B., & Khan, M. N. [2012]. Structure, corporate strategy and the overall effectiveness of the organization. *Abasyn Journal of social sciences*, 5, 1-13.
- Latifi, M., & Shooshtarian, Z. [2014]. The effects of organizational structure on organizational trust and effectiveness. *Polish Journal of Management studies*, 10[2], 73-84.
- Mabaotwana, V. S. & Shyaman U. (2020): The Effect of Organizational Structure on Performance: An Empirical Study of Small and Medium Enterprises in Sri Lanka. *International Journal of Multidisciplinary and Current Educational Research Vol 2. Issues 5*.
- Moore, K., & Hill, K. [2011]. The decline but not fall of hierarchy: What young people really want. Retrieved January, 30, 2017, from www.forbes.com/sites/larlmoore/2011/06/14/the-decline-but-not-fall-of-hierarchy-what-young-people-really-want/420eb42d3463.
- Nadrifar, A., Bandani, E., & Shahryari, H. [2016]. An overview of classical management theories: A review article. *International Journal of science and research*, 5(9), 83-86.
- Nelson, D. L., & Quick, J. C. [2011]. *Understanding organizational behavior*. Belmont, CA: Cengage south-western.
- Nhema, A.G. [2015]. Relevance of classical management theories to modern public administration: A review, *Journal of public Administration and Governance* 5[3], 165-179
- Nigerian Manufacturers Lament: 272 firms shut, 20% capacity utilization, other challenges in 2016. [2017, January, 10] *Premium Times*, Retrieved June 20, 2017 from www.premiumtimesng.com/news/headlines/220035-nigerian-manufacturers-lament-272-firms-shut-20-capacity-utilisation-challenges-2016.html.
- Pearce, J. A. & Robinson, R. B [2011]. *Strategic management: Formulation, Implementation, and Control*. [12th ed.] Boston: McGraw-Hill/Irwin.

- Penrose, E.T., (1959). *The Theory of the Growth of the Firm, Resource Based View*. New York: Sharpe.
- Peter, J. [2006] . *Strategic Human Resource Management*, London: Prentice Hall.
- Racelis, A. D. [2006]. Relationship between strategic orientation and organizational performance: An exploratory study of philippines companies. *Philippine Management Review*,13, 70-80.
- Rishipal, P. [2014]. Analytical comparison of flat and vertical organizational structures, *European Journal of Business and Management*. 6[36], 56-65.
- Salimbahrami, S. H., Amadi, H.,Hajikolaei, F.Z., Mirzajani, H., Asheghan,K., &Sahebi, H. M. [2015]. The relation of organizational structure and its dimensions with staff's quality of work life. *American International Journal of Contemporary Research*,5[3], 106-114.
- Samuel, O. A. Florence, A. Olatundun, O. O. Adewale, I. A. & Rafiu, O. A. (2015). Effects of Job Specialization and Departmentalization on Job Satisfaction among the Staff of a Nigerian University Library: <http://digitalcommons.unl.edu/libphilprac>
- Sunday. C. E. Adenike. O. B. & Anthony., T. A. (2017). The Effects of Organizational Structure on The Performance of Organizations: *European Journal Of Business And Innovation Research*. Vol.5, No.6, pp.46-62,
- Tran, Q., &Tian, Y. [2013]. Organizational structure: Influencing factors and impact on a firm. *American Journal of Industrial and Business Management*, 3 , 229-236.
- Weber, M. [1947]. *The theory of social and economic organization*. London: Oxford University Press.
- Wehrich, H., Cannice, M. V., & Koontz, H. [2010]. *Management: A global perspective*, [13th ed.] New Delhi: Tata McGraw-Hill Education Private Limited.
- Yousefi, M., Behboudi, M. R., & Zarghamifard, M. [2016] Examining the impact of organizational structure on career anchors of employees in public and private organizations. *International Business Management*. 10[11], 2177-2184