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Organizational Structure and Employee's Performance: A Study of Brewing Firms in Nigeria

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Abstract:

This study sought to assess the effect of organizational structure on employee's performance in brewing firms in Nigeria. The purpose of the study is to determine whether there is appropriate structure in Nigeria brewing firms and the extent it has contributed to their employees' performances. The population of the study is 6468 being the total staff strength of the five brewing firms in Nigeria Stock Exchange while the sample size was extracted from the population using Taro Yamane method. This study used descriptive type of survey design and structured questionnaire was used to generate data. Descriptive statistics, correlation and t-statistics, was adopted for analysis of data and hypotheses testing. The result of the study revealed that nature of hierarchical layers has significant positive effect on the employee's performance of brewing firms; that technology has significant positive effect on the employee's performance of brewing firms; that internal and external boundaries has significant positive effect on the employee's performance of brewing firms; and that formalization significantly affect employee's performance positively. In view of the above findings, the study concludes that adopting appropriate structure is the fulcrum on which employees' performance of brewing firms revolves. The study therefore recommends among others that Nigeria firms should give more serious attention in designing an appropriate structure that must match all units and component parts of organization to facilitate employee's performance.

Keywords: Organizational structure, organizational layers, formalization, internal and external boundaries, appropriate technology, employee's performance

1. Introduction

1.1. Background of the Study

There is hardly any organization that does not have profit and growth as its main objectives. The growth of a firm is principally measured on the percentage of market share captured and client served. By deciding how to approach the markets and Customers, employees are placed into different strategic positions to execute the strategies and pursue objectives established by the organization. The placement of organizational members into strategic positions of responsibility with authority with a view to achieving organizational objectives is structuring, hence organizational structure is sine qua non to continuous existence of every organization. To attain objectives, organizations must channel employee endeavors in unified direction and establishes means of allocating resources/responsibilities and control under arrangements referred to as structure. Organizational structure is how job task is formally divided, grouped and coordinated (Sablinski 2003). Designing structure that fits company needs is a major challenge because appropriate structure determines performance of organization. Empirical evidence by Weir (1995) in his effort to establish the relationship between organizational structure and corporate performance concludes that firms that adopted appropriate structure yield higher profits than those that do not while Williams (1997) confirms a positive relationship between organizational structure and strategic planning. However, every structure has its advantages and disadvantages structure is depended on the type of organization.

This study develops a research framework that examines relationships among various structural dimensions and employees performance in brewing industry in Nigeria. Four aspects of organizational structure are considered: The number of layers in hierarchy of the organization, the nature of formalization, the nature of internal and external boundaries that exist in the organization and the nature of technology (appropriate) adopted by the organization. The employee's performance is represented by Supervisor's rating, Quality and quantity, Goal accomplishment, Efficient and effective, Dependable and enthusiastic, Ability and capability.

Given the importance of structure to the performance survival, and sustainability of companies and contributions of the brewing sector to the economy, this research therefore deems it necessary to investigate whether appropriate structure is a critical success factor for success of brewing firms in Nigeria and the extent it has helped in the performance of its employees.

1.2. Statement of the Problem

The brewing sector is faced with mixed performance. Evidences from the subsector confirm that quite a number of brewing firms are performing very poorly, in some cases, they go into liquidation, while few others are performing excellently well using all known performance indicators, for instance, Nigeria breweries and Guinness breweries have been paying dividend to its shareholders consistently for the past twenty years. Besides payment of dividend, almost all other performance indicators have been on the positive trend. However, the excellent performance of few of them are still worrisome as about 70% of brewing firms went under within the last twenty years, For instance, the number of breweries in Nigeria in 1990 was about thirty three with total capacity of 20 million hectoliters but at present only about six of these Breweries are still operational with only two of them controlling above 90% of the market share in the sector. Brewing sector is too strategic to the economy such that the sector contributes about 28 percent of Manufactured Value Added (MVA) and provides direct employment for over 30,000 persons (Nwosu, 2015). The indirect employment associated with the industry is close to 300,000 including firms producing ancillary services. The essence of this study is to determine whether adopting appropriate structure is one of the critical success factors that supports those firms that are performing well in the sector and the extent to which appropriate structure has help the performance of its employee. However, studies have established that efficient and effective performance depend on the designing and adoption of a fitting structure by the organization, in other words, no effective and efficient organization if the structure of the organization does not support the people who work within the system that provide the key element to determine its success.

1.3. Objectives of the Study

The main trust of this study was to assess the effect of organizational structure on employee performance of brewing firms in Nigeria. Drawn from the above broad objective are the following specific objectives:

- To establish the effect of number of layers in the organizational hierarchy on the performance of brewing firms in Nigeria.
- To determine the effect of nature of formalization on the performance of brewing firms in Nigeria.
- To investigate the effect of loose internal and external boundaries on the performance of brewing firms in Nigeria.
- To ascertain the effect of appropriate technology on the performance of brewing firms in Nigeria

1.4. Research Questions

- To what extent does the number of layers in the organizational hierarchy affect the performance of brewing firms in Nigeria?
- What is the effect of nature of formalization on the performance of brewing firms in Nigeria?
- To what extent does a loose internal and external boundary affect the performance of brewing firms in Nigeria?
- What is the effect of appropriate technology on the performance of brewing firms in Nigeria?

1.5. Hypotheses

Based on the highlighted research objectives and questions, the following research hypotheses were formulated to guide the research for solutions and answers to the problems:

- Ho₁: Number of layers in the organizational hierarchy does not have significant effect on the performance of brewing firms in Nigeria.
- Ho₂: Nature of formalization does not have significant effect on the performance of brewing firms in Nigeria.
- Ho₃: A loose internal and external boundary does not have significant effect on the performance of brewing firms in Nigeria.
- Ho₄: Appropriate technology does not have significant effect on performance of brewing firms in Nigeria.

1.6. A Model of Strategic Planning and Employee's Performance Framework

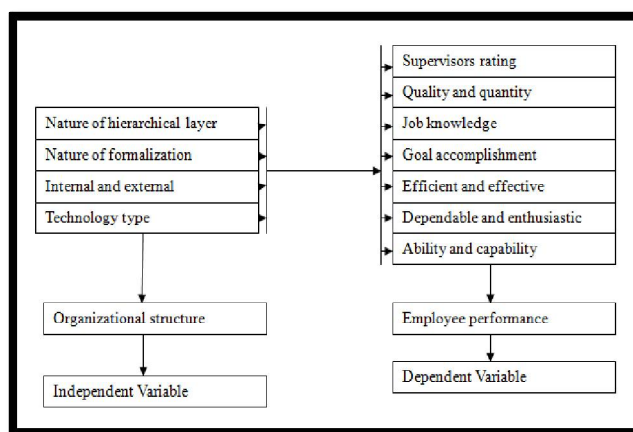


Figure 1: Organizational Structure and Employee performance framework
Source: Researcher's Design 2016

2. Review of Related Literature

2.1. Conceptual Review

Organizational structure is how job is formally divided, grouped and coordinated (Sablinski 2003). It is the anatomy of the organization, providing a foundation within which organizations function. Organizational structure is normally described as the way responsibility and power are allocated, and work procedures are carried out among organizational members. However, Nnabuife (2009) visualizes organizational structure as the setting up a structure or mending an already existing one to suit the organizational environment and the demands of technology. From the views of Nnabuife, structure is a factor of technology. Organizational structure also referred to as organizational design provides a solid foundation for company operations by laying out the physical grouping of employees and the managerial hierarchies within an organization, provides a guide for the way in which work is to be completed within the organization by determining how task, decision and information flow into the company. According to Robbin and DeCenzo (2005) organization structure has two essential functions which are control and coordination. Controls involves making sure that decision makers at all levels use the managerial or hierarchical constraints as one of the criteria in making their decisions. Bucic & Gudergan (2004) consider decentralization as pushing decision authority downward to lower level employees. Organizational structure influences the way in which work flows in a company, therefore, different design or structure can help or hinder different strategic objectives and also aid or hinder employees in their role. Structure can as well dictate the means by which strategies are formed. Mansoor et al. (2012) contend that an ideal organizational structure is a recipe for superior performance while Lenz (1980) posits that an organizational structure is the flexibility and the ability to acclimatize to the changing environment. Lenz supports the argument that organizational structure shapes performance. According to Bucic & Gudergan (2004), organizational structure is the formal system of task and reporting relationships that controls, coordinates and motivates employees so that they cooperate to achieve organizational goals.

However, for organization to deliver its plan, the strategy and the structure must be woven together seamlessly which involve combining flexible decision making, and sharing the best ideas across the organization, with appropriate levels of management and control from the centre. A company's organizational structure must support its strategy. For instance, in a case where downsizing is the strategy, organizational design involves figuring out which positions or department to trim. When introducing a new lines of business, organizational design means figuring out who is responsible for the new business, how many positions should be opened and where in the reporting structure the new line belongs. Normally organizations draft these changes into a formal organizational chart so that everyone involved can clearly understand the changes and how the business should operate, therefore, employees at all levels of company must be empowered to effectively complete the task necessary to achieve organizational objectives. This study develops a research framework that examines relationships among various structural dimensions and employees performance in brewing industry in Nigeria. Four aspects of organizational structure are: the number of layers in the hierarchy, the nature of formalization, loose/blurred internal and external boundaries and appropriate technology. These dimensions can make or mar the effect of structure on employees' performance if not appropriately situated.

2.1.1. Number of Layers in the Hierarchy

The number of layers in hierarchy is the degree at which an organization has many versus few levels in a chain of command. The more layers in a firm, the more complex the structure of the organization, the more complex the structure, the more difficult coordination and integration of organization member become. The recent trend towards flatter organizations is a tacit acknowledgment that complexity will influence the flexibility, and can frustrate an organization's ability to compete in dynamic environment (Nahm, 2003). Lesser layer in organizational hierarchy facilitate decision making. The ease of decision-making refers to the vertical locus of decision-making authority in the firm. The implication of lower locus of decision-making has been highlighted in recent years by the emphasis on employee empowerment and autonomy through delegation of authority and responsibility. Reducing layers and empowering low level employees to make the decisions formerly made by hierarchies are often done together. Decisions that must be pushed through excessive layers take longer and are often made by people not directly in the operation who are more likely to know the actual situation that necessitated the decision. Engaging lower cadre in decision making encourages belongingness on the part of the employee. Some Scholars maintain that there are merits of systems with few layers over one with many layers. Macduffie et al, (1995) suggests that as firms operate in a dynamic environment, they need a structure that has with few layers in hierarchy, enables a high level of integration of organizational members (Damanpour, 1991) a decentralized decision-making (Vickery, 1993) and quick response (Pine, 1993)

2.1.2. Nature of Formalization

Robbin and DeCenzo (2005) defines formalization as degree to which jobs are standardized. The nature of formalization refers to the degree to provide employees with rules and procedures that not only deprive but also discourage creativity, autonomous work and learning activity (Miner 1982). When organization reduces rules and regulations, it encourages creative, autonomous work, learning, and organizes work units around core processes to enhance value to customers. The organizational theory literature divides formalization as high versus low, where a high level of formalization is related to a mechanistic structure and a low level of formalization is related to a flexible organic structure (Nahm, 2003). In the opinion of Nnabuife (2009), mechanistic system encourages strict bureaucracy: here the activities in the organization are laid down in such a way that objectives and authority of individual are well defined,

power flow is known, and adhered to strictly, personal skills are separated and specialized tasks are clearly defined. The organic structure in contrast to mechanistic is where job skills are used in the group settings, communication flows at all levels of the organization and there is less emphasis on taking and giving orders from subordinate to superior and vice versa. Mintzberg (1979) indicated that an organic structure, with its low degree of formality and high degree of information sharing and decentralization, improves an organization's flexibility and ability to adapt to continual environment change.

2.1.3. Internal Boundary and External Boundary

Organizational boundary is a term used in business and the legal profession mainly to distinguish one company from a separate but related company. It is also used to isolate a company from other external stakeholders as well as internal links. In order to operate effectively and efficiently, an organization must have a good structure with blurred boundaries. The structure of an organization plays two important roles in every organization: structure clarifies the roles for each member of an organization and also dictates the amount of control each member possesses. However, even though structure plays an important and necessary role in an organization, the structure of an organization can also create barriers between people in different parts of the organization and between the organization and stakeholders outside the organization. These barriers or boundaries if too tight can inhibit people from working together and make the organization less efficient and less responsive to the needs of their customers. In order to make effective cooperation and coordination between different role-players in organization, the firm should have blurred/loose internal boundaries among all units, departments, or individual employees. In order to respond to the changing environment and to provide value to customers, the firm needs to infiltrate the external boundary with customers, suppliers and other companies (Ashkenas, 2002). Loose boundaries facilitate involving Customers extensively and early in product development, product manufacturing, and delivery activities because customers contribute valuable feedback about products or services. As the interaction between the organization and its customers increase, both the organization and customers learn more about how a particular design meets their needs. Meanwhile, suppliers and other companies contribute valuable suggestions, technical contributions, and quality improvement actions that improve production and minimize design, produce, and delivery cycle time.

2.1.4. Technology

Technology in the opinion of Onodugo (2000) is a technique or complex of techniques employed to alter materials (human or non-human, mental or physical) in an anticipated manner. It is a possibility package of institution, which could be managed or mismanaged with varying degree of success and failures (Imaga, 2003). Technology is the methods and techniques employed in productive methods available to an organization for converting resources into products and services (Griffin, 1996), and factors that are related to knowledge applied and machine used in the production of goods and services which have an impact on the business of the organization (Kamzi, 2003). The success, performance and survival of every organization is dangerously dependent on the extent to which its structure matches with the technology adopted and the ability of the organization to respond to changes in technology. The responsiveness of management to respond to changes in technology is a determining factor with regards to the effectiveness of organization. Porter (1983) observes that technology is among the most prominent factors that determine the rules of competition. Tanja et al (2012) found a positive relationship between enhanced technology and business performance, while Onwuchekwa (1993) submits that environment and technology determine the three basic flows of activities in business organizations namely, input, throughput and the output activities, therefore, the structure adopted by an organization is depended on the technology existing or adopted by the organization. Woodward (1965) in the process of determining the relationship between technology and structure of an organization identified three separate technologies, the unit and small batch, large batch and mass production, and process production. Woodward observes that the more complex the technology, the greater the number of managers and management levels (layers of hierarchy), the span of management of first line decreases from mass to process production and increases from unit to mass production, and the greater the technological complexity of the firm, the larger the clerical and administrative staff. Woodward concludes that for each type of technology, there are specific aspects of structure that were associated with success in each category of firms, and this structure is called appropriate structure.

2.1.5. Employee performance

A good performance by employee is necessary for the organization, since an organization's success is dependent upon the employee's creativity, innovation and commitment (Ramlall, 2008). Even though employee productivity and employee job performance seems to be related, performance is in some cases measured as the number and value of goods produced. However, in general, productivity tends to be associated with production-oriented terms (e.g. profit and turnover) while employee performance is linked to efficiency or perception-oriented terms (e.g. supervisory ratings and goal accomplishments). Organizations need good employees and appropriate structure that will enhance their performance. Breaugh (1981) states in his research that there are four different performance dimensions on which employees are measured, named: quality, quantity, dependability and job knowledge. Kostiuk and Follmann (1989) add to the opinion of Hunter (1986) that employees with good abilities in combination with sufficient experience are twice as productive after two years and therefore learning the job is indeed a key to performance. Hunter (1986) argues that supervisory ratings based on ability provide more objective measurements. According to Kostiuk et al (1989) most organizations performance is measured by supervisory ratings, supervisory ratings quality, and quantity, dependability and job knowledge and goal accomplishments even though they are highly subjective. This study however will however

adopt the variables of employee's performance to include; supervisor's ratings, quality, quantity, effectiveness, efficiency, dependability, job knowledge and goal accomplishments.

2.2. Theoretical Framework

The theoretical perspective on which the study hinges is system theory. Systems theory was originally proposed by Hungarian biologist Ludwig von Bertalanffy in 1928. The foundation of systems theory is that all the components of an organization are interrelated, and that changing one variable might impact many others. Organizations are viewed as open systems, continually interacting with their environment. Systems thinking help us see how our own actions have shaped our current reality, thereby giving us confidence that we can create a different reality in the future. A central theme of systems theory is that nonlinear relationships might exist between variables. Small changes in one variable can cause huge changes in another, and large changes in a variable might have only a nominal effect on another. Until recently, nearly all organizations followed Weber's concept of bureaucratic structures. The increased complexity of multinational organizations created the necessity of a new structure that Drucker called (1974) "federal decentralization". In federal decentralization, a company is organized so that there are a number of independent units operating simultaneously. Systems theory views organizational structure as the established pattern of relationships among the parts of the organization (French, Kast, and Rosenzweig, 1885). Of particular importance are the patterns in relationships and duties. These include integration; the way activities are coordinated, differentiation; the way tasks are divided, the structure of the hierarchical relationships; authority systems, and the formalized policies, procedures, and controls that guide the organization; administrative systems.

2.3. Empirical Review

Empirical review by this study suggests scanty researches on the area of organizational structure and employee's performance but several studies have been conducted on related areas. Studies conducted in the area of organizational structure and performance is study by Qingmin, Helmut and Juergen (2012). In their study on the influence of organizational structure on performance of organizations in Austria and China, the study found that organizational structure influence performance directly and indirectly. Another study carried out by Akinyere on the organizational structure and strategy adopted by oil and gas companies suggest a positive effect. According to Akinyeye (2011) the organizational structure and strategies adopted by oil and gas marketing companies affect market share positively. Lavie's (2006) gave evidence that the level of organizational structure and strategies is positively related to company effectiveness. Grewal and Tansuhaj (2001) in their study on structure and performance reported a positive relationship between structure and organizational performance. They conclude that more successful companies have well defined organizational structures in sharp contrast to less successful companies. Ekpu, (2004) investigated the relationship between structure and performance in large firms. The result found a positive relationship between the unstructured organizational patterns and large firm financial performance. Robbin and DeCenzo (2005) argue that the Organizational structure performs a significant role in the achievement of organizations set objectives and accomplishment of its strategic goals and direction. Organization's structure becomes more relevant when it is in harmony with the objective mission, competitive environment and resources of the organization. Mansor (2012) reportedly assert that performance effect of organizational structure is moderated by changes in the environment and hence, conclude that to attain desired superior performance by an organization adequate attention is required to have organizational structure that can match the prevailing environment dynamism in place. Results of study by Lavie (2006) suggest that organizational structure was positively related to company effectiveness which was a non-financial performance measure. The result was also in consistent with Ekpu (2004) study which found positive relationship between unstructured organizational patterns and large firm performance.

However, there are researches that found negative effect on the organizational structure and performance. Such studies include the one conducted by Zheng et al. (2010). Zheng study observed negative effect of structure on organizational effectiveness. Also, Oyewobi et al. (2013) study on impact of organizational structure on performance, found no direct impact on financial and non-financial performance.

3. Method

3.1. Research Design

Research design according to Eheduru (1995) is the specification of method and procedure for acquiring the information needed for the research. This study used descriptive type of survey design. Descriptive survey research design is the systematic collection of data in standardized form from an identifiable population or representative (Oso & Onen, 2009). This design was adopted for this study because it intensively described and analyzed the role of organizational structure on performance brewing firms in Nigeria. The major research instrument used is design questionnaire.

3.2. Area of Study

The area of the study is both the operational and of top management of five brewing firms in Nigeria. Organizational structure is critical to the functioning of all areas of an organization. The independent variable, organizational structure is represented by nature of level of hierarch, nature of formalization, blurred internal and external boundaries and appropriate technology while the dependent variable, employee performance is represented by supervisors rating, quality and quantity, job knowledge, target accomplishment, efficient and effective, dependable and enthusiastic ability and capability.

3.3. Population

The target population of this study comprise of the total staff, including executive and non-executive directors of five functional brewing firms quoted on the Nigerian Stock Exchange. There are six firms in the brewing sector of Nigeria Stock exchange. Premier brewery was disqualified as a result of not functioning for a long period and Interphat, the producer of Hero brand has just came into the market and also not quoted on the Nigerian Stock Exchange yet. In the opinion of this study their disqualification will have an insignificant effect on the study as both firms control insignificant percentage of the share market in brewing sector. The brewing sector was selected for this study because of its importance to the Nigerian economic growth and as one of the largest and active sectors listed within the Nigerian Stock Exchange. Below is the list of different firms enlisted for this study:

S/N	Company	No of Staff	No of Directors	Total	%
1.	Nigerian Breweries Plc.	3305	14	3319	51
2.	Guinness Nigeria Plc.	1336	13	1349	21
3.	Consolidated Breweries Plc	1110	10	1120	17
4.	International Breweries Plc.	475	9	484	08
5.	Champion Breweries Plc.	188	8	196	03
	Total	6414	54	6468	100

*Table 1: Population of the Study
Source: Field Survey, 2016*

3.4. Sample and Sampling Technique

Sample is the part of the population diocese for the study. The study will apply Taro Yamani formula to get the sample size. The population is 6468. Since the population is known and has a large number that runs into thousands, Yamani (1964) is appropriate in determining the sample size. However, the sample size is 376. The final sample size of 376 is made up of 180 from Nigerian Breweries, 81 from Guinness Breweries, 70 from Consolidated Breweries, 21 from International Breweries, and 19 from Champion Breweries.

3.5. Validity of Instrument

The Instruments were submitted to nine handpicked experts in the field of organization behavior and general management. The experts were asked to review the items in the instrument and determine whether the items would measure the information it was designed to elicit. After some minor modifications, the experts recommended the use of modified instrument for the study. The recommended version was subjected to further validation with Rotated component matrix which retained the entire questionnaire since each value is greater than 0.35 in each row.

3.6. Reliability of the Instrument

Reliability of the research instrument is with a view to ascertaining its sustainability for the study. The concept of reliability refers to the tests about the degree to which the study instrument perfect the desired measurements when applied to the desired objectives. Akuezulo et al (2002) opine that a test is reliable to the degree that it measures accurately and consistently, yielding comparable results when administered many times. The instrument was given to selected people for comments and the process was repeated after one week interval to determine if their initial response would conform to their later comments. The instrument was further subjected to Cronbach's alpha. All variables are reliable since their Cronbach's alpha is greater 0.5.

3.7. Statistical Tools for Analysis

The data gathered were carefully analyzed tested with various statistical tools (descriptive statistics, correlation and t-test) with the aim of providing solutions to the research problems as well as validate or invalidate the research hypotheses

4. Data Presentation, Analysis and Discussion of Results

4.1. Distribution and Return of Questionnaire

S/N	Questionnaire Features	Number of Respondents	Percentage
1.	Number returned and correctly filled	325	86
2.	Number returned and not correctly filled	37	10
3.	Number not returned	14	04
	Total number distributed	376	100

*Table 2: Questionnaire Distribution and Returned Table
Source: Field Survey, 2016*

Three hundred and seventy seven (376) copies of the questionnaire were distributed to the respondents. Out of this number, three hundred and twenty five (325) representing 86% response rates were correctly filled and returned while fourteen (14) copies representing 4% were not returned. However, thirty seven representing 10% were returned but not correctly filled and therefore rejected. The implication is that the analysis of data will be based on three hundred

and twenty five (325) representing 86% that were returned and correctly filled. The response rate and the proportion that was used for analysis were considered to be satisfactory.

4.2. Personal Data of Respondents

S/N	Category	Frequency					Total	%
		NBPLC	GNPLC	CSPLC	IBPLC	CBPLC		
1.	Gender							
	Male	112	50	42	16	11	231	71
	Female	48	18	18	5	5	94	29
	Total	160	68	60	21	16	325	100
2.	Age							
	Above 18 - 30	37	16	11	6	4	74	23
	31-40	70	32	25	11	6	144	44
	41-50	20	11	7	4	2	44	14
	51-60	15	7	6	3	3	34	10
	Above 60	11	6	5	4	3	29	9
	Total	153	72	54	28	18	325	100
3.	Marital Statue							
	Married	123	52	47	18	11	251	77
	Single	30	12	11	2	3	58	18
	Divorced	5	3	3	3	2	16	5
	Total	158	67	61	23	16	325	100
4.	Education Qualifications							
	Masters and above	52	22	21	8	6	109	34
	First Degree/HND	70	32	31	11	7	151	46
	OND/Others	30	15	12	5	3	65	20
	Total	152	69	64	24	16	325	100
5.	Position/Designation							
	Director	15	9	6	6	6	42	12
	Managers	51	20	22	9	5	107	35
	Supervisors	41	17	14	6	5	83	25
	Others	45	22	15	7	4	93	28
	Total	152	68	57	28	20	325	100
6.	Years of Experience							
	10 years and below	42	21	15	7	4	89	27
	11 - 20 years	57	23	21	9	5	115	35
	21-30years	40	20	12	11	7	90	28
	Above 30 years	11	9	5	3	3	31	10
	Total	150	73	53	30	19	356	100

Table 3: Personal Data of Respondents

Source: Field Survey, 2014

From Table 3 above, it shows that the gender of respondents is made up of 231(71%) male and 94(29%) female. The ages of the respondents is 218(67%) for 40 and below, 78(24%) for 41 to 60 and 29(9%) for 61 and above. The marital status of respondent is made up of 251 (77%) married, 58(18%) single, and 16(5%) divorced. Positions or levels of respondents shows that 42(12%) are directors, 107(35%) are Managers, 83(25%) are Supervisors while 93(25%) are below supervisors level. The academic qualifications of respondents attest that majority of workforce 260(80%) are graduates and above while 65(20%) were OND and below. The years of experience of respondents in their organizations shows that 89(27%) of respondents have spent ten years and below, 115(35%) eleven to twenty years, 90(28%) twenty-one to thirty years while 31(10%) spend above thirty years.

4.3. Descriptive Statistics

The descriptive statistics shows the mean and standard deviation scores of the construct. The average scores from the 5-point Likert scale where 5 is strongly agree and 1 is strongly disagree for all the variables are computed to show the proportion of the respondents that either strongly agreed or tended to disagree with the items of the variables. The mean scores are obtained by compiling the mean scores of all the items in each variable (SPSS Computer Variables Version 20).

		N	Minimum	Maximum	Mean	Std. Deviation
	Organizational Layers	0				
1	My company has few layers in hierarchy	325	3.00	5.00	4.47	.82173
2	As a result of few layers in my company, decisions do not take longer time	325	3.00	5.00	3.81	.74114
3	Few layers in my organizations enable a high level of integration, certain decision are not always taken at higher level but operational level due to decentralization	325	3.00	5.00	4.41	.86213
4	Certain decision are not always taken at higher level but operational level due to decentralization as a result of few layers	325	3.00	5.00	4.41	.86112
5	Engaging lower employees in the decision making facilitate employee empowerment and sense of belongingness.	325	3.00	5.00	4.47	.82325
6	Reducing layers and empowering low level employees facilitate employee's devotion to the vision and objective of our organization by employees.	325	3.00	5.00	3.81	.74433
7	Fewer layers enhances better communication within the organization	325	3.00	5.00	4.41	.86532

*Table 4: Descriptive Statistics for Variables in Nature of Hierarchical Layers
Source: Researcher'S Field Survey Result (2016)*

		N	Minimum	Maximum	Mean	Std. Deviation
	Formalization					
8	My company do not apply too much rules and regulations to its employees	325	3	5	3.97	1.13767
9	Reducing rules and regulations do encourage creative.	325	3	5	4.54	.75111
10	Less formalization facilitate communication within my company	325	3	5	3.56	1.08235
11	Less formalization encourages creativity and learning in my company	325	3	5	4.47	.80285
12	Less formalization in my company facilitates employee empowerment and sense of belongingness.	325	2	5	3.42	1.08615
13	reducing rules and regulation encourages initiatives from all levels of employee	325	3	5	3.76	.72807
14	Less formalization facilitate creativity and innovation	325	3	5	4.39	.86131

*Table 5: Descriptive Statistics for Variables in nature of formalization
Source: Researcher's Field Survey Result (2016)*

		N	Minimum	Maximum	Mean	Std. Deviation
	Internal and external boundaries					
15	My organization has blurred internal boundaries that allow easy relationship with various units and department of the organization	325	3	5	4.46	.82302
16	Blurred boundaries enables effective cooperation and coordination between different role-players my in organization, coordination and cooperation enhances performance of my organization	325	3	5	3.75	.72705
17	The open boundaries in my company enables free communication with customers, suppliers and other companies	325	2	5	4.77	.80285
18	My company receives inputs from Customers and other stakeholders extensively in product development, production, and delivery activities as a result of open access.	325	3	5	4.39	.86131
19	Feedback from our Customers contribute immensely to our good products or services.	325	3	5	3.55	1.08235
20	Our suppliers and other companies contribute valuable suggestions, technical contributions, and quality improvement actions that improve our products	325	3	5	4.46	.82303
21	Breaking internal boundaries to ensure coordinated action, infiltrating external boundaries between customers and suppliers to cope with the increasing complexity and dynamics of the environment	325	2	5	4.34	.87088

*Table 6: Descriptive Statistics for Variables in Nature of Internal and External Boundaries
Source: Researcher'S Field Survey Result (2016)*

		N	Minimum	Maximum	Mean	Std. Deviation
	Technology					
22	Our structure matches with the technology of my company.	325	2	5	4.42	.99069
23	The responsiveness of our management to respond to changes in technology is a determining factor to the effectiveness of organization.	325	3	5	3.572	1.13162
24	Appropriateness of our Technology contributes largely to our management effectiveness	325	2	5	4.28	.91777
25	The matching of Our technology with our structure contributes to the success, performance and survival our company,	325	2	5	4.05	1.11744
26	Each type of technology has a specific organizational structure that will match it	325	3	5	4.27	.88265
27	Our organizations always scan the technological environment to determine what technology will mean to existing structure and products	325	3	5	3.90	.74221
28	The nature of our technology and the structure adopted by our company contribute to employee's performance.	325	3	5	4.54	.75111

Table 7: Descriptive Statistics for Variables in technology
Source: Researcher's Field Survey Result (2016)

		N	Minimum	Maximum	Mean	Std. Deviation
	Employee performance					
29	The rating of employee's performance by the management is always high.	325	3	5	3.74	.86122
30	Job knowledge in our company is factor of our good performance.	325	2	5	4.77	.80285
31	Quantity and quality is one of the measures adopted by our management to measure employee performance.	325	3	5	4.35	.86131
32	Goal accomplishments is the objective of both the management and all employees	325	3	5	3.55	1.08235
33	Our staff members are not only efficient but effective	325	3	5	4.36	.82440
34	Our staff are high dependable and enthusiastic	325	2	5	4.34	.87088
35	Our workforce has both job knowledge and prerequisite skill.	325	3	5	4.48	.8239

Table 8: Descriptive Statistics for Variables in Employee's performance
Source: Researcher's Field Survey Result (2016)

4.4. Test of Hypotheses

This research used 5% level of significance $\alpha = 0.05$ (or 95% level of confidence). This means that, the null hypothesis will be rejected only if the sample result is so different from the hypothesized value and the different of that amount smaller and larger would occur by chance with a probability of 0.05 or less. This can also mean that, there is a 95% chance that the sample is distributed in the same way as the population and that there is only 5% making errors.

Decision rule: We reject H_0 if F-calculated is greater than F-tabulated, OR if p-value is less than 0.05., otherwise we accept.

4.4.1. t-Test

		N	Correlation	Sig.
Pair 1	Employee performance & hierarchical layers	7	.715	.023
Pair 2	Employee performance & nature of formalization	7	.921	.000
Pair 3	Employee performance & internal and external boundaries	7	.989	.000
Pair 4	Employee performance & technology	7	.609	.065

Table 9: Paired Samples Correlations
Source: Researcher's Field Survey Result (2016)

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	Employee Performance-hierarchical layers	.37421	.38876	.13662	.05623	.67883	2.659	6	.021
Pair 2	Employee performance-nature of formalization	.36956	.37723	.13251	.04431	.65754	2.455	6	.031
Pair 3	Employee performance-internal and external boundaries	.171080	.292282	.091080	-.037319	.379479	1.861	6	.045
Pair 4	Employee performance-technology	.56654	.43267	.15899	.18895	.89795	3.553	6	.007

Table10: Paired Samples Test
Source: Researcher's Field Survey Result (2016)

4. Discussion of Findings

The question for objective 1 was designed to determine whether nature of hierarchical layer has significant effect on employee's performance using research question 1 to 7. The questionnaire items were validated with Rotated component matrix which retained all the items in the questionnaire since each value is greater than 0.35 in each row while the reliability was confirmed with Cronbach's Alpha. The items are reliable since their Cronbach's alpha is 0.728.

With descriptive statistics, the mean responses for both variables from research questions 1 to 7 were above 3.5 at 5 point Likert scale which confirm that respondents agreed to issues raised in the questionnaire. To test whether there is correlation between organizational structure and firm's performance, confirmed a correlation value of 0.715. This shows that firm's performance and Organizational Structure are positively related.

To test the hypothesis, a t- test was conducted at 5% level of significance. The result from t-test attests that t_{cal} of 2.659 is greater than t_{tab} 1.833, and the p-value of 0.021 is less than 0.05 and the null hypothesis was rejected. We hereby agree that nature of hierarchical layers has significant positive effect on firm's performance. This result is in agreement with Macduffie et al, (1995) which posits that there is positive relationship between structure that has with few layers in hierarchy and integration of organizational members which further lead to better performance by the employees.

The question for objective 2 was designed to determine whether nature of formalization has significant effect on employee's performance using research question 8-14. The questionnaire items were validated with Rotated component matrix which retained the entire questionnaire since each value is greater than 0.35 in each row while the reliability was confirmed with Cronbach's Alpha. The items are reliable since their Cronbach's alpha is 0.78.

With descriptive statistics, the mean responses for both variables from research questions 8-14 were above 3.5 in five-point Likert scale which confirm positive. To test whether there is correlation between respond to technological change and firm's performance, Table 9 confirmed a correlation value of 0.921. This shows that firm's performance and respond to technological change are positively related.

To test the hypothesis, a t- test was conducted at 5% level of significance. The result from t-test attests that t_{cal} of 2.455 is greater than t_{tab} 1.833, and the p-value of 0.031 is less than 0.05 and the null hypothesis was rejected. We hereby agree that the nature of formalization in organization has significant positive effect on firm's performance. This result is in line with the position of Miner (1982) who posits that high degree to provide employees with rules and procedures that not only deprive but also discourage creativity, autonomous work and learning activity. Reducing rules and regulations to encourage creative, autonomous work and learning, organizing work units around core processes to enhance value to customers and higher employee performance.

The question for objective 3 was designed to ascertain whether loose internal and external boundaries has significant effect on employee's performance using research question 15-21. The questionnaire items were validated with Rotated component matrix which retained the entire questionnaire since each value is greater than 0.35 in each row while the reliability was confirmed with Cronbach's Alpha. The items are reliable since their Cronbach's alpha is 0.639.

With descriptive statistics, the mean responses for both variables from research questions 15 and 21 were above 3.5 in 5 Likert point which confirm positive. To test whether there is correlation between loose internal and external boundaries and employee's performance, Table 9 confirmed a correlation value of 0.879. This shows that employee's performance and loose internal and external boundaries are positively related.

To test the hypothesis, a t- test was conducted at 5% level of significance. The result from t-test attest that t_{cal} of 1.861 is greater than t_{tab} of 1.833, and the p-value of 0.045 is less than 0.05 and the null hypothesis was therefore rejected. We hereby agree that loose internal and external boundaries has significant positive effect on employee's performance. This result is in agreement with Ashkenas (2002) who maintains that firms that infiltrate internal and external boundaries perform better than those that do not.

The question for objective 4 was designed to ascertain whether technology has significant effect on firm's performance using research question 22 to 28. The questionnaire items were validated with Rotated component matrix which retained the entire questionnaire since each value is greater than 0.35 in each row while the reliability was confirmed with Cronbach's Alpha. The items are reliable since their Cronbach's alpha is 0.653.

With descriptive statistics, the mean responses for both variables from research questions 22 and 28 were above 3.5 in 5 Likert point which confirm positive. To test whether there is correlation between Merger/acquisition and firm's performance, Table 9 confirmed a correlation value of 0.609. This shows that firm's performance and Merger/acquisition are positively related. To test the hypothesis, a t- test was conducted at 5% level of significance. The result from t-test attest that t_{cal} of 3.553 is greater than t_{tab} of 1.833, and the p-value of 0.007 is less than 0.05 and the null hypothesis was therefore rejected. We hereby agree that technology has significant positive effect on firm's performance.

5. Conclusion and Recommendation

5.1. Conclusion

The basic and fundamental goal of every organization is performance, survival and growth. However, the surest means of maintaining performance, survival and growth of organizations is having the right human resources in terms of size and quality. Having the right human resources is directly related to the structure in which organization operates. The goal of the research was to determine the effects of organizational structure on employee's performance. All hypotheses are supported, which indicates significant relationships among the dimensions of organizational structure and employee's performance. This supports the claim that the firms that reduce hierarchy layers, have blurred internal boundaries and infiltrated external boundaries, have lower degree of formalization, and adopt appropriate technology that suits its structure would have higher employees' performance. The results imply that there are several aspects of organizational structure to enhance employee's performance. Therefore, organizations seeking higher employee's performance should consider the important role played by four six structural dimensions. Studies have shown that firms that fail to design appropriate structure that will suit organizational workforce will definitely encounter the problem performance from its employees. In view of this, the study concludes that organizational structure has a significant positive effect with the employee's performance.

5.2. Recommendations

In line with the objective of this study in finding ways of addressing structural issues with a view of enhancing employee's performance, the following are the recommendations as established by the research; The study therefore recommends among others that Nigeria firms should give more serious attention in designing an appropriate structure that must match all units and component parts of organization to facilitate employee's performance.

- Organizations are encouraged to adopt lesser layer in organizational hierarchy. Fewer layers facilitate enables a high level of integration of organizational members, quick response and decentralized decision-making.
- That organizations are advised to reduce applying too rigid rules. High degree of rules not only deprives employees from using his initiative but also discourage creativity, autonomous work and learning activity.
- That organization should encourage blurred internal which will engender corporation and coordination among all units, departments and individual employees. Also loose an external boundary need to be encouraged in order to respond to the changing environment and to provide value to customers, the firm need to infiltrate the external boundary with customers, suppliers and other companies
- That organization encourages not only to adopt the appropriate technology while designing the structure but also always to respond to changes in technology. This is because technology is a determining factor with regards

to the effectiveness of organization and as well among the most prominent factors that determine the rules of competition.

5.3. Suggestion for Further Studies

The relationship between organizational structure and employee behaviour

6. References

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