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EFFECT OF ORGANISATIONAL STRUCTURE ON EMPLOYEE PERFORMANCE OF TANNERY FIRMS IN KANO, NIGERIA

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Abstract

The study investigated the effect of organizational structure, represented by formalization, decentralization, and span of control, on employee performance of tannery firms in Kano, Nigeria. The research utilized primary data collected from 58 respondents employed at Arewa Tannery Limited, selected through purposive sampling. Structural equation modelling, specifically Partial Least Squares (PLS-SEM), was employed for data analysis. The results revealed that decentralization has a significant positive effect on employee performance, formalization significantly influences employee performance, and span of control positively and significantly affects employee performance. The study recommends the adoption of customized organizational structures aligned with specific goals, industry, and competitive landscape, the need to balance formalization with flexibility, and the optimization of the span of control based on the nature of work and managerial capabilities to enhance organizational effectiveness.

Keywords: Decentralization, Employee Performance, Formalization, Span of Control, Tannery Firms

Introduction

In today's ever evolving and fiercely competitive business environment, organizations are confronted with a myriad of challenges stemming from the intricate and unpredictable nature of their operational surroundings. A fundamental determinant significantly influencing both organizational efficiency and employee performance is the organizational structure. This structure serves as the architectural blueprint that outlines the relationships among various positions and members within the organization, providing the necessary framework for executing management processes. It establishes a systematic hierarchy that guides the planning, organization, direction, and control of the organization's undertakings.

Mon (2019) highlights the central role of organizational structure in the allocation of responsibilities, the configuration of work function interconnections, and the establishment of communication channels within the organization. Furthermore, it's important to recognize that the fundamental purpose of crafting an organizational structure is to foster collaboration and enable executive leadership, ultimately equipping the organization to adeptly navigate the complexities of its operational context.

Nosike et al. (2021) reinforces this concept by emphasizing the critical role of a well-designed organizational structure in achieving organizational effectiveness. Even the most proficient managers may face challenges when operating within a weak organizational framework. Successful task completion

and goal achievement require the effective coordination of efforts, and the organizational structure, with its intricate web of relationships, is pivotal in defining how tasks are assigned and roles are allocated within the organization. It serves as the foundation for a seamless chain of command, enabling the smooth coordination and integration of activities (Perawironegoro, 2018).

As a result, the distribution of workloads, job responsibilities, and the delegation of authority throughout the functional organization becomes a matter of paramount importance, giving rise to various management challenges. Management's role in this context involves developing a robust organizational structure through thorough analysis and research. The primary aim of a well-structured organizational framework is to facilitate the coordination and management of an organization's activities and its workforce (Adaeze & Ekwutosi, 2020). It evolves into a structured network of relationships and connections, delineating roles, responsibilities, and participants, ultimately serving as a managerial tool for achieving corporate objectives. This underscores the profound significance of strategic decision-making in organizational design.

Enhancing organizational performance and competitiveness is a paramount goal in today's global market. The efficiency of an organization in achieving its objectives depends on various factors, including the effectiveness of decision-making processes, employee motivation, and the efficiency of information exchange networks within the organization (Salas-Vallina et al., 2021). Notably, the design and implementation of the organizational structure play a pivotal role in determining the overall efficiency achieved within the company.

With this in mind, it is crucial to assess the influence of organizational structure on an organization's ability to attain superior performance. A well-designed organizational framework should empower organizations to make and execute strategic decisions more efficiently and swiftly than their competitors. This strategic advantage has the potential to position the organization ahead of its peers in the industry or market sector, aligning with its aspiration to attain leadership status (Aghina et al., 2021).

Nonetheless, the utilization of organizational structure, especially for newly established firms, holds profound implications for achieving order and coordination within the organization. As indicated by Holm and Hemzelius-Fransson (2023), many companies, particularly startups, often grapple with the absence of a structured and coordinated workflow. This absence of structure can result in employee confusion regarding roles and responsibilities, impeding the organization's ability to discern and prioritize critical tasks. Furthermore, newcomers to the organization may encounter a lack of established structure, leading to discretionary decision making and uncoordinated activities. Such a disorganized approach may not align with the goals of a company seeking international expansion and heightened competitiveness.

The effectiveness of organizational structure, particularly within newly established tannery firms in Kano, Nigeria, in enhancing employee performance and overall competitiveness, remains a critical yet relatively unexplored area of inquiry. The absence of a structured workflow can pose challenges in achieving coordinated efforts and strategic objectives, potentially hindering the growth and sustainability of these firms in an increasingly competitive global market.

This study seeks to address this problem by delving into the intricate relationship between organizational structure (specifically decentralization, formalization and span of control) and employee performance within the tannery industry in Kano, Nigeria.

In line with the objectives of this study, the following hypotheses were tested:

H₀1: Decentralization has no significant effect on employee performance of tannery firms in Kano, Nigeria.

H₀2: Formalization has no significant effect on employee performance of tannery firms in Kano, Nigeria.

H₀3: Span of control has no significant effect on employee performance of tannery firms in Kano, Nigeria.

Concept of Organizational Structure

Hao et al. (2012) defined organizational structure as the formal reporting relationships, responsibility allocation framework, and procedures among organizational members and components to achieve strategic objectives. It is also described as the ongoing arrangement of tasks and activities within a system with clear goals, involving the formal allocation of work responsibilities and administrative mechanisms for control and integration.

Zachary (2015) argued that the adoption of organizational structures and strategies by Nigerian oil and gas marketing companies positively impacted their market share growth.

Organizational structure arranges tasks, departmental interrelations, and levels of authority to facilitate cooperation, delegation, and effective communication within a scalar chain of command, defining how job tasks are divided, grouped, and coordinated (Thomas, 2015). Productivity, a key organizational goal, relies heavily on skilled and efficient manpower (Sal & Raja, 2016).

The organizational structure significantly influences employee performance and organizational commitment (Maduenyi et al., 2015). A well-functioning structure is crucial for organizations undergoing change, as flawed structures can hinder communication, lead to conflicts and misunderstandings, and slow decision-making, thereby affecting employee effectiveness.

Three types of organizational changes are transactional, transitional, and transformational (Nosike et al., 2021). Organizational structure is the formal division, grouping, and coordination of tasks (Perawironegoro, 2018) and serves as the foundation for organizational functioning. It is integral to adapting to the organizational environment and technological demands (Shabbir, 2017), influencing workflows, strategic objectives, and the formulation of strategies.

Concept of Formalization

Formalization, a fundamental concept in organizational structure, wields significant influence over employee performance by denoting the extent to which an organization standardizes its processes, procedures, and roles. This concept directly impacts how employees execute their responsibilities and contribute to the organization's objectives (Funminiyi, 2018).

In the context of exploring organizational structure's effect on employee performance, formalization assumes a central role, closely aligned with Max Weber's bureaucratic principles, emphasizing rule-based standardization for operational efficiency (Weber, 1947). Highly formalized organizations tend to feature well-defined job descriptions and standard operating procedures, enhancing predictability and control over work processes.

Research demonstrates that moderate formalization levels can enhance employee performance in specific contexts. Clear guidelines and documented procedures reduce ambiguity, simplifying employee role comprehension and task execution, thereby increasing productivity and efficiency while minimizing confusion or conflicting instructions.

However, striking a balance is imperative because excessive formalization may have adverse effects on employee performance. Overly rigid structures in highly formalized organizations can stifle creativity, leading to reduced job satisfaction and innovation, thus impacting overall performance (Syakur et al., 2020).

In practice, the level of formalization should be thoughtfully tailored to an organization's objectives, industry, and competitive landscape. Industries such as healthcare or manufacturing might require heightened formalization for safety and quality control, positively influencing employee performance. Conversely, creative industries or startups could benefit from lower formalization to foster innovation and adaptability.

Concept of Decentralization

Decentralization, a cornerstone concept in organizational structure, involves the transfer of decision-making authority and responsibilities from a central authority to various organizational levels or units, contrasting with centralization, where decision-making are concentrated at the upper echelons of an organization. Decentralization has profound implications for an organization's functioning, communication, and ability to adapt to changing conditions.

Decentralization has multifaceted effects on an organization, both beneficial and adverse. In a decentralized structure, the dispersion of decision-making authority empowers lower-level employees, facilitating swift responses to local issues and fostering employee ownership and autonomy (Altamimi et al., 2023). This empowerment often translates to higher job satisfaction and motivation.

Furthermore, decentralization bolsters an organization's adaptability. Lower-level units and employees are better positioned to address local challenges and swiftly respond to changes in their specific domains, proving invaluable in industries marked by dynamic market conditions or unforeseen challenges (Mon, 2019).

Nevertheless, decentralization poses challenges. While it empowers local decision-making, it can introduce inconsistencies and misalignment with an organization's overarching objectives. Mitigating this necessitates the establishment of clear communication channels and guidelines, ensuring that local decisions harmonize with the organization's broader goals (Mon, 2019).

Decentralization can also entail relinquishing control at the top of the organizational hierarchy, a concern in situations where centralized decision-making is mission-critical, notably in regulated industries or organizations managing sensitive data (Funminiyi, 2018).

The degree of decentralization should be thoughtfully determined based on the organization's goals, industry, and competitive landscape. Knowledge-

intensive and creative sectors may thrive with a more decentralized approach, fostering innovation and adaptability. In contrast, highly regulated or standardized industries may demand a more centralized structure to ensure compliance and consistency.

Span of Control

Span of control, a fundamental organizational structure concept, concerns the number of subordinates or employees a manager or supervisor can effectively oversee, significantly influencing an organization's structure, hierarchy, and the distribution of decision-making and communication flow.

Span of control can vary widely among organizations, categorized as narrow (involving a limited number of subordinates) or wide (encompassing a larger number of subordinates). The choice of span of control depends on factors such as work nature, organization size, industry, and leadership style (Nielsen et al., 2019).

A narrow span of control, often linked with a tall organizational structure, sees a manager supervising a small number of subordinates. This allows for close supervision and direct interaction but may lead to a more hierarchical and bureaucratic organization, potentially slowing decision-making and communication.

In contrast, a wide span of control, common in a flat organizational structure, has a manager overseeing a larger number of subordinates. This approach encourages a streamlined hierarchy, faster decision-making, efficient communication, and empowers employees to take initiative. However, it may require subordinates to be more self-reliant, necessitating strong delegation and coordination skills in managers. Determining the ideal span of control depends on various factors, including the nature of tasks, leadership style, and managerial capabilities. Organizations handling routine tasks may find a wider span of control effective, while those managing complex, specialized tasks might benefit from a narrower span.

Efficient communication, delegation, and decision-making are vital when evaluating the span of control. Striking the right balance between too narrow and too wide a span is crucial for optimizing organizational structure and performance.

Employee Performance

Employee performance, a central concept in organizational management, involves evaluating job-related tasks, responsibilities, and contributions, reflecting overall effectiveness and productivity (Shabbir, 2017). Assessing employee performance is vital for organizations to gauge role fulfilment and contributions to organizational goals.

Performance appraisal and management systems are integral for measuring and enhancing employee performance, identifying strengths and areas for growth (Kamble et al., 2020). Performance reviews provide constructive feedback, aligning employee efforts with organizational objectives (Anwar & Abdullah, 2021).

Evaluating employee performance often involves goal setting and key performance indicators (KPIs). Clear, measurable objectives enhance focus and accountability, while KPIs measure progress and effectiveness (Nielsen et al., 2019).

Organizational structure significantly influences employee performance by defining authority, responsibility, and communication among different levels and units. The structure profoundly impacts how employees carry out their roles.

Formalization and Employee Performance

Nwosu (2020) delved into the brewing industry in Nigeria, aiming to scrutinize how organizational structure impacts employee performance. Their research spanned five brewing firms listed on the Nigeria Stock Exchange, involving a substantial population of 6,468 employees. Employing a descriptive survey design and structured questionnaires, the study discovered a substantial and positive influence of hierarchical layers, technology, internal and external boundaries, and formalization on employee performance.

Shifting the focus to the Indonesian manufacturing sector, Mon (2019) scrutinized the connection between organizational structure and company performance. As a vital contributor to Indonesia's economic growth, the manufacturing industry's performance is critical. The study examined the effects of complexity, formalization, hierarchical nature, and technology on firm performance. Survey questionnaires served as the data collection tool, and the SPSS program aided the analysis. While complexity and hierarchical nature exhibited a positive but no significant effect on firm performance, formalization and technology were found to have a substantial positive influence, collectively explaining 59.1% of the variance in firm performance.

Meanwhile, Shabbir (2017) mirrored Nwosu's interest in Nigerian brewing firms, with an emphasis on assessing the suitability of organizational structures and their effects on employee performance. Their research covered a vast population of 6,468 employees across five brewing firms. Utilizing structured questionnaires and a variety of statistical analyses, the study unearthed a positive effect of hierarchical layers and formalization on employee performance.

These diverse studies collectively underscore the importance of organizational structure in shaping employee and firm performance, offering insights from brewing firms in Nigeria to the manufacturing industry in Indonesia and even a private hospital in Ahvaz.

Decentralization and Employee Performance

Ogbo et al. (2015) delved into the effect of organizational structure on organizational performance, recognizing the evolving complexity of contemporary organizations. To address the demand for effective performance amidst these changes, they conducted a survey-based study. The study's geographical scope encompassed Innoson Nigeria Ltd and the Enugu Regional Office of Etisalat. Data collection drew from both primary and secondary sources, with primary data being gathered through questionnaires distributed to 80 respondents. Seventy-eight of the questionnaires were duly completed and

returned. Data analysis involved the use of simple percentages, chi-square tests, and correlation to investigate and test three hypotheses. The study revealed that decentralization positively influenced decision-making in technical and service firms in Nigeria, the effect of task routine on staff productivity varied, and a notable positive relationship existed between a narrow span of control and organizational efficiency.

Similarly, Olajide (2015) explored the effects of organizational structure on job satisfaction within the Nigerian financial sector, focusing on selected leading banks in Lagos State. Employing a survey research design, data was gathered from both primary and secondary sources. A total of 335 questionnaires were randomly distributed to officials in leading banks, with 280 questionnaires being returned and 259 found suitable for analysis. The findings of the study uncovered correlations between organizational structure and components of job satisfaction, specifically through factors like the need for dominance, achievement, and autonomy.

These two studies shed light on the dynamic relationship between organizational structure and organizational performance in the ever-evolving business landscape, addressing decision making, productivity, and job satisfaction across diverse sectors in Nigeria.

Span of Control and Employee Performance

Several recent studies have delved into the intricate relationship between locus of control and employee performance. Sari and Krisna's (2021) research sought to construct a comprehensive model of employee performance, scrutinizing not only the influence of locus of control but also factors like motivation, job satisfaction, and compensation. Their study employed qualitative methods and library research to gather insights and data, ultimately revealing a significant positive effect of locus of control on employee performance.

In a parallel exploration, Amlia et al. (2021) directed their study at the Agriculture Department of South Bengkulu, focusing on the interplay between organizational culture, locus of control, and employee

performance. Collecting data from 58 State Civil Apparatus (ASN) employees, their research employed a range of analytical tools, including multiple linear regression, determination tests, and hypothesis testing. Their findings supported the idea of a positive influence of locus of control on employee performance, corroborating the findings of Sari and Krisna.

Shifting the lens to a different setting, Wardhana (2020) scrutinized the effect of locus of control on employee performance with a particular emphasis on job satisfaction. His research involved employees at PT. Ilham Hasil Mandiri in Sidoarjo City, with a sample of 44 employees. Using Structural Equation Model (SEM) and Smart PLS 3.0 software for analysis, the study revealed a significant and positive effect of locus of control on employee performance. These results align with the broader consensus established by the previous studies.

In a unique contextual exploration, Hidayat et al. (2020) analysed the influence of locus of control on employee performance, considering the moderating factor of Islamic Work Ethic. Their focus was the employees of PDAM Padang City, and the study encompassed 75 respondents. Employing a combination of Simple linear regression and Moderating Regression Analysis (MRA) via SPSS v 16.0, their analysis yielded results that affirmed a positive and significant effect of locus of control on employee performance. These findings bolster the growing body of evidence indicating the importance of locus of control in determining employee performance across various contexts.

Theoretical Review

Contingency theory

Contingency theory, pioneered by Joan Woodward in the mid-20th century, challenges the one-size-fits-all approach to organizational management. Woodward's research, culminating in her 1965 book "Industrial Organization: Theory and Practice," emphasized the need to adapt organizational structures to specific contextual factors. Contingency theory, as opposed to Weber's Bureaucratic Model, focuses on the external environment's effect on roles and responsibilities

within an organization. It recognizes that variables like information, technology, markets, production, and research should not be treated uniformly. The theory's foundation comes from the work of Burns and Stalker in 1961, who argued that organizational structure suitability depends on environmental conditions. Lawrence and Lorsh (1967) emphasize the importance of organizations aligning their internal characteristics with external demands for success. The contingency approach aims to find harmony between an organization's structure and its external environment. It classifies two fundamental organizational forms: organic and mechanistic. Organic organizations thrive in rapidly changing, complex, and turbulent settings, while mechanistic structures excel in stable environments. Woodward's study also highlights the relationship between organizational structure and

effectiveness, further demonstrating the relevance of contingency theory.

Methodology

The study employed a survey research design to collect and analyse data for testing hypotheses and addressing research questions. Through purposive sampling technique, it focused on the staff of Tannery firms in Kano, specifically Arewa Tannery Limited, with a population of 58 employees. A sample representing the entire population was selected for the study. Primary data sources were utilized, and SPSS software was employed to identify and handle missing values. Structural equation modelling was chosen due to the study's causal research design. The SmartPLS software version 4 was utilized for analysis, and Figure 1 depicts the model employed in the study.

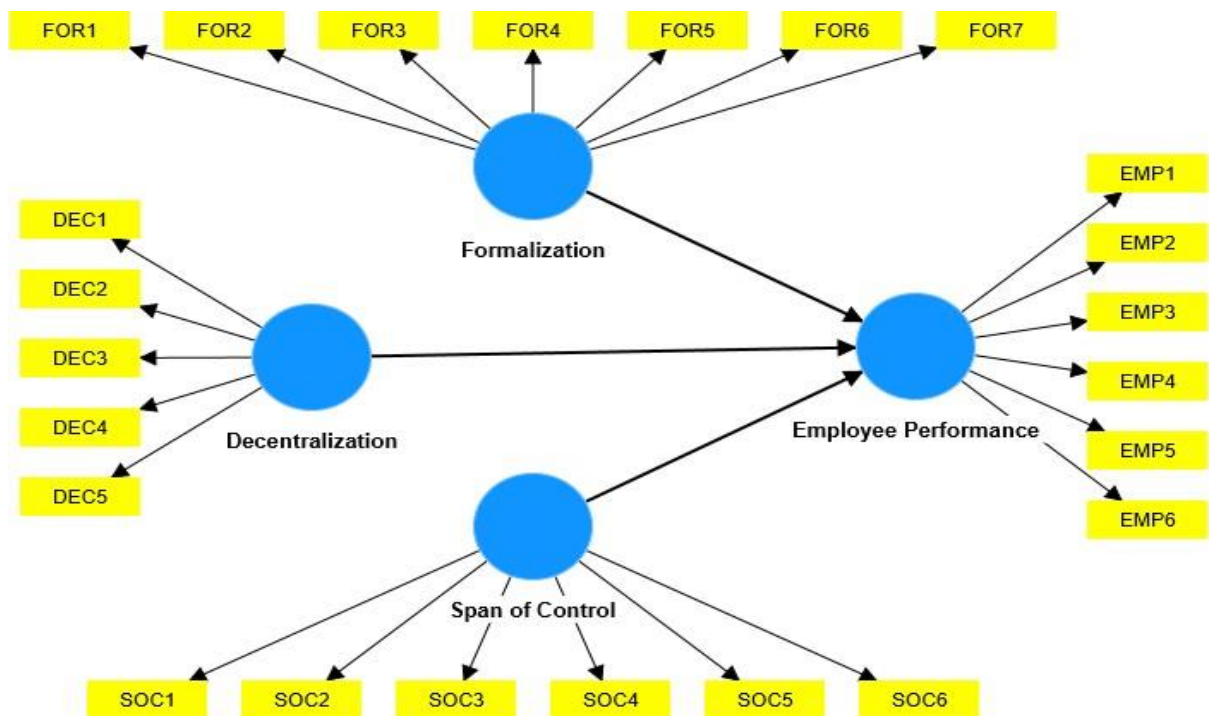


Figure 1: Model Specification for the Study

Source: Advance Management Theory

Where:

FOR - Formalization

DEC - Decentralization

SOC - Span of Control

EMP - Employee Performance

Results and Discussions

The study's initial phase involved two essential tasks: data cleaning and a thorough evaluation of the Partial Least Squares (PLS) model. Data cleaning scrutinized the dataset for potential issues, with a focus on

missing values, and no missing values were detected using SPSS. The model evaluation followed a structured procedure based on structural equation modelling (SEM) principles, encompassing the measurement model for reliability and validity, and the structural model to test hypotheses. The study's methodology aligned with Anderson and Gerbing's (1988) guidelines to ensure validity and reliability.

Assessment of Measurement Model

In Partial Least Squares Structural Equation Modelling (PLS-SEM) analysis, the measurement

model is vital for assessing convergent and discriminant validity by examining item reliability, composite reliability, and average variance extracted. Convergent validity was confirmed, with item loadings for decentralization, employee performance, formalization, and span of control exceeding the 0.40 threshold, indicating the reliability of the measurement model (as presented in Table 1). This demonstrates the strong and consistent convergent validity of the latent constructs in the PLS-SEM analysis.

Table 1: Factor Loadings, Cronbach's Alpha, CR, AVE, VIF

Construct	Items	Loadings	α	AVE	CR	VIF
Decentralization	DEC1	0.762	0.897	0.643	0.936	2.014
	DEC2	0.860				2.903
	DEC3	0.898				4.255
	DEC4	0.762				3.321
	DEC5	0.766				3.263
Employee Performance	EMP1	0.874	0.958	0.772	0.972	2.936
	EMP2	0.884				3.740
	EMP3	0.892				3.836
	EMP4	0.872				3.461
	EMP5	0.877				3.377
	EMP6	0.873				3.459
Formalization	FOR1	0.852	0.847	0.683	0.891	1.931
	FOR2	0.922				3.951
	FOR3	0.786				1.777
	FOR5	0.733				2.178
Span of Control	SOC3	0.889	0.811	0.717	0.891	1.773
	SOC5	0.894				2.494
	SOC6	0.750				1.762

Source: Statistics Calculation

Following a detailed assessment of item loadings, six items from the latent constructs of formalization and span of control exhibited loadings below the 0.50 threshold and were excluded from further analysis. The remaining items demonstrated strong reliability and were retained for further examination. Composite reliability and Cronbach's alpha values for the retained constructs were notably high, surpassing the recommended threshold of 0.70, indicating robust

internal consistency. Additionally, average variance extracted (AVE) values for the latent constructs exceeded the recommended threshold of 0.50, confirming their distinctiveness and supporting discriminant validity. Concerns of multicollinearity were addressed through a Variance Inflation Factor (VIF) test, with all VIF values falling below the threshold of 5, indicating that multicollinearity was not a significant issue in the study.

Table 2: Heterotrait-Monotrait (HTMT) Criterion Decentralization Formalization Span of Control

Decentralization Employee Performance	0.455		
Formalization	0.584	0.476	
Span of Control	0.571	0.471	0.521

Source: Statistics Calculation

Discriminant validity is a critical element of construct validation, and this study predominantly utilized the Heterotrait-Monotrait (HTMT) criterion, following the robust recommendation of Henseler et al. (2015). The HTMT values, examined in Table 2, all fall

below the threshold of 0.90, ranging from 0.455 to 0.584, conclusively indicating no issues with discriminant validity within this study.

Assessment of Significance of Structural Model

Table 3: Structural Model Assessment – Direct Relationship

Relationship	Beta Value	Std. Error	T Stats	P Value	Decision
Decentralization -> Employee Performance	0.410	0.044	9.421	0.000	Reject
Formalization -> Employee Performance	0.171	0.037	4.586	0.000	Reject
Span of Control -> Employee Performance	0.160	0.052	3.054	0.002	Reject

Source: Statistical Method

In PLS-SEM, the evaluation of the structural model comes after the measurement model demonstrates adequate and satisfactory reliability and validity. Before testing the significance of the path coefficients, the fitness of the model was assessed by evaluating the Standardized Root Mean-square Residual (SRMR) value. Henseler et al. (2015) suggested an SRMR value to be less than 0.08. SRMR was 0.108, which is within the threshold indicating that the model demonstrates sufficient fit to warrant further analysis. Figure 2 shows the overall measurement and structural model while Table 3 captures the results of the hypotheses tested.

Hypothesis 1 (H₀₁): Decentralization has no significant effect on employee performance of tannery firms in Kano, Nigeria.

Concerning hypothesis 1, which posited that decentralization does not have a significant effect on employee performance of tannery firms in Kano, Nigeria, the PLS analysis yielded a result ($\beta = 0.410$, $t = 9.421$, $p = 0.000$) that leads to the rejection of the null hypothesis. Instead, the findings support the

alternative hypothesis, concluding that decentralization indeed has a significant effect on employee performance of tannery firms in Kano, Nigeria.

Hypothesis 2 (H₀₂): Formalization has no significant effect on employee performance of tannery firms in Kano, Nigeria.

Hypothesis 2 initially posited that formalization has no significant effect on employee performance of tannery firms in Kano, Nigeria. However, the PLS analysis results ($\beta = 0.171$, $t = 4.586$, $p = 0.000$) lead to the rejection of this hypothesis. Instead, the findings support the alternative hypothesis, indicating that formalization does indeed have a significant effect on employee performance of tannery firms in Kano, Nigeria.

Hypothesis 3 (H₀₃): Span of control has no significant effect on employee performance of tannery firms in Kano, Nigeria.

Hypothesis 3 initially posited that span of control has no significant effect on employee performance of tannery firms in Kano, Nigeria. However, the PLS

analysis results ($\beta = 0.160$, $t = 3.054$, $p = 0.002$) lead to the rejection of this hypothesis. Instead, the findings support the alternative hypothesis, indicating

that span of control does indeed have a significant effect on employee performance of tannery firms in Kano, Nigeria.

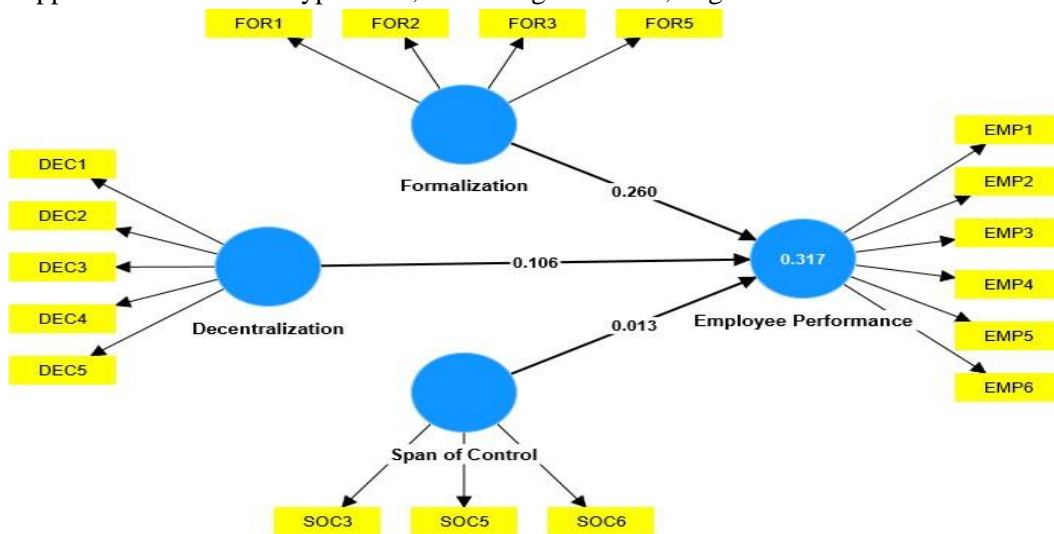


Figure 2: Results of the Measurement and Structural Model

Source: Advance Management Theory

Assessing structural models in Partial Least Squares (PLS) involves evaluating predictive relevance using the coefficient of determination (R^2) and the effect size (f^2). Henseler et al. (2009) categorized R^2 values as substantial (0.75), moderate (0.50), and weak (0.25). In the context of organizational structure's effect on employee performance of tannery firms in Kano, an R^2 value of 0.317 suggests a relatively weak effect. Effect size (f^2) benchmarks by Cohen (1988) classify values as small (0.02), medium (0.15), and large (0.35). The effect sizes for decentralization ($f^2 = 0.106$) and formalization ($f^2 = 0.260$) indicate medium effects, while span of control ($f^2 = 0.013$) demonstrates a weak effect.

Findings

This study focuses on the influence of organizational culture components (decentralization, formalization, and span of control) on employee performance of tannery firms in Kano, Nigeria. The research findings reveal several significant and positive effects. Decentralization is shown to empower employees, foster innovation, and enhance operational efficiency, positively impacting employee performance which is consistent with the findings of Rangus and Slavec (2017). Formalization facilitates networking and collaboration, contributing to improved employee performance which is consistent with the findings of

Belsito and Reutzel (2020). Span of control is linked to increased employee motivation and job satisfaction, leading to enhanced performance which is in accordance with the findings of Soleh et al. (2020). These results align with prior research emphasizing the constructive effect of these organizational aspects on employee performance.

Recommendations

- i. Organizations should consider adopting a structure that aligns with their specific goals, industry, and competitive landscape. The choice between centralized and decentralized structures should be made considering these factors to maximize effectiveness.
- ii. Organizations should balance formalization with flexibility. While clearly defined roles and responsibilities can enhance performance, it is essential to avoid excessive formalization that might stifle creativity and job satisfaction.
- iii. Organizations must carefully evaluate and determine the optimal span of control. Tailoring the span of control to the nature of the work and the capabilities of managers can significantly influence efficiency and communication.

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