

EFFECT OF ORGANIZATION STRUCTURE ON WORKERS PERFORMANCE IN UNION BANK PLC, MAKURDI BRANCH, BENUE STATE NIGERIA

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ABSTRACT

This study investigated the effect of organization structure on workers performance in Union Bank Makurdi metropolis Benue State. The study revealed that concentration of Authority has significant positive relationship with workers performance in Union Bank Makurdi metropolis Benue State. ($p0.018 < 0.05$). Structuring Activities has significant positive relationship with workers performance in Union Bank Makurdi metropolis Benue State. ($p0.000 < 0.05$). Based on the study's findings, one can conclude that organization structure has significantly helped in workers performance in the study area as manifested through well-organized non observation of concentration of authority and carefully structuring of activities of employees. Hence, there is need to ensure that concentration of authority is done in a way that it will not affect workers performance in work environment. Structuring activities should be done in such a way to include other levels of the employees to participate in decision making.

Key words: Authority, Banking sector. Organization structure, Performance, Relationship,

1.0 INTRODUCTION

The worldwide (frequent) economic downturn has caused many companies to structure their corporate setting in order to survive and meet their financial challenges. Organizations across the globe are facing more competitive markets, more demanding shareholders and more challenging workforce which have posed challenges to executives of organizations to reorganize their firms (Gorgol, 2017; Shabbier, 2017; and Taouab and Issor, 2019). During economic recessions, many companies restructure their legal, ownership or operational structure in order to be more profitable, competitive and efficient. Sulaiman (2018) argues that organizational structure is a very important tool to tackle the competitive pressure in the market and also a tool of enhancing the performance of business organizations. Organization structuring is an ongoing process (to achieve an optimal structure), which includes improvement in efficiency and management, reduction in staff and wages, sales of assets (for example, reduction in subsidiaries), enhanced marketing efforts amongst others with the expectation of improved performance, higher profitability and cash flow (Airo, 2019). Rising competition, swift advances in technology, more demanding shareholders increasing difficulty of the business conditions have increased the burden on managers to deliver superior performance and value for their shareholders (Lewis and Cooper, 2015). The companies which fail to deal with this trend successfully may lose their independence, if not face extinction. Bowman and Singh (2018) state that corporate structure strategies consist of

three modes; portfolio, financial and organizational structuring.

Organizational performance (OP) lies at the heart of a firm's survival. It is a set of both financial and non-financial indicators capable of assessing the degree to which organizational goals and objectives have been accomplished. Employee performance is the main factor in ensuring that the organization is run smoothly and successfully. High employee performance will improve the organization performance. To maintain a good employee performance, a suitable performance management is needed. According to Helen (2000), a performance management is defined as a continuous process of identifying, measuring and developing the performance of individuals and teams and aligning performance with the strategic goals of the organization. In this time of global financial challenges corporations intensify efforts to adequately provide employees with all available resource in order to accelerate their competitive advantage to outperform various competitors both locally and their foreign counterparts. This strategic focus can be delayed or possibly hindered due to lack of motivation in employees or sudden loss of key employees as a result of inadequate compensations and retirement plans.

In Nigeria banking sector, the situation of employees work condition and benefits vary across sectors and organizations, resulting in high employee turnover and readiness of most workers to move to new organizations or sectors in search of

higher benefits, and better work conditions. These benefits can be in monetary or non-monetary, whichever one, banks ensure their workers are well taken care of so as to encourage them to put in their best. Monetary benefits include basic pay, bonuses, allowances while non-monetary benefits are made up of recognition, promotion etc. Companies and economy's structure and restructure to achieve a higher level of performance through employee participation. Organization Structure has increasingly become a staple of business and a common occurrence around the world. Unprecedented number of companies across the world have reorganized their divisions, restructured their assets and updated their operations in a bid to stimulate company performance. It has facilitated copious organizations to react rapidly and more effectively to new opportunities and unanticipated pressure (Lee and Teo, 2015). A company that has been restructured effectively will theoretically be leaner, more efficient, better organized and focused on its core business with a revised strategic and financial plan. Structuring has been adapted by managers in several industries so as to streamline cost, increase productivity and revenues, improve employees' welfare, increase shareholders wealth, enhance efficiency and improves performance among other reasons (Lee and Teo, 2015). This study examines the effect of organization structure on workers performance of Union Bank Makurdi. Corporate structuring has proven to be beneficial in a number of ways to the company including lowering operational costs and assisting in better formulation and implementation of strategies. The main objective of the study is to determine the effect of organization structure on workers performance in Union Bank, Makurdi.

METHODOLOGY

Research Design

The study used survey design, under this research design, data relating to the variables were collected at about the same time to basically establish the effect of independent variables on the dependent variable.

The Study Area

The study is limited to corporate structure and workers performance using Union Bank branches in Makurdi metropolis. Makurdi is the capital of Benue State which was created on 3rd February, 1976 out of the old Benue-Plateau State. The major ethnic groups are the Tiv, Idoma, Igede, Jukun, Wurukum, Agatu, Etilo, Alagbo. Makurdi has estimated population of 365,000. The focus on Makurdi Metropolis is predicted on the fact that it hosts Union Bank branches situated in Otukpo road and old bridge road.

Population of the Study

The target population of this study comprises of the entire senior/management staff of Union Bank branches in Makurdi. Hence, the study has a total population of 27 as depicted in the table 1.

Sources: Human Resources, Union Bank Branches Makurdi, 2022

Table 1: Summary of the Study Population

Categories	Numbers of Staff	Percentage
Senior Management	3	11.1
Operation Management	4	14.8
Marketing Management	14	22.2
Customer care Managers/Staff	6	51.9
Total	27	100

Sample and Sampling Technique

This study employs census sampling technique from the purposive distribution as used by Isabwa and Joel (2016). This technique allows for judgmental sampling and is considered ideal for this study as it enhances quick and selective sampling. The use of census sampling technique is relied upon because the population of the entire senior/management staff is 27 persons only. The sample size for the study is therefore all the twenty-two (27) employees.

Instruments of Data Collection

The instrument for data collection is the questionnaire which will consist of two parts, A and B. The part A of the questionnaire is used to generate information on the demographic characteristics of respondents. The B part requires respondents to answer questions regarding corporate structure and employee participation in Mikap Nig Ltd, Makurdi. In order to do this the independent variables of the study (portfolio structure, concentration of authority and structuring of activities) and the dependent variable (employee participation) are captured by means of a 4-point likert scale questionnaire with the following rating: SA (strongly agree) - 4; A (agree) - 3; D (disagree) - 2; and SD (strongly disagree) - 1. The choice of questionnaire as an instrument of data collection for the study is because its administration is comparatively inexpensive and easy when gathering data from large population spread over wide stratum; reduces the chances of bias because the same questions will be asked all respondents. Also, many respondents are familiar with questionnaire and feel more comfortable when responding to it; and it can easily be quantifiable by either the researcher or through the use of software package.

Validation of the Instrument

Validity is the extent to which any measuring instrument measures what it is intended to measure (Thornhill and Saunders, 2018)). Content validity is concerned with how well the content of a measurement instrument measures what it is designed to measure (Hyvönen, 2017). Before actual distribution of the questionnaires to respondent, steps were carried out in order to ensure that the scale items adequately cover the area of the construct. Both content and construct

validity were employed. While content validity was tested through the expertise of my supervisors and statisticians in the field of statistics and data analysis, construct validity was tested with the use of factor analytical tool that considered Kaiser-Meyer-Olkin (KMO) and Bartlett’s test of sphericity. To establish the validity of the instrument, a pre-test study was carried out with thirty percent of the total sample of the study and the result of the pre-test study was subjected to exploratory factor analysis as presented in the following table. Thirty percent of the study sample i.e. 1/3 of twenty-seven (27) which is (9) respondents from the Union Bank under study were used for the pre-test study.

A pre-test was conducted, the input variable factors used for this study were subjected to exploratory factor analysis to investigate whether the constructs as described in the literature fits the factors derived from factor analysis. From Table 2, factors analysis indicates that the KMO-(Kaiser-Meyer-Olkin) measure for the study’s variable items is 0.954 with Barlett’s Test of Sphericity (BTS) value to be 6 at a level of significance $p=0.012$. Our KMO result in this analysis surpasses the threshold value of 0.50 as recommended by Hair, Anderson, Tatham and Black (1995). Therefore, we are confident that our sample and data adequate for this study.

Table 2: Kaiser-Meyer-Olkin and Bartlett’s test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.388
Bartlett's Test of Sphericity	Approx. Chi-Square Df Sig.	159.748 10 .000

The total variance explained table shows how the variance is divided among the 3 possible factors. Two factors have Eigenvalues (a measure of explained variance) greater than 1.0, which is a common criterion for a factor to be useful. When the Eigenvalues is less than 1.0 the factor explains less information than a single item would have explained. Table 3 shows that the Eigenvalues are 3.235 and 1.236 are greater than 1. Component one gave a variance of 64.709 and component two gave the variance of 24.714. As shown by Table 3 on the cumulative section, the two components account for 89.423% of the variance of the whole variables of the study. This shows that the variables have strong construct validity.

Table 3: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
2	1.236	24.714	89.423	1.236	24.714	89.423
3	.324	6.483	95.906			

Extraction Method: Principal Component Analysis.

Source: Researchers Computation Using SPSS Version 25, 2022

Reliability of the Instrument

Reliability refers to the consistency, stability and repeatability of results between independent measures of the same phenomenon i.e. the result of a researcher is considered reliable if consistent results have been obtained in identical situations but different circumstances. To ensure the reliability of the questionnaire, the researcher applied a pre-test of the survey instrument to calculate the reliability of the instrument using the statistical method, the Cronbach's alpha shown below. The results of the reliability statistics of the research instrument indicate that the overall Cronbach's Alpha value is 0.795. Reliability Cronbach's Alpha statistics of 0.70 is considered adequate and reliable for the study. Hence, the variables of the study fall above the limit of a reliable instrument for the study (Table 4).

Table 4: Reliability Statistics

S/No	Variables	No of Items	Cronbach's alpha
1.	Concentration of Power	4	0.778
2.	Structuring Activities	4	0.796
Overall Cronbach			0.795

Method of Data Collection

The questionnaire was used in collecting the required data for the study since data was collected from primary sources. The questionnaire contained information on organization structure as the basis for workers performance in Union Bank study area of Makurdi Metropolis, Benue State. The instrument is divided into two sections; section A consisted of questions on the demographic characteristics of the respondents while section B focused on questions bothering on the specific objectives of the study. The questions were close ended with multiple choices to give respondents the opportunities to make a choice among the available options.

Model Specification

The multiple regression models is adopted in this study where employee participation is considered as a function of corporate structure and the model is presented below;

$$WP = f(COA, STA) \text{ -----(1)}$$

Thus the regression model is as follows:

$$WP = b_0 + b_1COA + b_2STA + \mu \text{ -----(2)}$$

Where,

- WP= workers performance
- COA = concentration of authority
- STA= structuring activities
- μ = error term

A priori expectation: $b_1 > 0, b_2 > 0$. This means that organization structure dimensions of concentration of authority and structuring activities are expected to positively influence workers performance

Method of Data Analysis

To derive useful meaning from the data, and examine the propositions of this study, data from the survey was analysed using SPSS 25.0 (Statistical Package for Social Sciences) as well as the descriptive and inferential statistical techniques. Descriptive statistics such as mean, percentages and frequencies were employed in the study to measure demographic characteristics of respondents, to answer research questions relating to employee participation public sector management. Regression Analysis was used to ascertain the number of variations in the dependent variable which can be associated with changes in the value of an independent or predictor variable in the absence of other variables while the hypotheses were tested using Ordinary Least Square Multiple regression probability values at 5% level of significance.

Decision Rule:

If p-value <= 0.05 reject the null hypothesis (H0) and accept the alternate hypothesis (H1) and vice versa.

RESULTS

Demographic Characteristics of Respondents

A total number of 27 copies of the questionnaire were administered to the management of Union bank and all were returned valid representing 100% response. These responses were presented and analyzed in the tables that follow. Table 5 indicates the sex of the respondents.

It reveals that there are 20 male respondents which represent 77.1% of the sample size and 7 female respondents which represent 25.9% of the sample size. The study attributes this disparity to the nature of labour required by MIKAP which results to the employment of more men than female. It is emphatically clear that a total of 16 respondents representing 59.3% were between 18-25 years while 11 respondents representing 40.7% were between age brackets 26-35 years indicating that younger people are employed to work at the company. It also shows the marital status of the respondents. It reveals that out of the 27 respondents, 3 respondents which represent 11.1% of the sample size are married and 24 respondents which represent 88.9% of the sample size are single. This is a clear indication that the respondents are made up of more single than married men and women.

Highest educational qualification as seen by respondents shows that 11 (40.7%) respondents had ND/NCE and 16 respondents who represent 59.3% of the sample size possessed SSCE/ O level. Overall, the study discovered that majority of the study respondents have basic and significant educational experience and as such can respond positively to the questions.

Table 5: Demographic Characteristics

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Gender				
Male	20	74.1	74.1	74.1
Female	7	25.9	25.9	100.0
Total	27	100.0	100.0	
Age				
18-25	25	16	59.3	59.3
26-35 years	35	11	40.7	100.0
Total	27	100.0	100.0	
Marital Status				
Male	3	11.1	11.1	11.1
Female	24	88.9	88.9	100.0
Total	27	100.0	100.0	
HEQ				
SSCE/OLEVEL	16	59.3	59.3	59.3
ND/NCE	11	40.7	40.7	100.0
Total	27	100.0	100.0	

Analyses of Research Questions

Results from table 6 in respect of concentration of authority show the responses on the question items “1,2 and 3 which indicates that that the respondents strongly agree to the statements. Overall, majority of the respondents are seen to agree that their company concentration of authority does not affect workers performance. Results from table 7 in respect of structuring of activities show the responses on the question items “1,2 and 3” which indicates that that the respondents strongly agree to the statements.

Overall, majority of the respondents are seen to agree that the bank structuring of activities affects employee performance positively. Results from table 8 in respect of employee participation show the responses on the question items “1,2 and 3 which indicates that that the respondents strongly agree to the statements. Overall, majority of the respondents are seen to agree that the company portfolio structure, concentration of authority and structuring activities does not affect employee active participation in the company’s decision-making process

Table 6: Concentration of Authority

	(1) Union Bank does not Depend solely on the Management staff	(2) Other staff are allowed to participate in decision making	(3) Hierarchy is not considered when it comes to bank decision making
Responses	Frequencies %	Frequencies %	Frequencies %
Source: Researchers Computation 2022			
SD	3 11.1	5 18.5	3 11.1
D	2 7.4	1 3.7	3 11.1
U	2 7.4	1 3.7	2 7.4
A	2 7.4	3 11.1	3 11.1
SA	18 66.7	17 63.0	16 59.3
Total	Total 27	Total 27	Total 27

Table 7: Structuring of Activities

(1) Union Bank span of control is now widely spread to enhance quick Decision making		(2) The top segment of the bank's hierarchy is flattened		(3) The bank's corporate governance is positively reformed	
Responses	Frequencies %	Frequencies %	Frequencies %	Frequencies %	Frequencies %
SD	2 7.4	5 18.5		3 11.1	
D	2 7.4	1 3.7		2 7.4	
U	2 7.4	1 3.7		3 11.1	
A	3 11.1	3 11.1		3 11.1	
SA	18 66.7	17 63.0		16 59.3	
Total	Total 27	Total 27		Total 27	

Table 8: Employee Performance

(1) The management have respect for employees and allow them to participate in decision making		(2) The management regularly listens to employee complaints		(3) The management usually consult employee before taking decisions	
Responses	Frequencies %	Frequencies %	Frequencies %	Frequencies %	Frequencies %
SD	2 7.4	2 7.4		4 14.8	
D	2 7.4	2 7.4		2 7.4	
U	3 11.1	3 11.1		1 3.7	
A	3 7.4	2 7.4		3 11.1	
SA	18 66.7	18 66.7		17 63.0	
Total	Total 27	Total 27		Total 27	

Test of the Hypotheses

H0₁: Concentration of Authority has no significant effect on Workers Performance in Union Bank Makurdi. Using the probability value of the estimate $p(b_1) < \text{critical value of } 0.05$ (Table 9). Thus, we reject the null hypothesis. That is, we accept that the estimate b_1 is statistically significant at the 5% level of significance ($0.018 < 0.05$). This implies that concentration of authority has significant positive effect on Workers Participation in Union Bank Makurdi, Benue State, Nigeria.

H0₂: Structuring of Activities has no significant effect on Workers Participation in Union Bank Makurdi, Benue State, Nigeria. Using the probability value of the estimate $p(b_1) < \text{critical value of } 0.05$ (Table 10). Thus, we reject the null hypothesis. That is, we accept that the estimate b_1 is statistically significant at the 5% level of significance ($0.002 < 0.05$). This implies that structuring of activities has significant positive effect on Workers Participation in Union Bank Makurdi, Benue State, Nigeria.

Table 9: Regression Coefficients

	Standardized Coefficients	T	Sig.
Concentration of Authority	.370	2.533	.018

a. Depended Variable: Workers Performance

Table 10: Regression Coefficients

	Standardized Coefficients	t	Sig.
Structuring of Activities	.370	2.533	.018

a. Depended Variable: Workers Performance

DISCUSSION OF FINDINGS

Effect of concentration of authority on workers performance of Union Bank Makurdi.

In the study objective one which sought to determine the relationship between concentration of authority and workers performance establishes that a positive relationship exist between the variables and the relationship is statistically significant ($p < 0.05$) and in line with *a priori expectation*. This finding supports the work of Okafor et al. (2017) examined the relevance of organizational structure on performance of selected manufacturing companies in Enugu State Nigeria with a focus on pharmaceutical, manufacturing firms and found positive significant effect.

Effect of structuring activities on workers performance of Union Bank Makurdi

The study objective two which sought to determine the relationship between structuring of activities and employee participation establishes that a positive relationship exist between the variables and the relationship is statistically significant ($p < 0.05$) and in line with *a priori expectation*. This finding supports the work of Kibet (2019) who carried out a study to establish whether there was a relationship between structuring activities and employee participation of Micro Finance Institutions in Kenya. The study found that structuring activities are done in consideration of employees which impacts on the organization performance.

CONCLUSION

This study investigated the relationship between organization structure and workers performance in Union Bank Makurdi metropolis Benue State. Based on the study's findings, one can conclude that organization structure has significantly helped in workers performance in the study area as manifested through well-organized non observation of concentration of authority and carefully structuring of activities of employees. There is need to ensure that concentration of authority is done in a way that it will not affect workers performance in work environment. Structuring activities should be done in such a way to include other levels of the employees to participate in decision making.

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