

TITLE PAGE

**THE IMPACT OF ORGANIZATIONAL STRUCTURE IN EFFECTIVE
MANAGEMENT OF NIGERIAN ORGANIZATION
(A STUDY OF NIGERIAN BREWERY PLC, ENUGU)**

BY

LINDA NWACHUKWU

BA/2006/111

**A RESEARCH PROJECT SUBMITTED TO THE DEPARTMENT OF
BUSINESS ADMINISTRATION
FACULTY OF MANAGEMENT AND SOCIAL SCIENCES,
CARITAS UNIVERSITY, AMORJI-NIKE, ENUGU, ENUGU STATE**

**SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
OF THE AWARD OF BACHELOR OF SCIENCE (B.SC) DEGREE IN
BUSINESS ADMINISTRATION**

AUGUST 2012

DEDICATION

I dedicate this project to God almighty father the Son Jesus Christ, the Holy Spirit and all God fearing people.

To everyone the Lord uses as a vessel of honour to Glorify his name.

CERTIFICATION

This project is to certify that this project by Linda Nwachukwu with Reg. No BA/2006/111 has been read and graded in partial fulfillment of the requirements for the Award of Bachelor of Science (B.Sc) Degree in Business Administration, Caritas University Amorji Nike, Emene.

BY

Mr. Eziedo Kenneth

Project Supervisor

Date

Prof G.U. Nwanguma

Head of Department

Date

ACKNOWLEDGEMENT

I wish to express my sincere gratitude to my beloved mother, sister and brothers.

I am grateful to everybody who made invaluable contribution to the success of this research work especially my supervisor MR. KENNETH EZIEDO for his immense contribution and also my H.O.D Professor G.U. Nwanguma. I am particularly indebted to my lecturers Mr. Agbo Melletus, Mr. Walter Ani, Mr. Innocent Ubawike and my special thanks goes to ENGINEER ANYIAM OWEN for his great support, above all I am grateful to almighty God who is my strength and success of inspiration.

ABSTRACT

The topic of this study is Impact of Organizational Structure in Effective Management of Nigerian Organization (A study of Nigerian Brewery Plc, Enugu State. The researcher adopted the descriptive survey design. The researcher used both the primary, and secondary sources of Data in the course of the study. The primary data was sourced through the instrument of questionnaire and oral interview while secondary data was sourced through texts books, magazines, journals and internet. The Population of the study is eight hundred and ninety while the sample size is one hundred and thirty-three. The findings revealed among others that organizational structure has a great impact in the effective management of organizations. The researcher recommended among others that organizations should endeavour to have well structured organization, in order to achieve the set up objectives.

TABLE OF CONTENTS

Title page	i
Certification	ii
Dedication	iii
Acknowledgement	iv
Abstract	v
Table of content	vi

CHAPTER ONE: INTRODUCTION

1.1	Background of the study	1
1.2	Statement of the problem	7
1.3	Objectives/Purpose of the study	8
1.4	Research questions	9
1.5	Significance of the study	9
1.6	Limitation of the study	10
1.7	Scope of the study	11
	References	12

CHAPTER TWO: REVIEW OF RELATED LITERATURE

2.1	Theoretical framework of the study	13
2.2	Historical backgrounds	14
2.3	Current Literature on theories Postulated	16
	References	40

CHAPTER THREE: DESIGN AND METHODOLOGY

3.1	Research Design	41
3.2	Sources of data	41
3.2.1	Primary sources	41
3.2.2	Secondary sources of data	42
3.3	The population of study	42
3.4	Sample design and determination of sample size	42
3.5	Method of data collection	45
3.5.1	Questionnaire design, distribution and collection of responses	46
3.5.2	Secondary method of data collection	46
3.6	Methods of data presentation and analysis	46
	References	47

CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS

4.1	Data presentation	48
4.1.1	Demographics characteristics	48
4.2	Presentation according to key research question	48

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.1	Summary of findings	58
5.2	Conclusion	59
5.3	Recommendations	59
	Appendix	61
	Bibliography	63
	Questionnaire	64

CHAPTER ONE

INTRODUCTION

BACKGROUND OF STUDY:

The purpose of structure is the division of work among members of the organization, and the Co-ordination of their activities so they are directed towards the goals and objectives of the organization.

An organizational structure is a mostly hierarchical concept of subordination of entities that collaborate and contribute to some one common aim. Organizations are a number of clustered entities the structure of an organization is usually set up in one of a variety of style dependent on their objectives and ambiance the structure of an organization will determine the modes in which it shall operate and will perform.

Organization structure allows the expressed allocation of responsibilities for different entities ordinary description of such entities is as branch, site, department, workgroup, and single people. An organizations structure is the set of formal, the planned relationships between the physical factors and personal required for the performance at these function. In the words of mullins (2007:564). Organization structure is the pattern of relationship among positions in the organization an among members of the organization,

Organizational structures make possible the application of the process of management and creates a frame work of order and command through which the activities of the organization be planned, organized , directed and controlled. He went further to say that organizational structure define tasks and responsibilities, work roles relationships and channels communication.

Organizational structure is primarily set up for the purpose of promoting co-operation and facilitating the exercise of executive leadership. It permit the relation of co-coordinated thought and action even though organizational relationship become more complete with growth. Birkinshaw (2001:75) said that organizational structure is never the whole story, it is just a way of dividing responsibilities among executive. It is meaningless unless supported appropriate systems and a consistent culture.

However organization structure is still surprisingly informative about strategic priorities and the work going on, so it is as good a place to start as any” the type of organization structure depend on the nature of that particular organization. The form which the organizations structure take may be are presented pictorially by an organization chart. The chart is useful since it aids in locating properly either positions or functions and it shows the lines of responsibility authority and accountability.

Organizational structure shall be adaptive to process requirement aiming to optimize the ratio of effort and input to output. In effective organization structure shall facilitate working relationship between various entities in the organizational units. Organizations shall support commands for coping with a mix of orders and a change of conditions while performing works.

Organization structure is clearly important for any organization there are likely to be fewer problems of structure, the distribution of tasks, the definition of authority and responsibility and the relationship between members of the organization can be stabilized on a more personal and informal basis. With increasing size, however, there is greater need for a carefully designed and purposeful form of organization. There is need for a formal organizational structure. There is also need for a continual review of structure to ensure that it is the most appropriate form for the particular organization, and in keeping with the growth and development there is likely to be of particular importance for the way large organizations. In the words of Drucker (1999:11) it is the correct design of structure that is of most significance in determining organizational performance. He further explained that good organization structure does not by itself produce good performance. But a poor organization structure makes good performance impossible, no matter how good the individual managers may be. Coming to

the task that structure in the present day organization presents complex relationship, there is the need for people to organize their efforts. Hence organization structure defines the format of allocation of work roles to identify the members of the organization. It establishes the line of authority for integrating and co-coordinating activities.

We can therefore describe functional structure in terms of dividing tasks, jobs and delegating authority thus this provides some aspect of major challenges faced by management. Management is expected to make the appropriate analysis that will help in the designing of an effective organizational structure for any organization. A sound organizational structure activities are directed towards co-ordinating and controlling the overall outset of an organization and its members. Therefore it becomes a sanctioned network of interaction and relationships between positions, functions and occupants and also a means through which management attempt to achieve organizational goals. This emphasizes the fact the structure is the result from organizational design. Thus, it is far from surprise that it has been the subject of intensive study. All organizations have some form of more or less formalized structure which has been defined by Child (1997:284) as comprising all the tangible and regularly occurring features which help to shape their member's behaviour". Structures incorporate a

network of roles and relationships that collective effort is explicitly organized to achieve specified ends. The structure of an organization can be regarded as a framework for getting things done. It consists of units, function, division, department and formally constituted work teams unto which activities related to particular processes, projects, products markets, customer, geographical areas or professional disciplines are grouped together. The structure indicates who is accountable for directing co-ordinating and carrying out these activities and defines management hierarchies. The chain of command – thus spelling out, broadly, who is responsible to whom for what and each level in the organization. The classical theorist passed the idea of one best way of structuring an organization effectively. Unfortunately the answer provided by the decades of systematic research has proved that this notion is impossible because organizations form wide range of internal and external conditions that there cannot be a single structure or design that will prove successful for all. This idea has been confirmed by the modern theorists stating that the best organizational structure is the one that works for the firm's situation that moment. As this basic fact have become increasingly apparent, a new perspective on organizational design known as the contingency approach has taken form. People and environment in the above factor function with the

key dimensions of organization structure which includes department, chain of command, span of control and centralization. The above facts present a lot of challenges for modern managers. For the purpose of this project research work, structural designment should plan the organization structure to suit with the organization's goals in both implicit and explicit manner, and to understand the foreign factors of nature, models, dimensional level, determinant variables and the classification of structure which will bring efficiency and effectiveness in all levels.

Firms wishing to slow their entire organizational set up usually do so by preparing a company manual containing policy and objective chart for major and minor organizational units. Job descriptions and specifications and standard procedures.

Their portion of the structure presented in the chart shows two types of dimensions. The first is the Vertical dimension which is cut into a number of levels of authority known as service levels. The second is the horizontal dimension which is cut into functions or groups of functions. The structure of an organization affects not only productivity and economic efficiency but also the morale and job satisfaction of the workforce. Getting the structure right is the first step in organizational days.

Structure should be designed, therefore, so as to encourage the willing participation of members of the organization and effective organizational performance.

1.2 STATEMENT OF THE PROBLEM

An organizational structure is primarily set up for the purpose of promoting co-operation and facilitating the exercise of executive leadership. It permits the retention of co-ordinated thought and action every though organizational relationship become more complex with growth.

(2001.75) said that organizational structure is never the whole story. It is just a way of dividing responsibility among executives.

Organizational structure is meaningless unless supported by appropriate systems and a consistent culture. However, organizational structure is still surprising information about strategic priorities and the work going on, so its as good as place to start as anytime.

The type of organizational structure depends on the nature of the particular organization.

The form which the organizational structure takes may be represented periodically by an organizational chart.

Based, on the significant of the organization structure the researcher wish to investigate more on the impact of organizational structure in effective management of Nigerian organization.

1.3 OBJECTIVE OF THE STUDY

This study is to examine the relationship among some elements of organizational structure and management effectiveness in Nigerian business organization. Therefore it will like to

- (1) Identity factors in the organizational structure the could affect managerial effectiveness.
- (2) To determine whether there is a problem in the structural design of the departments within the organization.
- (3) To find out if the level of education of subordinates influence the way a major structure is department.
- (4) To identity the links between the above variable and the manager's degree of effectiveness in meeting up to the objectives he is expected to achieve.
- (5) Determine whether these variables have the same or different affects or managerial effectiveness in the different department.

1.4 RESEARCH QUESTION

On every research project there should be questions which will enable the project to be realistic. The questions are as follows:

- (1) What are the factors in the organizational structure that could affect managerial effectiveness.
- (2) Is there a problem in the structural design of the departments within the organization.
- (3) To what extent do the level of education of the subordinates influence the way a manager structures his departments.
- (4) What is the link between the above variable and the managers degree of effectiveness in meeting up to the objectives he is expected to achieve.

1.5 SIGNIFICANCE OF THE STUDY

Proper organizational structure in the organization will reduce role conflicts and avoid stress to managers, it will also specify span of control. It will encourage job specialization in the organization and easy job analysis the research will also help management during job evaluation and performance appraisal. The study will help many corporate organizations and government institutions to know what

type of structure will suit then end help them to manage the organization effectiveness.

1.6 LIMITATION OF THE STUDY

Some difficulties were noticed in getting information listed in the project.

(a) Financial Constraints

The cost involved in research project is very high considering the state of the economy. The little amount of pocket money to me by my parents is not sufficient enough to carry out a research project extensively.

(b) Time Constraints

The most important thing to note is the time limitation combining lectures, assignment and also coupled with term paper makes getting materials for the research project difficult.

(c) Unavailability of Textbooks and Journals

The information gathered in writing research project must come from several textbooks and journal, but most of these textbooks were hard to find and the ones found were outdated editions.

(d) Secrecy of Information

Most of the information used in this research work were gotten from the case study. Due to principles of the organization

Some information where utilized. Some were disclosed after much persistence.

(e) Lack pf research skill.

Being the first time I'm writing a research project, I lack the skill required to go about a research project.

(f) Lack of data storage and retrieval budgets.

Getting access to computers connected to the internal is a big problem for me considering the type of school environment. Most data that should be gotten from the computer are not there because of the lack of it.

1.7 SCOPE OF THE STUDY

Due to the nature of this research, it will not be feasible to study the effect of organization.

REFERENCES

Birkinshaw .J. (2001) Financial Times Mastering

Child J. (1977). Organization Contemporary Principles and Practice London
Blackwell Publishing

Drucker P. D. (1999) Management Challenges for the 21st Century

Mullius L. (2007) Management and Organizational behaviour Bulterworth
Heremann publish

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 THEORETICAL FRAMEWORK

Organizational structure could be described as a sanctioned network of interactions and relationships between positions, functions and occupants and means through which the management attempts to achieve organizational objective. Organizational structure basically consist of different areas that leads to many tasks which are essential to the organization, and these tasks must be carried out.

The grouping of similar kind of task-oriented skills of people into unit is called department. It is the structure that spell out the authority of relationships that describe who is to report to whom. Structure contributes to the successful implementation of plans and resources to the tasks which has to be done by providing mechanism for their co-ordination. A sound organizational structure permits workers to act in the overall interest of the organization thereby enhancing performance.

According to Child (1988:5) the design of jobs and work structures should not only take into account the native of the work and the characteristics of the personal. It also has to be consistent with the philosophy of management that is being followed.

The structuring of jobs needs to be matched by an appropriate design of organizational system and an appropriate managerial style. In order to achieve its goals and objectives the work of an organization has to be divided among the members. Some structures are necessary to make possible. The effective performance of very activities and support the efforts of staff structure provides the framework of an organizational pattern of management. It is by means of structure that the purpose and work of the organization is carried out. The manager needs to understand the importance and effects of organization structure and design.

2.2 HISTORICAL BACKGROUND

Nigerian Breweries Plc started operation in Nigeria in 1953 but the company was incorporation as a private limited liability company on 27 November 1951, to establish and operate factories for the bottling of beer in Nigeria involving the famous star.

The company became a public company in 1972 with its shares listed on the Nigerian stock exchange.

At the incorporation of the company on 22 November 1951, 14 started operations first in Lagos State and Ibadan at different dates, but today, the company has its branch network in fourteen (14) major cities in

the country. In that light Nigerian Breweries Plc 9th Mile Branch, Enugu was established in 1975 to take care of business in Eastern region.

At 31 December, 2004, the company had 7,695 employee nationwide comprising 570 in management and 7,125 in non-management position, 13 of the staff were expatriates. The employees of Nigerian Breweries Plc 9th Mile Branch, Enugu as it 2010 stands as follows:

Manager/Senior Staff	-	45
Permanent Junior	-	410

The average number of employees employed nationwide during year 2010 by Nigerian Breweries Plc stands as follows:

Management	-	555
Administration	-	7,549
Sales and Marketing	-	3,537
Factory	-	1,004
Total	-	7,645

Composition of shareholders of the Nigerian Breweries Plc include:

Range	No of	No of shares	% of paid
Below 5000	32,305	50,516,797	5.19
500 – 10 – 10,000	7,929	55,484,343	5.70
10,001-	3,663	71,455,644	7.33
50,000			
50,001	328	26,227,199	2.69
100,00-			
100,00-	241	441,162,549	4.53
500,000			
Over			
10,000,000	18	703,484,062	72.9
	42,640	974,458,111	100.00

Source: Nigerian Brewery Plc Bulletin 2012

2.3 Current Related Literature on theories postulated

Organizational structure is the pattern of relationships among positions in the organization and among members of the organization structure makes possible the application of the process of management and creates a framework of order and command through which the activities of

the organization can be planned, organized, directed and controlled. Structure defines task and responsibilities, work roles and relationships and channels of communication. According to Carolyn Taylor (2005:290) organizational structure defines the quality of the relationship between line and functional managers, this relationship lies at the heart of achieving both compliance to rules and an ability to work with the principles behind them. If the relationship is good, and trust and respect high, then both sides understand the importance of each others role. Line management know they will always be pressing to drive harder on performance, but must understand that the functional roles are there to help create, and strengthen, the boundaries they must not cross.

Structure provides the framework of an organization and makes possible the application of the process of management. The structure of an organization affects not only productivity and economic efficiency but also the morals and job satisfaction of its members. The overall effectiveness of the organization will be influenced both by sound structural design; and by the behaviour of people who work within the structure.

A major determinant of an organization's structure is its culture. The pervasive nature of culture in terms of both external influences and how things are done around here, and common values, beliefs and attitudes will

have a significant effect on organizational processes including the design of structure. Watson (2006:254-255) suggests that we must be careful not to treat structures or culture as if they were solid 'thing' that exist separately from the processes and relationships that the two concepts are intended to help us make sense of the structure of work organizations also involves the wider context of societal structures and cultures societal structures both contribute to and result from organizational structures. Watson also refers to the closeness and overlap of structures and culture. Many of the processes and practice we observe in an organization could as readily be said to be a part of the structure of the organization as part of its structure.

The essence of structure is the division of work among members of the organization, the co-ordination of activities and different jobs related to each other. Work can be dividend activities linked in a number of ways. Most organizations will contain examples of alternative combinations for grouping activities and relating different, jobs to each other. A critical decision point arising from division of work and grouping of activities is the extent of centralization and decentralization.

2.3.1 Types of Organizational Structure

- (a) The line organizational structure: This structure is concerned with working towards primary service goals. For example, the line organization in a manufacturing concern works directly towards the creation, distribution, or financial of salable values. In a line organizational structure, there is line authority. In this kind of structure, there is a superior-sub ordinate relationship. One who exercises his authority can make decision and command action, within the limited of delegated authority and can hold the subordinate accountable for the action expected of him. In a line organization authority is delegated from top to bottom in an unbroken line. This is a pure line organization. The executive or subordinate would have to act as his own secretary purchasing agent, personnel manager secretary, purchasing agent, personnel manager and legal adviser in addition to performing his regular duties.

Below is a diagram showing a line organization structure.

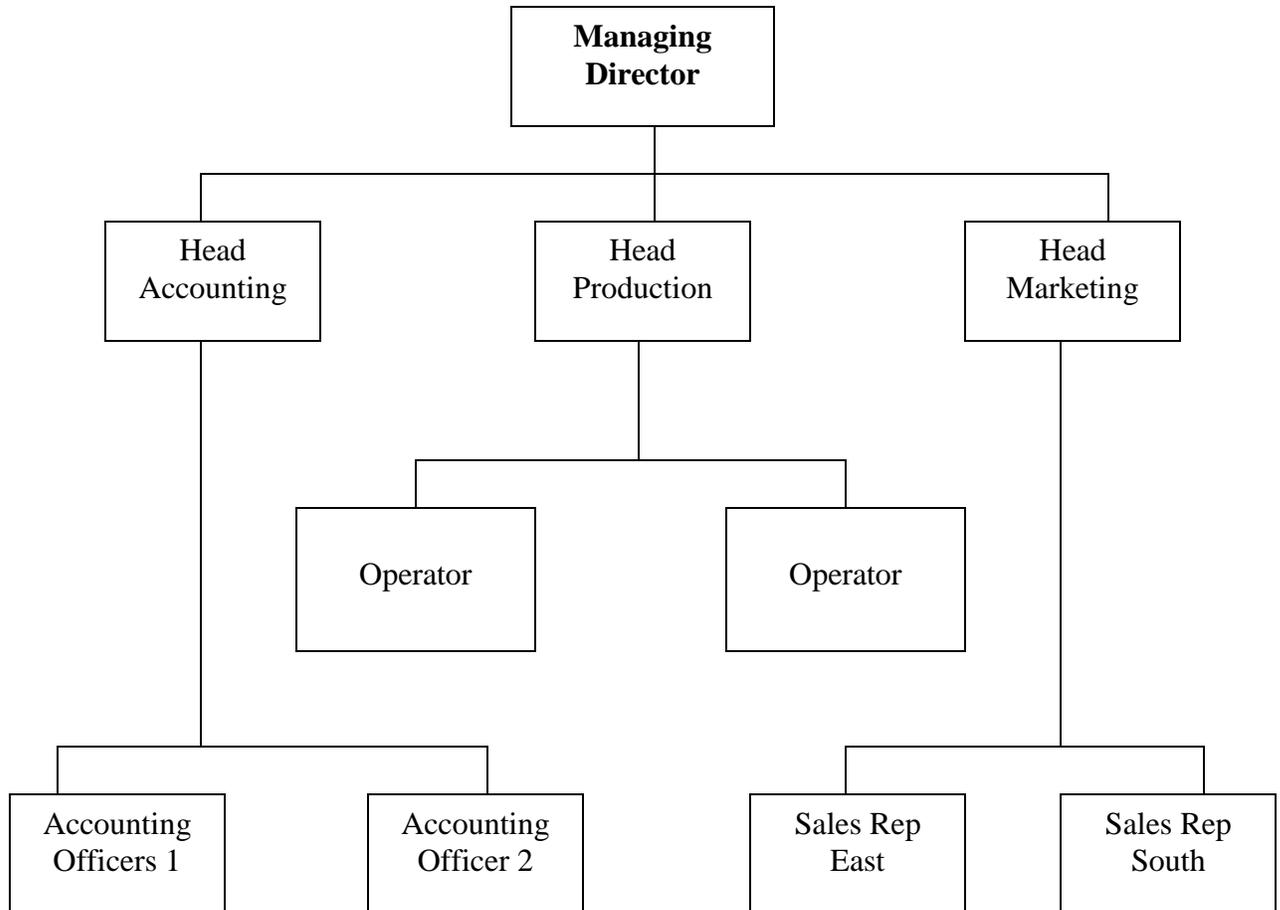


Fig. 1.1 Line Organization Structure

Source: Townsend (1992:222)

Advantages of Line Organization Structure

- (a) The simple, direct lines of responsibility are easily understandable. There is no complication about who is supposed to report to whom.
- (b) Discipline and control are facilitated because of this clarity of command.
- (c) Decision taking is quickly enhanced. This neglects what is obtainable in complicated organizational relationships.
- (d) When properly used, the line organization structure has an inherent flexibility that enables it adjust changing conditions.

Disadvantage of Line Organization Structure

- (a) A continued line growth, without corresponding staff development tends to develop an excessive load of administrative responsibility.
- (b) With growth centralized line control of activities tends to break down as the load on the simple line organizational increases.
- (c) The line organization lacks specialization into anything but the basic line functions. In pure form it would not provide even the simplest facilitative staff.

- (d) Since one man must be a jack of all trades it is difficult to find and to train qualified personal for the line jobs while a man might be found to perform the duties expected of a manufacturing foreman. It would be difficult to find one with competence in engineering quality control and personnel administration well.
- (b) The Functional Organization Structure: The fictional organization structure is one in which there are a number of functional specialist supervising the activities of a single subordinate. In it, different staff units have line authority over the same people. The subordinate is supposed to be accountable to and receive orders from all the functional specialists, each of whom handles matters associated with his own specialty. These differences in potentials create problems, conflict and competition among the members of an industrial society.

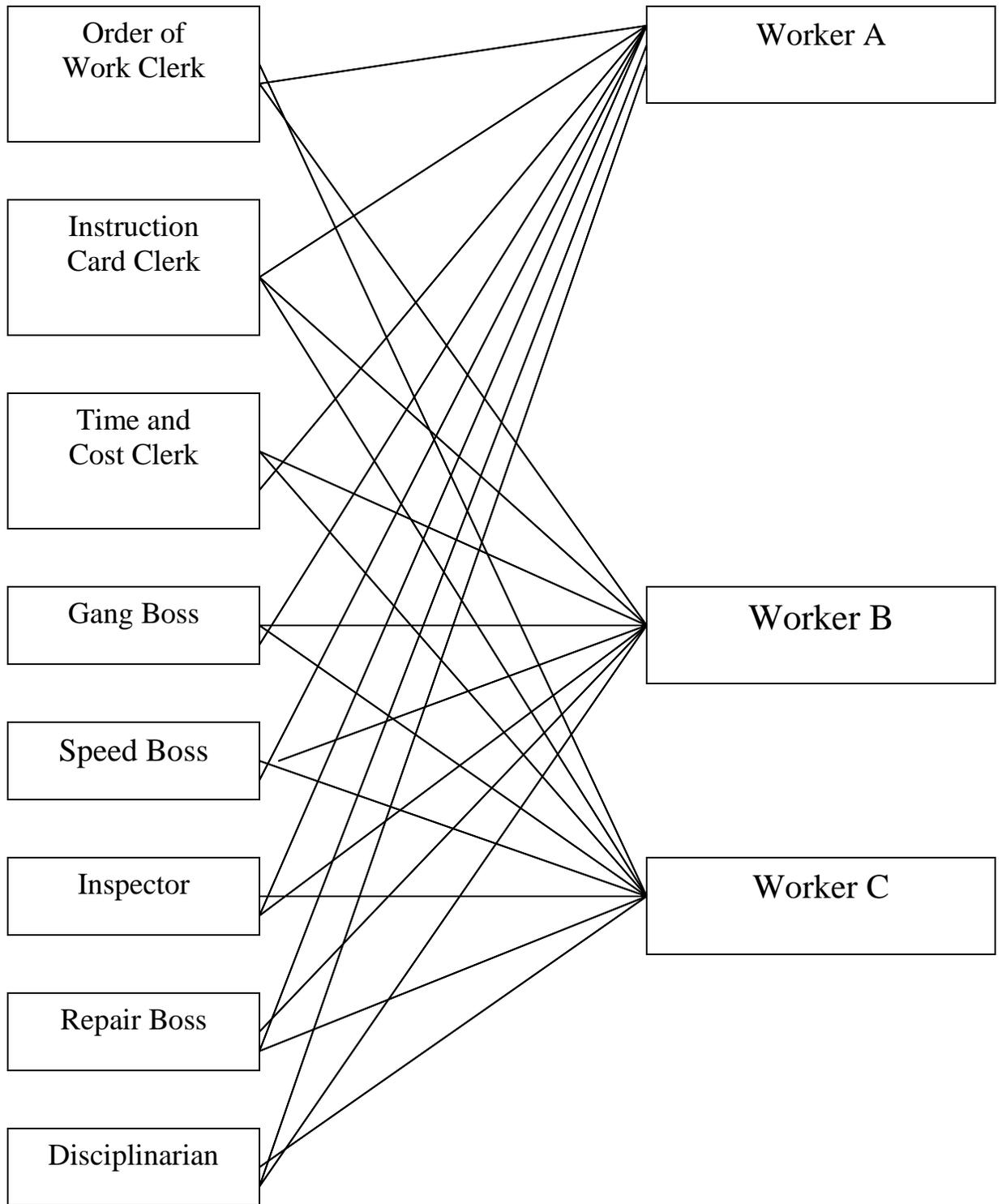


Fig. 1.2: The functional organization structure

Source: Townsend (1992:271)

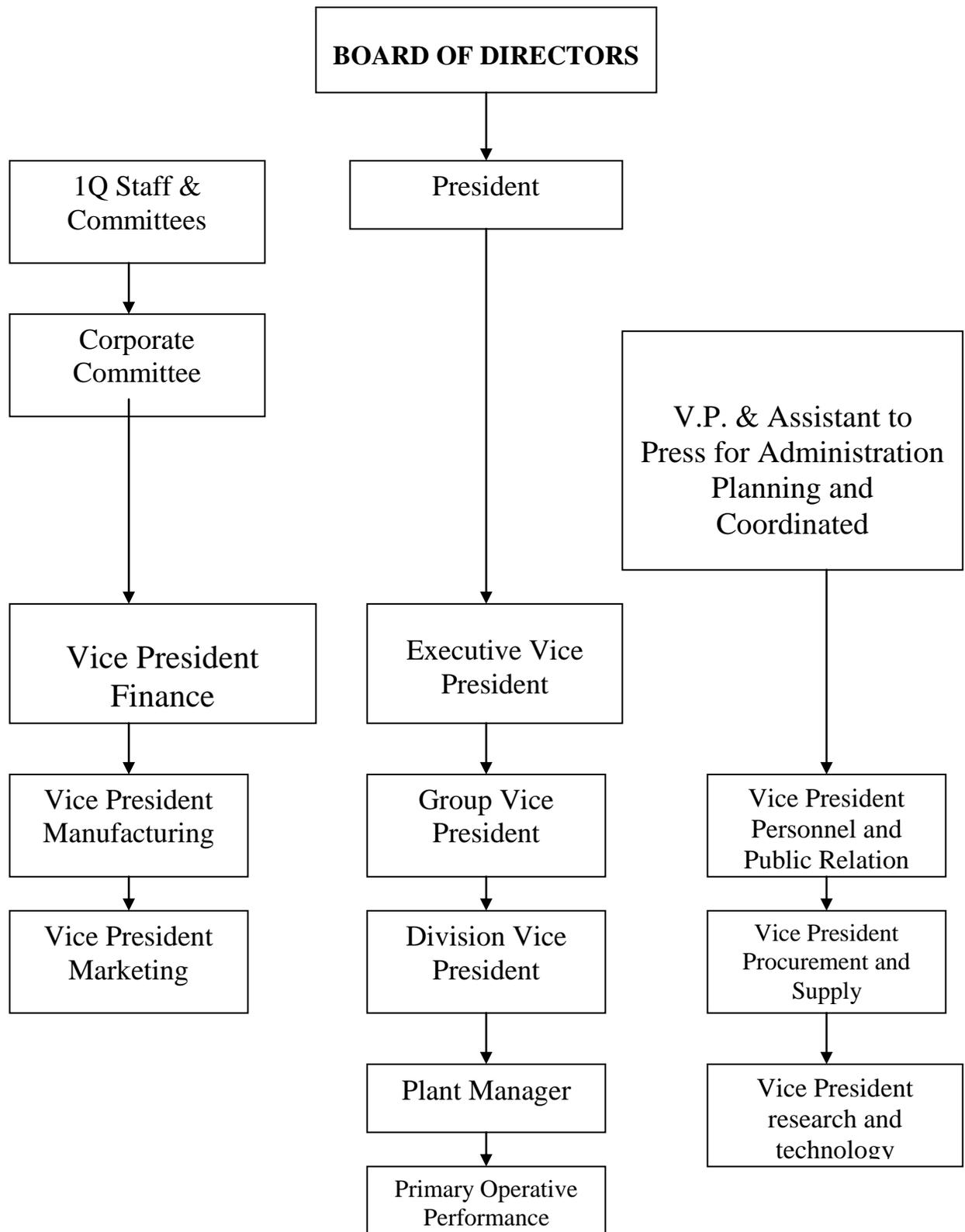


Fig. 1.3: Staff Organization Structure

Source: Townsend (1992:271)

(c) **The Staff Organization Structure:** A staff organization works towards collateral or secondary service objectives. A staff organization provides benefits and services to the organization itself, or to individual or outside organizations associated with it. Within an organization of course, there may be some units or divisions that are line units and some that are staff units. The staff authority has the right to serve, advice and recommend. Staff authority, accordingly does not create a superior-subordinate relationship at staff executives over line.

2.3.2 The Design of Organization Structure

It is important to bear in mind that there are many variables that influence the most appropriate organization structure and system of management, including situational factors and the contingency approach. Changing patterns of work organization, the demand for greater flexibility and the multi-skilling challenge and managerial processes such as delegation and empowerment also have a major interrelationship with structure and influence decisions an structural design. Lundy and Cowling (1996:14) said that organizations are collections of people brought together for a purpose to achieve this purpose successfully, people need to be organized within the

best possible structure. Decisions on structure are primary strategic decisions. Structure can make or break an organization.

There is an underlying need to establish a framework of order and system of command of which the work to be undertaken is accomplished successfully. This demands that attention be given to certain basic principles and considerations in the design of organization structure or in reviewing the effectiveness of an existing structure.

The Basic Considerations in the Design of Organization Structure are as follows:

- (a) **Clarification of objectives:** A clear definition of objectives is necessary in order to provide a basis for the division of work and grouping of duties into subunits. The objective for these sub-units must be related to the objectives of the organization as a whole in order that an appropriate problem of structure can be established. Clearly stated and agreed objectives will provide a framework for the design of structure, and a suitable pattern of organization to achieve those objectives. Clearly defined objectives will help facilitate system of communication between different parts of the organization and the extent of decentralization and delegation.

(b) Task and Element Functions: In order to produce some good, or provide some services, there are four essential functions that the organization must perform.

- (1) The good or service must be developed
- (2) Something of value must be created. In the case of the business organization this might be the production or manufacture of a product; in the case of the public sector or organization the provision of a service.
- (3) The product or services must be marketed. They must be distributed or made available to those who are to use them.
- (4) Finance is needed in order to make available the resources used in the development; creation and distribution of the products or services provided.

Woodward (1980:113) refers to these essential functions of developing the good or service manufacturing the good or providing the service, marketing them and finance the organization as task functions. To ensure the efficient achievement of overall objectives of the organization, the results of the task functions must be co-ordinated.

Other activities of the organization that are not directed towards specific and definable ends but are supportive of the task functions as an intrinsic part of the management process are referred to as element functions.

- (c) **Divisional Work:** Within the formal structure of an organization work to be divided among its members and different jobs related to each other. The division of work and the grouping together of people should, wherever possible, be organized by reference to some common characteristics which forms a logical link between the activities involved. The most commonly used basis for grouping activities is according to specialization, the use of the same set of resources, or the shared expertise of members of staff. In division by product or service the contributions of different specialized are integrated into separate, semi-autonomous units with collective responsibility for a major part of the business process or for a complete cycle at the work. This form of grouping is more common in the larger diversified organizations and may be used as a means of sub-dividing department into sections.

Division may be according to the nature of the work performed where there is some special common feature of the work such as the

need for speedy decisions, accuracy, confidentiality /security, or where local conditions require first-hand knowledge not immediately available elsewhere.

- (d) **Centralization and Decentralization:** A critical decision point that arises from division of work and grouping of activities is the extent to centralization or decentralization. Most organizations necessary involve a degree of decentralization arising from such features as an increase in size, the organization, or the need to extend activities or services to remote areas. The balance between centralization and decentralization is one of the major debates in organizational structure.

Advantages of Centralization

- (1) The easier implementation of a common policy for the organization as a whole.
- (2) Providing a consistent strategy across the organization.
- (3) Preventing sub-units becoming too independent.
- (4) Improved economies of scale and a reduction in overhead costs.
- (5) Greater use of specialization, including better facilities and equipment.

Advantages of Decentralization

- (1) Enable decisions to be made closer to the operational level at work.
 - (2) Increased responsiveness to local circumstances
 - (3) Improved level of personal customer services.
 - (4) Provide opportunities for training and development in management.
 - (5) Support service such as administration, are more likely to be effective if provided as close as possible to the activities they are intended to serve.
- (e) **Principles of Organization:** The classical writer placed emphasis on the definition of structure in terms of division of work, chain of command, span of control and reporting relationship. Attention was focused on the requirements of the formed organization and the search for a common set of principles applicable to all circumstances. Urwick (1952) originally specified eight principles of organization but revised these to ten in his later writing.

The Principles are as follows:

1. The principle of objective: Every organization and every part of the organization must be an expression of the purpose of the undertaking concerned or it is meaningless therefore redundant.

2. The principle of specialization: The activities of every members of any organized group should be confined, as far as possible, to the performance of a single function.
3. The principle of co-ordination: The purpose of organizing, as distinguished from the purpose of the undertaking is to facilitate the co-ordination, unity of effort.
4. The principle of authority: In every organized group the supreme authority must rest somewhere. There should be a clear line of authority to every individual in the group.
5. The principle of responsibility: The responsibility of the superior for the acts of the subordinate is absolute.
6. The principle of definition: The content of each position; both the duties involved, the authority and responsibility contemplated and the relationship with other position should be clearly defined in writing and published to all concerned.
7. The principle of correspondence: In every position, the responsibility and the authority should correspond.
8. The principle of span of control: No person should supervise more than five, or at the most six direct subordinates whose work interlocks.

9. The principle of balance: It is essential that the various units of an Organization should be kept in balance.
10. The principles of continuity: Re-organisation is a continuous process in every undertaking specific provision would be made of it.

The proper application of these principles is likely to help improve organizational performance.

- (f) **Span of Control:** The span of control arise in line authority and refers to the number of subordinate who report directly to a given manager or supervisor. It does not refer to the total of subordinate operating staff, that is, those staff who report first to another person. Hence the term span of responsibility or ‘span of supervision’ is sometimes considered to be more appropriate.

Factors influencing span of Control

1. The nature of the organization, the complexity of the work and the similarity of functions, and the range of responsibility.
2. The ability and personal qualities of the manager including the capacity to copy with interruptions.
3. The amount at time the manager has amiable from other activities to spend with subordinates.

4. The ability and training of subordinate staff, the strength of their motivational and commitment, and the extent of direction and guidance needed.
5. Chain of Command: This refers to the number of different levels in the structure of the organization, the chain, or lines, of hierarchical command sometimes known as the secular chain. The chain of command establishes the vertical gradation of authority and responsibility and the framework for superior – subordinate relationship in an unbroken line down from the top of the organization. Every person must know their position within the structure of the organization. Most organization charts demonstrate that this principle is used widely as a basis for organizational design. A clear line of authority and responsibility is necessary for the effective operation of the organization.

2.4 DETERMINANTS OF ORGANIZATIONAL STRUCTURE

- (a) Size – The size of an organization has obvious implications for the design of its structure. In the very small organizations there is little need for a formal structure with increasing size, however, and the associated problems of the execution of work

and management of staff, there are likely to be more formalized relationships and greater use of rules and standardized procedures.

- (b) Centralization: Due to increase in size of organization, top management may delegate power of decision making to employees, which will be in accordance with the desire of top management.
- (c) Technology: This refers to the information equipment technical process required to transfer input into output in an organization. According to Woodward (1980: xiii) industrial organization which design their formal organization which design their formal organizational structures to fit the type of production technology they employ are likely to be commercially successful.
- (d) Environment: This is anything outside the organization boundaries, the environment of an organization affects or determine the structure of an organization. The organization takes input or material and human resources from the environment and the input is being transformed to form to goods and service which be given back to the environment.

2.5 EFFECTS OF DIFFERENT ORGANIZATION STRUCTURE

It is not easy to describe in a positive manner, what constitutes a good or effective organization structure although clearly attention should be given to the design principles. However, the negative effects of a poorly designed structure can be identified more easily. In his discussion on the principles of organization and co-ordination, Urwick suggests that lack of design is illogical, cruel wasteful and inefficient.

1. It is illogical because in good social practice, as in good engineering practice, design should come first. No member of the organization should be appointed to a senior position without identification of the responsibilities and relationship attached to that and the input is being transformed to from goods and services which be given to the environment.
2. It is cruel because it is the individual members of the organization who suffer most from lack of design. If members are appointed to the organization without a clear definition of their duties or the qualification required to perform those duties. It is these members who are likely to be blamed for poor results that do not match the vague ideas of what was expected of them.

3. It is wasteful because if jobs are not put together along their lines of functional specialization other new members of the organization cannot be trained effectively to take over these jobs. If jobs have to be fitted to members of the organization titled to jobs, then every new member has to be trained in such a way as to aim to replace the special, personal experience of the previous job incumbent. When both the requirements of the job and the member of the organization are unknown quantities. This is likely to lead to indecision and much time waste in ineffective discussion.

4. It is inefficient because if the organization is not founded on principles, managers are forced to fall back on personalities which are understood by everyone in the organization, managers will start playing politics in matters of promotion and similar issues.

2.6 CONSEQUENCE OF STRUCTURAL DEFICIENCIES

Child (2005:17) explained the consequences of structural deficiencies.

- (a) Low motivation and moral: This may result from apparently inconsistent and arbitrary decisions, insufficient delegation of decision-making; lack of clarity in job definition and assessment of

performance, competing pressures from different parts of the organization, and managers and supervisors overlooked through inadequate support system.

- (b) Late and inappropriate decision: This may result from lack of relevant timely information to the right people, poor coordination of decision-makers in different units. Overloading of decision-makers due to insufficient delegation, and inadequate procedures for re-evaluation of past decisions .
- (c) Conflicts and lack of coordination: this may result from conflicting goals and people working at cross-purposes because of lack of clarity on objectives and activities, failure to bring people together into teams or through lack of liaison; and lack of effective system for communicating the modification of tasks.
- (d) Poor response to new opportunities and external change: This may result from, failure to establish specialized jobs concerned with forecasting environmental change: failure to give adequate attention to innovation and planning of change as main management activities, inadequate use of teamwork and attention to relevant aspects of new project.

- (e) **Rising Costs:** This may result from a long hierarchical of authority with a high proportion of senior positions, an excess of rules, procedures and administrative work at the expense of productive work, and the presence of some, oral of the other organizational problems.

2.7 ORGANIZATION CHART

The structure of an organization is usually depicted in the form of an organization chart. It shows the division of work, the grouping together of activities, the levels of authority and formal organizational relationship. The organization chart provides a pictorial representation of the overall shape and structural framework of an organization. They can however, be displayed either horizontally with the information running from left to right, or concentrically with top management at the centre. The main advantage of both the horizontal and the concentric organization charts is that they tend to reduce the indication of supervisor subordinate status. They also offer the practical advantage of more space on the outer margin.

In addition, the concentric chart may help to depict the organization as a unified whole. Organization charts are useful in explaining the outline structure of an organization.

The chart may indicate apparent weaknesses in structure such as

- (1) Too wide a span of control
- (2) Overlapping area of authority
- (3) Lack of unity of command
- (4) Too long a chain of command
- (5) Unclear reporting relationships and/or lines of communication.
- (6) Un-staffed functions

2.8 LIMITATIONS OF ORGANIZATION CHARTS

There are, however, a number of limitations with traditional organization charts. They depict only a static view of the organization, and show how it looks and what the structure should be. Charts do not show the comparative authority and responsibility of positions on the same level, or internal contacts and informal relations. Neither do charts show the extent of personal delegation from superior to subordinates, or the precise relationships between line and staff positions. Organization charts can become out-of-date quickly and often slow to be amended to reflect changes in the actual structure.

REFERENCES

Carolyn Taylor – Walking the talk; building a culture for success,
Random House.

John Child,,: Organization: a guide to problem s and practices Paul
Chapman.

John Child – Organization, Contemporary Principles and Practice,
Blackwell Publishing.

Laurine J. Mullin – Management and Organizational Behaviour Seventh
Edition.

Lundy .O. and Cowling .A. Strategic Human Resource Management.

Rosenfeld R.H. and Wildon D.C. Managing Organization, Text, Reading
and cases, Second edition, McGraw-Hill

Townsend , R-Further Up the organization, Cownet Books.

Urwick .L. – Notes on the though organization, American Management
Association.

Woodward John-Industrial Organization theory 9and practice, second
edition, Oxford University Press.

Watson .T. – Organizing and Managing Work, second edition financial
Times Prentice Hall.

CHAPTER THREE

RESEARCH DESIGN

In this chapter, attempts should be made to discuss the major methodologies used during this research.

3.1 RESEARCH DESIGN

Research design refers to the total plan of an investigation of study and it is not restricted to one aspect of research only. The researcher adopted the summary design for this study.

3.2 SOURCES OF DATA

In sourcing for data for this research project both primary and secondary data were used.

3.2.1 PRIMARY SOURCES OF DATA

Primary data are those that are collected for the first time by the researcher i.e they are in original form.

The major source used to obtain primary data for this research is questionnaire.

3.2.2 SECONDARY SOURCE OF DATA

The term population means the aggregate of all cases, it could be that of person, objects, ideas or organization which possess certain attributes.

This also means the target number of people or things the researcher is going to work with,

The researcher's target in this context is the staff of the Nigerian Breweries Plc, 9th Mile Corner Ngwo, the population for this study is the total number of staff of the company which is eight hundred and ninety as at June 2011.

3.3 POPULATION OF THE STUDY

The term population means the aggregate of all cases, it could be that of person, object, ideas or organization which possess certain attributes.

This also means the target number of people or things the researcher is going to work with

The researcher's target in this context is the staff of the Nigerian Breweries Plc, 9th Mile Corner Ngwo. The population for the study is the total number of staff of the company which is eight hundred and ninety nine as at June 2011.

3.4 SAMPLE DESIGN AND DETERMINATION OF SAMPLE SIZE

A sample is a subject of the population. It is a part of the study population that has been selected for this study.

Sample size can be determined using Yaro-Yamani's formula as quoted in Nwana C. (1981:40)

$$n = \frac{N}{1 + N(e)^2}$$

Where n = Sample size

W = Population

e = level of specification i.e 8% (0.08)

$$\begin{aligned}
 n &= 899 \\
 L &= 899 (0.0064) \\
 n &= \frac{899}{6.7538} \\
 n &= 138.114191 \\
 &= 133
 \end{aligned}$$

In order to determine the number of respondents from each department, the researcher used Bowley proportion allocation formula as follows

$$n_1 = \frac{n(n_1)}{N}$$

Where

$$\begin{aligned}
 n &= \text{the sample size} \\
 n_1 &= \text{Number of staff in each department} \\
 N &= \text{total population}
 \end{aligned}$$

The total population in the various departments were shown below:

1. Human Resources Department 093

$$\begin{aligned}
8. \quad \text{T.C.N Coordinator department} &= 21 \\
\frac{133 (21)}{890} &= \frac{2793}{890} = 3.13 \\
&\simeq 13 \\
9. \quad \text{Regional Finance department} &= 26 \\
\frac{133 (26)}{890} &= \frac{3458}{890} = 3.88 \\
&\simeq 4 \\
10. \quad \text{Regional Logistics Department} &= 129 \\
\frac{133 (129)}{890} &= \frac{17157}{890} = 19.2775 \\
&\simeq 19 \\
&\text{Total} = 133
\end{aligned}$$

3.5 METHOD OF DATA COLLECTION

The data collection were carried out though the use of instrument like questionnaire, interview, observation or document.

The method used in carrying out this research project is the staff of the company.

3.5.1 QUESTIONNAIRE DESIGN

In carrying out this research project on total number of twelve (12) questions were asked in the questionnaire. A good amount of time was given to the respondents for the completion and return of the questionnaire distribution.

3.5.2 SECONDARY METHOD OF DATA COLLECTION

Secondary data collected through he following

- (1) Text books
- (2) Journals
- (3) Publications
- (4) Internet

3.6 METHOD OF DATA PRESENTATION AND ANALYSIS

The researcher used the simple percentage and tabular presentation in the analysis of the data collected. The simple percentage is expressed mathematically as

$$\frac{\text{Response option} \times 100}{\text{Total number of responses}}$$

Total option

REFERENCES

NWANA .E. (1981): Research Methodology and Statistics for Beginning
Research Awka, Christian Printing and Publishing Ltd.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 DATA PRESENTATION

This chapter is basically interested in the presentation of data collected from the distribution of questionnaires. In data presentation, effort were made to summarize the information often ad to put them in tabular statistical format

This is done to show their relative frequencies .

4.1.1 DEMOGRAPHIC CHARACTERISTICS

As stated in chapter three, a total number of one hundred and thirty-three (133) questionnaires were administered within the period of study. Out of this number, ninety (90) questionnaires were collected and used for this research project, representing 67.7% of the total data base for the study.

4.2 PRESENTATION ACCORDING TO KEY RESEARCH QUESTION

The research questions will be presented in a tabular form, showing the percentage.

Table 1: Distribution of employees according to Sex

Sex	Response	Percentage
Male	54	60
Female	36	40
Total	90	100

Source: Field Survey 2012

The above question seeks to know the sex of the respondents. The male staff has 60% of the total sex distribution while the female staff has 40% of the distribution.

Table 2: Age distribution of the respondents

Sex	Response	Percentage
18-25	10	11.1
26-35	35	38.9
36-45	20	27.7
46 – above	25	27.8
Total	90	100

Source: Field Survey 2012

The above age distribution shows that those within the ages of 18-25 occupy 11.1% of the total work force, those within the ages of 26-35 have the highest percentage in the workforce which is 38.9%. A percentage of 27.2% belong to those within the ages of 36-45, 27.8% belong to the age bracket of 46 and above.

Table 3: Marital Status of the respondents

Marital status	Response	Percentage %
Single	35	38.9
Married	52	57.8
Divorced	1	1.1
Widowed	2	2.2
Total	90	100

Source: Field Survey 2012

The above table shows the marital status of the respondents – single workers have a total of 38.9%, married workers are more than the rest in the table, with a total of 57.8%, one divorced worker with a percentage of 1.1 and 2.2% for widowed workers.

Table 4: number of years the respondent have worked for the company

Year	Response	Percentage %
1 month – 1 year	12	13.3
2 years – 5 years	23	25.6
6 years – 10 years	37	41.1
11 years and above	18	20
Total	90	100

Source: Field Survey 2012

The table above shows the number of years of service of the respondents. Those who have worked for 1 month – 1 year have a percentage of 13.3%. Those who have worked for 2-5 years have a percentage of 25.6%, 41.1% goes to those who have worked for 6-10 years while the remaining 20% goes to those who have worked for 11 years and above.

Table 5: Research Question One – what functions that determine the type of structure

Determinants	Response	Percentage %
Environment	15	16.17
Size	36	40
Strategy	22	24.4
Technology	10	11.1
Other	7	7.8
Total	90	100

Source: Field Survey 2012

The above table seeks to know that factors that determine the type of structure the company has the respondents who think environment is the determinant of the firm's structure amount to 16.7% of the total percentage. 40% goes to those who think size is the determinant of the firms structure. Strategy has a total 24.4% technology 11:1% and those who had other reasons amounted to 7.8%.

Table 6: Research Question Two – Does your firms structure end increase of asset turn-over?

Aid increment Asset turn-over	Response	Percentage
Yes	55	61.1
No	35	38.9
Total	90	100

Source: Field Survey 2012

Those who think that the firm’s structure and increase of asset turn-over have a percentage of 61.1% while those who think it does not, have a percentage of 38.9%.

Table 7: Research Question three – Does your firms structure and Increase in profit

Aid increase profit	Response	Percentage %
Yes	62	68.9
No	28	31.1

Total	90	100
-------	----	-----

Source: Field Survey 2012

A total of 68.9% agreed to that fact that the firm's structure and increase in profit while 31.1% day disagreed.

Table 8: Research Question four – Does your firm's structure and he employees to perform effectively?

Employee's	Response	Percentage %
Yes	79	87.8
No	11	12.2
Total	90	100

Source: Field Survey 2012

The table above to know if the firm's structure and employees to perform effectively. A total of 87.8% think that the firm's structure and in effectiveness while 12.2% think it does not.

Table 9: Research Question – Does your structure and increase in the marketing share of your company?

Marketing Share	Response	Percentage %
Yes	27	30
No	63	70
Total	90	100

Source: Field Survey 2012

A total of 70% are of the opinion that the firm's structure has nothing to do with its market share while 30% of the respondents said otherwise.

Table 10: Research question Six – Does your structure have any relationship with your organization's communication pattern?

Communication Pattern	Response	Percentage %
Yes	53	58.9
No	37	41.1
Total	90	100

Source: Field Survey 2012

A total of 58.9% of the total percentage believe that the firm's structure has a relationship with its communication pattern while 41.1% do not think it does.

Table 11: Research question seven – Does your firm's structure bring about discipline in the organization.

Discipline in the Organization	Response	Percentage %
Yes	71	78.9
No	19	21.1
Total	90	100

Source: Field Survey 2012

78.9% of the total percentage of respondents say that the firm's structure brings about discipline in the organization. The remaining 21.1% goes to those who say that the structure does not affect discipline.

Table 12: Research Question Eight – Is your company’s structure based on educational qualification of the employees.

Educational Qualification	Response	Percentage %
Yes	46	51.1
No	44	48.9
Total	90	100

Source: Field Survey 2012

More than half of the respondents i.e 51.1% think that the firm’s structure is based on educational qualification while 48.9 think it’s not.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 SUMMARY OF FINDINGS

The main findings of the project is discussed and summarized to give an insight into the basic issues of all research project, knowledge gained from the findings will be used to make necessary recommendation.

The research project was intended to asses the impact of organization structure on effective management of Nigerian organization. The Nigerian mile corner. Ngwo was Brewery plc, selected as he case study for the research. A total of one hundred and thirty-three (133) questionnaires were distributed and ninety (9)) were successfully filled and returned.

The research findings shows that environment, size, strategy, technology and other factors are a determinant of an organizations structure one way or the other. Table 6 and 7 shows that an organizations structure help in one way or the other. Table 6 and 7 shows that an organizational structure can help to increase its assets, turn-over and profit.

In addition, it can be observed that in table 8, the structure of the organization increases employee's effectiveness of the employees, bringing about increase in productivity of the organization.

5.2 CONCLUSION

Research data have produced the following general conclusion about organizational structure and effective management.

Managers should try and develop a structure that will be suitable to the organizations need at that particular time. The managers should also structure the organization to suit both the organizations needs and the employees needs.

Managers must also try and change the structure of the organization after a certain period of time. This will help to keep up with the pace at which technology is increasing.

5.3 RECOMMENDATIONS

To bring this research to an end, the researcher made the following recommendations on how to solve problems caused by the structure of an organization.

Effective management in an organization has always been a major concern to organization. It is in this regard that the following recommendations are made.

1. Since the structure of all organizations influence effective management. It should be properly and carefully designed to meet with the needs of the organization, employees and its environment.
2. The structure to the designed must into cognizance all variables be size, environment, technology strategy and other factors that are necessary and important since failure and success of an organization is to an extent determined by its structure.

Department of Business Administration
Faculty of Management Sciences
Caritas University, Amorji Nike
Enugu.

Dear Sir/Madam,

I am an undergraduate student of Caritas University, under the department of Business Administration (400 level). I am undergoing a project/research work on the impact of organizational structure in effective management of Nigeria organization (A case study of Nigerian Breweries Plc, Enugu State)

I am appealing that your responses will go a long way in assisting me in carrying out the project.

Please give your kind response to the best of your knowledge. All answers will be treated with strict confidentiality it deserves.

Thanks for your anticipated co-operations.

Yours faithfully,

Nwachukwu Lynda

BIBLIOGRAPHY

- Agu A.O. (2010). *Research Methodology Practical Approach to Project Writing Enugu: Venture Publisher.*
- Birkinshaw J. (2001). *Financial Times Mastering Management, Texas: Prentice Hall.*
- Carolyn T. (1994) *Walking the Task; building Culture of Success, Random House: Prentice Hall Publisher.*
- Cloke K and Goldsmith .K. (2002). *The End of Management and the size of Organization. Management Challenges for the 21st Century.* Butterworth-Heinemann Publishers.
- Ferdinand O. (2006). *A Handbook on Research Proposal Writing.* New York, Prentice Hall.
- Heinz W and Koontz Hall 92005), *Management; A Global Perspective,* Nashville: Prentice Hall.
- John C. (2001). *Organization; Contemporary Principles and Practice,* New York: Blackwell Publisher.
- John Child (1995). *Organization; A Guide to Problems and Practice,* New York: Paul Chapman Publisher.

Laurie J. M.SS (2003). *Management and Organizational Behaviour*, New York: Blackwell Publisher.

Laurie J. Mullins (2003). *Management and Organizational Behaviour*, New York: Blackwell Publisher.

Lundy O. and Cowling A. (1996). *Strategic Human Resource Management* London: Prentice Hall.

Miller, D. & Droge .C. (1986). *Psychological and Traditional Determinant of Structure, Administrative Science Quarterly*, New York: Prentice Hall.

Mintzberg, H. (1979). *The Structuring of Organizations*, New York: Prentice Hall.

Section B

1. How long have you worked for the company?
 - (a) 1 month – 1 year
 - (b) 2 years – 5 years
 - (c) 6 years – 10 years

2. What function determine the type of structure
 - (a) Environment
 - (b) Size
 - (c) Strategy
 - (d) Technology
 - (e) Other

3. Does your company's structure helps in increase of asset turnover?
 - (a) Yes
 - (b) No

4. Do you think that your company's structure helps in increasing profit?
 - (a) Yes
 - (b) No

5. In your own opinion do you think that the firm's structure contributes to the employee's performance effectively?
 - (a) Yes
 - (b) No

6. Does your organizational structures aid in increasing the marketing share of your company's?
 - (a) Yes
 - (b) No

7. Do you think that organizational structure have any relationship with your organization's communication pattern?
 - (a) Yes
 - (b) No

8. Does your firm's structure bring about discipline in the organization?

(a) Yes (b) No

9. Is your company's structure based on the educational qualification of the employees?

(a) Yes (b) No

10. How could you rate the effect of the effect of the organizational structure in your organization?

(a) Very high

(b) High

(c) Very High

(d) Low