

**EFFECT OF ORGANIZATIONAL STRUCTURE ON PRODUCTIVITY OF A
MANUFACTURING FIRM**

A STUDY OF MAY & BAKER NIG. PLC, OTA OGUN STATE

BY

OLUSADA OLUWATOSIN FOLAHAN

(16PAB01333)

JUNE 2018

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BEING

**A DISSERTATION SUBMITTED TO THE DEPARTMENT OF BUSINESS
MANAGEMENT, IN THE COLLEGE OF BUSINESS AND SOCIAL SCIENCES,
COVENANT UNIVERSITY OTA, OGUN STATE, IN PARTIAL FULFILMENT OF THE
REQUIREMEMNTS FOR THE AWARD OF M.Sc. IN BUSINESS ADMINISTRATION**

JUNE 2018

ACCEPTANCE

This is to attest that this dissertation is accepted in partial fulfilment of the requirements for the award of M.Sc. in Business Administration in the Department of Business Management, College of Business and Social Sciences, Covenant University Ota, Ogun State

Mr. Philips John Ainokhai

Secretary, School of Postgraduate Studies

Sign & Date

Prof. Samuel Wara

Dean, School of Post Graduate Studies

Sign & Date

DECLARATION

I hereby declare that this research work was carried out by me under the supervision of Dr. Oluwole O. Iyiola of the Department of Business Management, Covenant University, Ota, Ogun State. I attest that the project has not either wholly or partly submitted for the award of any degree elsewhere. All sources of data and scholarly information used in this project has are duly acknowledged.

Olusada, Oluwatosin Folahan
(Researcher)

Signature

Date

CERTIFICATION

It is hereby certified that this M.Sc. dissertation written by **Olusada, Oluwatosin Folahan** was supervised by me and submitted to the Department of Business Management, College of Business and Social Sciences, Covenant University, Ota. It has not been submitted in any other institution of higher learning.

Dr. Oluwole O. Iyiola
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Signature & Date

External Examiner

Signature & Date

DEDICATION

This work is dedicated to God for His grace and inspiration throughout the duration of this research work.

ACKNOWLEDMENTS

With a deep sense of euphoria and appreciation, I express my gratitude to the Almighty God for His grace and enablement for accomplishment over the year. I do not take His love for granted. To Him be all the glory. Indeed, God has been faithful and gracious to me throughout my study in Covenant University. I want to specially acknowledge and appreciate the Chancellor Dr. David Olaniyi Oyedepo and his amiable wife, Pastor Faith Oyedepo, the Vice-Chancellor Prof. A.A.A Atayero, the Deputy Vice Chancellor Prof. Shalom Chinedu Nwodo, the Registrar Dr. Olumuyiwa Oludayo, the Dean of School of Post Graduate Studies Prof. Samuel Wara and the Sub-Dean Prof. Humphrey Adebayo. I would like to express my deep and sincere gratitude to my supervisor Dr. O.O Iyiola for his guidance throughout the course of this research. God bless you abundantly. My appreciation also goes to the great lecturers in the Department of Business Management, Covenant University Ota, Ogun State: Prof. M Akinnusi, Prof. R.E.K Worlu, Prof. L.M. Chinonye, Dr. O.O Iyiola, Dr. O.O Ogunnaike, Dr. K. Awe, Dr. O. Osibanjo, Dr. Ogbari, Dr. Kehinde, Dr. A.A Adeniji, Dr. Oyewunmi, Dr. S. Ibidunni, Dr. Salau, Dr. Maxwell, Dr. M. Agboola, Dr. S. Ukenna and all other associate lecturers in the department of Business Management for their support and guidance in making the completion of this thesis a huge success. I also acknowledge the Centre for Learning Resources for the support towards the success of this research.

My appreciation also goes to my wonderful course mates: Anih Ugochukwu, Idowu Adebayo, Adedire Mary, Okoli Precious, Ezema Ejiehi, Omolade Ayoyimika, Orji Oba Uzoma, Nwabueze Gerard and Bankole Oluseun. God bless you all. My love goes to my wonderful friends: Asiyanbola Tomide, Ojo Mercy, Imafidon Emmanuel, Bassey Abasifreke, Amah Esther, Ishola Kelvin, Ayodele Oluwakemi, Fadeyi Oluwatosin, Fadeyi Kayode, Okosun Daniel, Ebigide

Gilbert, Doyah Tiena, Komolafe Bisola, Fasanya Opeyemi, Aiyelabola Ayoola, Oloruntoba Anuoluwapo, Ede Ugochukwu, Ewomazino Umukoro, Asagba Omolola, Ichoku Chinedu and to all my friends not mentioned. I celebrate you all. I equally appreciate the contribution of Okesina Oluwaseun towards the success of this research and to Makinde Opeyemi for his endless help in editing this work. God bless you real good. And also to everyone who has made my journey through Covenant University great, I celebrate you all.

My appreciation also goes to Mr Akindotun Ibosiola, Bro Tunde Jimoh, Bro Tunde Fatoki, Mr. and Mrs. Samuel Idika, Mrs. Adetutu Adeiga, Mrs Titilayo Oguntola.

My sincere appreciation goes to my parents, Mr. and Mrs. Sesan Olusada for their sacrifice and continuous effort to ensure I get the best in life. Words are not enough to express how grateful I am to you. God bless and increase you greatly. My appreciation also goes to my beautiful and special siblings, Damilola, Tomi and Moyin for their support and encouragement. And also to my Niece and Nephew Jedidah and Ithiel Ibosiola. The love I have for both of you is uncontrollable. You all deserve special accolades.

ABSTRACT

Organizations today are in a competitive environment in which the right strategy is what keeps the organization ahead of its competitors. Therefore, organizational structure is very important to make possible the effective productivity of key activities and support the efforts of staff. The objective of this study was to determine if there is a significant relationship between centralization, formalization, number of layers in hierarchy and specialization and efficiency as well as effectiveness. The descriptive research design was used and questionnaire was administered to the employees of May and Baker Nig. Plc. Ota. A total sample of 169 people are the respondents drawn from a population of 300. The Pearson correlation analysis was used to analyze the one hundred and sixty four (164) questionnaires collected. Findings indicated that there is a weak positive relationship between centralization and efficiency at $r = .323^{**}$, sig. 0.00, $p < 0.001$. This suggests that concentrating all the decisions to only top management does not aid the productivity of the organization. However, findings also showed that there is a weak and positive relationship between formalization and effectiveness at $r = .412^{**}$, sig 0.00, $p < 0.001$ and this implies that too many and rigid rules hinder the creativity of employees which has directly effect on the productivity of the organization. Findings also indicated that there is a strong positive and significant relationship between number of layers in hierarchy and efficiency at $r = .645^{**}$, sig. 0.00, $p < 0.001$. The implication of this is that reducing layers in hierarchy helps in the integration of employees and also facilitate quick communication in the organization. Findings also indicated that specialization has a strong positive relationship with effectiveness. It is therefore recommended that organization should engage and involve low level employees so as to give them sense of belonging in the organization and it is very expedient also that organization be flexible when it comes to decision making. Also recommended is that organization must make rules and regulations that are not cumbersome thereby hindering creativity among employees.

Keyword: Centralization, Effectiveness, Efficiency, Formalization, Number of layers in hierarchy, Specialization.

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