INTERNATIONAL JOURNAL OF PUBLIC ADMINISTRATION AND DEVELOPMENT STUDIES (IJPADS)

Volume: [1] **| Issue:** [2] **|** Pages: 112-136 | **| Date:** [December, 2024]

Open Access Journal. Accessible online via https://ijpads.com

EFFECT OF ORGANISATIONAL STRUCTURE ON MANAGERIAL DECISION QUALITY AT FLOUR MILL OF NIGERIA, LAGOS

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Abstract

The study investigated the impact of organizational structure on the quality of managerial decision-making. The study focuses on three key objectives: examining the influence of organizational hierarchy on decision-making, ascertaining the role of departmentalization in decision criteria, and determining whether the span of control contributes to the decision-making process. To achieve these objectives, a structured questionnaire was administered to 150 participants, with 143 completed questionnaire returned and analysed. Likert scale with point 5 was used with 1- Strongly Disagree. 2-Disagree, 3-Neutral, 4-Agree and 5-Stongly agree. The respondents are to respond to the questions in each variables base on strength of 1 to 5.The questionnaire used for the project were drafted and given to the supervisor for proper validation. The supervisor then reviewed the statement/content for clarity, appropriateness of language, style,

and expression to the respondents and the extent to which the items tested what they supposed to test.The data were processed using SPSS, employing descriptive statistics (frequency and percentages) and Pearson Product Moment Correlation to test the hypotheses at a 0.05 significance level. The findings from the analysis revealed several key insights. First, there is a strong positive relationship between organizational hierarchy and decision-making, indicating that a well-defined hierarchy significantly influences the context in which decisions are made. The study recommends that organizations, particularly Flour Mill of Nigeria, should focus on maintaining a well-structured hierarchy to ensure effective decision-making processes. Additionally, there should be greater emphasis on departmentalization to enhance clarity in decision-making criteria. The study also recommends that organizations balance the span of control to optimize decision-making effectiveness without overburdening managers.

Keywords: Organizational Structure; **Decision-Making**; **Hierarchy**; **Departmentalization**; **Span of Control**

Introduction

Organizational structure is the framework or configuration of relationships, roles, and responsibilities within an organization, determining how tasks are divided, coordinated, and controlled (Galunic & Eisenhardt, 2018). It encompasses various components such as hierarchy, departmentalization, span of control, and integration mechanisms, which collectively shape the formal and informal aspects of the organization's operations (Gong et al., 2020). Organizational structure provides clarity on reporting lines, decision-making processes, and communication channels, guiding interactions among employees and facilitating the achievement of organizational objectives. It serves as the foundation upon which the organization's culture, strategy, and operations are built, influencing the allocation of resources and the distribution of power and authority (Chen et al., 2021).

Management decision quality refers to the extent to which decisions made by organizational leaders are effective, well-informed, and aligned with organizational goals and objectives (Ghasemi et al., 2021). It encompasses various dimensions, including accuracy, timeliness, relevance, and the ability to anticipate and address potential risks and uncertainties (Chen et al., 2019). High-quality management decisions are characterized by thorough analysis, consideration of multiple alternatives, involvement of relevant stakeholders, and adherence to ethical and legal standards (Liu et al., 2020). The quality of management decisions can significantly impact organizational performance, innovation, and competitiveness, shaping the organization's

ability to adapt to changing environments and capitalize on opportunities (Barratt et al., 2018).

Organisational structure serves as the framework within which decision-making processes unfold, influencing the context, criteria, and effectiveness of decisions. Hierarchical structures, characterized by vertical layers of authority and control, can impact decision quality by shaping communication channels, decision-making speed, and the distribution of decision-making authority (Galunic & Eisenhardt, 2018). In the context of FMN, examining the influence of organisation hierarchy on decision context will provide insights into how the chain of command and reporting relationships affect decision-making processes within the company.

Departmentalization, the grouping of organizational units based on criteria such as function, product, or geography, also influences decision-making by defining how different activities and tasks are divided and coordinated (Gong et al., 2020). This study aims to understand how the organization's structure shapes the factors considered in decision-making, such as financial metrics, market dynamics, and strategic objectives.

Moreover, span of control, referring to the number of subordinates that a manager directly supervises, can impact the decision-making process by influencing communication, coordination, and control mechanisms within the organization (Chen et al., 2021). Investigating whether span of control contributes to the decision-making process in FMN will shed light on the relationship between managerial oversight and decision quality, as well as the trade-offs between centralization and decentralization in decision-making authority.

This background study highlights the significance of organisational structure in shaping management decision quality, with implications for strategic planning, operational efficiency, and organizational performance. Examining the influence of organisation hierarchy, departmentalization, and span of control on decision-making processes at Flour Mills of Nigeria, this study aims to contribute to a deeper understanding of the interplay between structure and decision quality in organizational settings.

Statement of the Problem

Organisational structure, comprising elements such as hierarchy, departmentalization, and span of control, can significantly shape the

decision-making environment and outcomes. The central issue lies in the extent to which specific structural configurations facilitate or hinder the ability of managers to make high-quality decisions that align with organizational objectives and lead to favorable outcomes. For example, hierarchical structures with rigid reporting lines and centralized decision-making authority may inhibit information flow and creativity, potentially impeding the generation of innovative solutions and timely responses to market changes (Galunic & Eisenhardt, 2018).

Organizational structures with complex hierarchies or siloed departments can lead to communication barriers, hindering the flow of information between different levels of the organization (Liu, 2020). This can result in delays, misunderstandings, and incomplete information reaching decision-makers, impacting the quality and timeliness of decisions. Wide spans of control, where managers oversee a large number of subordinates, can lead to oversight issues, decreased supervision, and difficulties in maintaining quality standards (Chen, 2021). Narrow spans of control, on the other hand, may lead to micromanagement, decision-making bottlenecks, and inefficiencies. When organizational structure is not aligned with strategic objectives or market dynamics, decision-making processes may lack coherence and strategic focus (Ghasemi, 2021). This can result in a disconnect between decisions made at different levels of the organization and the overall direction set by top management, leading to inefficiency and suboptimal outcomes.

Addressing these problems is imperative for several reasons. Management decision quality is a crucial determinant of organizational performance, affecting strategic alignment, resource allocation, and competitive positioning. Poor decision quality can lead to missed opportunities, wasted resources, and increased risk exposure, ultimately undermining the organization's ability to achieve its goals (Chen et al., 2019). In today's dynamic and complex business environment, organizations face escalating pressures to adapt quickly to changing market conditions, technological advancements, and regulatory requirements. Understanding how organisational structure influences decision quality is essential for enhancing organizational agility, resilience, and innovation capabilities (Liu et al., 2020). Given the growing emphasis on evidence-based management and data-driven decision-making, organizations need actionable

insights into the structural factors that impact decision quality to inform strategic planning, organizational design, and performance improvement initiatives (Ghasemi et al., 2021).

The implications of this problem are multifaceted and far-reaching. From a theoretical perspective, addressing the effect of organisational structure on management decision quality can contribute to advancing knowledge in organizational theory, strategic management, and decision sciences (Barratt et al., 2018).

Objectives of the Study

The main objective of this study is to examine the organisational structure in shaping managerial decision quality: A study of Flour Mill of Nigeria, Lagos. The specific objectives of this study are to:

i. To examine the influence of organisational hierarchy on decision
ii. To ascertain the role of departmentalization on decision criteria in an organisation
iii. To find out if span of control contributes to decision-making process

Research Questions

i. What is the relationship between organisational hierarchy and decision context of Flour Mill of Nigeria?
ii. What is the relationship between departmentalization and decision criteria in Flour Mill of Nigeria?
iii. How does span of control contribute to decision-making process in Flour Mills of Nigeria?

Research Hypotheses

Ho: There is no relationship betweenorganisational hierarchy and decision context of Flour Mill of Nigeria.

Ho: There is no significant relationship between departmentalization and decision criteria in an organisation.

Ho: Span of control does not significantly contribute to decision-making process in Flour Mills of Nigeria.

LITERATURE REVIEW

Organizational Structure

Organizational structure refers to the formal system of task and authority relationships that control how people coordinate their actions and use resources to achieve organizational goals. It essentially defines how activities such as task allocation, coordination, and supervision are directed toward the

achievement of organizational aims. According to Daft (2015), an effective organizational structure facilitates the efficient functioning of an organization by clearly delineating roles, responsibilities, and lines of authority. This clarity helps in aligning the organization's operations with its strategic objectives, enhancing overall productivity and performance.

The primary dimensions of organizational structure is departmentalization, which involves dividing an organization into different departments that perform specific tasks. These departments can be structured by functions, products, geography, or customers. Functional structures group together jobs that require similar skills and knowledge, such as marketing or finance. On the other hand, divisional structures group jobs based on products, services, or geographical locations, which can help organizations quickly adapt to changes in the environment. As noted by Jones and George (2017), choosing the right type of departmentalization is crucial for ensuring that each part of the organization can focus on its specific area of expertise while maintaining coordination with other departments.

The span of control is another critical aspect of organizational structure, referring to the number of subordinates that a manager or supervisor can directly control. A wider span of control means fewer hierarchical levels and a more horizontal structure, which can lead to faster decision-making and better communication. Conversely, a narrower span of control results in a taller structure with more levels of hierarchy, which can provide more oversight and control but may slow down decision-making processes. Research by Robbins and Judge (2018) suggests that the optimal span of control depends on various factors, including the complexity of tasks, the skill level of employees, and the level of interaction required between managers and subordinates.

Managerial Decision

Managerial decision-making is a fundamental process that entails choosing among alternatives to guide an organization toward achieving its goals. Effective decision-making is crucial for managers at all levels as it impacts organizational performance and direction. According to Hitt, Miller, and Colella (2017), the decision-making process involves identifying and diagnosing problems, generating alternative solutions, evaluating these alternatives, and choosing the best

course of action. This systematic approach ensures that decisions are well-considered and aligned with the organization's strategic objectives.

Decision-making can be categorized into various types based on the nature and scope of the decision. Strategic decisions are long-term and shape the overall direction of the organization, such as entering new markets or launching new products. Tactical decisions are medium-term and involve the implementation of strategies, like resource allocation and scheduling. Operational decisions are short-term and day-to-day, focusing on routine activities. According to Robbins and Judge (2018), understanding the type of decision being made helps managers apply the appropriate decision-making tools and processes, ensuring more effective outcomes.

The quality of managerial decisions is influenced by several factors, including the availability and quality of information, the complexity of the situation, and the cognitive biases of the decision-makers. Information quality is critical as it provides the necessary data for evaluating alternatives. However, managers often face situations with incomplete or imperfect information, leading to uncertainty. Cognitive biases, such as overconfidence and anchoring, can distort decision-making by causing managers to rely too heavily on initial information or personal beliefs. Kahneman and Tversky's (2015) research on cognitive biases highlights the importance of awareness and mitigation strategies to improve decision quality.

In the context of organizational structure, the centralization or decentralization of decision-making authority significantly affects managerial decisions. Centralized structures concentrate decision-making at the top levels, which can ensure consistency and control but may slow down the process and reduce responsiveness. Decentralized structures distribute decision-making authority closer to the operational level, enhancing flexibility and speed but potentially leading to inconsistencies. Mintzberg (2017) argues that finding the right balance between centralization and decentralization is crucial for optimizing decision-making quality and organizational effectiveness.

Organizational Hierarchy

Organizational hierarchy refers to the arrangement of individuals within a corporation according to power, status, and job function, often depicted as a pyramid where higher levels control the lower ones.

This hierarchical structure ensures a clear chain of command, which is essential for maintaining order and enhancing coordination within the organization (Jones, 2019). The levels of hierarchy delineate roles, responsibilities, and authority, helping employees understand their duties and whom they report to, thereby reducing ambiguity and confusion.

The primary advantage of a well-defined organizational hierarchy is its ability to streamline decision-making processes. Decisions are typically made by top management and cascaded down through the various levels, ensuring consistency and control over the organization's strategic direction (Mintzberg, 2017). This centralization of decision-making can lead to efficient execution of company policies and strategies. However, it can also result in slower response times to market changes and reduced flexibility, as lower-level employees might have limited authority to make quick decisions.

Moreover, organizational hierarchy can significantly impact communication within the company. In a traditional hierarchical structure, communication flows vertically, which can sometimes hinder the free exchange of ideas and feedback from lower levels to upper management (Robbins & Judge, 2018). This top-down communication approach can lead to information distortion as messages pass through multiple layers, potentially affecting decision quality. To mitigate this, modern organizations are increasingly adopting flatter structures or incorporating horizontal communication channels to enhance transparency and employee engagement (Daft, 2018).

Decision Quality

Decision quality refers to the effectiveness of decisions made within an organization, evaluated based on outcomes, alignment with organizational goals, and the robustness of the decision-making process (Provost & Fawcett, 2015). High-quality decisions are those that optimize organizational performance, mitigate risks, and leverage opportunities effectively. Decision quality is a critical aspect of managerial effectiveness and organizational success, influencing everything from strategic planning to operational efficiency (Drucker, 2016).

Several factors contribute to decision quality, including the availability and accuracy of information, the decision-making process, and the cognitive biases of the decision-makers. Access to reliable and comprehensive

information enables managers to make informed decisions. Additionally, a structured decision-making process that includes thorough analysis, stakeholder input, and risk assessment can significantly enhance decision quality (Bazerman & Moore, 2018). Conversely, cognitive biases such as confirmation bias or overconfidence can impair decision quality by leading to flawed judgment and suboptimal choices.

The role of technology in enhancing decision quality has been increasingly recognized. Advanced data analytics, artificial intelligence, and machine learning tools provide managers with deeper insights and predictive capabilities, facilitating more accurate and timely decisions. These technologies help in identifying patterns, forecasting trends, and evaluating the potential impacts of different decision options (Provost & Fawcett, 2015). Consequently, organizations that leverage these technological tools are often better positioned to make high-quality decisions that drive competitive advantage.

Decision quality is also influenced by organizational culture and leadership. A culture that promotes open communication, encourages diverse viewpoints, and fosters a collaborative environment is more likely to produce high-quality decisions (Schein, 2016). Effective leaders play a crucial role by setting the tone for decision-making, ensuring that processes are transparent, inclusive, and aligned with the organization's strategic objectives. Leadership commitment to ethical decision-making and accountability further enhances the quality of decisions (Northouse, 2018).

Departmentalization

Departmentalization refers to the way an organization structures its workforce into distinct units or departments to enhance efficiency, coordination, and control. This organizational process involves grouping employees based on shared functions, products, geography, or customers, thereby creating specialized divisions that focus on specific organizational activities (Daft, 2015). Establishing clear boundaries and roles, departmentalization helps organizations manage complexity and improve operational performance.

Functional departmentalization, one of the most common forms, groups employees by their specific skills and job functions, such as marketing, finance, human resources, and production. This approach leverages specialized expertise, promotes efficiency within departments, and facilitates focused

training and development (Robbins & Coulter, 2018). However, it can also lead to silos, where departments operate independently with limited communication and collaboration, potentially hindering overall organizational integration.

Product departmentalization organizes employees around particular products or product lines. This structure allows for a high degree of focus on product development and marketing, enabling the organization to respond swiftly to market changes and customer needs (Jones, 2019). For instance, a tech company might have separate departments for its software, hardware, and services divisions, each with its own resources and management. While product departmentalization enhances customer responsiveness, it can result in duplication of functions and increased costs if similar activities are carried out in multiple departments.

Geographic departmentalization groups employees based on their physical location or regions they serve. This approach is beneficial for organizations operating in multiple locations or international markets, as it allows for region-specific strategies and operations tailored to local needs and regulations (Bateman & Snell, 2017). For example, a multinational corporation might have regional departments for North America, Europe, Asia, and other regions. Geographic departmentalization enhances local responsiveness and market penetration but can complicate coordination and communication across regions.

Customer departmentalization structures the organization around different customer segments. This method focuses on specific customer groups, such as retail customers, business clients, or government entities, enabling the organization to cater to unique customer requirements and build stronger relationships (Griffin, 2021). Aligning resources and efforts with customer needs, companies can achieve higher customer satisfaction and loyalty. However, this form of departmentalization can also lead to challenges in managing a diverse customer base and integrating activities across different customer-focused departments.

Span of Control

Span of control, a critical element in organizational design, refers to the number of subordinates that a manager or supervisor can effectively oversee. This concept is pivotal in shaping the managerial hierarchy and determining the efficiency of communication,

decision-making, and supervision within an organization (Daft, 2015). The ideal span of control varies based on several factors, including the complexity of tasks, the skill levels of employees, and the managerial style.

A narrow span of control means that a manager supervises a limited number of employees. This approach allows for closer supervision, more personalized feedback, and better control over the work process. It is particularly effective in environments where tasks are complex or highly specialized, requiring managers to provide substantial guidance and support (Griffin, 2021). However, a narrow span of control can also lead to higher administrative costs due to the need for more managers and can potentially slow down decision-making processes as information filters through multiple layers of hierarchy.

Conversely, a wide span of control implies that a manager oversees a larger number of subordinates. This structure promotes greater autonomy among employees, encouraging them to take more initiative and make decisions independently (Robbins & Coulter, 2018). It can also reduce overhead costs by minimizing the number of managerial positions required. However, this approach can be challenging if the tasks are complex, as it may overextend the manager's capacity to provide adequate supervision and support, potentially leading to decreased performance and increased risk of errors.

In modern organizational contexts, the concept of span of control is increasingly dynamic due to advancements in technology and evolving management practices. Digital tools and communication platforms have enabled managers to supervise larger teams more effectively by facilitating real-time monitoring, collaboration, and support (Kinicki & Williams, 2016). Moreover, the trend towards flatter organizational structures, which emphasize fewer hierarchical levels, is reshaping traditional notions of span of control, promoting more flexible and adaptive managerial approaches.

Decision-Making Process

The decision-making process is a fundamental aspect of organizational management, involving a series of steps aimed at identifying problems, generating alternative solutions, evaluating options, and choosing the best course of action to achieve organizational goals (Daft, 2018). This process is dynamic and iterative, requiring managers to gather relevant information, analyze data, consider various perspectives,

and assess potential outcomes before making a final decision. Effective decision-making is essential for organizational success, as it impacts productivity, innovation, resource allocation, and overall performance.

The decision-making process typically begins with problem identification, where managers identify issues or opportunities that require attention. This stage involves recognizing deviations from desired outcomes, analyzing trends, and assessing organizational performance against established benchmarks (Robbins & Coulter, 2019). Once the problem is identified, managers move on to the next stage, which involves gathering information and conducting research to better understand the problem and its underlying causes. This step is crucial for informed decision-making, as it provides the necessary data and insights to evaluate potential solutions.

After gathering information, managers proceed to the third stage of the decision-making process: generating alternative solutions. In this stage, managers brainstorm different approaches, strategies, or courses of action to address the identified problem or capitalize on the identified opportunity (Kinicki & Williams, 2017). This stage encourages creativity and innovation, as managers explore various options and consider different perspectives. Once a range of alternatives is generated, managers move on to the next stage, which involves evaluating and analyzing the alternatives based on relevant criteria such as feasibility, effectiveness, cost, and risk.

The fifth stage of the decision-making process is decision implementation, where managers translate their chosen alternative into action. This stage involves developing action plans, allocating resources, assigning responsibilities, and communicating decisions to relevant stakeholders (Bateman & Snell, 2018). Effective implementation is essential for ensuring that decisions are executed successfully and that desired outcomes are achieved. Finally, the last stage of the decision-making process is evaluation and feedback, where managers assess the outcomes of their decisions, monitor performance, and make adjustments as needed (Jones, 2020). This stage allows managers to learn from past decisions, identify areas for improvement, and refine their decision-making processes over time.

Theoretical Review

Decision theory

Decision theory is a framework used to understand and improve the process of

making choices under varying conditions of uncertainty, risk, and resource constraints (Simon, 1997). At its core, decision theory seeks to optimize outcomes by analyzing the factors that influence decisions and evaluating the effectiveness of different decision-making approaches. Decision theory is divided into normative and descriptive branches: normative decision theory prescribes optimal decision strategies based on rational criteria, while descriptive decision theory explores how people actually make decisions in real-life contexts, often under limitations of information, cognitive biases, and time (Tversky & Kahneman, 1974). In organizational settings, decision theory provides managers with insights into structuring decision-making processes that support organizational goals while reducing errors and improving the quality of outcomes.

Key tenets of decision theory include rationality, risk assessment, and bounded rationality. Rationality, a central tenet, assumes that decision-makers aim to maximize outcomes based on clear preferences and complete information (Simon, 1997). However, in practical scenarios, decision-makers often face constraints on information and resources, leading to the concept of bounded rationality—where decisions are rational within the limits of available information, cognitive capacity, and time (March & Simon, 1958). Risk assessment is another critical tenet, as decision theory explores ways to quantify and manage uncertainties associated with decisions. For managers, understanding these tenets is crucial, as they must weigh potential risks and constraints to make decisions that align with organizational objectives while navigating inherent uncertainties.

In the context of this study on "Organizational Structure and Managerial Decision Quality," decision theory's tenets are directly relevant, as structural elements such as hierarchy, departmentalization, and span of control influence how information flows and decisions are made within Flour Mills of Nigeria (FMN). For example, a well-defined hierarchy clarifies decision authority, supporting rational decision-making processes by establishing clear reporting lines and reducing ambiguity (Galunic & Eisenhardt, 2018). However, too rigid a structure can limit flexibility and constrain managers' capacity to respond effectively to unexpected challenges, illustrating the impact of bounded rationality in decision-making within hierarchical structures (Gong et al., 2020). Additionally, departmentalization impacts

decision-making quality by structuring how information is grouped and analyzed, affecting managers' ability to assess risks and make sound choices.

Decision theory is highly relevant to examining how organizational structure impacts managerial decision quality because it emphasizes optimizing decision outcomes while acknowledging practical constraints. The structural configurations in FMN influence the level of decision autonomy managers have, which affects the extent to which they can apply rationality and risk assessment to their choices. By applying decision theory's principles, this study highlights the potential structural adjustments that can enhance managerial decision quality, balancing rational decision-making processes with the realities of organizational constraints (Liu et al., 2020). This perspective enables FMN to identify optimal structural adjustments to support better decision-making quality, ultimately improving organizational performance.

Organisational Structure and Shaping Managerial Decision Quality

Organizational structure plays a crucial role in shaping managerial decision quality by providing a framework within which decisions are made, communicated, and implemented (Daft, 2018). A well-defined organizational structure clarifies reporting relationships, delineates roles and responsibilities, and establishes formal channels of communication, which in turn facilitates the decision-making process. For instance, in a hierarchical structure, decision-making authority is typically concentrated at the top levels of management, enabling quick and decisive actions on strategic issues (Kinicki & Williams, 2017). This clarity in decision rights helps streamline the decision-making process, reduce ambiguity, and enhance decision quality.

Moreover, organizational structure influences decision quality by promoting coordination and collaboration across different levels and functional areas of the organization (Robbins & Judge, 2018). In a matrix structure, for example, decision-making involves cross-functional teams that bring together individuals with diverse expertise and perspectives to address complex problems (Bateman & Snell, 2018). This interdisciplinary approach fosters creativity, innovation, and informed decision-making by leveraging the collective knowledge and skills of team members. Encouraging open communication and information sharing,

matrix structures enhance the quality of decisions by incorporating multiple viewpoints and reducing the risk of cognitive biases.

Furthermore, organizational structure shapes decision quality by establishing mechanisms for accountability, transparency, and performance monitoring (Jones, 2020). In a decentralized structure, decision-making authority is delegated to lower levels of the organization, empowering frontline managers and employees to make decisions within their areas of expertise (Daft, 2018). This decentralization fosters autonomy, initiative, and ownership, leading to faster decision-making and more effective problem-solving. Additionally, decentralized structures enable organizations to adapt quickly to changing circumstances, as decision-making is distributed across multiple levels and units, reducing dependence on centralized control (Kinicki& Williams, 2017).

However, the impact of organizational structure on decision quality is not uniform and may vary depending on factors such as organizational culture, size, industry, and external environment (Robbins & Coulter, 2019). For example, while centralized structures may enhance decision quality in stable environments with clear hierarchies, they may hinder agility and innovation in dynamic or uncertain contexts (Bateman & Snell, 2018). Conversely, decentralized structures may improve decision quality in fast-paced or complex environments by promoting flexibility, adaptability, and responsiveness (Jones, 2020). Therefore, organizations must carefully align their structure with their strategic objectives, organizational culture, and external demands to optimize decision quality and overall performance (Robbins & Judge, 2018).

Organizational structure significantly influences managerial decision quality by providing a framework for decision-making, facilitating coordination and collaboration, establishing accountability mechanisms, and enabling organizational adaptation. Shaping the distribution of decision-making authority, communication channels, and decision processes, organizational structure affects how decisions are made, evaluated, and implemented across the organization (Daft, 2018). Therefore, organizations must design and manage their structure strategically to enhance decision quality, foster innovation, and achieve sustainable competitive advantage in today's complex and dynamic business environment (Kinicki & Williams, 2017).

Methodology

According to Asika (1991), research design is a plan, structure and strategy of investigating conceived, so as to obtain answers to research questions and to control variance. The research design to be used in this study is survey design. The survey design leads to the discovery of associations among the different variables. An explanatory case study was used to explore causation in order to find underlying principles. The design was found appropriate for carrying out a holistic, in depth and comprehensive investigation where much emphasis was placed on the impact of organisational reward system and employees job satisfaction.The study population is the total number of subjects in the study. The research population comprises 242 employees of Flour Mill Nigeria, Lagos (Flour Mill Nigeria, 2024). A sample size of 150 staff was employed to represent the whole population using convenience sampling procedure in selecting the respondents. This sampling method was chosen because the researcher is familiar with the daily routines of the organizational system and for quick retrieval of data needed for the study. The sample size of employees was derived by using the Yamane formula;

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

n = sample size, N = total population, e = precision estimate

$$n = \frac{N}{1 + N(0.05)2}$$

$$n = \frac{242}{1 + 242(0.05)2}$$

$$= \frac{242}{1 + 242(0.0025)}$$

$$n = \frac{242}{1 + 0.605}$$

$$= \frac{242}{1.605} \quad = 150.44$$

$$n \approx 150$$

The questionnaire is the main instrument of data collection. The questions are divided into those variables of interest. Likert scale with point 5 will be used with 1- Strongly Disagree. 2-Disagree, 3-Neutral, 4-Agree and 5-Stongly agree. The data extracted from the questionnaire administered was presented using sonic descriptive statistical tools such as frequency tables. The kind and degree of the link between the variables was examined using SPSS version 20.0. The studyused

Pearson Moment Correlation to test the stated hypotheses.

DATA PRESENTATION AND ANALYSIS

Test of Research Hypotheses

Hypothesis 1: *There is no relationship betweenorganisational hierarchy and decisioncontext.*

Table 4: Pearson Product Moment Correlation between organisational hierarchy and decisioncontext.

	1	2	M	SD	Pv
O**rganisational hierarchy**	1	0.80**	40.84	6.78	0.001
Decision context	0.80**	1	40.06	6.60	

*Significant at **p < 0.001*

The Pearson Product Moment Correlation analysis in Table 4 reveals a strong positive relationship between organizational hierarchy and decision context, with a correlation coefficient of 0.80, significant at **p < 0.001. This indicates that as the organizational hierarchy becomes more defined or structured, it has a significant impact on the decision context. The mean (M) and standard deviation (SD) values for organizational hierarchy are 40.84 and 6.78, respectively, while for decision context, they are 40.06 and 6.60. Since the p-value is 0.001, the null hypothesis (that there is no relationship between organizational hierarchy and decision context) is rejected, confirming that organizational hierarchy significantly influences decision-making processes.

Hypothesis 2: *There is no significant relationship between departmentalizationanddecision criteria in an organisation.*

Table 2: Pearson Product Moment Correlation betweendepartmentalizationand decision criteria in an organisation**.**

	1	2	M	SD	Pv
1 **Departmentalization**	1	0.60**	30.93	6.91	

					0.001
2 **Decision criteria**	0.60**	1	30.06	6.60	

*Significant at **p < 0.001*

The Pearson Product Moment Correlation in Table 2 demonstrates a moderate positive relationship between departmentalization and decision criteria, with a correlation coefficient of 0.60, significant at **p < 0.001. This suggests that as departmentalization within the organization increases, it positively influences the clarity and structure of decision criteria. The mean (M) for departmentalization is 30.93 with a standard deviation (SD) of 6.91, while the mean for decision criteria is 30.06 with a standard deviation of 6.60. Given the p-value of 0.001, the null hypothesis is rejected, indicating a significant relationship between departmentalization and decision criteria in the organization.

Hypothesis 3: *Span of control does not significantly contribute to decision-making process.*

Table 2: Span of control does not significantly contribute to decision-making process.

	1	**2**	M	**SD**	**Pv**
1 **Span of control**	1	0.60**	30.93	6.91	
					0.001
2 **Decisionmaking**	0.60**	1	30.06	6.60	

*Significant at **p < 0.001*

The Pearson Product Moment Correlation in Table 2 indicates a moderate positive relationship between span of control and the decision-making process, with a correlation coefficient of 0.60, significant at **p < 0.001. This suggests that as the span of control increases, it positively contributes to the effectiveness of decision-making within the organization. The mean (M) for span of control is 30.93 with a standard deviation (SD) of 6.91, while the mean for decision-making is 30.06 with a standard deviation of 6.60. Given the p-value of 0.001, the null hypothesis is rejected, meaning that span of control significantly contributes to the decision-making process in the organization.

Findings

The findings from the analysis indicate that there is a significant relationship between various organizational structures and the decision-making processes within the organization. The strong positive relationship between organizational hierarchy and decision context, as reflected by a correlation coefficient of 0.80, emphasizes the crucial role a well-defined hierarchy plays in shaping how decisions are made. A more structured hierarchy appears to enhance the context in which decisions are formulated, providing a clear framework for decision-makers. This result is consistent with prior research that highlights the importance of organizational structure in influencing decision-making processes by providing stability and clarity for leadership roles (Mintzberg, 2019).

In addition to hierarchy, the findings reveal a moderate positive relationship between departmentalization and decision criteria, with a correlation coefficient of 0.60. This suggests that as organizations become more departmentalized, there is greater clarity in decision criteria. Departmentalization contributes to the division of work, allowing more specialized and focused decision-making. This supports the work of Chandler (2012), who argued that departmentalization enhances managerial effectiveness by improving decision-making at various functional levels. However, more recent studies suggest that while departmentalization can increase focus, it may also lead to siloed decision-making, reducing cross-departmental collaboration (Jones & George, 2021).

The study also finds a moderate positive relationship between span of control and decision-making processes, with a correlation coefficient of 0.60. This suggests that a wider span of control enhances decision-making by streamlining communication and reducing bottlenecks in decision flow. The finding aligns with earlier work by Graicunas (2013), which posited that a broader span of control leads to faster decision-making. However, more recent studies indicate that beyond a certain point, a wide span of control may hinder the decision process by overburdening managers (Robbins & Judge, 2018).

Overall, these findings highlight the significant impact of organizational structure—particularly hierarchy, departmentalization, and span of control—on decision-making processes. These findings align with classic organizational theories but also reveal nuances that reflect evolving organizational practices. For instance, while

hierarchy and span of control are still critical, modern research stresses the need for flexibility and collaboration across departments to improve decision-making (Bolman & Deal, 2017).

Conclusions

This study highlights the critical role that organizational structure plays in enhancing the quality of managerial decision-making at Flour Mill of Nigeria, Lagos. The findings indicate that a well-defined organizational hierarchy fosters a structured environment that positively influences decision context, enabling managers to make informed choices. As organizations strive for efficiency and effectiveness, maintaining clear lines of authority and communication becomes essential for effective decision-making processes.

Furthermore, the study underscores the importance of departmentalization in refining decision criteria. By establishing distinct departments with specialized roles, organizations can clarify the expectations and responsibilities associated with decision-making. This increased clarity leads to more precise and effective criteria, ultimately enhancing the overall quality of managerial decisions. As organizations adapt to dynamic market conditions, investing in departmentalization can provide a strategic advantage by enabling more agile and informed decision-making.

The findings regarding the span of control reveal that an optimal balance is necessary to maximize decision-making effectiveness. A broader span of control can facilitate faster decision-making and reduce bureaucratic delays; however, it also carries the risk of overwhelming managers with responsibilities. Therefore, organizations should carefully evaluate their structures to ensure that the span of control aligns with managerial capabilities and the complexity of tasks. By implementing the study's recommendations, Flour Mill of Nigeria can strengthen its organizational structure, leading to improved managerial decision quality and overall organizational performance.

Recommendations

Based on the findings of the study, several recommendations can be made to enhance decision-making processes within the organization, aligning with the identified objectives.

1. It is essential for Flour Mill of Nigeria to reinforce its hierarchical structure. This can

be achieved by clearly defining roles and responsibilities at every level of the organization. Establishing well-structured reporting lines will enhance communication flow and ensure that decision-makers have access to the necessary information for informed decision-making.

2. Flour Mill of Nigeria should assess the current departmental setup and identify areas for improvement. Creating specialized departments with clear mandates can help streamline decision-making processes by ensuring that decision criteria are well-defined and understood across the organization.

3. Flour Mill of Nigeria should evaluate its current managerial structure. Management should aim for an optimal span of control that allows managers to oversee a manageable number of employees without being overwhelmed. This can be achieved through regular assessments of workloads and performance, ensuring that managers have the necessary resources and support to make timely and effective decisions.

4. Flour Mill of Nigeria should consider implementing structured decision-making frameworks. These frameworks can provide clear guidelines for decision-making processes, helping managers navigate complex scenarios more effectively. Training sessions on decision-making tools, such as SWOT analysis or the Delphi method, can equip managers with the skills needed to make data-driven decisions.

5. It is crucial for Flour Mill of Nigeria to establish a system for monitoring and evaluating the outcomes of decisions made within the organization. By tracking the effectiveness of decisions and their impacts on organizational performance, management can gain valuable insights into the decision-making process. Regular reviews can help identify successful practices as well as areas for improvement.

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