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ORGANISATIONAL STRUCTURE AND PERFORMANCE OF DEPOSIT MONEY BANKS IN KWARA STATE, NIGERIA

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Abstract

The organisational structure of deposit money banks in Nigeria is predominantly centralised, thereby restricting the decision-making capacity of branch managers. This limited autonomy often hampers timely responses to local market conditions and customer needs, ultimately undermining service delivery and organisational performance. This study examined organisational structure and performance of deposit money banks in Kwara State, Nigeria. The study's population consists of 299 top and middle managers of Tier-1 banks in Ilorin, Kwara State, Nigeria, and a sample size of 169 was determined using the Raosoft sample size calculator. Primary data was gathered through a structured questionnaire and 160 valid responses were retrieved at response rate of 94.7%. Stratified random and proportional sample distribution was adopted. Multiple regression analysis was utilised to analyse the data and test of the hypotheses. The results of the study showed that hierarchical organisational structure had a significant positive impact on the performance of deposit money banks (β = 0.364, t = 4.958, p < 0.05. The study concluded that hierarchical organisational structure significantly impact the performance of deposit money banks. The study recommended that deposit money banks in Kwara State should enhance the hierarchical organisational structure to improve stability and accountability.

Keywords: Organisational structure, Deposity money banks, Performance, Kwara state.

Introduction

The dynamics in the business world have positioned financial institutions in Nigeria in a position where they have to create special identities of their own. These identities have combinations of attributes that are unique and help to improve the organisational performance. It is one of the goals of practically any organisation to attain their goal; the deposit money banks in Nigeria create inner order and relations between the units, which can be referred to as organisational structure (Castaner & Oliveira, 2020). An

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organisational structure is more of a hierarchical concept, which involves subordination of structures that work together and contribute to organisational objectives. Organisations are clustered with a number of entities. In an organisational structure, there are styles which are set in it and which depend on the goals which it is intended to ensure are achieved, but with poor structuring, many organisations never achieve it. Organisations in recent times, in their quest to adopt the best form of structure to ensure that they achieve maximum performance, have experienced a lot of problems (Ajeigbe et al., 2019; Awala, 2024).

The world banking industry has undergone a massive transformation over the past several decades, whereby organisational structure comes out as one of the most important determinants of organisational performance and competitive advantage. Progressively, Nigeria and the international banking institutions in the developed economies like the United States, the United Kingdom, Germany and Japan have come to realise that service quality and business performance are direct results of strategic organisational structure The development of the modern banking systems has demonstrated that any financial institution whose organisational structure has been properly coordinated has always been more successful as compared to the other financial institutions in respect to profitability, customer satisfaction, and adherence to set regulations (Joseph & Gaba, 2020; Gutterman, 2023).

Organisational structure in the financial sector has been found to be more progressive, whereby the banks have discovered that structural structures should correspond with strategic objectives and regulatory and market pressures (Maley et al., 2024). Hierarchical organisational structure has marked the Nigerian banking business since the inception of the sector, and this most definitely provides a chain of command and accountability as well as uniform systems of operation also required in accordance with the regulations as well as in risk management. The implications of the regulation requirements on structure in Nigeria have particularly been evident as the banks have to strike a balance between the requirements of CBN compliance and the functionality of operations and its response to the competition (Nwankwo et al., 2022; Egbe et al., 2024). The necessity to build lines of power, to develop the standardised procedures, and to possess strong control instruments needed for financial risk to be covered and by the regulations of the various layers of compliance necessitated the hierarchical character of conventional banking. The implications of structural choice on the performance of banks are exponentially varied depending on the position of the environment, and the hierarchical efficiency and matrix responsiveness and collaboration can work better in some banks (Ugwu et al., 2021; Tran and Tian, 2021).

The performance of deposit money banks in Nigeria has been central to nation-building because these financial institutions are the primary channels of solicitation of savings, financing business, facilitating payments, and promoting financial inclusion. The Central Bank of Nigeria (CBN) reforms through consolidation, recapitalisation and digital banking have enhanced the sector over the years to lead to improved profitability, wide service coverage and increased efficiency in operations. Such reforms in Kwara State have been converted to scale to the expansion of banking services in which the banks have been capable of providing significant financial support to SMEs and traders at the same time as to the households. Deposit money banks in Kwara State have been more participatory in the provision of financial services to the peri-urban and rural population via innovations such as mobile banking, internet banking and agency banking, hence facilitating business, agriculture and economy at the grassroots. They also contribute a lot to the creation of employment, generation of wealth and general development of the economy of the state because they are the financial intermediaries. Despite the reforms in place, the deposit money banks in Kwara State are faced with a number of challenges that restrict their performance. Customers complain of delays, poor responses to complaints, and interruptions in digital banking (Gutterman, 2023; Zani et al., 2024; Bakare et al., 2025). Nevertheless, even though the hybrid structure has been adopted by deposit money banks in Kwara State, some decisions are made at the headquarters.

Statement of the Problem

Due to Nigerian banking reforms and the complexity of deposit money banks, there remains a challenge in the sector in a translation of structural arrangements into repeated performance results (Joseph & Gaba, 2020). The prevalence of hierarchical organisational structure in deposit money banks has created enormous problems in terms of efficiency in operations and responsiveness to customers. Although the purpose of hierarchy is to foster authority and accountability, in practice, it has led to excessive bureaucracy, duplication of functions, and slow decision-making processes. Customers frequently experience delays in taking out loans or settling disputes because decisions have to go through numerous levels of authority, frequently out of the state. This staleness undermines the innovation, restricts the independence of branches, and aggravates customer confidence, and banks are unable to respond to the needs of a rapidly changing banking world (Nwankwo et al., 2022; Justina et al., 2023; Matriano, 2024; Awala, 2024; Mustapha et al., 2024).

Research Questions

How does hierarchal organisational structure affect service quality of selected deposit money banks in Kwara State, Nigeria?

Research Objectives

Evaluate the effect of hierarchal organisational structure on service quality of selected deposit money banks in Kwara State, Nigeria.

Research Hypotheses

Ho1: Hierarchal organisational structure does not have a significant impact on service quality of selected deposit money banks in Kwara State, Nigeria.

Scope of the Study

This study focused on organisational structure and performance: a study of selected deposit money banks in Kwara State, Nigeria. The unit of analysis of this study was the management staff of selected deposit money banks in Ilorin, Kwara State. The management staff was chosen because they are responsible for enforcing organisational structure and overseeing the work of subordinates and ensuring organisational goals are met efficiently.

Literature Review

The word 'organisation' is derived from the word 'organism', which is used to describe something that is comprised of several parts, which are bound together by virtue of their association to each other (Henry et al., 2025). According to Castaner and Oliveira (2020), an organisation is defined as two or more individuals who collaborate in an integrated way to achieve common interests. An organisation is a coordination of joint work of two or more people. It is, more or less, a man-to-man, job-to-job and department-to-department. The term 'organisation' means the division or the splitting up of activities within the staff and then systematically arranging the staff into a group towards the achievement of the common goals of the organisation, which are the goals. As Nwankwo et al. (2022) define, structure is internal differentiation and patterning of relationships to which the organisation sets limits and boundaries to effective performance by the organisation members through demarcation of responsibilities, control of resources and other matters. Besides this, Awala (2024) defines structure as a comparatively stable allocation of work roles and administration systems that results in a pattern of interdependent work processes and permits the organisation to perform and organise its work and direct its actions.

Organisational structure is simply the manner in which individuals or a group of individuals within an organisation are arranged and how their roles are interconnected in a manner that all individuals are directed towards the same goals. Aneozeng and Egbe (2024) refer to organisational structure as the pattern of work-related behaviour that is formalised through design to accomplish organisational goals. Bakare et al. (2025) defined organisational structure as how the job tasks are formally organised. According to Tran and Tian (2021), organisational structure is the way responsibility and power are allocated in the organisation as well as the way the organisational members work using work procedures. Described differently by another scholar, Ugwu et al. (2021) explained organisational structure as people with particular roles and jobs to help in attaining a given goal.

Hierarchal Organisational Structure

The word 'hierarchy' originated in the Greek 'hierarkhia' ('hierarchia'), meaning a sacred ruler, and, as the name implies, when this term was coined centuries ago, it was used to depict a sacred organisational hierarchy. This ruling system being sacred was inviolable and unquestionable. That is, a hierarchy was a system of power whereby members of the hierarchy were expected to subordinate to the authority and obey it without question. One of the traditional organisational structures is hierarchical organisational structure, and it involves various levels of control in a pyramid-like structure in which the decision-making power is delegated down the hierarchical lines of control. Joseph and Gaba (2020) define hierarchical structure as the official allocation of roles and responsibilities among the different levels of an organisation and the determination of the lines of accountability and communication channels. This structure ensures that the information flow is in specific channels and that decisions are made by individuals with the appropriate level of authority. Gutterman (2023) goes further to explain that hierarchical structure involves specialised departments and functional units that are developed upon which they coordinate under centralisation and scale of operations and offers organisations the enjoyment of economies of scale and consistency in their operations. Matriano (2024) states in another perspective that the hierarchical organisational structure is predictable and stable, as it provides a formal process, standard processes, and performance expectations.

The structures also assist the organisations to stay orderly and disciplined, and at the same time, they make organisational goals to be undertaken in an orderly manner at all levels. As Jerab and Mabrouk (2023) explain, hierarchical structure is rooted in the principle of scalar chain, according to which all the employees are subordinated to one superior, and authority decreases as the worker goes down the organisational ladder.

Performance of Deposit Money Banks

Performance is the capacity of an organisation to accomplish its plans and also to measure success. It describes how an organisation is efficiently and effectively utilising its resources, hence accomplishing its goals, creating value and remaining in the lead. According to Kumar et al. (2022), performance refers to how an organisation utilises its resources to achieve its goals and objectives; it is essential because it establishes the level of organisational performance. Performance implies that the success of an organisation is dependent on how well it manages the work it performs and what it produces outside. Mios et al. (2021) also affirm that organisations are required to operate within a dynamic environment and plan strategically to give them a competitive advantage over their competitors. It is on this basis that performance is of paramount importance to every organisation in the modern world, whether it is the public organisations or the private organisations, the commercial organisations or the non-profit organisations.

The problem managers of organisations have is to maximise industrial production by maximising human production or getting more out of machines in a span of several years (Castaner & Oliveira, 2020; Maley et al., 2024). Tran and Tian (2021) state that performance can be defined as the way in which a company uses its resources to meet its objectives, and they argue that it plays a significant role in the procedure of discovering organisational effectiveness. Performing well is to make sure that the organisation keeps changing with new challenges and is also productive. In this study, performance is measured using service quality, because it shows how well deposit money banks satisfy their customers and competitive. The dimensions used to determine service quality are the SERVQUAL dimensions of reliability, responsiveness, assurance, empathy, and tangibles (Elizaj et al., 2020; Kuprenas, 2023 Mustapha et al., 2024).

Service Quality

According to Amisha (2024) service quality is a concept of fitness to use, meaning that the capacity of a service to fulfill its customer needs and expectations are the main value proposition of the service. This definition gives more attention to the functional dimension of quality of services and therefore includes as attributes of service quality, reliability, responsiveness, and competence in service provision. Technical characteristics alone cannot adequately describe service quality because services are intangible. The definition presented by Ferdinand (2025) is more comprehensive and includes eight dimensions of service quality, namely, the performance, features, reliability, conformance, durability, serviceability, aesthetics, and perceived quality.

These dimensions, reveal that the dimension of service quality is about not only the functionality of a service but also the emotional experience customers receive due to that service as well as the perceived value given in the process of service encounter. Service quality, therefore, should be conceptualised as a multidimensional concept that merges both tangible features of service and intangible customer perceptions. Georgewill and Ibietela (2025) define service quality as superiority or excellence in service delivery whereas Irianti et al. (2024) claim that service quality refers to the perception of the customer regarding the overall quality or differentiation of service when compared to its expected use and against possible options. Quality of service is a feature that relies on its capacity to meet the implied or stated customer requirements during the service delivery process. Koeswayo et al. (2024) contend that the quality of services should be measured with the customer in mind, this is made possible by conducting a market research to know the needs and expectations of the consumers when it comes to service delivery.

Conceptual Framework

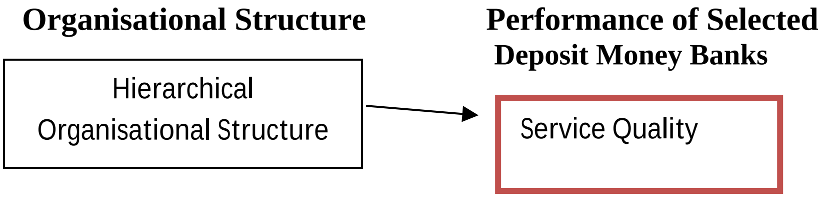

Figure 1: Conceptual Framework of the Study

Source: Author's Conceptualisation (2025)

Underpinning Theory

The underpinning theory of this study is the contingency theory propounded by Lawrence and Lorsch (1967) and Burns and Stalker (1961). The theory posits that the optimal organisational structure depends on contingency variables, that is, environment, technology, and strategy (Moniz, 2020). The contingency theory is used to explain how hierarchical aligned to different environmental demands to ensure maximum performance is attained. According to the theory, hierarchies are optimal in stable environments that require process standardisation (Pacheco et al., 2024). The reason why this structure can enhance the performance is explained by this theory, as performance is the by-product of the congruency of the structure and the situational demands. The contingency theory is relevant in the case of deposit money banks in Nigeria, as this type of theory presupposes being able to meet regulatory requirements and remain sensitive to the market simultaneously, as under particular circumstances, which depend on the situation in which the bank is working, this structure can be used (Zani et al., 2024). The primary assumptions of the theory are that the effectiveness of organisations is reached by adjusting structure to contingencies and that there is no single best way to manage. Also, contingency theory has been criticised because of its deterministic nature, its inability to identify contingency factors, and low predictability (Shala et al., 2021).

The reason why this theory is adopted in this study is that it is the only theory that emphasises that structural-environmental fit is what leads to organisational effectiveness and not structural universality, which directly fits the purpose of the study, which focus on how hierarchical structure can be effective in different situations. Whereas the bureaucratic theory of Weber postulates that hierarchies are universally most suitable and the administrative theory of Fayol lays down broad organisational principles, the contingency theory is, in particular, that structural effectiveness is contingent and is, therefore, relevant to the structures that the study presents. The basic situational determinism underlying the theory is no different than the situational focus on the Nigerian banking settings of the study, where the complex nature of regulation and market uncertainty dictates unique environmental factors of the specific environment that required structural adjustments to perform optimally (Joseph & Gaba, 2020; Lazarević & Ružičić, 2023; Matriano, 2024; Zani et al., 2024).

Empirical Review

Ugwu et al. (2021) examined organisational structure and employee performance in microfinance banks in Enugu State. The study employed a survey research design, and the data was gathered through both primary and secondary sources. The study population was composed of 67 members of staff of the three sampled microfinance banks in Enugu State, with the determination of a sample population of 57 members of staff being done using Cochran's statistical formula of finite population. The research instrument was also subjected to face validity and content validity testing, and the reliability of the instrument was tested by using the Spearman rank correlation coefficient, and the result was r = 0.95. The data obtained was analysed through the non-parametric Kruskal-Wallis test with version 15.0 of Minitab statistical software (MSS). The findings showed that the structure of an organisation is a significant factor that affects the performance of employees in the two microfinance banks. The rationale of this claim was due to the outcome of the generated data, where the Kruskal-Wallis test (H) showed the round values of 0.000 and 0.000, respectively. The study concluded that the existing framework adopted by the selected microfinance banks is supportive of the enhancement of the working of the employee and hence should be encouraged. Following the findings and the conclusion, it was recommended that an orientation on the principles of organisational structure should be conducted among the employees.

Nwankwo et al. (2022) investigated the effect of organisational structure on performance of selected commercial banks in Nigeria. The study employed a positivistic research paradigm. One hundred and ninety-two employees of three commercial banks, i.e., Access, Fidelity and Zenith banks, located in Anambra State, were selected using random sampling. Data collection on the employees was conducted through a structured questionnaire, and the analysis was conducted on the data with the help of Analysis of Variance and SPSS version 26. The findings reveal that the formalisation has a primary effect as positive and significant on the commitment of the workers (F-value=2.233; p-value=0.022). Hierarchical layers at the banks have a significant and positive influence on the effectiveness of the employees (F-value=0.726; p-value=0.015), and the departmentalisation has a significant and positive influence on the service delivery by the employees (F-value=2.142; p-value=0.016). Overall, the study concluded that organisational structure is a powerful and beneficial factor in employee performance in commercial banks. The organisational structure aspect is the element that must be exploited by the strategists of both corporate and human resource practitioners in commercial banks to assist them in getting the employees on board with commitment, efficiency, and performance as a strategic enabler to the provision of quality service internally in helping others and externally to the customers.

Justina et al. (2023) investigated the effects of the organisation structure on the performance of telecommunication companies in Enugu, Nigeria: a case study of MTN Telecommunications PLC Enugu. Its objectives were, however, to examine the role of mechanistic structure on corporate goal achievement of MTN Telecommunications PLC Enugu as well as to examine the role of organic structure on employee commitment in MTN Telecommunications PLC Enugu. The population was 121 mainstream employees of the MTN Enugu, and in order to make sure that this sample covered the entire population, there was a need to use the entire population in the study. Data were obtained through questionnaire and oral interview. The analysis was conducted in the form of simple linear regression with a level of significance of 5 per cent. And according to the analysis, it was discovered that the effects of mechanistic structure are negative concerning the performance of the organisation of the MTN Telecommunications PLC Enugu, and the effects of organic structure are positive concerning the commitment of employees in the Enugu branch of the MTN Telecommunications. Therefore, the study established that the efficiency and productivity of an organisation are not only determined by the structure of an organisation but also by the morale and job satisfaction of employees of an organisation. The study recommended that managers should adopt organisational structures that can help them to integrate and optimise available resources to achieve organisational objectives.

Awala (2024) assessed the effect of organisational structure on performance of Ernst and Young Nigeria. The main aim of the study was to assess the impact of organisational structure on employee performance. Formalisation, centralisation of power, specialisation, chain of command and control, breadth of control and traditionalism are the indicators of effect that were taken into account in the study. Data were collected using primary sources in this study. Ernst and Young administered a standardised questionnaire to 249 of their employees in Nigeria. Regression analysis was used to test the hypotheses using the data. The study found that the chain of command and specialisation had the greatest impact on employee performance in Ernst and Young Nigeria, and command-and-control structure and traditionalism had moderately greater or smaller impacts on employee performance at the company. This study recommended that the management seek new strategies to refresh model parameters to keep pace with technical advancements, as the work was affected by covid-19.

Aneozeng and Egbe (2024) examined organisational structure as a driver of business performance in manufacturing companies of Nigeria. It examined how the performance of manufacturing firms is affected by structural factors of specialisation and hierarchy. The study design was Ex-post facto research and stratified random sampling were used to self-administer 282 participants in three manufacturing firms with a five-point Likert scale structured questionnaire. The data obtained were analysed by simple linear regression. Results showed that specialisation and hierarchy have significance to the performance of manufacturing companies. The levels of hierarchy should be managed in terms of the control and flexibility needs and employee empowerment. Having too many hierarchies results in strict control, inflexibility, centralised decision-making and over-specialisation processes that inhibit the creative thought processes, flexibility and innovativeness. In addition, the work rules must be capable of amendment because specialisation can be perfected and must be balanced to the work.

Methodology

This study employed a cross-sectional survey research design in order to investigate organisational structure and performance: a study of selected deposit money banks in Kwara State, Nigeria. The target population comprises 299 management staff of Tier-1 banks. The Raosoft online sample size calculator was utilised to compute a sample size of 169. The stratified random sample proportional distribution was utilised. To have an equal representation, the population was first stratified across Tier-1 banks, and simple random sampling was then used in each stratum to choose the respondents. The sampling technique guarantees the proportionate representation of banks of different sizes and gives every manager an equal chance of being selected to ensure fairness. To gather primary data on the identified variables under organisational structure and performance, a closed structured questionnaire was utilised where the respondents were asked to respond on a 5-point Likert scale where 1 = Strongly Agree, 2 = Agree, 3 = Neutral, 4 = Disagree, and 5 = Strongly Disagree.

To determine the validity, the instrument was reviewed by experts on face and content validity through a panel of subject matter experts and experienced academics, after which necessary revisions were made based on their feedback. A Cronbach alpha was utilised with value exceeding 0.7 for the variables and this indicates internal consistency of the instrument. Multiple regression analysis was utilised to analyse the data collected and test the hypotheses with the aid of statistical software called statistical package for the social sciences (SPSS) version 27. The study was conducted with the ethical standards and comprised voluntary participation, informed consent, anonymity, and confidentiality.

Table 1a: Population Frame

S/N	Names of Banks	Population	Sample
1	Access Bank Plc	58	33
2	First Bank of Nigeria Limited	68	39
3	Guarantee Trust Holding Company	53	31
4	United Bank for Africa	59	33
5	Zenith Bank Plc	58	33
Total		299	169

Source: *Human Resources Department of the Respective Banks (2025)*

Result and Discussion

Table 1b: Response Rate

Returned	160	94.7%
Unreturned	9	5.3%
Total	169	100%

Source: *Author's Fieldwork Computation, (2025)*

As shown in Table 1a&b, 169 copies of the questionnaire were distributed to the respondents. Out of these 160 copies, 94.7% were duly filled in and returned, and 9 copies, representing 5.3%, were not returned at all. The response rate is high, which indicates that the data collection process was efficient and provides strong grounds for the credible analysis.

Table 2: Frequency Distribution of the Respondents' Demographic Characteristics (N=160)

Demographic Variable	Category	Frequency (n)	Percentage (%)
Gender	Male	98	61.3%
	Female	62	38.8%
	Total	**160**	**100%**
Age	30–39 years	52	32.5%
	40–49 years	68	42.5%
	50–59 years	32	20.0
	60 years and above	8	5.0%
	Total	**160**	**100%**
Educational Qualification	HND/BSc	48	30.0%
	Masters/MBA	88	55.0%
	Professional certificate	24	15.0%
	Total	**160**	**100%**
Years of Experience	5–10 years	44	27.5%
	10–20 years	76	47.5%
	Over 20 years	40	25.0%
	Total	**160**	**100%**
Position/Role	Top level manager	53	33.1%
	Middle level Manager	107	66.9%
	Total	**160**	**100%**

Source: *Author fieldwork computation (2025)*

Table 2 shows the demographic data of the 160 respondents. 98 (61.3%) of the respondents were male and 62 (38.8%) were female, depicting a male-dominated management environment. In the age category, the majority of the respondents were in the economically active category, of which 52 (32.5%) were aged between 30 and 39 years, 68 (42.5%) were aged between 40 and 49 years, 32 (20.0%) were aged between 50 and 59 years, and 8 (5.0%) were aged 60 years and above, meaning that most of the managers were in their middle career lives. Regarding education, 48 (30.0%) had HND/BSc degrees, 88 (55.0%) master's/MBA degrees and 24 (15.0%) professional certificates, which is a testimony to a very well-educated workforce capable of contributing to the performance of banks in a strategic and informed manner. This is further reinforced by years of experience with 44 (27.5%) having 5-10 years' experience, 76 (47.5%) having 10-20 years' experience and 40 (25.0%) having more than 20 years in the banking industry, which is an indicator of well-balanced mix of relatively younger professionals and experienced managers. Regarding position, 53 (33.1%) were top-level managers and 107 (66.9%) were middle-level managers. Overall, the demographics show that the study has represented a well-qualified, well-experienced, and diverse sample of respondents, which enhances the validity and reliability of the findings.

Test of Hypotheses

Ho1: Hierarchal organisational structure does not have a significant impact on service quality of selected deposit money banks in Kwara State, Nigeria.

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.712[a]	.520	.514	1.506

a. Predictors: (Constant), hierarchal organisational structure

Source: SPSS Output (2025).

The model summary in table 3 reveals that the regression model evaluating the relationship between the dependent variable (service quality) and the predictors, hierarchical organisational structure has a strong explanatory power. The correlation coefficient (R) of 0.712 indicates a strong positive relationship between the predictors and service quality. The R Square value of 0.520 reveals that the predictors explain approximately 52.0% of the variance in service quality, signifying that the model captures a substantial portion of the factors influencing service quality. The Adjusted R Square of 0.514, which accounts for the number of predictors, supports the model's strength by indicating that 51.4% of the variation in service quality is explained after adjusting for model complexity. The Standard Error of the Estimate (1.506) shows that, on average, the observed values deviate from the predicted values by 1.506, which is a relatively low error, further reinforcing the model's robustness.

Table 4: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	385.672	2	192.836	84.979	.000[b]
	Residual	356.128	158	2.269		
	Total	741.800	160			

a. *Dependent Variable: service quality*
b. *Predictors: (Constant), hierarchal organisational structure*

Source: SPSS Output (2025).

The ANOVA table (Table 5) shows the results of the regression model's significance. The Sum of Squares for Regression is 385.672, which quantifies the variation explained by the predictors, and the Mean Square is 192.836, reflecting the average variation attributed to the predictors. The F-value of 84.979 is statistically significant with a p-value (Sig.) of 0.000, indicating that the model as a whole is significant and the predictors (hierarchal organisational structure) collectively explain a substantial portion of the variance in service quality. The Sum of Squares for Residuals (356.128) reflects the unexplained variance, with the Mean Square of 2.269 showing the average amount of unexplained variation. The results show that the model has strong explanatory power, with a significant contribution from the predictors in explaining service quality.

Table 5: Coefficients[a]

Model		Unstandardised Coefficients		Standardised Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.184	.298		7.329	.000
	Hierarchal organisational structure	.352	.071	.364	4.958	.000

a. *Dependent Variable: service quality*

Source: SPSS Output (2025).

Table 5 shows the coefficient of the effect of hierarchical organisational structure and service quality. The hierarchical organisational structure has a positive and significant influence on service quality with an unstandardised coefficient of 0.352, a standardised coefficient (Beta) of 0.364 and a t-value of 4.958 (p = .000).

Discussion of Findings

The hierarchical organisation structure was found to have a strong positive effect on service quality as indicated by the unstandardised coefficient (B = 0.352), standardised coefficient (Beta = 0.364) and the high t-value (4.958). This means that hierarchical structure is linked to enhanced service quality because of the creation of reporting relationships and lines of authority and effective accountability systems. These aspects lead to effectiveness of operation, sound decision-making and reduction in ambiguity in banking operations. The finding of this study is consistent with the finding of

Gutterman (2023), who asserts that the hierarchical forms are an inevitable condition in large organisations that provides order and coordination. Similarly, the finding of this study resonates with the finding of Joseph and Gaba (2020), who state that Nigerian financial institutions, which had their hierarchies laid, were more effective in the execution of tasks and service delivery to their clients.

The finding aligned with the finding of Matriano (2024), who posits that hierarchical structures maximise managerial control and stabilise organisations in which such control is vital to the performance of a highly regulated sector such as banking. Moreover, the finding of the study corroborates with the findings of Tran and Tian (2021), who stress that the hierarchical structures enable effective supervising and monitoring and, therefore, reduce the possibility of operational error and strengthen the performance of the institution.

Conclusion and Recommendation

In conclusion, the results of this study revealed that hierarchical organisational structure has a positive influence on the service quality of these banks. This is seen in the fact that the hierarchy is closely tied with better management control, accountability, and organisation of work that all lead to improved service delivery and customer satisfaction. According to the findings of this study, the study recommended that:

i. Deposit money banks in Kwara State should enhance their hierarchical framework in order to promote clear reporting lines and accountability provisions. Also, these banks should keep reevaluating their hierarchical systems in order to eliminate bureaucratic bottlenecks in order to ensure that the quality of services offered and performance are enhanced.

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