Impact of Environmental Factors on Organizational Restructuring in the Banking Sub-Sector of Nigeria

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Abstract
This paper examined the impact of environmental factors on organizational restructuring in the banking sub-sector of Nigeria. The results revealed that there is no significant difference in the evaluation of environmental factors that influence restructuring across banks. Furthermore, significant relationships exist between environmental factors and the restructuring of banks, which implies that as the environment changes, banks are expected to proactively make internal adjustments that would sustain their competitive advantage. The results also showed that there is a significant effect on human resources as a result of bank restructuring, thus implying that restructuring leads to continuous downsizing, redundancy and job losses among bank employees.
Keywords: Restructuring; Environmental Factors; Banks; Nigeria

INTRODUCTION

Customer requirements are the most important consideration for business organizations such as banks. Hence, the environment is considered an influential factor in customer satisfaction because to perform well, banks need relevant and timely information about the environment, i.e., their customers, shareholders, creditors, government, employees and competitors. Sources of information are usually classified as either "external" or "internal". External sources of information originate outside the organization, whereas internal sources of information originate within the organization (Sawyerr *et al*., 2000). These two categories are sub-classified into "personal" and "impersonal" sources. Personal sources originate from personal contacts with people inside and outside the organization, whereas impersonal sources originate from sources such as documents or databases. Although evidence referring to the importance of personal versus impersonal sources and internal versus external sources is not consistent, it is generally argued that personal sources are more important than impersonal sources and that external sources are more important than internal sources. Because opportunities and threats continuously change, e.g., due to decisions or actions by stakeholders or competitors, the emergence of new technology, or shifts in customer's preferences and behaviors, the environment must be continuously surveyed and evaluated.

As a result, the environment strongly influences organizations' missions, visions, strategies, business processes, products and services (Tuladhar and Molen, 2003). All businesses operate within a larger framework of the external environment, and while this environment helps shape opportunities, it also poses threats to the organization. In banking, the external environment is a set of complex, rapidly changing, and significant interacting organizations that affect a company's ability to serve their customers. Therefore, it is necessary for businesses to understand the environmental conditions that interact with marketing strategy decisions. Such environmental conditions include: globalization, operational challenges, market pressure government legislation past management failures and economic trend.

It is a means by which management reappraises the organization's current performance with respect to what processes are in place, the contribution of each of the existing processes and which processes can be replaced or completely phased out. In the face of dwindling performance, declining profitability and shrinking market shares culminating in the need to cut costs, reduce inefficiency and enhance effectiveness, firms that desire to survive the intense competition thus offer better services to attract patronage and add value to shareholders. They search for the best fit between resource utilization and result orientation. Restructuring implies raising questions that challenge the creative abilities of managers regarding operations in the design and implementation of business activities. This means making the best use of critical resources, which include personnel; systems, structures and information flows; decision making; and the development and strengthening of core competencies and capabilities (Bolman and Deal, 2008).

Banks play very significant roles in the economy. Without a strong and forceful banking sub-sector, other sectors and industries perform poorly. Accordingly, the development of an efficient banking sub-sector is a prerequisite for economic development and the prosperity of a nation. Though the Nigerian nation is bountifully endowed with petroleum resources, much attention must be paid to the sustained development of the banking sub-sector. Thus, what banks in Nigeria are doing to improve their performances through the restructuring of their processes and relationships among the organization's components, which include people, tasks, and technology, is of crucial concern (Umunnaehila, 2001). Given the level of development of our banking infrastructure, which is considered inadequate to meet the needs of our environment, it is necessary that efforts to enhance and strengthen the performance of banks be encouraged and intensified. If banks become more efficient in their delivery of services, they would positively impact the flow of financial resources to areas of need and, thus, the overall performance of the economy. Therefore, restructuring must be dynamic, consistent and vigorously pursued. In so doing, however, adequate concern and interest must be paid to the forces in the business environment.

In restructuring the processes and relationships among components of their organizations, managers confront challenges and set-backs, which often curtail the effectiveness and results of the managers' efforts. In fact, the results of these changes are sometimes outright failures. For instance, any changes in projects without regard for the human element yield failures, regardless of how grand the ideas are. Bolman and Deal (2008) recognized the role of people in change management when they argued that turnaround is not the result of one individual working alone but rather the result of a well-developed and motivated team. When Stoner *et al*., (2007) explained the phenomenon of human resistance to change, little did they know that rapid forces of change would become one of the most worrisome challenges facing managers. People resist change when they are not adequately educated on its implications, thus entertaining fears of uncertainty as a result of the inertia and apathy people inherently possess. Downsizing the workforce is an inadvertent consequence of corporate restructuring. This is one outcome to which banks must proffer solutions by creating better structures and processes that can lead to creating more jobs.

On the whole, restructuring should be considered to be in the overall best interest of all stakeholders. Though restructuring would adversely affect some segment of those stakeholders whose interests are to be protected, the overall benefits to the entire financial system in the country should be considered paramount. Therefore, it is essential that the successful restructuring of banks be considered an important priority. The success in the banking sub-sector would open the floodgate for other sectors to take risks, learning from the banks' experiences to avoid the pitfalls that were properly documented in the banks' practices. Accordingly, the banks' role in the overall development of the socio-economic life of the nation places immense pressure on their managements to do more and to perform well for the benefit of all. If banks' operations are efficient and satisfactorily meet the customers' needs, the economy stands to gain. Any approach at enhancing the performances of banks through restructuring their processes and promoting efficiency in relationship management is, therefore, paramount in contributing to the national development.

The Nigerian banking sector witnessed dramatic growth post-consolidation. However, neither the industry nor the regulators were sufficiently prepared to sustain and monitor the sector's explosive growth. Prior to the crisis, the sentiment in the industry was that the banking sector was sound and that growth should therefore be encouraged. While the IMF endorsed the strength of the banking system to support this growth, Sanusi (2010) argues that this sentiment proved to be misplaced. Based on the experiences and studies, there are various options for undertaking bank restructuring, most especially during this period of persistent bank crises. Banks must contend with numerous internal environmental factors such as organizational cultures, values, norms, beliefs, finances, research and development, marketing and resourcing, all of which have significant influence on the restructuring process. In the same vein, several external environmental factors such as customers, suppliers, competitors, government, technology, labor markets, shareholders, creditors, competitors and pressure groups also significantly impact the restructuring of banks. Bolman and Deal (2008) reported that a change in the operational environment requires the analysis and re-analysis of the relationships among the organization's components as well as a thorough reappraisal of the operations.

As the factors in the business environment change, it becomes obvious that former structures and processes cannot continue to serve the new challenges. To efficiently address the changing attitudes of workers, customers, and competitors requires that new and innovative structures and processes be in place as the restructuring process of en entire business does not occur in a vacuum. Rather, the changes are instigated by the new forms of relationships that are emerging in the new environment. Successful restructuring improves the performance of the organization, while failing to restructure at the appropriate time may be devastating to the organization. Restructuring commences with identifying changes in the environment, followed by adjusting and streamlining internal relationships and processes to take advantage of the identified changes and reduce the negative impacts that could threaten the very survival and virility of the industry and other sectors (Stoner *et al.,* 2007)

Based on the aforementioned details, this paper examined the most relevant environmental factors and how they independently and collectively impact the restructuring of operations of banks to enhance results. Furthermore, this paper seeks to determine the effect of the restructuring of banks on human resources and to examine the way the banks contend with the dysfunctional implications of restructuring while still achieving a satisfactory performance.

LITERATURE REVIEW

Concept of Organizational Structure in Banks

The performance quality of any service organization largely depends on how relationships between the organization's components are structured (Cole, 2005 and Stoner *et al.*, 2007). Sound, qualitative banking in any economy must meet the following conditions, as outlined by Alayande (2007), for optimum customer satisfaction.

a. High level of professionalism
b. Quality customer services and public relations
c. Quality personnel who possess a wide range of experiences, knowledge and skills
d. Competence in core banking activities exhibited through a motivated and creative workforce with sound knowledge of the bank's products
e. IT (information technology)-networked branches in remote locations to facilitate the scooping of available deposit funds and provide support for efficient service delivery.
f. Highly streamlined processes that add value at any point of contact with the customer.

The immediate implication of the above qualities is that banks must be structured such that they are able to meet the basic needs of their specialized market. They must possess an effective, well-planned and continuously reviewed structure that enhances their ability to ease the transactional costs of their customers (Umunnaehila, 2001). This type of structure must be flexible, extensive, people-based and provide ease of responsiveness to a dynamic environment. The dynamic nature of the banking industry vis-à-vis consistent changes in government economic policies, globalization, customer sophistication/enlightenment and competitiveness therefore demands that banking organizations structure relationships in a market-focused manner. Ajekigbe (2004) concluded that the success of any financial institution depends on how well it markets its products and services. Banks, therefore, must be organized such that priority attention is given to customer satisfaction. This would naturally lead to the creation of wealth for shareholders and employees. Being a service-based organization, the worth of each process and operational activity must be measured with respect to its visibility in the delivery of values (Kolo, 2007)

This market-based structure, according to Stoner *et al*., (2007)), must be sufficiently flat and technology-based, but people should be driven to encourage entrepreneurship, innovativeness and creativity even at the lowest level. People at various levels must therefore be empowered to enhance service delivery. The appropriateness of the flat and market-based structure is recognized by Stoner *et al*., (2007), who value the need to personalize empowerment for those bank personnel who are in direct contact with the customers. It is possible, through leveraging technology, to have very few layers between top management and the customer contact personnel. This means a broad span of management wherein as many as one hundred or more personnel are supervised by one supervisor. The implication of this is that more people are, at any given moment, involved with the key activities that enhance customer satisfaction. Leveraging technology in the banking sub-sector may be most beneficial in those areas that require "repeated exactness and tight tolerances". There should be a unique blend in such matters such as bank accounting with the following characteristics: a distinctly structured technology system and a carefully developed management style and motivation system to support it.

The above qualities would enhance service success in industries such as banking. A well-structured bank would be able to sense changes in its environment and adapt. It should be culturally accepted that corporate diagnoses should be regularly conducted and its (that is, corporate diagnoses) effectiveness frequently measured (FitzGerald, 2007). FitzGerald advanced two reasons for the desirability of regular corporate diagnoses and assessments of an organization's effectiveness. First, by identifying the sources of ineffectiveness, the firm may appropriately restructure or reorganize to improve. Second, because ineffectiveness makes change implementation difficult and failure likely, people should be made the cornerstone of success in the effective structure of banks. It was reported that regular training and an effective motivation/reward system must be an integral part of a well-conceived bank's organizational structure. Another alternative to attract high-quality staff is offering well-packaged incentive programs that are extensively advertised using any effective means of mass communication, particularly e-mail, electronic and print media with high circulation rates.

Structure of Nigerian banking industry before consolidation

Banking originated in Europe in the 17th century and is today a global aspect of the business world. Effective systems of payment and the creation of wealth through commerce and other economic transactions depend extensively on the banking culture for enhanced performance. Over time, the government in Nigeria realized that the deregulation of the banking sector through granting operating licenses to private individuals to float banks as business entities was desirable for economic growth (Adeoye, 2007).

From a modest start with the African Banking Corporation (ABC) in 1892 and since the commencement of conventional banking, Nigeria has recorded a reasonable degree of growth in the size and structure of its banks. The number of banks in the country grew from 15 in 1970 to 26 in 1980, and that number rose to 40 in 1985. The number of banks peaked at 120 in 1992. As of July 2004, the number of deposit money banks in the industry marginally declined to 89. Today, twenty-three (23) banks have emerged after the banking reforms initiated in

2005 by the CBN (Central Bank of Nigeria), which led to the consolidation of eighty-nine banks in 2004 to twenty-five in 2005 and twenty-three in 2009 (Sanusi, 2010).

Structure of Nigerian banking industry after consolidation:

Due to the very nature of the exercise, a number of the recorded cases of mergers and acquisitions that occurred in 2005 in Nigeria involved 'mergers of equal' among relatively smaller banks. This was the case for Access Bank Plc, Unity Bank Plc, Sterling Bank Plc, Skye Bank Plc, First City Monument Bank Plc and Spring Bank Plc, which represent only very few of the acquisition cases recorded at that time (see appendix).

Consequently, and coupled with the existing CBN policy of universal banking that allows banks to cover the areas of insurance, stock brokerage, mortgages, trusteeship and other financial services, competition has been further heightened (Ajekigbe, 2004). Therefore, to survive in such a highly competitive market, changes are required in the orientations, behaviors, attitudes, values, ethics, and approaches to service delivery. Indeed, a culture of continuous change and improvement is now a common feature of banks.

The human factors in restructuring

Restructuring that involves changing the existing modus operandi affects the people, culture and management systems. In the literature, Slevin and Colvin (1990) Talwar (1993) Harmer and Champy (1993), Woherem (2000) and Stoner *et al.* (2007) focus extensively on the human and cultural beliefs involved in restructuring. From the perspective of change management, the literature emphasizes the creation of fear, uncertainty and doubt for people adversely affected and what measures can be taken to mitigate such tensions to obtain the desired results during the restructuring process.

Restructuring leads, in most cases, to dysfunctional consequences such as manpower loss by senior and middle management, flattened structures, reduced opportunities for promotion and advancement, job losses, rumor mongering by those who are not privy to facts and challenges in increasing performance by those still on the job (Cole, 2005). Human resource challenges for the human resources (HR) department include developing team building and pulling resources from various departments or functional areas. Such movement of people definitely creates new tensions and stresses in work relationships. New reward systems, management controls and patterns for information and work flows must be identified and structured (Bolman and Deal 2008).

The question is thus: does the organization's decision to restructure have a basis in the changes that are taking place in the environment of operations? Stoner *et al.* (2007) posit that any changes in an organization's structure that are not based on changes in the organization's environment are superfluous. The major feature of the system theory in management is that the business entity is an integral part of the larger system of relationships and thus influences the business in diverse ways by shaping the business's ability to achieve its purpose and mission and even survive in spite of itself. Indeed, no business entity is an island. It depends on and is depended on by other entities, relationships and networks of relationships. From the perspective of the contingency theory of management, the basis of determining the nature of the relationships among the components of the organization (i.e., people, task and technology) is the environment. A fit must be found between the environment and the structure of the business and between the environment and the strategies of the business (Cole, 1997). However, defining the firm's environment and structure in ways that are widely accepted has been difficult. Therefore, for the purpose of this work, the following definition of structure, as offered by Wilson and Rosenfeld (1990), is considered adequate: "the established pattern of relationships between the component parts of an organization, outlining both communication, control and authority patterns".

The environment consists of the constraints and limitations that exist as result of the social, economic, technological, political, market, industrial, customer, financial and structural pressures and impacts on the organization. In another way, these forces and elements that act to define the extent of influence of the organization define its environment. Cole (2005) defined the external environment as "those elements and pressures which the management has no control over, but which determine their ability and the extent of their achievements." The management can act upon the internal environment. Accordingly, previous decisions and actions determine the influence of internal environmental variables (Tuladhar and Molen, 2003).

To restructure is to conduct an analysis, reappraisal, streamlining and update of existing relationships among activities and events that lead to value delivery or creation and seeks to improve the current performance level. Key factors in restructuring are the existing relationships, the pressures imposed by both internal and external factors, the knowledge-base of the people, people's attitudes and motivations. If a firm is to successfully restructure its processes or its entire business, the dynamism in its environment can only be ignored to its own detriment. People, systems and management styles are changing, and it is imperative to understand how these changes impact the restructuring of a business. Therefore, in this study, the key variables and the relationships of interest are illustrated in figure 1 below:

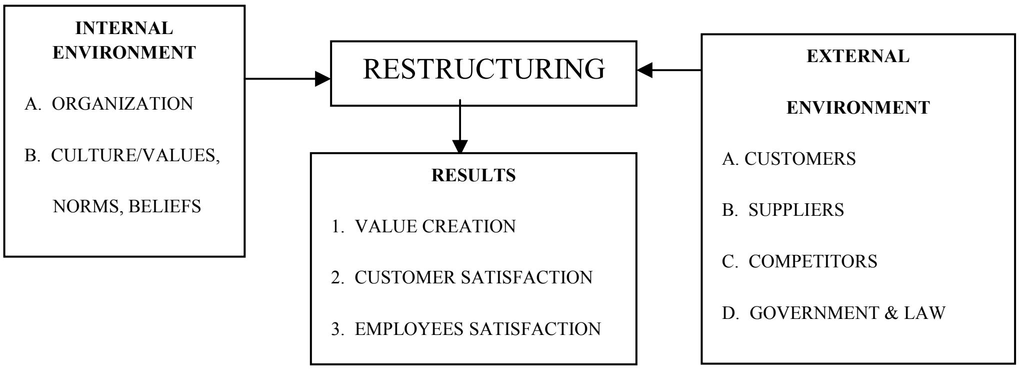

Figure 1: A hypothetical model of the relationship between environment and restructuring in the banking industry in Nigeria.

METHOD

The research was conducted in Lagos State, Nigeria. Lagos was chosen because the city is generally considered to be the most vibrant and dynamic nerve center of Nigeria's economy and activities in this city determine approximately 75% of what occurs in the banking sector at any given time. The study population consisted of all twenty-three (23) licensed commercial banks operating in Nigeria today. One thousand, three hundred twenty (1,320) top management staff of the twenty-three (23) banks made up the population of the study. The top management staff were chosen because they are the ones involved in making strategic decisions on behalf of the bank with respect to the entire reorganization and restructuring of the banks. The top management staff are also given the responsibility of evolving strategies and implementing them to achieve organizational objectives.

Virtually all twenty-three (23) banks with head offices in Lagos had engaged in restructuring. As a result, a multistage sampling procedure consisting of simple random and stratified random sampling techniques was used for the study. The first stage involved the stratification of the twenty-three (23) banks into old and new generation banks to have a fair representation from each category of the banks when selecting the ones to study. The second stage involved purposively selecting five (5) of the twenty-three (23) banks, which was approximately 20%, using simple random sampling techniques. In this way, three banks, i.e., First Bank of Nig Plc, United Bank for Africa Plc and Wema Bank Plc, were purposively selected from the old generation banks, while Skye Bank Plc and Guaranty Trust Bank Plc were purposively selected from the new generation banks. There were two hundred forty-one (241) top management staff members working at the five selected banks. Accordingly, the sample size consisted of two hundred forty-one (241) top management staff members who served as either managers or executive directors in one of the five banks.

TABLE 1
STATUS OF TOP MANAGEMENT STAFF OF BANKS

Name of banks	STATUS					Total
	Manager	Senior Manager	Assistant General Manager	General Manager	Executive Director	
First Bank of Nig Plc	20	11	7	5	3	46
United Bank for Africa	21	13	12	8	5	59
Wema Bank Plc	13	8	6	4	2	33
Skye Bank Plc	19	12	9	6	5	51
Guaranty Trust Bank Plc	21	12	9	6	4	52
Total	94	56	43	29	19	241

Data for this study were obtained from both primary and secondary sources. The primary data were collected through questionnaires and key informant interviews (KIIs). The secondary data were sourced from the annual reports of the banks. Two hundred forty-one (241) questionnaires were distributed and one hundred eighty-one (181) were collected. KIIs were conducted for officers in the strategic management and the research and development departments of the banks to obtain information on the basic functions of the departments, the objectives of the departments, and how the objectives are measured against achievement. Furthermore, interviews were conducted to seek information regarding various methods of identifying environmental factors and strategies usually employed in a restructuring program. Information with respect to the effect of restructuring programs on employees regarding downsizing, rightsizing or retrenchment of staff and the criteria for selecting the staff that are affected by restructuring were also elicited during the interviews.

The collected data were analyzed using Pearson product moment correlation coefficient (PPMCC), chi squared and analysis of variance (ANOVA), and inferences were accordingly drawn from the analyses. The models used for the study were presented as follows.

Analysis of variance was used to test for the significant differences among the means of 3 or more groups or categories of individuals. The SPSS 17 package was also used to determine the mean F-value and its probability level of significance for the selected independent and dependent variables.

TABLE 2
MODEL OF ANALYSIS OF VARIANCE (ANOVA)

Source of variation	df	SS	MS	F-Ratio
Treatment (TR) (between group)	K -1	SS_{TR}	$\frac{MS_{TR}}{df}$	$\frac{MS\ T_R}{MS_E}$
Error (E) (within group)	N – K	SS_E	$\frac{MS_E}{df}$	
Total	**N – 1**	$\mathbf{SS_T}$		

df – degree of freedom, SS – sum of square, MS – mean of sum of square

The Pearson product moment correlation coefficient was used to test for the existence of a significant relationship between two variables. The Pearson correlation coefficient (r) was obtained as follows:

$$r = \frac{N\sum XY - \sum X \sum Y}{\sqrt{[N\sum X^2 - (\sum X)^2][N\sum Y^2 - (\sum Y)^2]}}$$

Where:

X	=	the environmental factors
X^2	=	the square of score on environmental factors
Y	=	restructuring
Y^2	=	the square of score on restructuring
XY	=	the product of X and Y
Σ	=	the summation of scores
N	=	the number of raw scores
$\sqrt{\ }$	=	the square root

Chi Squared test

The chi squared test was used to measure how expectations compared to the results and was obtained using the following formula:

$$\chi^2 = \sum \frac{(0_i - e_i)^2}{e_i}$$

Where:

O	=	the frequer...
E	=	the frequencies expected
$\sum$	=	the "sum of"

TEST OF HYPOTHESES

Hypothesis one

This states that there is no significant difference in banks' evaluations of environmental factors that influence restructuring across the selected banks. Hypothesis one was used to test for objective 2, which is to ascertain banks' evaluation of environmental factors that influence restructuring. It was revealed that the calculated F-value 1.02 is less than a table value 3.58 at a 5% level of significance, which indicates that banks respond to environmental factors in a similar manner. This finding is consistent with the report of Cole (1997 and 2005). Hence, the null hypothesis that there is no significant difference in banks' evaluations of identified environmental factors that influence restructuring across the selected banks is accepted.

Hypothesis two

This states that there is no significant relationship between environmental factors and banking sector restructuring. Hypothesis two was used to test objective 3, which is to evaluate the relationship between environmental factors and banking sector restructuring. The result revealed that a calculated χ^2 value of 155.51 is greater than a table value of 31.14 at a 5% level of significance, thus indicating that a significant relationship exists between environmental factors and restructuring in banks. This corroborates the findings of Stoner *et* *al.*(2007). As a result, the null hypothesis that there is no significant relationship between environmental factors and banking sector restructuring is rejected.

Hypothesis three

This states that there are no significant effects on human resources as a result of bank restructuring. Hypothesis three was used to test for objective one, which is to determine the effects of restructuring of banks on human resources and the effects of socio-economic factors of top management on bank restructuring. The coefficients of marital status, length of service, gender and educational qualification were positive and significant. However, age, though positive, was not significant. This revealed that socio-economic factors of top management impact significantly bank restructuring. Moreover, the calculated chi squared value of 117.8623 is greater than a table value of 30.1 at a 2% significance level, which indicates that the restructuring of banks results in a loss of jobs among bank employees. Therefore, the hypothesis that states that there is no significant effect on human resources as a result of bank restructuring is rejected. This assertion is supported by Woherem (2000) and Stoner *et al.* (2007).

RESULTS AND DISCUSSION

TABLE 3
EFFECT OF SOCIO-ECONOMIC CHARACTERISTICS OF TOP MANAGEMENT AT BANKS ON BANK RESTRUCTURING

Variable	Coefficient	P value
Constant	16.1621	0.0000*
Gender (X_1)	0.3141	0.0013*
Age (X_2)	0.6215	0.1216
Qualification (X_3)	1.2310	0.0001*
Marital status X_4)	4.1241	0.0000*
Length of service (X_5)	0.8162	0.0000*

$R^2 = 0.76$ * Significant at $P < 0.10$

Five factors were considered in the model as determinants: gender, age, educational qualification, marital status and length of service. All of the variables tested were positive and significant, except for the age of respondents, which was not significant. Specifically, the coefficient of gender is 0.3141, which is positive and significant. This shows that gender has a significant effect on restructuring and that both genders contribute significantly to restructuring in the banking industries.

The length of service also contributes significantly and positively to restructuring. This implies that an additional one year increase in service increases effective restructuring by 0.8162 units. Bankers with longer years of service tend to have accumulated sufficient work experience, which, in turn, contributes to effective restructuring.

The coefficient of educational qualification is positive and highly significant, thus indicating that additional increases in educational level tends to increase effective restructuring by 1.2310 units, which occurs because educational qualifications enhance psychological confidence, knowledge and skills. This is corroborated by the findings of Schutjens and Wever (2000), who reported that individuals with a reasonably good education can better handle complicated business activities.

Furthermore, the coefficient of age, though positive, is not statistically significant. This suggests that age does not significantly affect the process of restructuring. Marital status, conversely, is positive and highly significant, thus indicating that being married contributes positively to effective restructuring. This is an indication that the majority of top management staff are responsible officers and are therefore expected to display high levels of loyalty and commitment to the cause of the bank given the enormity of family responsibilities that they have. This position is also expected to enrich their decision making capability in the interest of the banks, especially to the degree that it affects human resources in any restructuring program.

Ascertainment of banks' evaluation of environmental factors and its impact on bank restructuring.

Objective 1 is to ascertain banks' evaluation of environmental factors that influence restructuring across the selected banks. This was tested using an analysis of variance (ANOVA) on identified environmental factors, and the results are as follows:

TABLE 4
IDENTIFIED ENVIRONMENTAL FACTORS THAT INFLUENCE BANKING SECTOR RESTRUCTURING

FACTORS	POINTS	%	RANK
Globalization	610	17.78	5th
Operational challenges	680	19.82	6th
Market pressures	470	13.70	1st
Government legislation	560	16.32	3rd
Past management failures	590	17.20	4th
Economic trend	520	15.18	2nd
Total	**3430**	**100**	

Table 4 shows various environmental factors that were identified as influences on banking sector restructuring: market pressures were ranked first on the list, followed by economic trend and government legislation. This indicates that banks respond more quickly to forces of demand and supply and government regulations than they respond to other environmental factors. Furthermore, the table also reveals that past management failures, globalization and operational challenges ranked 4^{th}, 5^{th} and 6^{th}, respectively, meaning that banks are slow in their response to internal matters and are insensitive to global finance occurrences and practices. Nevertheless, the table indicates that all of the identified factors significantly influence banking sector restructuring.

TABLE 4a
MODEL OF ANALYSIS OF VARIANCE (ANOVA)

Source of variation	Df	SS	MS	F-ratio	F-tab
Treatment (between banks)	K-l	SS_{TR}	$\frac{SS_{TR}}{K-1} = A$	A/B	$F_{k-l,\ n-k,\ 0.05}$
Error (within banks)	N-K	SSE	$\frac{SSE}{n-k} = B$		
Total	N-l	SST			

TABLE 4b
ANOVA TABLE

Source of variation	Df	SS	MS	F-ratio	F-tab
Treatment (between banks)	5	15.6961	3.13922	1.02	$F_{5,\ 96,\ 0.05 = 3.58}$
Error (within banks)	96	295.8823	3.0821		
Total	101	311.5784			

From the above analysis, it was revealed that the calculated f (1.02) is less than the table value (3.58) at a 5% level of significance, thus implying that banks' evaluations of environmental factors on restructuring across the selected banks are the same. This may be because the selected banks all operate in the same environment and are, therefore, likely to respond in a similar manner, as the environment dictates. This finding is consistent with the report of Cole (1997 and 2005). Hence, the null hypothesis that there is no significant difference in banks' evaluation of identified environmental factors that influence restructuring across the selected banks is accepted.

Evaluation of the relationship between environmental factors and restructuring of banks

Objective 2 is to evaluate the relationship between environmental factors and banking sector restructuring. A chi-squared test was used to evaluate the relationship, and the results of the test are as indicated below:

TABLE 5
RELATIONSHIP BETWEEN ENVIRONMENTAL FACTORS AND BANKING SECTOR RESTRUCTURING

Variables	SD	D	I	A	SA	Total
Changes in organizational structure are determined by a shift in environmental factors	5	16	30	70	60	181
New organizational structures are required	6	20	15	80	60	181
following each significant change in the environmental factors						
When change in environmental factors is	9	80	42	30	20	181
significant, organizational structures should not be changed						
Rigorous analysis of the environmental factors are required for successful restructuring	7	24	20	50	80	181
Total	**27**	**140**	**107**	**230**	**220**	**724**

$$\chi^2 = \sum \frac{(0_i - e_i)^2}{e_i} = 155.51$$

The above results revealed that the calculated χ^2 value of 155.51 is greater than a table value of 31.14 at a 5% level of significance, thus suggesting that a significant relationship exists between environmental factors and banking sector restructuring. Hence, it is suggested that banks proactively embark on consistent environmental scanning and then restructure in accordance with the dictates of the environment. This result corroborates the findings of Stoner *et al.,*(2007). Therefore, the null hypothesis that there is no significant relationship between environmental factors and banking sector restructuring is rejected.

Effects of Restructuring of Banks on Human Resources

Objective 3 is to determine the effects of restructuring of banks on human resources. A chi-squared test was used to determine the effects, and the results of the test are as indicated below:

TABLE 6
EFFECTS OF RESTRUCTURING OF BANKS ON HUMAN RESOURCES

Variables	SD	D	I	A	SA	Total
Workers are apprehensive of restructuring	18	10	2	80	60	170
Management has shown great concern for how the exercise affected the motivation of the workers	5	5	5	65	100	180
Without good relationships demonstrated through greater sacrifice by the top, restructuring will fail to be result-orientated	10	8	2	40	121	181
Through the support of the workforce in the bank, restructuring produced desired results for all	3	6	4	20	116	149
Total	36	29	13	205	397	680

The result from the above analysis indicates that the calculated chi square value of 117.8623 is greater than a table value of 30.1 at 2% significance level. This is consistent with theoretical expectations that all manners of restructuring, in whatever guise they may be presented, usually lead to rightsizing, downsizing, retrenchment redundancies and/or job losses and eventually have devastating effects on bank employees. This assertion is supported by Woherem (2000) and Stoner *et al.,* (2007). Hence, the null hypothesis that there is no significant effect on human resources as a result of restructuring in banks is rejected

CONCLUSION AND RECOMMENDATIONS

This work arose from the restructuring of banks that has been consistent over the years as a result of frequent CBN banking reforms, as there is a strong link between the changes that are occurring in the business environment and the strategies and successes of change management. This paper has examined the environmental factors that impact the restructuring of banks. The paper has examined the extent to which banks assess these factors in terms of their importance and relevance. It has also focused extensively on the treatment and handling of human resource problems associated with the restructuring of banks. It is strongly believed that the successful restructuring of banks can be achieved through cultivating leadership and followers who are committed to the entire exercise and are equally prepared to make sacrifices and execute the changes necessary for a logical conclusion.

Based on the conclusions of this study, the paper makes the following recommendations:

1. Human resources matters should be properly addressed during and after restructuring.
2. Restructuring in the banking sector should be a continuous and inevitable exercise, as it is a tool for sustainable economic development.
3. Increased attention and interest should be devoted to benchmarking strategies on performances and practices of banks to determine the global economic impact of restructuring on the banks.
4. Internal environmental factors should be given similar attention as that given to external environmental factors.
5. Banks should place more emphasis on human resource management to enhance staff confidence in any restructuring program; in other words, the entire workforce should be involved in the restructuring processes.
6. Top management in banks should continuously be exposed to training in strategic change management techniques to prepare them to embrace change as it arises.

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Appendix
CBN Structural Change in Banks

S\N	Consolidated Bank	Capital Base (N Billion)	Constituent Bank(s)
1	Access Bank Plc	28.5	Access Bank, Marina International Bank and Capital Bank
2	Afribank Plc.	29	Afribank & Afribank International, (Merchant Banker)
3	Diamond Bank	33.25	Diamond Bank & Lion Bank
4	Ecobank Nigeria	Over 25	Ecobank Nigeria
5	Equatorial Trust Bank	26.5	Equatorial Trust Bank & Devcom Bank
6	First City Monument Bank	30	FCMB, Cop. Development Bank & NAMB Limited
7	Fidelity Bank	29	Fidelity Bank, FSB International Bank & Manny Bank.
8	First Bank Plc	44.62	First Bank of Nigeria, FBN Merchant Bankers, & MBC International Bank
9	First Inland Bank	28	First Atlantic Bank, Inland Bank, IMB International Bank & NUB International Bank.
10	Guaranty Trust Bank	34	Guaranty Trust Bank
11	IBTC-Chartered Bank	35	IBTC, Chartered Bank & Regent Bank
12	Intercontinental Bank	51.7	Intercontinental Bank, Equity Bank, Global and Gateway Bank.
13	Nigerian International Bank	25	Nigerian International Bank (City Group).
14	Oceanic Bank	31.1	Oceanic Bank & International Trust Bank
15	Platinum Bank	26	Platinum Bank & Habib Bank
16	Skye Bank	37	Prudent Bank, EIB International, Cooperative Bank, Bond Bank & Reliance Bank
17	Spring	Over 25	Citizens International Bank, Guardian Express Bank, ACB International Bank, Omegabank, Fountain Trust Bank & Trans International Bank.
18	Stanbic Bank	25	Stanbic Bank
19	Standard Chartered Bank	26	Standard Chartered Bank
20	Sterling Bank	25	Magnum Trust Bank, NAL Bank, Indo-Nigeria Bank & Trust Bank of Africa
21	United Bank of Africa	50	United Bank of Africa & Standard Trust Bank
22	Union Bank	58	Union Bank, Union Merchant Bank, Universal Trust Bank & Broad Bank
23	Unity Bank	30	Intercity Bank, First Interstate Bank, Tropical Commercial Bank, Pacific Bank, Centre Point Bank, NNB International Bank, Bank of the North, Societe Bancaire & New Africa Bank.
24	Wema Bank	26.2	Wema and National Bank
25	Zenith Bank	38	Zenith Bank

Source: CBN Press Release (03/01/2006), the Comet (03/01/2006) and Financial Standards (16/01/2006).