

Research paper

Optimizing Corporate Performance through Restructuring Strategies in Deposit Money Banks

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ABSTRACT: Corporate restructuring has been, and will continue to be used as a turnaround strategy to control costs and to realign internal structure to meet changing environmental conditions. The study examined the effect of restructuring strategies on corporate performance of deposit money banks in Delta State. The cross-sectional survey research design method was adopted for the study. The study employed the stratified random sampling technique. The study used structured questionnaire as instrument of data collection. The descriptive statistics and multiple regression analysis were used. Findings showed that 80% of the change in organizational performance was brought about by corporate restructuring strategies. The study concluded that corporate restructuring strategies have significant positive effect on organizational performance in deposit money banks in Delta State. Outsourcing strategy ($\beta = .261, P < 0.01$) and downsizing strategy ($\beta = .134, P < 0.01$) have significant positive effect on corporate performance in deposit money banks in Delta State. The study recommended amongst others that corporate restructuring remains a valuable strategic tool that could enhance smooth business operations. Banks should create a more conducive working environment, for both employees and customers to be adequately informed and be aware of restructuring modalities in order to enhance service delivery.

Keywords: Corporate restructuring, optimizing, deposit money banks, portfolio strategy

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INTRODUCTION

Nigeria as one of the developing countries has invested in organizational restructuring to meet global competition and standards. Corporate restructuring has been, and will continue to be used as a turnaround strategy to control costs and to realign internal structure to meet changing environmental conditions. The worldwide economic crisis has caused too many companies to restructure their corporate setting in order to survive and meet their financial challenges. During the economic recession, many companies started to restructure their legal, ownership or operation structure in order to be more profitable, competitive and efficient (Bowman and Singh, 2013). Operational restructuring is an ongoing process, which includes improvement in efficiency and management, reduction in staff and wages, sales of assets (for example, reduction in subsidiaries), enhanced

marketing efforts, and so on with the expectation of higher profitability and cash flow. Rising competition, breakthrough technological and other changes, rising stock market volatility, major corporate accounting scandals have increased the responsibility to managers to deliver superior performance and enhance market value to shareholders.

Corporate restructuring has increasingly become a staple of business and a common occurrence around the world. Unprecedented number of companies across the world have reorganized their divisions, restructured their assets and updated their operations in a bid to stimulate the company's performance. It has facilitated copious organizations to react rapidly and more effectively to new opportunities and unanticipated pressures (Lebans and Euske, 2006; Burnes, 2004). Although the concept of

organizational performance is very common in the academic literature, its definition is difficult because of its many meanings (Hane, 2012). For this reason, there is not a universally accepted definition of this concept. An organization is successful if it accomplishes its goals (effectiveness) using a minimum of resources (efficiency). Thus, the study defines organizational performance as an organization's ability to achieve its performance objectives effectively and efficiently, based on the constraints imposed by the limited resources (Lebans and Euske, 2006).

Financial restructuring is a process geared at avoiding the liquidation of the company. Usually it involves agreement by third parties to satisfy creditors' claims under certain terms and conditions (Lal et al., 2013). Financial restructuring may also be carried out by concluding an agreement with all creditors of the company under which creditors will be paid on somewhat different terms than those initially accepted by the company when credit and loans were extended (Norley et al., 2012). This form of financial restructuring enables the company to continue its operations and minimize creditors' losses. According to Cascio (2012), debt restructuring also qualifies as financial restructuring. This process allows a private or public company facing cash flow problems and financial distress, to reduce and renegotiate its delinquent debts in order to improve or restore liquidity and rehabilitate so that it can continue its operations. He further contends that the investment pattern of a company which relates to ability of corporations to identify the various investments opportunities that would lead to higher returns is part of the restructuring procedure. Financial restructuring may be accomplished with the motive to enhance liquidity, lower the cost of capital, reduce risk, avoid loss of control, and improve shareholder value, among many other reasons (Cascio, 2012). The study therefore examines the effect of corporate restructuring on organizational performance of Nigerian deposit banks.

The problem

Change is a constant thing in nature, but is often difficult for employees especially if there was no form of communication from the organization directly to the employees about their jobs. Though restructuring of Nigerian banks addresses the issue of low capitalization; the effect of this exercise on employees needs to be ascertained. Changes have positive and negative effect and these affect employees, some positive effects that accompany such changes are financial stability of the bank, employee expertise, and economies of scale. On the other hand, the negative effect of the change seems to outweigh the positive ones especially when restructuring is frequently done as its effect begins immediately. Some of the negative effects includes: job loss, job dissatisfaction, disengaged employees,

customer loss, investor loss, liquidation of the bank, loss of confidence, bad reputation, low turn-over etc. This has created a lot of uncertainty amongst many employees, particularly those that were from the business-banking unit. This has been the case despite the repeated assurances from the management that restructuring is only aimed at improved efficiency, cost management and customer service, and therefore, staff should not be afraid that they may lose their jobs. Investigating these social structural changes following organizational restructuring and the association with job satisfaction will illuminate the restructuring implications on work satisfaction. These inconclusive results have led to the need to examine the effect of corporate restructuring on organizational performance of Nigerian deposit money banks.

Objectives

- (a) Determine the effect of downsizing strategy on organizational performance.
- (b) Ascertain the effect of outsourcing strategy on organizational performance.

Research hypotheses

The following are the hypotheses contained in this study

H₀₁: There is no significant effect of downsizing strategy on organizational performance.

H₀₂: There is no significant effect of outsourcing strategy on organizational performance.

Literature review

Corporate restructuring

Corporate restructuring is concerned with arranging the business activities of the corporate as a whole so as to achieve certain predetermined objectives at corporate level (Bowman and Singh, 2013). According to Cascio (2012), such objectives include the following: orderly redirection of the firm's activities; deploying surplus cash from one business to finance profitable growth in another; exploiting inter-dependence among present or prospective businesses within the corporate portfolio; risk reduction; and development of core competencies.

Wu and Delios (2009) state that corporate restructuring also aims at improving the competitive position of an individual business and maximizing its contribution to corporate objectives. It also aims at exploiting the strategic assets accumulated by a business for instance, natural monopolies, goodwill, and exclusivity through licensing to enhance the competitive advantages. Thus restructuring would help bringing an edge over

competitors. Competition drives technological development. Wu and Delios (2009) further state that competition from within a country is different from cross-country competition. Innovations and inventions do not take place merely because human beings would like to be creative or simply because human beings tend to get bored with existing facilities. Innovations and inventions do happen out of necessity to meet the challenges of competition. Norley et al., (2012) state that cost cutting and value addition are two mantras that get highlighted in a highly competitive world. Monies flow into the stream of production in order to be able to face competition and deliver the best possible goods at the convenience and affordability of the consumers. Similarly, Wu and Delios (2009) state that global competition drives people to think big and it makes them fit to face global challenges. In other words, global competition drives enterprises and entrepreneurs to become fit globally. Thus, competitive forces play an important role. In order to become a competitive force, corporate restructuring exercise could be taken up.

The scope of corporate restructuring encompasses enhancing economy (cost reduction) and improving efficiency (profitability). When a company wants to grow or survive in a competitive environment, it needs to restructure itself and focus on its competitive advantage (Bowman and Singh, 2013). The survival and growth of companies in this environment depends on their ability to pool all their resources and put them to optimum use. A larger company, resulting from the merger of smaller ones, can achieve economies of scale. If the size is bigger, it enjoys a higher corporate status. The status allows it to leverage the same to its own advantage by being able to raise larger funds at lower costs. Reducing the cost of capital translates into profits. Availability of funds allows the enterprise to grow in all levels and thereby become more and more competitive (Cascio, 2012).

Corporate restructuring aims at different things at different times for different companies and the single common objective in every restructuring exercise is to eliminate the disadvantages and combine the advantages (Hane, 2012). The various needs for undertaking a corporate restructuring exercise are as follows: to focus on core strengths, operational synergy and efficient allocation of managerial capabilities and infrastructure; consolidation and economies of scale by expansion and diversion to exploit extended domestic and global markets; revival and rehabilitation of a sick unit by adjusting losses of the sick unit with profits of a healthy company; acquiring constant supply of raw materials and access to scientific research and technological developments; capital restructuring by appropriate mix of loan and equity funds to reduce the cost of servicing and improve return on capital employed; and improve corporate performance to bring it at par with competitors by adopting the radical changes brought out by

information technology (Bowman and Singh, 2013; Hane, 2012; Norley et al., 2012).

Forms of corporate restructuring

Portfolio restructuring

Portfolio restructuring is changing the configuration of a portfolio by selling off unwanted assets or asset types, and replacing them with preferred assets (Maria et al., 2015). It may involve the sale of assets no longer needed or wanted and the purchase of different ones. It could include re-composition of a portfolio's asset mix by selling off undesired asset types (equities, debt, or cash) or specific securities within that class, while simultaneously buying desired types or securities (Wu and Delios, 2009). The work of, Maria et al., (2015) note that it is important to use fundamental, technical, and/or macroeconomic analysis in determining when and how to change the securities within the portfolio.

Financial restructuring

Financial restructuring is a process geared at avoiding the liquidation of the company. Usually it involves agreement by third parties to satisfy creditors' claims under certain terms and conditions (Lal et al., 2013). Financial restructuring may also be carried out by concluding an agreement with all creditors of the company under which creditors will be paid on somewhat different terms than those initially accepted by the company when credit and loans were extended (Norley et al., 2012). This form of financial restructuring enables the company to continue its operations and minimize creditors' losses. According to Cascio (2012), debt restructuring also qualifies as financial restructuring. This process allows a private or public company facing cash flow problems and financial distress, to reduce and renegotiate its delinquent debts in order to improve or restore liquidity and rehabilitate so that it can continue its operations. He further contends that the investment pattern of a company which relates to ability of corporations to identify the various investments opportunities that would lead to higher returns is part of the restructuring procedure. Financial restructuring may be accomplished with the motive to enhance liquidity, lower the cost of capital, reduce risk, avoid loss of control, and improve shareholder value, among many other reasons (Cascio, 2012).

Organizational restructuring

Organizational restructuring emanate with the changes in human resources policies (Bowman and Singh, 2013). The current human resources policies of the organization may need to be changed in accordance with the changing scenario. The human resources department

needs to enable change management. More so, Burnes (2004) indicates that rationalization of the present pay structure should be accomplished in order to maintain the internal and external equity among the employees, as well as motivate them to become more productive. There are symptoms that may indicate the need for organizational restructuring (Hane, 2012).

Employee's performance in an organization

The success of an organization is influenced by the performance of the employees. Employees who possess good skill, knowledge, expertise of the job as well as responsibility have a higher tendency of accomplishing the organization's goals and objectives in an effective and efficient way. It is asserted that a great evidence of a strong employee engagement is in an effective organization's management. When an organization's management is stable, consistently effective and efficient and gives its employees a sense of belonging it stimulates commitment and dedication for the employees. Employee's performance can be recouped using employee development program which according to Heskett, Sasser and Schlesinger as cited in Ikechi and Akujinma, (2015) for increased employee's performance and effectiveness, the organization's leader should have a clear set mission, vision, goal and objective directing the organization. The leader should work with the employees and vice versa to ensure unity, co-operation and team spirit is built within the organization. This will aid in the effective and efficient running of the organization and also in the achievement of the organization's goal. Restructuring is a change that generates emotions of many types within employees. The acquiring company employees may have the excitement feeling about the expansion of their organization and the new challenges that comes along with it; but that may not be the same feeling with the acquired organization employees because this is a major change that is coming along with a whole different organizational approach. An example is Hewlett Packard (HP), when the organization announced its merger with Compaq. Its employees channeled their energy into securing their jobs instead of serving customers; this lead to customer loss for HP that period (Nguyen and Kleiner, as cited in Osoro, 2014). Wasserstein as cited in Osoro, (2014) opined that an organization's productivity and performance can be hindered when employees have inadequate understanding about a change process, new work role and standard. Also, when employees are not officially aware of restructuring about to take place in their organization, it springs up grapevine within employees of an organization; which instills the feeling of uncertainty about their jobs. This can result to low employee performances and employees embarking on a quest for a new job due to the lack of internal communication and job insecurity.

Organizational performance

Performance is the accomplishment of a given task measured against preset known standards of accuracy, completeness, cost and speed (Brumbach, 1998). Firm performance therefore is the accomplishment of given goals by an organization, with value addition that is quantifiable. Firm performance is a collective effort by all the resources within the firm. How these resources are put to use will determine the performance. Human capital is one key resource that if well selected, trained, rewarded and motivated, will contribute to improved performance. Organizations have come up with different ways of measuring and rewarding individual performance which is in itself the key component to firm performance. Reward systems have been put up not only by individual organizations but also by industries to recognize and award good performance.

Organizational restructuring and organizational performance

Restructuring is a crucial strategy implemented to remain relevant in the business world. Gibbs (2007) defines restructuring as a change in the operational structure, investment structure, financing structure and governance structure of a company. Sterman (2002) defines restructuring as diverse activities such as divestiture of under-performing business, spin-offs, acquisitions, stock repurchases and debt swaps, which are all a onetime transaction, but also structural changes introduced in day to day management of the business. It is perceived that restructuring is concerned with changing structures in pursuit of short and long term gains.

According to Bowman and Singh (1999) restructuring activities can be classified into three major categories that is financial restructuring, organizational restructuring and portfolio restructuring. Financial restructuring includes changes in the capital structure of a firm, including leverage buyouts, leveraged recapitalization and debt equity swaps. A common way for financial restructuring is increasing equity through issuing of new shares. Portfolio restructuring entails significant changes in the asset mix of a firm or the lines of business which a firm operates, including liquidation, divestitures, asset sales and spin-offs. Organizational restructuring involves significant changes in the organizational structure of the firm, including redrawing of divisional boundaries, flattening of hierarchic levels, spreading of the span of control, reducing product diversification, revising compensation, reforming corporate governance and downsizing employment. This study is grounded on organizational restructuring which emanates with the changes in human resources policies. The current human resources policies of the organization may need to be changed in accordance with the changing scenario. The human resources department needs to enable change

management. Burnes (2004) indicates that rationalization of the present pay structure should be accomplished in order to maintain the internal and external equity among the employees.

According to Hane (2012) there are symptoms that may indicate the need for organizational restructuring. Such symptoms are: Parts of the organization are significantly over or under staffed; organizational communications are inconsistent, fragmented, and inefficient; technology and/or innovation are creating changes in workflow and production processes; significant staffing increases or decreases are contemplated; new skills and capabilities are needed to meet current or expected operational requirements; accountability for results are not clearly communicated and measurable resulting in subjective and biased performance appraisals; personnel retention and turnover becomes a significant problem; stagnant workforce productivity or deteriorating morale. Organizational restructuring has proven to be beneficial in a number of ways that are not limited to lowering operational costs and assisting in better formulation and implementation of strategies (Eby and Buch, 1998).

Downsizing strategy and organizational performance

Restructuring is often done as part of a bankruptcy or a takeover by another firm, particularly a leveraged buyout by a private equity firm. It may also be done by a new CEO hired specifically to make the difficult and controversial decisions required to save or reposition the company. Cascio (2002) adds a different dimension to the understanding of organizational restructuring. He contends that restructuring does not necessarily have to result in the retrenchment of employees with all the painful consequences that follow. There is an alternative approach, which he refers to as 'responsible restructuring'.

Whether the company will follow the traditional way of restructuring that involves retrenchments or what he terms 'responsible restructuring' depends on the management view of employees. Management who view their employees, as costs to be reduced is more likely to reduce their workforce when restructuring. They always look at an irreducible core of workers that the business requires to ensure that minimum number of employees is maintained (Banny, 2011).

Management who view their employees as assets to be nurtured and developed, on the other hand, are more likely to be responsible restructurers. They constantly seek new ways of doing business that will ensure that employees are utilized more efficiently and effectively. The downsizers view workers as commodities that can be changeable and substituted for one another. The responsible restructurers, on the other hand, view employees as sources of creativity and renewal as well as having potential to grow the business (Elikwu, 2008).

Outsourcing strategy and organizational performance

Organizations can also restructure through outsourcing of the non-core parts of their business to another company. This helps to free the organization to focus all its attention on core business functions that are enshrined in its mission. Depending on the outsourcing agreement, the company to which the business is outsourced may employ the same workers who were manufacturing the products or services from the outsourcing company and vice versa. This form of restructuring may not necessarily lead to the loss of jobs (Greenberg and Baron, 1995). The structure of the organization does affect the information it gathers from its surroundings and the way it integrates and processes the information to craft future strategies. Structural changes therefore, do give rise to alterations in the flow of information. This, in turn, gives rise to changes in the strategic opportunities that are being thought carefully about and followed up. Structural changes are also necessary to put an end to power bases that may block the required changes in strategy in trying to shield the vested interest of some top managers.

Theoretical review

Pecking order theory

The study was anchored on the Pecking order theory (or pecking order model) which postulates that the cost of financing increases with asymmetric information. Financing comes from three sources, internal funds, debt and new equity. Companies prioritize their sources of financing, first preferring internal financing, and then debt, lastly raising equity as a "last resort". Hence: internal financing is used first; when that is depleted, then debt is issued; and when it is no longer sensible to issue any more debt, equity is issued. Donaldson (1961) followed by Myers (1984) suggests that management follows preference ordering when it comes to financing. His work suggests that the costs of issuing risky debt or equity overwhelm the forces that determine optimal leverage in the trade-off model; the result is the pecking order. He also argued that the trade-off theory fails to predict the wide degree of cross-sectional and time variation of observed debt ratios. The pecking order theory is mainly a behavioral explanation of why certain companies finance the way they do. It is consistent with some rationale arguments, such as asymmetric information and signaling, as well as with flotation costs. Moreover, it is consistent with the observation that the most profitable companies within an industry tend to have the least amount of leverage. The pecking order theory explains why the bulk of external financing comes from debt; why more profitable firms borrow less: not because their target debt ratio is low. The order followed is as follows, firms prefer internal finance and if external finance is

required, firms issued the safest security first. They start with debt, then possible hybrid securities such as convertible bonds then perhaps equity as a last resort.

This Pecking Order Theory suits large firms with high Profitability and which has enough internal funds in the form of retained earnings and depreciation. These firms follow a stringent dividend policy and a target dividend payout ratio. Thus, this theory states that highly profitable firms prefer internal funds and when external funds are required the firm will borrow, rather than issuing equity. The pecking order theory predicts that high-growth firms, typically with large financing needs, will end up with high debt ratios because of a manager's reluctance to issue equity. Smith and Watts (1992) and Fama and French (2002) also suggested that high-growth firms consistently use less debt in their Capital Structure. Firms that choose to fund with equity today will leave less expensive sources of funding for future needs. If they choose debt funding now, then they will tend to have only more expensive funding available in the future. This reasoning made Cornell and Shapiro (1987) to hypothesize that, firms with higher levels of net organizational capital; the firms should be predominantly equity financed and hold relatively large cash balances. Corporate managers are more likely to follow a financing hierarchy than to maintain a target debt-equity ratio.

Empirical study

In opposition, Starman(2002) in the study "effect of corporate restructuring on the performance of insurance companies in Kenya" deduced that there was significant relationship between corporate restructuring and performance of the insurance companies which yielded to an increased productivity of the organizations in the first restructuring attempt. Starman (2002) research study employed the descriptive cross-sectional survey research design, using both primary and secondary data as the information source. The quantitative research approach was used, with questionnaire as the research instrument for the study. Fifty-five insurance companies in Kenya constituted the population of this study and there was no selection of representative sample because the whole selected population formed the study. The questionnaires for this study were semi-structured because it contained both open and closed ended questions and went through pilot testing to ascertain its effectiveness for the study. Furthermore, analysis of the data gathered was analyzed using descriptive statistical analysis due to its ability to condense big amount of quantitative data. However, the organization's third restructuring attempt did not meet up to expectations as it failed to yield profit and caused a decline in market share for the organizations(Ayoo, 2011). This time around, the organizations were not only affected as its employees also became restless about the restructuring process which in turn reflected a great deal in the employees' turnover.

Mokaya, (2016) investigated the effect of corporate restructuring on company performance in EABL. The study was guided by the research questions that were aimed at determining: what is the impact of company restructuring on the shareholder's value?; what extent does corporate restructure affect the revenue flow of an organization?; how does organization restructuring affect employee motivation in an organization?; and to what extent does corporate restructuring affect the efficiency performance of an organization? The design adopted for this study was descriptive research design. The population for this study was employees of EABL working in the targeted departments whose total was 270. The sampling frame of the study was obtained from the human resource department. The sampling technique for this study was stratified sampling because it gave each department an equal chance of being selected in the study. The sample size of the study was 270 as was achieved using the sampling formula. The study used primary data that was gained through a questionnaire. Data analysis was carried out by means of Statistical Package for Social Science (SPSS). Descriptive and interpretative validities took most of the time as there were many recursive points that seemed similar in nature from the various respondents. The study concludes that restructuring at EABL had involved cutting out and merging some departments and this had significantly changed the company's business model. Restructuring within the organization had been carried out with the aim of improving the competitive position of the organization which had been achieved, as the company was being driven by the global competition. From the study, it can be concluded that the survival and growth of EABL in its environment depends on its ability to pool all of its resources and use them to the optimum and that restructuring exercise is usually carried out to enable companies to focus on core strengths, operational synergy and efficient allocation of managerial capabilities and infrastructure.

The concludes that EABL restructured to improve value and to avoid hostile takeover by another organization and that management of the company restructured the business in order to sharpen focus by disposing off units that were peripheral to the core business. It can be concluded that the company had occasioned an aggressive combination of acquisitions and divestitures to restructure its portfolio and at the same time they sold their unrelated businesses while redirecting their goals towards the goal of profit maximization. It can be concluded that the company managers focused on diversification strategies because they offered different sources of revenues, leading to more stable revenue development. The company's infrastructure had impacted significant changes in the capital structure of the firm, including leveraged buyouts, leveraged recapitalizations and debt for equity swaps forcing the company to carry out a financial restructure that focused on the allocation

the corporate flow of funds to the strategic or contractual decision rules that direct the flow and determine the value-addition. Corporate restructuring is aimed at increasing efficiency, enhancing competitive advantage, achieving synergy and improving firm value. This study recommends that EABL management should restructure their operations not to keep their failing business alive but to increase their competitiveness and financial standing. They should instill discipline upon themselves by ensuring good corporate governance, promote technological progress, and increase their paid up capital regardless of the statutory requirements so that the continued existence of the firm is not jeopardized.

Tools and methods

The study used across sectional survey research method the population of the study consists of customers and employees of Access bank, United Bank of Africa and Polaris in South-South and South-East region (Delta, Bayelsa, Rivers, Anambra, Abia, Enugu and Imo) in Nigeria. The research population comprises lower, middle and senior management of employees and customers of the banking industry tolling 1800 consists of the customers and the employees from Human Resource Department of the banks under study. The sample size of this study was determined using Krejcie and Morgan (as cited in Kenpro, 2012) sample size determination table approximated at three hundred and seventeen (317) (Appendix I for clarification). The study used a structured questionnaires and interview which respond format will be the five point likert scale form whereby the respondents were asked to give answers ranging from strongly agrees to strongly disagree (Agbonifoh & Yomere, 1999). The statistical techniques that were adopted for this study are Pearson correlation and multiple regression analysis via the use of SPSS version 21. The justification for the choice is based on the fact that it produced a robust and dependable result since it is highly efficient and technically reliable (Olannye, 2006). Regression analysis was used to test the hypotheses was conducted at significance level of 0.05.

RESULTS AND DISCUSSION

The analysis of the other research data as well as the testing of their earlier postulated hypotheses in previous chapter is carried out here for the aim of arriving at a conclusion and generalization.

Research question one

What is the effect of downsizing strategy on organizational performance?

The descriptive statistics showing the pattern of responses, in relationship to downsizing strategy and organizational performance questionnaire items as exhibited on (Table 1). A total of 205(100%) of the respondents agreed that Restructuring does not necessarily have to retrench employees with all the painful consequences. Similarly a total of 205(100%) of the respondents agreed that Management viewed their employees as costs to be reduced is more likely to reduce their workforce when restructuring. To the statement, Management viewed their employees as assets to be nurtured and developed, 198 (96.6%) of the respondents agreed, while 7(3.4%) were undecided. A total of 194(94.6%) of the respondents agreed that Management viewed workers as commodities that can be changeable and substituted for one another, while 11(5.4%) of the respondents were undecided.

Research question two

To what extent has outsourcing strategy influence organizational performance?

The descriptive statistics indicating the pattern of sample response, in relationship to outsourcing strategy and organizational performance questionnaire items as exhibited on (Table 2) A total of 205(100%) of the respondents agreed that it helps to free the organization to focus all its attention on core business functions that are enshrined in its mission. To the statement, The structure of the organization integrates and processes the information to craft future strategies, 205(100%) of the respondents agreed. A total of 201(98%) of the respondents agreed that Structural changes required changes in strategy in trying to shield the vested interest of some top managers, while 4(2%) were undecided. A total of 201(98%) of the respondents agreed that Outsourcing exercise is done to facilitate consolidation and economies of scale by expansion and diversion to exploit extended domestic and global markets communication, while 4(2%) of the respondents were undecided.

The descriptive statistics showing the pattern of sample response, in relationship to organizational performance questionnaire items as exhibited on (Table 3). A total of 205 (100%) of the respondents agreed that Organization skills and experiences gained improved performance as a result of bank restructuring. Similarly, a total of 205 (100%) of the respondents agreed that Productivity on the job is influenced by the method or techniques of the banks. A total of 199 (97.1%) of the respondents agreed that The rate of my performance is high due to the high technology, while 6(2.9%) of the respondents were undecided. A total of 195 (95.1%) of the respondents agreed that Management supervision enhances high productivity, while 10(4.9%) of the respondents were undecided.

Table 1: Frequency Analysis of downsizing strategy and organizational performance.

Statement	Scale				
	SA (5)	A (4)	U(3)	D (2)	SD (1)
Restructuring does not necessarily have to retrench employees with all the painful consequences.	154 (75.1%)	51 (24.9%)	-	-	-
Management viewed their employees as costs to be reduced is more likely to reduce their workforce when restructuring	133 (64.9%)	72 (35.1%)	-	-	-
Management viewed their employees as assets to be nurtured and developed.	155 (75.6%)	43 (21%)	7(3.4%)	-	-
Management viewed workers as commodities that can be changeable and substituted for one another	139 (67.8%)	55 (26.8%)	11(5.4%)	-	-

Table 2: Frequency Analysis of outsourcing strategy and organizational performance.

Statement	Scale				
	SA (5)	A(4)	U(3)	D(2)	SD(1)
It helps to free the organization to focus all its attention on core business functions that are enshrined in its mission	156 (76.1%)	49(23.9%)	-	-	-
The structure of the organization integrates and processes the information to craft future strategies	147 (71.7%)	58 (28.3%)	-	-	-
Structural changes required changes in strategy in trying to shield the vested interest of some top managers	169 (82.4%)	32 (15.6%)	4 (2%)	-	-
Outsourcing exercise is done to facilitate consolidation and economies of scale by expansion and diversion to exploit extended domestic and global markets communication.	156 (76.1%)	45 (22%)	4 (2%)	-	-

Table 3: Frequency Analysis of organizational performance.

Statement	Scale				
	SA (5)	A(4)	U(3)	D(2)	SD(1)
Organization skills and experiences gained improved performance as a result of bank restructuring.	160 (78%)	45 (22%)	-	-	-
Productivity on the job is influenced by the method or techniques of the banks	136 (66.3%)	69 (33.7%)	-	-	-
The rate of my performance is high due to the high technology	163 (79.5%)	36 (17.6%)	6 (2.9%)	-	-
Management supervision enhances high productivity.	153 (74.6%)	42 (20.5%)	10 (4.9%)	-	-

Source: Analysis of field Survey, 2023

Table 4: Model summary.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.902 ^a	0.813	0.809	0.3854

a. Predictors: (Constant), portfolio strategy, outsourcing strategy, downsizing strategy

Table 4 reported the change in organizational performance which is brought about by the variables of corporate restructuring by 81% (.809) as indicated by the adjusted R² value. The independent variables explain 81% of the variability of the dependent variable. Table 5 reported the regression analysis result for corporate restructuring and organizational performance. The table exhibited that downsizing strategy which is the first variable has positive effect on organizational performance ($\beta = .134$, $P < 0.01$). It reported that outsourcing strategy which is the second variable has positive effect on organizational performance ($\beta = .261$, $P < 0.01$). It was reported that portfolio strategy which is the third variable has positive effect on organizational performance ($\beta = .257$, $P < 0.01$).

Hypotheses testing

The multiple regression analysis was employed as an analytical tool for testing the hypothesis formulated in chapter one.

Decision rule

If probability value of 0.00 is smaller than critical value of 5% (i.e. $0.00 < 0.05$) we conclude of the given parameter that it is statistically significant. In this situation it is accepted and there is need to reject the null hypothesis in order to accept the alternate hypothesis. (Morkwa, 2007) also noted that it is preferable to leave it to the researcher to decide whether to reject the null hypothesis at a given

Table 5: Regression Analysis of corporate restructuring and organizational performance.

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	2.892	0.565		5.116	0.000
downsizing strategy	0.104	0.053	0.134	1.951	0.002
outsourcing strategy	0.228	0.043	0.261	5.355	0.000

a. Dependent Variable: organizational performance
Source: Analysis of field Survey, 2023

value. More technically, the P-value is defined as the lowest significance level at which a null hypothesis can be rejected (Soludo, 2004) P-value =0.005(5%). If the probability value calculated is greater than the critical level of significance, then the null hypothesis is accepted and the alternate hypothesis is rejected.

Hypothesis one

H₀₁: There is no significant effect of downsizing strategy and organizational performance. Since the P value calculated in (Table 5) is greater than the critical level of significance (.002>0.05), the null hypothesis was rejected while the alternate hypothesis was accepted this implies that there is a significant relationship between downsizing strategy and organizational performance.

Hypothesis two

H₀₂: There is no significant effect of outsourcing strategy and organizational performance.

Since the p value calculated in table 4.10 is lesser than critical level of significance (.000<0.05), there was need to reject the null hypothesis and accept the alternate hypothesis implying that there is a significant relationship between outsourcing strategy and organizational performance.

RESULTS AND DISCUSSION

In line with the findings from the various analyses that were adopted in the study; as well as the review of relevant literatures, the findings of this research are presented thus. Table 4.8 reported the change in organizational performance which is brought about by the variables of corporate restructuring by 81% (.809) as indicated by the adjusted R² value. The F-ratio in table 4.9 shows that the variables of corporate restructuring statistically significantly predict organizational performance, $F(4, 200) = 217.442, p < .0005$ (this means that the regression model is a good fit of the data).

Downsizing strategy and organizational performance

From the results of frequency analysis in (Table 5),

indicated that majority of the respondents overwhelmingly responded positively to the various statements in relationship to downsizing strategy and organizational performance. Furthermore, it was reported that downsizing strategy has the least positive effect on organizational performance ($\beta = 0.134, P < 0.01$). In furtherance, the test of hypothesis indicated in (Table 5) reveals that there is a significant relationship between downsizing strategy and organizational performance ($\beta = .002, < 0.05$). These findings which agree with the view of Cascio (2012) adds a different dimension to the understanding of organizational restructuring. Cascio (2012) contends that restructuring does not necessarily have to result in the retrenchment of employees with all the painful consequences that follow. This implied that manager view employees as sources of creativity of the growth of the business.

Outsourcing strategy and organizational performance

From the results of frequency analysis in (Table 5), showed that majority of the respondents overwhelmingly responded positively to the various statements in relationship to outsourcing strategy and organizational performance. Furthermore, (Table 5) revealed that outsourcing strategy has a positive effect on organizational performance ($\beta = 0.261, P < 0.01$). In furtherance, the test of hypothesis indicated in (Table 5) reveals that there is a significant relationship between outsourcing strategy and organizational performance ($0.000, < 0.05$). These findings are consistent with Greenberg and Baron, (1995) depending on the outsourcing agreement, the company to which the business is outsourced may employ the same workers who were manufacturing the products or services from the outsourcing company and vice versa. This form of restructuring may not necessarily lead to the loss of jobs. This implied that outsourcing helps organization to focus its core business.

Conclusion

Downsizing strategy has a significant relationship influence on organizational performance. Organizations where employees have good working relationship with their leaders will execute a good job performance and

satisfaction compared to the employees with little or no working relationship with their leaders. With the presence of a good working relationship between employees and their leaders, it will enable leaders to successfully lead their employees through the better perspective of organizational change. The study also concluded that outsourcing strategy has positive effect on organizational performance. The management change strategies employed by the organization to manage the impact of the organizational change on the employees, the initiative had little effect in the change process as well as in the improvement of employees' performance in the changed setting.

Recommendation

1. The need for the organization to inculcate a dialogue with its employees about corporate restructuring. This is because when employees are better informed about corporate restructuring prior to its occurrence, it enables them get prepared physically and emotionally for whatever the change brings.
2. The organization embarked on a periodic review of policy and procedure; when required, amendments and updates are initiated to suit the mission and vision of the organization
3. CBN should aids in corporate restructuring of other banks so as to bring about creativity and innovation due to advancement in the technology.

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Appendix I Table for determining sample size for a finite population

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

Note.—*N* is population size. *S* is sample size.

Source: Krejcie & Morgan, 1970