



FEAR OF RETRENCHMENT AND WORKERS' COMMITMENT TO SELECTED BANKS IN IBADAN, OYO STATE NIGERIA

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Abstract

Workers retrenchment has been widely practised within the banking sector and the trend has made the bank workers regard their jobs as unfitting due to insecurity of tenure. This study examined the fear of retrenchment and workers' commitment to selected banks in Ibadan. Organizational Justice Theory and Neo-Liberalism theory were employed. A cross-sectional survey was the research design and quantitative and qualitative methods were employed. Multistage sampling technique was adopted, the sample size consisted of 280 bank workers, and 12 management bank workers were for In-depth Interviews, The quantitative data were analysed using the statistical package for Social Sciences (SPSS), while the results were presented on tables and interpreted by the use of simple percentages, pie chart and bar charts. The result collected indicated that 56.4% of the respondent strongly agreed that years of service is part of the reasons for retrenchment. 63.6% strongly agreed that inefficiency is also the reasons for bank retrenchment, 50.8% strongly agreed that incapability of staff is also a reason for retrenchment 80.8% agreed that redundancy can cause retrenchment, 56.8% strongly agreed that gross misconduct is also the reasons for bank workers retrenchment, 100% agreed that misappropriation is one of the major reasons for retrenchment of employees, The result also showed that 100% agreed that government policies and economic recession are significant reasons for retrenchment exercise. Hence, this study concludes that notification of the retrenchment process should be properly disseminated to the workers as to reduce persistent fear, worry and anxiety and lack of workers' commitment. The study suggested among others that, initiating the methods that will boost workers' level of commitment is necessary since commitment influenced turnover intent, this would benefit bank management as well as employees and also boost employees' commitment.

Keywords: Retrenchment, Fear, Banks, Commitment, Employees, Survivors.

Introduction

Workers retrenchment has been widely practised within the banking sector in Nigeria. Retrenchment is a global phenomenon that has become inevitable in life. Retrenchment is usually linked to downsizing programme that plays a central role in the overall process of restructuring. During a typical recession, firms face declining performance. The response of the business leaders to such declining performance could be many; it may be through aggressive marketing and the development of the new product. Some leaders respond by aiming at general cost-cutting activities such as retrenchment of employees and selling of assets (Musteen and Datta, 2011). Retrenchment can be defined as dismissal or termination of a worker when the job breaks due to economic or technological changes.

Retrenchment is also known as lay-off. (Westman 2007) Retrenchment can also be regarded as a channel of changes in organisational culture. Being a necessary factor, it moves the organisation from its current situation and is necessary to initiate organisational changes. Retrenchment according to the business dictionary is a forced lay-off of employees by a firm, usually to cut down its payroll. Retrenchment is often a traumatic experience and it can involve major personal, career and financial changes. The fear of retrenchment is capable of making the workers to be in search of new jobs and hence lose concentration. Also, the fear of retrenchment makes workers to get involved in multiple jobs; such actions can also have negative effects on their commitment to jobs. The fear of retrenchment has exposed the retrenched workers to uncertainties, increased insecurity, reduced satisfaction and commitment since they cannot anticipate how long they will remain unemployed. To mitigate staff retrenchment in any organisation, organisational commitment is the key. It is also greatly concerned about the social and psychological effects of retrenchment situations. Retrenchment is often a traumatic experience and it can involve major personal, career and financial changes. This study is relevant because it will assist the stakeholders to put in place the policy that will avert the arbitrary dismissal of bank workers so as to avoid the increasing unemployment in the country. However, little is known about the retrenchment approaches and criteria used by these banks, Based on the above, this study becomes imperative.

Literature Review and Theoretical Framework

The Nigerian banking sector, just like banking sectors all over the world, is very important to the Nigerian economy. The sector is one of the biggest employers of labour in the country despite its barrage of challenges. The banking sector constitutes

a strategic sector that drives a nation's economy. It also performs the function of financial intermediation and hence, it is the engine growth in the economy.

Chipunza and Berry (2009) examined the relationship among survivor qualities attitude, Commitment and motivation after downsizing. They employed quantitative research method. The quantitative research approaches used were exploratory/descriptive research and confirmatory research. A statistical computer package, Statistical Analysis System (SAS), was used to process the results. The techniques used during data analysis included descriptive statistics (e.g. measures of central tendency) and correlation coefficients. The findings indicated that survivors had high levels of motivation and moderate to satisfactory levels of attitude'. The study concluded that they should have knowledge of the context in which downsizing is taking place. Such knowledge makes them effective in deciding the criteria, processes and procedures to be adopted when downsizing. However, it might also lead to solidifying negative perceptions of rising discrimination among the survivors. The managerial challenge then is to steer carefully the downsizing process and ensure a balance among those victims and the survivors. This implies, that, the downsizing exercise needs to be carefully managed with sensitivity to achieve a positive psychological result for the survivors and positive economic outcomes for the organisation.

Similarly, Okoye, (2010), conducted a research on the effects of retrenchment on the worker's morale and found out that retrenchment was perceived differently by the respondents, many view it in a negative perception and as an organisational change as well try to resist it due to the uncertainty it comes with. The research also found that most retrenchment exercises carried out were based on the incompetence of workers and their disloyalty to authorities and also some workers who have reached the mandatory age of retirement 60 years and 35 years of service, were among those affected in the retrenchment exercise.

He also found that some organisations claimed that they were retrenching workers in order to save cost and to enable them to meet up with the payment of salaries, allowances and other contingencies, the workers were not paid as at when due and promotion of workers is not regular. There was evidence that the consequences of retrenchment are hardship and poor living standard, it is an ill wind that blows no one any good. The insomnia of the news of the intention of banks to retrench workers could be better being experienced than imagined.

Jeffrey and Kurebwa (2011), studied organisational downsizing and its impact on Leavers and survivors. According to them, the effect of staff retrenchment does not lie on the leavers alone, but it also affects the survivors. They further stated that the consequences were also on the bank because the remaining staff will not be able to

perform their duties effectively. These may affect their performance in the organisation.

Mohammed, (2012), examined the effects of retrenchment prospect on employee Morale using stratified random sampling. The questionnaire was used to collect the data. The study found that the morale of female employees is more affected because of the role they play in a family. As regards to communication methods used in the organisation, all the techniques employed for retrenchments such as induced retirement, separation with the benefit, voluntary retirement, hiring freeze and involuntary retirement were generally rated very low by the respondents before during and after retrenchment, this severely negatively affect the morale of the employees because they feel side-lined on communication matters.

On the other hand, the study indicated that the position of employees, the number of years in service, the level of education, the gender and terms of employment do not determine the extent of communication on matters of retrenchment, they were all rated low before, during and after retrenchment. This also had adverse effect on the employee morale because the permanent employees felt that they should be involved in matters of retrenchment. This support the researcher's view that communication plays an important role in an organisation because of information needed to guarantee fairness among workers. However, the study found that the majority of the employees in the bank Nigerian banking sector perceived retrenchment as being caused by unfavourable government policies, poor governance and poor management by the bank executives. In line with this perception, Nigerian has been experiencing mismanagement of funds by our leaders including the banking sector. Similarly, Okafor, (2010), stressed that this mismanagement manifested in the banking sector as the executive managements were busy diverting depositors funds to themselves, and also giving fictitious loans to their companies, relatives and close friends, thus strangulated the banks to a state of gross under capitalisation and distress. As result of this, banks were in trouble even the Central Bank of Nigeria could not give them the chance to practice their evil manipulations so the only means they had is to maximise profits was to resort to reducing cost through retrenchment which they implemented without consulting anyone. As a result, thousands of bank workers were thrown into the labour market which has been saturated.

Further, this supports Brockner, (1986) who avers that the bank workers were worried about job security as a result of uncertainty in the sector. Also, they were worried about the way the leavers were treated. Previous studies suggested that because of the emotional feelings, those who survived the retrenchment exercise felt vulnerable by expressing worry about their future and feeling threatened by the management. Brockner (1993) noted that the bank workers were anxious as to whether or not they will be laid off in the future and felt relief and guilt about retaining their jobs while

others were losing theirs. Astrachan (1995) also stressed that anxiety is stimulated by the mere announcement that people in the organisation are leaving.

The study further showed that bank workers regardless of their perception and feelings of job loss reported an increase in their commitment. This is an indication that there is no discernible difference between workers' perception as well as feelings of job loss and commitment rather, declining job security level improves workers' performance as most of them want to be relevant on with their jobs. This negates the findings of Armstrong-Stassen, (1993), and Ojedokun, (2008) who assert "that lower levels of job security are closely associated with a decrease in self-rated worker commitment.

However, retrenchment in Nigeria is always subjective no matter the sector of the economy that is involved. According to Uvieghara, (2000) the Nigerian Labour Act, has declared that whatever the reasons for the organisations' need to declare retrenchment process, it must be done in transparent and objective ways but in Nigeria banking sector, such declaration has been ignored, there is always lack of transparency in the retrenchment process. This is in line with Ademola, (2012), stated that it is obvious in Eco and Access banks as the survivors of these banks perceived retrenchment as arbitrary because the management had been taking unilateral decisions in retrenching their employees.

This is also supported Armstrong's (1993) view that post layoff environment can be stressful and fearful because survivors would be worried about their own job security. Sometimes, anger and anxiety associated with the process and implementation of retrenchment could lead to reduced commitment. Also, Fiona (1999) found that as the retrenchment process progresses, survivors grow increasingly bitter and angry towards management and the way in which the retrenchment was implemented and way and manner by which leavers are treated.

Moreover, workers perceived retrenchment as having fear and anxiety which brings about reduced commitment. Employees in old and new generation banks perceive retrenchment in the same way but among all the banks surveyed, the retrenchment in the first bank was fair and objective when compared with the other banks.

Fear of Retrenchment

Fear is subjective and can cover a range of emotions: from slight concern to deep anxiety. Fear is the feeling that people sense when they are in danger. It is a protective sensation, which signals risk and helps a person to prepare for and cope with it. Fear serves to alert us to incipient threat (actual or perceived) and is, therefore, guardian emotion and both neuro-physiologically and experimentally. It is closely allied with anger and rage. Fear of the unknown is caused by [worry](#) due to [anxiety](#) accompanied by a subjective sense of apprehension or dread. Unknown fear as with the case of any other fears shares common neural pathway that engages to mobilize bodily resources

in the face of danger. Many people are scared of the "unknown". The wind of change that blew across the banking industry between July 2004 and December 2005 made every bank staff apprehensive as no one really knows one's fate in the imbroglio.

According to Fanimu (2006) in many banks changes in job placements have resulted in serious job cuts and rationalization in consolidated and non- consolidated banks. This only serves to make bankers regard their jobs as unstable and this has the tendency to affect employees' level of commitment and this worsens labour turnover in the sector. Workers retrenchment exercise in the banking sector has led to the loss of skills, energy, morale, commitment, physical and mental health degradation. In a country like Nigeria, where families are closely knitted and interdependent on one another, sometimes for economic stability, the loss of one job can affect a whole family. The ongoing restructuring exercise since 2004 and 2005 has created a situation of redundancy especially in these banks that consolidated through mergers and acquisitions. Employees become redundant and hence, rationalized with or without benefit.

Retrenchment has an immense emotional impact on employees within the banking sector. Executives who assume that employees will continue to give their all to the business following a retrenchment announcement may be in for a rude awakening. If the retrenchment process is not appropriately managed, discontent and demotivation are likely to spread like viruses through the organisation, and the impact on both the corporation and its employees (those losing their jobs as well as those remaining) can be devastating. The resulting disappointment, anger, fear, upset, resentment, and ill-feeling may precipitate lower productivity levels, turf battles, poor morale, heightened interpersonal conflict, poor time management, increased absenteeism, cynicism about the corporation's future and even incidents of sabotage.

It is important to note that workers whose organisations have experienced downsizing usually live in fear and anxiety for, retrenchments, early retirements, buyout packages, golden handshakes, and branch closures (Gandolfi 2007).

The ongoing retrenchment in the banking sector has not only affected the Nigerian banking sector, but it has thrown the banking industry and even the society at large into a worse situation due to the soaring unemployment in the country as most job seekers are bothered about seeking for jobs in the banking sector and the surviving workers operate in fear of imminent retrenchment., it's sometimes hard to tell who is less fortunate employees who have had to leave, or those who are left behind otherwise referred to as "working wounded". Not only are the surviving employees troubled by guilt, an ambivalent attitude towards management, and fear of future retrenchment, but also by the burden of job enlargement, the loss of management experience and expertise, and the need to adjust to a new organisational structure. If the management assume the survivors to give of their best, they need to provide a very

tangible message of investment in the future of the organisation and in its remaining employees.

METHODOLOGY

The Study Area

The study was conducted in Ibadan Oyo State. Ibadan is the capital city of Oyo State is located in space within the geographical coordinates of latitude 723 and 739 North of the equator and longitude 3 55 and 391' East of the Greenwich. Ibadan has an estimated population of 3596, 500. Ibadan is the third-largest metropolis in the country. Ibadan has eleven Local Governments Area consisting of five urban and six Semi-urban local governments.

Sampling Techniques:

Two hundred and eighty (280) respondents were selected for the study. Two Old Generation Banks, United Bank for Africa and First Bank of Nigeria were selected using purposive sampling method.

While the two New Generation Bank, Eco and Access Bank was randomly selected through balloting. In all the four banks selected from the list of the existing 22 registered commercial banks in Nigeria, a total population for the four Banks in Ibadan were 935. The population for the study comprised the survivors - the surviving bank employees in the retrenching commercial banks in Ibadan. The selection of the sample involved a three-stage simple random sampling. The first stage involves the selection of twenty-two registered commercial banks in Nigeria. The second stage involves the random selection of the Regional offices of the banks situated in Ibadan were purposively selected with five other branches, each selected at random through balloting.

The population consisted of workers in the banks comprising of six banks two old generation bank and two new generation bank out the twenty-two banks operating in Ibadan. In the final stage, a selection of 280 banks was selected for the study.

Data Collection Method and Instruments

Quantitative and Qualitative instruments were used for data collection. For Quantitative instrument, a well-structured questionnaire was designed into sections to capture questions about the demographic characteristics of the respondents, Section B dealt on the perception of retrenchment by bank staff. Section C was on the fear of retrenchment and workers' commitment, Section D dealt on the reaction to increase the rate of retrenchment. Section E was on the criteria for retrenchment while Section F dealt on the reasons for bank retrenchment, and a period of 21 working days was used to fill and retrieved the completed questionnaires from the respondents. For

qualitative, in-depth interview (IDI) was used to collect information from the respondents during the field exercise. The questions for the IDI were based on the IDI guide. Similarly, the interview was conducted on one on one basis. The interview was conducted on 12 respondents, three staff each from the selected banks two management staff and one junior staff.

Method of Data Analysis

The questionnaire for this study was based on a simple descriptive analysis of frequency distribution of relevant statistical information supplemented by percentage. Statistical Package for Social Sciences (SPSS) was used to analyse the data from the questionnaires in this study, while the results were presented on tables and interpreted by the use of simple percentages. For Qualitative data, Tape and notes from the in-depth interview (IDIs) were translated and transcribed. While data collected through the in-depth interview was analysed using content analysis.

DATA PRESENTATION AND ANALYSIS

Socio-Economic Demographic Characteristics of the Bank Workers

Table 4.1.1: Distribution of respondents by Sex, Age, Marital status Educational qualification, Religion and Income distribution

Personal Data of Respondents	Frequency(N=250)	Percentage=(100%)
<i>Gender</i>		
Male	148	59.2
Female	102	40.8
Total	250	100.0
<i>Age</i>		
18-28	102	40.8
29-39	134	53.6
40-50	11	4.4
51and above	3	1.2
Total	250	100.0
<i>Marital status</i>		
Single	23	9.2
Married	227	90.8
Divorcee	0	0.0
Widow/Widower	0	0.0
Total	250	100.0
<i>Qualification</i>		

OND	29	11.6
B.Sc	146	58.4
HND	55	22.0
M.Sc / equivalent	20	8.0
PhD	0	0.0
Total	250	100.0
Religion		
Christianity	146	58.4
Islam	104	41.6
Traditional	0	0.0
Total	250	100.0
Income Per month		
1000-50,000	13	5.2
51,000-100,000	44	17.6
101,000-150,000	56	22.4
151,000-200,000	47	18.8
201,000-250,000	46	18.4
250,000 and above	44	17.6
Total	250	100.0
Years of Experience		
1 – 5 years	39	15.6
6 – 10 years	134	53.6
11 – 15 years	48	19.2
16 years and above	29	11.6
Total	250	100.0

Source: Field Survey (2017)

Table 4.1.1, showed that 59.2% of the participants were males while 40.8% were female. This revealed that the male domination of the human resources functions in the banking industry. The age distribution of the respondents shows that 40.8% of respondents were between 18 and 28 years old, 53.6% were between the age group 29 and 39 years, 4.4% of were between 501years and 1.2% of respondents were within the of 51 years and above. The age distribution of the respondents shows that the majority of the bank staffs are the age of 18 and39 years with 94.4%. This implies that the banks have young and energetic staff that can efficiently utilise their potentials to move the banking sector and the Nigerian economy forward.

The study further showed that 9.2% of respondents were single, while 90.8% were married; none of the respondents was either divorced or widowed. This indicates that

most of the employees were married and responsible. The educational qualifications of the respondents were also presented. 58.4% of the respondents possessed BSC certificate, 22% of the respondents possessed HND certificate, 8.0% possessed a Masters Certificate, while 0% possessed PhD as their qualification. An individual's level of education has an impact (either positive or negative) on his or her occupation, income, chances of marriage, quality of life and that the children.

For the religion, three major groups were presented namely Christianity, Muslims and Traditional religion. From the table, the populations sampled were practising the two major religions in the country (Christianity and Islam). From the table, 58.4% of respondents claimed to be Christian, while 41.6% of respondents were Muslims.

The researcher investigated further to know the monthly income of respondents. The table showed that 5.2% earned #1,000 and #50,000, 17.6% earned between #51,000 and 100,000, 22.4% earned between #101,000 and #200,000, 18.8% earned between #151,000 and #200,000, 18.4% earned between #201,000 and 250,000 and 17.6% earned between 250,000 and above. Experiences of the respondents in the banking industry were also investigated. From the table, 15.6% of respondents have worked between 1 and 5 years, 53.6% worked between 6-10 years, 19.2% worked between 11-15 years while the remaining employees worked for 16 years and above. This indicates there is job loss as well as insecurity in the banking sector because people are leaving the banks on a daily basis and new ones are recruited which is not healthy to the growth of the Nigerian economy. The age distribution of the respondents' shows that a good number of bank staffs were between the ages of 18 and 39 years with 94.4%. This implies that the banks have young and energetic staff that can efficiently utilise their potentials to move the banking sector and the Nigerian economy forward. The study further showed that 9.2% of respondents were single, while 90.8% were married; none of the respondents was either divorced or widowed. This indicates that majority of the employees were married and responsible. The educational qualifications of the bank staff were also presented. 58.4% of the respondent's possessed BSC certificate, 22% of the respondents' possessed HND certificate, 8.0% possessed a Masters Certificate, while 0% possessed a PhD as their qualification. An individual's level of education has an impact (either positive or negative) on his or her occupation, income, chances of marriage, quality of life and that the children.

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WORKERS' PERCEPTION OF RETRENCHMENT

Table 4.2.1: Distribution of respondents view on the perception of retrenchment

ITEMS	SA	A	U	D	SD
A means to reduce	148(59.2)	97(38.8)	592.0)	0	0
Effect of unfavourable government policies	190(76.0)	60(24.0)	0	0	0
Effect of economic	176(70.4)	74(29.6)	0	0	0
Negligence on the part of management	15(6.0)	27(10.8)	67(26.8)	90(36.0)	51(20.4)
It is a means of punishing erring workers	0	46(18.4)	9(3.6)	86(34.4)	109(43.6)
It is a means haunting	0	0	0	98(39.2)	152(60.8)

Source: Field Survey (2017)

The study sought information about their perceptions on retrenchment, from the result of the analysed data presented, the table shows that 59.2% of respondents strongly agreed that, it is a means to reduce service cost by the bank, 38.8% the same, while 2% remained undecided. The table further shows that 76% of respondents strongly agreed that retrenchment is due to the effect of unfavourable government policies, 24% also submitted the same. However, 100% of the participants maintain that global economic crises, as well as the economic recession, were responsible retrenchment of the bank workers in Nigeria. All the responses indicate that a majority of the workers described retrenchment in the banking sector was due to poor governance, crises in the economy, and current government policies and poor management by banks executives. From table 4.2.1, 16.8% of the respondents agreed that retrenchment was caused by negligence on the side of the management, 26.8% were undecided, while 56.4% were strongly disagreed. The table further shows that 18.4% of the respondents agreed it is a means of punishing the erring workers, 3.6% remained undecided while 78% disagreed. Further, an overwhelming number of 100% of respondents disagreed that retrenchment is a means of haunting workers.

The responses show that majority of the respondents' perception about retrenchment is that it is not a means of punishing erring workers rather it is a means of repositioning the banking sector for further liquidation. This was supported by former CBN governor, Sanusi (2009) who submitted that merging of banks which gave rise to loss of jobs is to reposition the banking sector for global competition and ensuring a sustainable banking sector that can ensure the safety of depositors' money.

Table 4.2.2: Distribution of respondents view on alternative option preferred to retrenchment

Options	Frequency(N=250)	Percentage=100%
Reduction of workers' salaries	172	52.9
Payment of salaries according To output	49	15.1
Cutting all costs by stopping promotions and training	64	19.7
Suspension	40	12.3
Total	325	100.0

Source: Field Survey (2017) Note: multiple responses

The above table indicated the alternative options banks would have preferred to retrenchment of workers, from the data analysed, 52.9% of the respondents indicated that the banking sector should reduce the workers' salaries, 15.1% submitted that banks should pay salaries according to output, 19.1% indicated that the banking sector should cut all costs by stopping the promotion and training of staff while 12.3% of respondents show that they prefer the suspension of workers. As regards, an alternative to retrenchment, many of the workers preferred that employees' salaries and some fringe benefits be reduced instead of retrenchment.

CRITERIA FOR RETRENCHMENT

This section discussed the criteria used by banks for retrenchment. The assumption is to examine the extent of fairness and objectivity in the treatment of bank workers during and after retrenchment exercise in the banking sector.

Table 4.3.1. Distribution of respondents' view on the criteria used for selecting workers to be retrenched.

QUESTIONS	AL	ST	RL	NV
Does your employer use individual productivity as a criterion for retrenchment?	84(33.6)	78(31.2)	23(9.2)	65(26.0)
Does your employer use an appraisal system to identify workers to be retrenched?	61(24.4)	125(50.0)	38(15.2)	26(10.4)
Does your organisation use voluntary retirement in retrenching workers?	89(35.6)	132(52.8)	18(7.2)	11(4.4)
Does your organisation announce the period the retrenchment is likely to be affected?	97(38.8)	114(45.6)	39(15.6)	
Does your organisation use first in first out methods to identify workers to be retrenched?	10(4.0)	59(23.6)	22(8.8)	159(63.6)
Does your organisation use last in first out methods to identify workers to be retrenched?	35(14.0)	47(18.8)	101(40.4)	67(26.8)
Does your organization use gender to identify workers to be retrenched?	13(5.2)	8(3.2)	49(19.6)	180(72.0)
Does your organization use the educational qualification to identify workers to be retrenched?	16(6.4)	87(34.8)		147(58.8)

Source: Field Survey (2017)

Frequency (N=250); Percentage=(100%)

Table 4.3.1 shows that 33.6% of respondents indicated that employers use individual productivity as a criterion for retrenchment always, 31.2% indicated sometimes, 9.2% indicated rarely, while the remaining 26% indicated never. This implies that employers always use individual productivity as a criterion for selecting workers to be retrenched. The table 4.3.1 also shows that 24.4% of respondents indicated that employers always use an appraisal system as an approach for workers retrenchment, 50% indicated sometimes, 15.2% indicated rarely while 10.4% indicated never. The implication of this is that indicated that employers use an appraisal system to identify workers to be retrenched. From the table 4.3.1, 35.6% of the respondents indicated organization use

voluntary retirement in retrenching workers always, 52.8% indicated sometimes, 7.2% indicated rarely and 4.4% indicated never.

Table 4.3.1 shows that 38.8% of respondents indicated that organisations always announce the period the retrenchment is likely to be affected, 45.6% indicated sometimes and 15.6% indicated rarely. Further, 4% of respondents indicated that organisations always use first in first out method to identify workers to be retrenched, 23.6% indicated sometimes, 8.8% indicated rarely, more than half of respondents indicated never. The implication of this is that banks never used first in the first method to retrenched workers.

Moreover, 14% of respondents indicated that their organisations always use last in first out methods to retrench workers, 18.8% indicated sometimes, 40.4% indicated rarely and 26.8% indicated never. In terms of gender, 5.2% of the respondents indicated that organisations always use gender as part of the method of retrenchment, 3.2% indicated sometimes, 19.6% indicated rarely and 72% indicated never. This implies that organisations never use gender as a means of laying off the workers.

Finally, 6.4% of the respondents indicated that organisations usually employ the educational qualification for workers retrenchment, 34.8% indicated rarely and 58.8% indicated never which implies that organisations never use the educational qualification as part of the retirement criteria.

The in-depth interview conducted revealed the criteria banks use in selecting workers for retrenchment. Many respondents believed there are so many criteria and approach used for retrenchment in the banking sector.

REASONS FOR BANKS RETRENCHMENT

This section discussed the reasons banks embark on retrenchment.

Table 4.4.1: Distribution of respondents view on Reasons for banks retrenchment

Reasons for Retrenchment	SA	A	U	D	SD
Years of service	141(56.4)	33(13.2)	0	12(4.8)	9(3.6)
Inefficiency	159(63.6)	90(36.4)			
Incapability	127(50.8)	119(47.6)	4(1.6)	0	0
Redundancy	83(33.2)	156(62.4)	0	11(4.4)	0
Gross misconduct	142(56.8)	108(43.2)	0	0	0
Poor health condition	197(78.8)	53(21.2)			
Overstaffing and absenteeism	94(37.6)	128(51.2)	0	15(6.0)	13(5.2)
Misappropriation	195(78.0)	55(22.0)	0	0	0

Low-level profitability	66(26.4)	173(69.2)	11(4.4)		
Increase in international competition	28(11.2)	37(14.8)	97(38.8)	68(27.2)	20(8.0)
Technological development	42(16.8)	69(27.6)		83(33.2)	57(22.8)
Government policies	157(62.8)	93(37.2)			
Regulatory conditions (CBN, NDIC)	189(75.6)	61(24.4)			
Educational qualification	23(9.2)	46(18.4)	13(5.2)	121(48.4)	47(18.8)

Source: Field Survey (2017)

The table 4.4.1 indicates that 56.4% of respondents strongly agreed that years of service of an employee could lead to staff retrenchment, 13.2% agreed, 4.8% disagree while 3.6% strongly disagree. This implies that years of service of an employee could be the major reason banks embark on retrenchment, the table 4.4.1 also indicates that 63.6% of respondents strongly agree that inefficiency is one the reasons banks embark on a retrenchment exercise. The result from the table shows that 50.8% of respondents strongly agreed that incapability of staff is a reason banks embark on staff retrenchment, 47.6% agree and 1.6% were undecided. The implication is that the level of incapability expressed by the bank staff can affect their performance.

In terms of redundancy, 33.2% of respondents strongly agree that redundancy can cause retrenchment, 62.2% of respondents also agree while only 4.4% disagree. The response indicates that a good number of the employees experienced redundancy due to some circumstances beyond their control which may include government policy, economic problems and so on. The implication is that survivors may develop fear and begin to seek another job, especially where the leavers were treated in a fair manner. This shows that the employees may have confidence in keeping their job for some period of time. However, as the redundancy exercise starts to increase, the employees will begin to lose confidence which can result in fear and anger that will affect their output.

The table also shows that 56.8% of the respondents strongly agree that gross misconduct is the reason for retrenchment and 43.2% also submitted the same. The table further reveals that 78.8% of respondents strongly agree that poor health condition is a major reason for retrenchment while 21.2% agree. 26.4% strongly agree that low-level profitability also the reason for retrenchment, 69.2% agree while 4.4% were undecided. From the same table 4.4.1, 26% agreed that an increase in

international competition is a reason for retrenchment, 38.8% remained undecided while the remaining 35.2% disagree.

Further, 44.4% of respondents submitted that technological development is a reason banks embark on retrenchment, while the remaining 56% disagree. This indicates that technological development cannot lead or be the reason for retrenchment among the bank's employees. In terms of government policies, 100% of respondents agree that government policies are the major reasons most banks embark on a retrenchment exercise. An overwhelming number of respondents agreed that government policies affect banks and are part of the reasons bank embark on retrenchment. This implies that retrenchment is the answer for the banking sector to remain in business. Moreover, 75.6% of respondents strongly agreed that regulatory institutions (CBN, NDIC) also affect banks decision to embark on retrenchment, 24.4% agreed. Impliedly, that most of the workers agreed that regulatory conditions are given by these regulatory bodies (CBN, NDIC) also contributed to why banks embark on retrenchment. The table shows that 27.6% of respondents agreed that educational qualification is also the reasons banks' embark on retrenchment, 5.2% were undecided while 67.2% disagree. The finding shows that educational qualification is insignificant when it comes to banks retrenchment.

FEAR OF RETRENCHMENT AND BANK WORKERS COMMITMENT

This section discussed the effect of fear of retrenchment on workers' commitment in the banking sector.

Table 4.5.1: Fear of Retrenchment and Worker's Commitment

ITEMS	SA	A	U	D	SD
The fear of retrenchment could make me leave my work now	21(8.4)	217(86.8)	5(2)	7(2.8)	
The fear of retrenchment could make me become committed	19(7.6)	189(75.6)	8(3.2)	34(13.6)	
The fear of retrenchment makes me feel that the bank's problems are my own.		14(5.6)		197(78.8)	39(15.6)
Despite the fear of retrenchment, I feel that I have a few options to	45(18)	201(80.4)	4(1.6)		

consider leaving this work.					
Despite the fear of retrenchment, I feel “emotionally attached” to my work			22(8.8)	175(70)	53(21.2)
The fear of retrenchment could reduce the in strength and productivity in me	30(12)	218(87.2)	2(0.8)		
The fear of retrenchment could lead to a lack of motivation	23(9.2)	201(80.4)		26(10.4)	
The fear of retrenchment could make me feel my job is insecure	47(18.8)	187(74.8)	16(6.4)		
The fear of retrenchment can make me accept a salary cut	27(10.8)	219(87.6)	4(1.6)		
The fear of retrenchment will never allow me to be late to the office	101(40.4)	93(37.2)		56(22.4)	
The fear of retrenchment will never allow me to be absent from work	62(24.8)	183(73.2)	5(2)		

Source: Field Survey (2017)

Table 4.5.1 shows that majority of the respondents, 95.2% agreed that the fear of retrenchment could make them leave their work, 2% remained undecided, and 2.8% disagreed. This implies that retrenchment creates fear and anxiety among the bank workers which if not well handled will affect commitment to their jobs, employees seek jobs elsewhere especially where the leavers are not properly treated. The table shows that 83.2% of respondents agreed that the fear of retrenchment can lead to reduced commitment, 3.2% were undecided while 13.6% also agreed that fear of commitment cannot reduce workers commitment to duty. This reveals that the fear of retrenchment has an adverse effect on workers which continued to reduce the commitment they have for their jobs. However; this suggests that the internalisation of loyalty may affect organisational commitment and the ability of the banks to retain

key staff. Also, previous studies have shown that from the onset especially fear can lead to changes in banks ' worker's attitude and behaviour which can cause reduced commitment.

Further, 94.4% of the respondents disagreed that the fear of retrenchment makes them feel that bank's problems were theirs and 5.6% agreed, 98.4% of the respondents agreed that despite the fear of retrenchment, they feel they have few options to consider leaving the work and the remaining 1.6% were undecided.

The same table shows that 70% of respondents disagreed that despite the fear of retrenchment, they feel "emotionally attached" to their work, 21.2% strongly disagreed while 8.8% were undecided, and this suggests that the emotional attachment of loyalty may affect bank workers' commitment and the ability of the banks to retain key staff.

Further, 99.2% of respondents agreed that fear of retrenchment could reduce their strength and productivity while 0.8% were undecided. This reveals that the fear is high which and it a challenge to the retained employees and threat to their work and personal lives. The findings support the assertion of De Witte (1999) who stated that if individuals feel their needs are threatened by an insecure employment situation, they also experience a threat to the vital economic, social and personal aspects of their lives. It also makes the employees uncomfortable at work and this can cause reduced commitment.

Again, 89.6% of respondents agreed that the fear of retrenchment could lead to lack of motivation while the remaining 10.4% disagreed; this implies that an alienated employee may lose concentration on the job which may affect his/ her output. Further, the table shows that 93.6% of respondents said that the fear of retrenchment could make them feel that their job is insecure while the remaining 6.4% were undecided. The study further revealed that fear of job cuts could lead to a reduced commitment to jobs. From the same table, 98.4% of respondents agreed that the fear of retrenchment can make the workers accept salary cut while 1.6% were undecided. Concerning lateness to work, 77.6% of respondents agreed that the fear of retrenchment will never allow them to be late to work while 22.4% of disagreed.

As regards absenteeism, in terms of absenteeism 98% of the workers stated that the fear of retrenchment will never allow them to be absent from work while 2% were undecided. The study found that most of the participants were afraid of job loss and as such made sure they put in their best so as to retain their jobs. The fear of retrenchment makes most bank workers have second thoughts by engaging in one behavioural attitude or the other. Some of them also made alternative arrangements to look for jobs elsewhere. Job loss makes workers jittery since no one knows who the next since the victim will be.

BANK RETRENCHMENT POLICY

This involves the policy banks use in performing their duties, and explains whether or not banks make use of their policy in carrying out their jobs.

Table 4.5.2: Distribution of Respondents' View as regards Bank Retrenchment Policy

<i>Does your bank have a retrenchment policy?</i>	Frequency(N=250)	Percentage=100%
Yes	239	95.6
No	4	1.6
No response	7	2,8
Total	250	100
<i>If yes, does your bank follow the policy?</i>	N=239	Percentage =100%
Yes	126	52.7
No	56	23.4
No response	57	23.9
Total	239	100

Source: Field Survey (2017)

Table 4.5.2 reveals that 95.6% of respondents agreed that their banks had retrenchment policy, 1.6% maintained that their banks have no policy while 2.8% did not any response to the question. An overwhelming 239 respondents submitted yes to the question, 52.7% of respondents agreed that their banks used retrenchment policy during retrenchment exercise, 23.4% maintained no and 23.9% did not respond to the question. This signifies that many of the banks have the retrenchment policy and is widely used during retrenchment exercise.

The study revealed that the majority of respondents 95.6% agreed that their banks have retrenchment policy while 1.6% submitted that there is nothing like retrenchment policy in their banks.

WORKERS REACTION TO THE RATE OF RETRENCHMENT

This section focuses on a bank worker's reaction to the rate of retrenchment in the banking sector. The aim is to examine the rate of reaction by bank workers towards retrenchment. Respondents were requested to indicate from the options, how bank workers react to the rate of retrenchment in the banking sector.

Table 4.6.1: Reaction to the Increasing Rate of Retrenchment

ITEMS	SA	A	U	D	SD
Seeking higher education	111(44.4)	93(37.2)	0	36(14.4)	10(4.0)
Seeking other job opportunities	45(18.0)	104(41.6)	9(3.6)	63(25.2)	29(11.6)
Effective service delivery.	138(55.2)	94(37.6)	0	18(7.2)	
Engaging in other jobs alongside the present job	107(42.8)	112(44.8)		31(12.4)	0

Source: Field Survey (2017)

Table 4.6.1 shows that 44.4% of respondents strongly agreed that seeking higher education is a way bank workers react to the rate of retrenchment in the banking sector, 37.2% agreed, 14.4% disagree and 4% strongly agreed. The table shows the 59.6% of respondents strongly agreed and agreed that seeking other job opportunities is a way of reacting to the rate of retrenchment in the banking sector, 3.6% were undecided, 25.2% disagreed and 11.6s% strongly disagreed. This implies that bank workers do not react to the rate of retrenchment by seeking another job. The implication is that fear can make the employees uncomfortable at the work which may affect their performance. And that for any disappointed staff, there would be unhappiness and loss of confidence but from the observations, some of the respondents are going on with their works. This shows that the workers still do their work since there no alternatives. However, some employees put more effort into their jobs in order to maintain it. Further, 55.2% of respondents strongly agreed that effective service delivery is the way bank workers reacted to the rate of retrenchment in the banking sector, 37.6% agreed and 7.2% disagreed. Finally, 42.8% of respondents strongly agreed that engaging in other jobs alongside the present job is a way of reacting to the rate of retrenchment in banks, 44.8% agreed and 12.4% disagreed. The study revealed that many of the workers put in more effort to retain their jobs. From the finding, 59.6% agreed that seeking another job is the best reaction bank retrenchment.

Conclusion and Recommendations

Conclusion

In this study, attempts were made to examine reasons for banks retrenchment, criteria used to select workers to be retrenched, perception of retrenchment by workers, fear of retrenchment and reaction of bank workers towards rate of retrenchment. It was concluded from the findings that many workers identified some reasons for banks retrenchment and this has hindered commitment to their job. These reasons include misappropriation, gross misconduct by workers, incapability, redundancy, poor health

condition government policies and economic recession. Management needs to consider that survivors' reactions are influenced by the level of the decisions and the decision making process; this can be enhanced by consultative decision making. The study also revealed that bank workers were usually not aware of the criteria and procedure the management use during retrenchment exercise. This shows that retrenchments in the banking sectors are subjective. This is true with respect to the number of retrenched bank workers without entitlements. The rationale and criteria for retrenchment should be made clear at the beginning. Management should take caution not to use retrenchment as opportunities to punish employees, rather they should be objective in applying the criteria for retrenchment. An attractive severance package will also serve as an inducement for those employees who want voluntarily disengagement.

The process of retrenchment should be known. The above measures coupled with increased skills in performance evaluation should reduce the problem of job insecurity. Existence of these problems further showed that some of the strategies for retrenchment did not work as planned. The method of deciding who should leave or stay should be fair to the employees. The study indicated that survivors' reactions would be less negative if they feel they have an equal chance to stay, more so, notification of retrenchment process should properly be disseminated quickly, accurately and with sensitivity to the workers. This will eliminate persistent fear, worry and anxiety and lack of bank workers' commitment in most Nigerian banks.

Recommendations

For the financial institutions to check the implication of retrenchment, the study suggested the following recommendations;

- Retrenchment should be cautiously considered, well prepared for and purposefully implemented to avoid legal battles. The management should take time to carry out a serious investigation of banks' problems before retrenching staff.
- Employers should ensure employees approaching the age of retirement and those to be retrenched undergo a set of transiting training and self-development programmes. These programmes may include contemporized entrepreneurial and personal financial skills that will guarantee a stable socio-economic life after retrenchment.
- Since bank workers have negative perceptions about retrenchment process of workers which is likely to have a serious impact on the early stage of implementation, senior officers in charge of the exercise should be sensitive to employees' perceptions and work on them through seminars, and public relations. Workshops should always be encouraged, which will help in

reducing the possible impact of the retrenchment process by human resource personnel.

- The selection criteria and method for deciding who should be retrenched should be fair, transparent and objective. Bank management should see to the timely settlement of retrenched workers as regards their entitlements to enable them to seek other means of livelihood.
- Designing strategies to boost workers level of commitment is necessary since commitment influences turnover, thus would benefit bank management as well as employees and it will boost employee's commitment.
- Employers should develop their employees' potentials, promote their wellbeing and retrench them only as a last resort and only if retrenchment is inevitable. Where retrenchment becomes necessary, the reasons should be revealed to the employees.

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