

Impact of Rightsizing on Shareholders Value in Micro Finance Banks in Lagos State, Nigeria

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Abstract: *Micro finance banks are important for modern retail banking businesses in the economy and they contribute to employment growth. Since business establishments are human organizations, people are very essential in its existence and success. Shareholders value in this business is still relatively challenging. This study adopted survey design because it provides the opportunity to describe the variables through the collection of primary data with the use of structured questionnaire. The population of this research is 5,200 employees of national, state and unit micro finance banks located across Lagos State, Nigeria. The sample frame from which employees of micro finance banks from the five geo-political zones in Lagos State (Badagry, Mainland, Epe, Island, and Ikorodu) were selected regardless of their location in the State. This research work considered all participating micro finance banks in Lagos State. Senior and junior staff of participating micro finance banks were selected within the framework and a total of one thousand five hundred (1500) respondents were used. A self-constructed and validated instrument titled, Employees' Rightsizing and Shareholders Value Questionnaire (ERSVQ). This was validated and a reliability test was performed, and the Cronbach's alpha for the whole instrument is 0.79. The result showed that the questionnaire has a high level of reliability. The results of the findings revealed that rightsizing has positive and significant effect on shareholders' value of microfinance banks in Lagos State ($\beta = .646, t = 23.187, p < 0.05$). Further, the F-statistic has an estimated value of 537.616 and a probability statistic of 0.000 ($Prob < 0.05$). The study concludes that rightsizing has positive and significant effect on shareholders' value of micro finance banks in Lagos State. From the findings it is recommended that, micro finance banks should restructure their operations to keep their failing business alive via the concept of rightsizing and increase their competitiveness and financial standing.*

Keywords: *Rightsizing, shareholder value, human resource management, micro finance banks, manpower planning.*

I. Introduction

Rightsizing is the Human Resource Management function of manpower planning and staffing. Institutions are established to accomplish specific goals. To achieve these goals, the human resource is one of the crucial factors, without which the goals are unattainable. Marks and Demeuse (2004) observed that the word "rightsizing" is popularly used in business and management circles to represent an approach to management functions of manpower planning and staffing. According to Wajiga and Ndazghu (2017), rightsizing is the process by which human resource manager determines how an organisation should move from its current manpower position to its desired manpower positions through planning, management, strives to have the right employee at the right time to do the things that in both the organisation and the individual getting long time benefits. The planning of manpower ensures adequate supply, proper quality and quantity as well as effective utilization.

Also, Dollards (2004) affirmed that employment of the requisite personnel is the first step to positioning an organisation. Jonah and Jonah (2010) observed that in recruiting personnel, three situations do arise: over-engagement, under engagement and optimal engagement. They argued that optimal engagement is the best any organisation opts for at any situation. Over engagement eventually leads to downsizing, while under-engagement leads to recruitment of more personnel. Syberko (2011) observed that redundancy may arise where workers are under-utilized, probably, due to improved/changed technology or capital intensiveness or lack of innovation by the organisation for better repositioning and engagement of staff. Onwutebe (2011) attributed under-utilization of staff in an organisation to management's poor vision and versatility. He advised that to utilize the excess staff adequately, management has to be versatile in both social and creativity reengineering.

According to Ikechukwu and Duru (2017), that rightsizing has impacted positively to the advancement of many enterprises good workforce planning allows rapid skills replacement, so that department can continue

to function smoothly. He further argued that as a result of effective implementation of workforce planning, human resource practitioners can warn managers of minor problems before they turn into major ones. Rightsizing according to Appollos (2011) is the line of best fit drawn between engagement of excess staff and under-utilization of current staff. He noted that rightsizing is an optimality concept in the employment of personnel. Being an optimality concept, it is simply dynamic and always ongoing.

According to Akpan (2014), the term “rightsizing” implies that organisations should determine and maintain a level of employment right for its requirement. Consequently, rightsizing helps in the establishment of the most effective shape and size of an organisation. Therefore, rightsizing is a process of constantly adjusting ones’ organisation to be as most efficient, effective, competitive and profitable as it can possibly be. The process of rightsizing is not immune to outside forces, but unlike downsizing, it does not wait for things to happen to the organisation that forces reactive changes. Rightsizing can be achieved by a number of painless techniques. Some of these techniques which are being applied by firms to make them effective and efficient include; maintenance of accurate personnel records and regular personnel audit, human resource planning, employee training and development, employee retention strategies such as performance pay, employee training and career development, high level wage rate and organisations image, participative decision making and information sharing, employer provided or employer paid housing, group insurance (health, dental, life, and others), retirement benefits, tuition reimbursement, employers paid medical scheme, among others.

Rightsizing in business organisation is concerned with analysis of the human resources available in an organisation to determine with meeting the objectives of skilled personnel and providing productive employment for optimum utilization of labour force against under employment of labour. Various empirical studies justified this assertion as there is consensus among human resource management scholars on the importance of rightsizing to business organisations (Wajiga, &Ndazghu, 2017). For example Robert and Cheruiyot (2015) examined the influence of rightsizing strategy on performance of Barclays bank in Kenya. The study adopted a survey research design. Data for the study were collected from employees of Barclays Bank in Kenya. Findings of the analysed data showed that the act of keeping appropriate number of employees enhances organisational profitability as there is a strong positive correlation between employee reduction and firm performance. This indicated that higher level of employees’ engagement leads to effective performance of commercial banks. Hamed, Bowra, Aleem and Hussain (2013) studied similar study in order to ascertain whether the banking sector are successful in achieving their objectives of restructuring or not in another country by investigating pre and post bank performance activities using pre-downsizing and post-downsizing financial data on various employee’s performance criterion; which are loan per employee, deposit per employee, return on assets, return on equity, and so on, findings of study showed that adoption of restructuring strategy significantly facilitate the achievement of organisational objectives as post downsizing activities yielded positive outcome to organisations under investigation.

With reference to Goesaerty and Heinzz (2012), rightsizing and firm performance in the banking industry and found a significant positive correlation between rightsizing and firm performance. Gandolfi (2013) examined whether Portugal’s largest banks realized their financial objectives upon the execution of downsizing activities during 2008 - 2010. Financial performance was measured through employee efficiency, profitability, and asset quality. The secondary data was analysed within a defined framework of two distinct phases: pre- and post-downsizing phases. Analysed data showed that there is significant difference between the pre-and post-downsizing ratios of loans per employee and deposits per employee. The study concluded that rightsizing via downsizing positively affect banks’ profitability.

Also, Alshrif, Mohamed, and Nasser, (2017) further advanced this study in another sector by examining the impact of rightsizing strategies on employees’ job satisfaction in Libyan education sector. Sample of the study was drawn from the ministry of education located in different parts in Tripoli, Libya. Results showed that downsizing negatively affects job satisfaction and moral satisfaction of survived employees. This study suggested that organisations should endeavour to get the right labour force from the on-set as any attempt to correct the problem of over-staffing via downsizing might prove too costly on the productivity of survived employee which can ultimately affect organisational performance. Marques, Sua´rez, Cruz, and Portugal (2011) found a significant improvement in the performance of Portuguese firms that engaged in employee downsizing (vis-a`-vis those that did not downsize) in the year following the restructuring.

Shareholder value involves managers giving priority to the interests of a single stakeholder, the investor, instead of seeking to balance the interests of multiple stakeholders, as in traditional theories of the firm, or to maximize managerial rewards, as in revisionist analyses (Martin, Casson &Nisark, 2007). Shareholder value has been linked with theories of investor engagement and therefore has similar objectives and ideas towards creating a single value for each shareholder. Shareholder value both encourages top management to focus on individual investors and it also creates a value system, whereas the top management has the possibility to monitor the performance and the effectiveness of the decisions. Shareholder value as a single concept cannot function properly, however will if it is tied with the corporate governance of the company.

Maximizing shareholder value, the company needs to create an efficient performance, retain a motivated workforce and have an intense focus on delivering benefits to all shareholders. Secondly the company needs to adopt shareholder value as part of governing objectives. To do so, the company automatically adds shareholder value as criteria for the strategic planning and decision-making. In this way, the criteria are adopted on all business levels of the organisation. For the company to be able to maximize shareholder value, it requires the company to make a continuous search for corporate and business strategies that will create the biggest contribution to the shareholders. In short, maximizing value is a far higher standard of performance because it focuses the organisation to find the best possible way to run the company. Many early adopters of maximizing shareholder value have translated this objective into an explicit shareholder's performance measure called relative total shareholder returns.

Rightsizing and Shareholders' Value

According to the research studies of Mbogo and Waweru (2014), on the corporate turnaround response by financially distressed companies listed on the NSE, they surveyed companies that were listed for the entire period of the study (2002-2008). The survey found that employee layoff was the most preferred course of action being carried out by companies. Asset restructuring was the second most preferred turnaround strategy being carried out by companies. Financial restructuring and top management change were the least preferred turnaround strategies each one of them being taken by one company each. Nwakoby and Ananwude (2016) studied the relationship between restructuring and financial performance of five selected commercial banks in Nigeria from 2010 to 2015. These banks over the years have rolled out computerized transaction channels leading to reduction in their workforce. The study applied the paired sampled T-Test to assess if there is any significant difference between financial performance expressed with return on assets and return on equity before and after rightsizing. The panel data analysis was used to explore the relationship between the variables of interest. Results of the study indicated that there is no significant difference between financial performance indices (return on assets and return on equity) before and after restructuring. Ngige (2012) studied the implication of restructuring on the performance and long-term competitiveness within the Kenyan banking sector and further, the significance of different modes of restructuring adopted by the banks in influencing performance. Findings revealed that generally, restructuring resulted to improvement in performance in terms of market share growth, competitiveness, growth in quality of products, geographical spread and customer retention. Further findings revealed that banks used different strategies of restructuring which had different motives in influencing performance.

In the study conducted by Srivastava, and Mushtaq (2011) on the impact of restructuring on the operational aspects of the publicly traded firms in China on changes in revenue, profit margin, return on assets and the total asset turnover ratio before and after the restructuring as proxies for firm performance and conducted tests to determine whether restructuring resulted in significant changes. Their study found that there were significant improvements in total revenue, profit margin, and return on assets following restructurings.

Objective of the Study

The main objective of this study is to examine the interaction between human resource management practices and performance of microfinance banks in Lagos State. The specific objectives are to:

1. examine the effect of rightsizing on shareholders' value in micro finance banks in Lagos State and

Research Question

The stated research objectives necessitated the following research question:

1. How does rightsizing affect shareholders' value of micro finance bank in Lagos State?

Hypotheses

In order to establish a concrete decision on this study, the following hypotheses have been formulated;

H₀1: Rightsizing has no significant effect on shareholders' value of micro finance banks in Lagos State.

Operationalization of Variables

Independent and dependent variables of this study, shareholders value and rightsizing shall be operationalized as thus using the statistical connotations and numerical values as thus:

$$Y = f(X)$$

Where Y = Shareholders value - Dependent Variable

$$Y = (y_1)$$

Where:

$$Y_1 = \text{Shareholders' Value (SV)}$$

Where X = Rightsizing - Independent Variable

Employees' Rightsizing and Shareholders Value Questionnaire(ERSVQ) developed for this study is valid for decision makings.

Reliability test was conducted to ascertain whether the variables of the study measured consistently the factors intended. For the purpose of this study internal consistency measure using Cronbach's Alpha was adopted for assessing reliability of all the variables. The reliability was conducted to ascertain whether the internal consistency of measures is indicative of the homogeneity of the items in the measure that taps the variables. In addition, it is conducted to reduce errors and give stable results of the data collection. The reliability for each of these variables was ascertained at a threshold of 0.94. The pilot study result showed a high level of internal consistency for the entire variables. The overall Cronbach's alpha for the whole instrument is 0.79. The result showed that the questionnaire has a high level of reliability.

III. Results

Description of the Research Questions

The opinions of respondents about HRMP and Micro finance banks successes reveals that by combining responses under very high, high, averagely high together, 1,500 (100%) of the respondents accepted that talent HRMP is high among the organisations. The analysis further reveal that 1,340 (99.5%) of the respondents indicated that onboard training is high in the organisations. Most of the respondents (1,088 or 80.8%) attested that group discussion as training technique is high. As to whether the organisations used on-the-job training, most of the respondents (1,408 or 98%) believed so and indicated that on-the-job training is high. Moreover, 737 (54%) of the respondent accepted that e-learning training practice is high. Further analysis revealed that 1,334 (99.1%) of the respondents indicated that that use of films and video is high. Most of the respondents (1,093 or 99.1%) accepted that management games are high in the organisations. The average mean score for training is 4.63 meaning that on average the respondents generally indicated that staff training in micro-finance banks is high. The standard deviation is 0.832. This implies that there were low variances in the respondents' responses to the items on staff training.

The respondents were asked to indicate to what extent they agreed to the various statements that defined employees' productivity. These responses were also captured in a six point Likert scale and the general level of acceptance determined by calculating the means and standard deviation for the various statements as per the responses. Moreover, the opinions of employee of surveyed Micro finance banks about various issues on employees' motivation and remuneration, that is, measure of the quantity and quality of work done, considering the cost of the resources used. The respondents indicated that the banks offer quality financial products. Most of the respondents (1,447 or 99.4%) attest to this. As to whether Micro finance banks satisfied customers' satisfaction, 1,449 (99.5%) of the respondents indicated that satisfaction of customers' satisfaction by is high. Majority of the respondents (1,442 or 99%) indicated that there is high increased output among the SMEs that motivates employees often. Similarly, majority of the respondents revealed that 1,500 (100%) accepted that product/services reliability is high when motivation and remuneration is high. The average mean score for employees' productivity is 5.07 meaning that on average the respondents generally indicated that employees' performance is high in Micro finance banks where employees are properly trained, motivated and remunerated. The standard deviation is 0.737. The value implies that there were no variances in the responses.

IV. Result

Research Question:How does rightsizing affect the shareholders' value of microfinance bank in Lagos State?

The fifth objective of the study sought to establish the effect of rightsizing on shareholders' value of microfinance bank in Lagos State. To achieve this, the respondents were requested to state their level of agreement on a six point Likert scale and their responses were summarized using mean, standard deviation, frequency and percentage.

Table 2: Descriptive Statistics on Rightsizing

Items	Very High	High	Averagely High	Averagely Low	Low	Very Low	Mean	Standard Deviation
Maintenance of accurate personnel records	577 42.9%	667 49.6%	86 6.4%	12 0.9%	0 0.0%	4 0.3%	5.34	.681
Conduct of regular personnel audit	117 8.7%	897 66.6%	314 23.3%	12 0.9%	0 0.0%	6 0.4%	4.82	.628
Employee turnover	192 14.3%	902 67.0%	246 18.3%	6 0.4%	0 0.0%	0 0.0%	4.95	.584
Adequate plan to take up future employee challenges	183 13.6%	706 52.5%	439 32.6%	18 1.3%	0 0.0%	0 0.0%	4.78	.685
Employees' relevance to the skills needed in the organisation	227 16.9%	741 55.1%	359 26.7%	19 1.4%	0 0.0%	0 0.0%	4.87	.690
							4.95	0.654

Table 2 shows opinion of respondents on various issues about rightsizing. The table revealed that 1,330 (98.9%) of the respondents indicated that maintenance of accurate personnel records is high. According to Table 4.14, 1,328 (98.6%) of the respondents affirm that conduct of regular personnel audit is high. The analysis further revealed that 1,340 (99.6%) of the respondents indicated that employee turnover is high. Further analysis in Table 2 revealed that 1,328 (98.7%) of the respondents indicated that adequate plan to take up future employee challenges is high. Similarly, majority of the respondents 1,327 (98.7%) agreed that employees relevance to the skills needed in the organisation. The average score for rightsizing is 4.95 implying that on average the respondents indicated rightsizing practice in micro-finance banks is high. The standard deviation is 0.654 meaning that there were no variations in the respondents' responses to the items of rightsizing.

Table 3 presents results of descriptive analysis of shareholders' value. The respondents were asked to indicate to what extent they agreed to the various statements that defined shareholders' value. These responses were also captured in a six point likert scale and the general level of acceptance determined by calculating the means and standard deviation for the various statements as per the responses.

Table 3: Descriptive Statistics on Shareholder's Value

Items	Very High	High	Averagely High	Averagely Low	Low	Very Low	Mean	Standard Deviation
Profit retention	537 39.9%	694 51.6%	99 7.4%	16 1.2%	0 0.0%	0 0.0%	5.30	.655
Share value growth	554 41.2%	637 47.3%	143 10.6%	0 0.0%	12 0.9%	0 0.0%	5.28	.722
Stability of earnings	78 5.8%	933 69.3%	329 24.4%	6 0.4%	0 0.0%	0 0.0%	4.80	.531
Dividend payments growth	232 17.2%	868 64.5%	246 18.3%	0 0.0%	0 0.0%	0 0.0%	4.99	.596
Market share value	484 36.0%	666 49.5%	190 14.1%	6 0.4%	0 0.0%	0 0.0%	5.21	.689
Bank revenue	200 14.9%	810 60.2%	317 23.6%	19 1.4%	0 0.0%	0 0.0%	4.88	.654
Average Mean							5.08	0.641

Table 3 explains the opinions of respondents on the various issues concerning shareholders' value. The analysis in the Table revealed that 1,330 (98.9%) of the respondents indicated that profit retention is high. Also, the analysis revealed that 1,334 (99.1%) of the respondents agreed that Share value growth is high. Further analysis revealed that 1,340 (99.6%) of the respondents affirmed that stability of earnings is high. Furthermore, about 1,346 (100%) of the respondents confirm that divided payments growth is high. Moreover, 1,340 (99.6%) of the respondents indicated that market share value is high. About 1,327 (98.7%) of the respondents affirmed that bank revenue is high. From Table 3, the average score for shareholders' value is 5.08 demonstrating that on average the respondents indicated shareholders' value in micro-finance banks is high. The Table further revealed the standard deviation to be 0.641; this implies that there were no variances in the responses. Relating Tables 2 and 3 together, rightsizing and shareholders' value of microfinance banks in Lagos State have the same pattern of increase. The finding reveals there is maintenance of accurate personnel records, low employee turnover, employees' relevance to the skills needed in the organisation, and adequate plan to take up future employee challenges in the Microfinance banks in Lagos State. Furthermore, findings reveal there is profit retention, share value growth, and market share value, and dividend payments growth in microfinance banks in Lagos State. These provide answers to research question five and enables the researcher to achieve objective five.

Restatement of Hypothesis

H₀₁: Rightsizing has no significant effect on shareholders' value of microfinance banks in Lagos State. Hypothesis one was tested by the researcher using linear regression analysis. In the analysis, shareholders' value was dependent variable, while rightsizing was independent variable. Data used to test the hypothesis for the two variables were created using seven items measuring the rightsizing, and seven items measuring shareholders' value. The items in the rightsizing scale consisted of statements that measured level of achievement of rightsizing technique in the selected microfinance banks, on a scale of 1 to 6. Also, the items measuring shareholders' value consisted of statements that measured the level of shareholders' value in microfinance banks, on a scale of 1 to 6. The responses of all items for each variable were summed together to form scores for the variables.

Tables 4 presents the results of the analysis.

Table 4: Summary of Linear Regression Analysis of Rightsizing and Shareholders' Value in microfinance banks in Lagos State

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	14.480	.692		20.922	.000
Rightsizing	.646	.028	.535	23.187	.000
R = 0.535; R ² = 0.286; F _(1,1344) = 537.616					

a. Dependent Variable: Shareholder's Value

Table 4 gives a summary of the regression analysis results on the effect of Rightsizing on shareholders' value. The result shows that rightsizing has positive and significant effect on shareholders' value of microfinance banks in Lagos State ($\beta = .646$, $t = 23.187$, $p < 0.05$). Further, the F-statistic has an estimated value of 537.616 and a probability statistic of 0.000 ($\text{Prob} < 0.05$). This implies that rightsizing has a significant effect on shareholders' value. Similarly, the t value implies that the coefficient of the model parameter is statistically significant ($\beta = .646$, $p < 0.05$). Additional evidence is the fact that the percentage of variance in shareholders' value explained by rightsizing is about 28.6%. This implies that rightsizing explains 28.6% of the variations in shareholders' value. This means that when rightsizing was implemented shareholders' value in microfinance banks changed by 28.6%. The model that shows effect of rightsizing on shareholders' value is expressed as:

$$\text{Shareholders' Value} = 14.480 + 0.646 \text{ Rightsizing} \dots\dots\dots \text{eq. i}$$

Where:

SV = Shareholder's Value

RS = Rightsizing

The regression equation shows that when the value of rightsizing is constant at zero, shareholder's value was 14.480 which is significantly different from 0, since the p-value 0.000 is less than 0.05. The regression coefficient of rightsizing was 0.646, which implies that a unit change in rightsizing will result into 0.646 ($\beta = 0.646$) change in shareholders' value in the microfinance banks in Lagos State. This means that rightsizing has positive effect on shareholder's value. Therefore, the null hypothesis five (H_{05}) which states that rightsizing has no significant effect on shareholders' value of microfinance banks in Lagos State is hereby rejected.

V. Discussion

The hypothesis examined the effect of rightsizing on shareholders' value of microfinance banks in Lagos State. The finding of the hypothesis revealed that rightsizing has significant effect on shareholder's value of microfinance banks in Lagos State. The universalists theory consolidates the finding in their seventh practice principle and argued that the degree to which jobs are tightly or narrowly defined affect performance, tightly defined jobs are those for which employees know the contents of their jobs. Such jobs are limited in scope and incumbents do not perform duties outside the job, hence, having the right candidate at the right place doing the right job increases organisational performance and shareholders' value.

This is further established in previous studies such as Mbogo and Waweru (2014), Nwakoby and Ananwude (2016), Srivastava, and Mushtaq (2011) and Zhou, and Zhiran (2012). In support of this finding, Ngige (2012) revealed that generally, rightsizing resulted to improvement in performance in terms of market share growth, competitiveness, growth in quality of products, geographical spread and customer retention. Further findings revealed that banks used different strategies of restructuring which had different motives in influencing performance. Riany, Garashi, Odhiambo and Ochieng (2012) established that rightsizing had the greatest impact on market growth rate. A field research was conducted by Asuman and Ayse (2009) revealed that employees' positive perceptions of rightsizing increased organisational commitment such as affective, continuance as well as normative commitment. In this study regression analysis was used to study the relationship between organisational commitment and survivors' perceptions of rightsizing. Rue Byars (2003), in his study on rightsizing, found that many of the performing companies had maintained a simple structure with a small staff. He further established that a simple form of organisation structure with a lean staff allows an organisation to adjust more rapidly to a fast changing environment and also conducive to innovation. A simple form requires fewer staff, and a lean staff results in a simple form. This study also agrees with the finding of Akpan (2014), which showed that rightsizing and regular personnel audit have significant impact on efficiency and help to provide information that validates the identity and bio data of each member staff, authenticated the actual number of staff in an organisation and helps the organisation to maintain optimum staff strength that can be efficiently managed thereby reducing huge personnel costs associated with over bloated and redundant work force.

The finding also supported previous studies. In the study conducted by Srivastava and Mushtaq (2011) on the impact of rightsizing on the operational aspects of the publicly traded firms in China on changes in revenue, profit margin, return on assets and the total asset turnover ratio before and after the restructuring as proxies for firm performance as well as conducted tests to determine whether restructuring resulted in significant changes. Riany, Garashi, Odhiambo and Ochieng (2012) examined the effect of rightsizing on organisation's performance revealed that rightsizing had the greatest impact on a company's market share followed by portfolio restructuring and organisation restructuring which is in congruence with the finding of this study.

The finding is also corroborated by Nelson Namu, Muriithi, and Isaac (2014) who found that factories that employed rightsizing concept of cost reduction measures recorded increase in profit of the firm in the year it was implemented.

VI. Conclusion

Rightsizing commonly called reorganizing, reengineering, restructuring, or downsizing or in sum man power planning may or may not be accompanied by systematic restructuring programmes, such as staff reductions, departmental consolidations, plant or office closings, or other forms of reducing payroll expenses, according to the study, is an essential factor to maximize shareholders' value of microfinance banks. Findings of the study, in this regard, showed that rightsizing has positive and significant effect on shareholders' value of micro finance banks in Lagos State. Finally, it is worth noting that successful organisations consider HRM practices as a crucial factor that directly affects the employee's performance. High-performance HR practice on employees' attitudes and behaviours positively related to employees' attitudes and behaviors which affect the employees' commitment and the relationship between employees' retention and HR practices. Findings of the study revealed that the combination of recruitment and selection practices, employee training, employee motivation, human capital development, and rightsizing significantly affect microfinance banks' performance in Lagos State. This implies that human resource management practices components are jointly important in explaining the changes in the performance of microfinance banks in Lagos State.

VII. Recommendations

The study, however, recommends that:

1. This study recommends that microfinance bank management should restructure their operations to keep their failing business alive via the concept of rightsizing and increase their competitiveness and financial standing.

2. The banks should instill discipline upon themselves by ensuring good human resource management practices, procedures that matched the right people with the right jobs so that continuous existence of the firm is not jeopardized.
3. Organisations should maintain accurate personnel records and conduct regular personnel audit. Personnel records should always be updated with newly recruited staff, while those that have retired, resigned, dismissed or disengaged should be deleted from the records in operation to maintain at all times authentic number of staff in their current employment. Separate records of staff that have retired, resigned, dismissed or disengaged should, however, be created and well kept for reference purposes.
4. Microfinance banks need to work this out strategically and not react to a crisis, but rather anticipate the market changes and act accordingly. Microfinance bank regulators and practitioners seeking to create value for shareholders should focus on rightsizing as the most appropriate techniques of corporate restructuring. It also recommends that future policies should focus on the strategies that favour growth, expansion and performance improvement which position the company for competition and other challenges in the industry.

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