

Mixed-Method Evaluation of Perceived Approach and Criteria of Employees Retrenchment in Selected Commercial Banks in Southwest, Nigeria

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ABSTRACT

Ever since post consolidation era, retrenchment in the Nigerian banking sector is prominent and even alarming. This paper adopted a mixed method technique to evaluate the dimensions of retrenchment approach and criteria used by banks' employers in determining employees to be retrenched and extent of fairness perceived by the surviving employees. The study was anchored on organizational justice theory. Four banks - two each from the old generation bank and new generation commercial banks in southwest Nigeria were selected for the study. The sample size comprised 256 survivors selected through the triangulation of purposive and simple random sampling techniques, while questionnaire and in-depth interviews (IDIs) were used to gather data. The quantitative data were analyzed using frequency percentage distribution, cross tabulation, and content analysis for qualitative data. Findings revealed the new generation banks - Access and Eco banks and even UBA Plc. among old generation bank adopted reactionary approach, thus

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retrenching their workers arbitrarily without prior or adequate notice. In retrenching employees, the banks combined many criteria, but the most commonly criterion used to evaluate employees' productivity was performance appraisal system; for instance, 100% of survivors in NGB and 98.4% in OGB accepted the use of performance appraisal, however 74.2% in NGB perceived the outcomes were subjective and unfair. The study concludes that banks' management have treated their employees in unfair manners during retrenchment, thus survivors have manifested high level of perceived injustice in the system. It recommended top management to apply fairness during retrenchment and treat survivors in a fairly manner.

Keywords: Bank; retrenchment approach; retrenchment criteria; fairness; justice; survivors.

1. INTRODUCTION

One of the largest private sector organizations in Nigeria is the banking sector, that is currently undergoing reforms from the Central Bank of Nigeria especially the recent 2008/2009 post consolidation which shrunk the initial existing 24 banks to twenty (20) banks through merger and acquisition arrangement and current federal government fiscal policy on treasury single account, which has virtually eliminated or reduced to negligible operation of public sector banking services since 2016. As a result of the restructuring programs both old and new generation banks have adjusted the way they are doing businesses and resorted to retrenching their workers in order to minimize staff cost so as to survive this hard-economic period. Retrenchment has been regarded as the harshest way of improving productivity in organization because of its impacts on both victims and survivors; in fact, in most cases retrenchment decision by organizations is quite unavoidable [1] due to the economic and environmental changes such as re- engineering, privatization, merger and acquisition, joint ventures, strategic alliance, and work place free market, resulting from economic globalization. Obviously, the influence of globalization, economic crisis and inherent internal crisis witnessed by organizations does not only made retrenchment unavoidable, it equally made retrenchment a commonly survival applied technique, hence it is one of the survival strategies adopted by Nigerian banks.

The implication of this is that, the acquiring and merging banks such as Access Bank, UBA, Ecobank; the nationalized banks such as Keystone and Polaris, and even the stand-alone banks such as Guarantee Trust, First Bank, Zenith Bank have changed by taking certain actions in order to survive. In reality, these banks have been massively retrenching their workers frequently and at intervals year in year out at

every regions, cities and metropolis such as South West, Lagos and Ibadan etc. A survey carried out by scholars and analysts such as [2]; reports that between 2009-2011 post consolidation, more than 8,000 workers were disengaged, while over 9,000 workers have equally lost their job in 2012, while [3] reports that list of bank workers that lost their jobs are enlarging on the regular basis following the ongoing and un ending massive job loss walloping the banking sector. Though most of the sectors in the Nigerian economy such as health, education, oil and gas, energy and power, telecommunication and information technology also retrenched their workers, but in recent times, it is glaring that retrenchment in the banking sector has been well pronounced and even more alarming to the extent that it generates public attention and sympathy for bank workers whose career is now seemingly uncertain.

Retrenchment in banks is strategic management tool, but fairness in the procedure, selection criteria and compensation is highly paramount, [4]. Truly, fair treatment of bank workers (victims and survivors) by banks' management before, during and after retrenchment usually lead to employees' perceived organizational justice of the bank. The problem of retrenchment in the Nigerian banking industry is that Executive Management of old and new generation banks seem not to adopt fair, clear and transparent approach and criteria in selecting employees to be retrenched. It is observed, the management often time ignored the procedural rule guiding retrenchment. Interestingly, various scholars have evaluated the cause of retrenchment in the banking industry while others assessed the effect of retrenchment such as work stress, low work motivation and performance, job insecurity and uncertainty, [5], [6] and [4] but little attempt has been made to investigate retrenchment approach. Also, scholar such as [7] has conducted a study on retrenchment criteria in

Kenya commercial banks, but no attempt has been made to study the criteria used by Nigerian commercial banks to determine employees to be retrenched. This study therefore intends to bridge this gap by investigating the approach and criteria the Nigerian banks used in selecting employees to be retrenched. This study shall provide answers to crucial questions: What retrenchment approach and criteria do old and new generation banks in Nigeria use in selecting employees for retrenchment? What is the extent of fairness and transparency of this approach and criteria in the treatment of employees? As a broad objective, this study is investigating retrenchment approach and criteria used by banks in retrenching their workers, therefore, the specific objectives are designed to;

- i. investigate the retrenchment approach used by the selected old and new generation bank in determining employees to be retrenched in Ibadan metropolis, Oyo state
- ii. analyze the criteria adopted by the selected banks to identify employees to be retrenched
- iii. assess the extents of fairness and transparency of the approach and criteria in treatment of employees before, during and after retrenchment exercise in the banks.

1.1 Literature Review and Theoretical Framework

Retrenchment process in banks is mostly determined by the way in which retrenchment exercise had been decided, that is the way that employees are selected, the manner they had been notified, the effectiveness of the communication, clearness of the selected criteria, and the way management treats leavers and survivors i.e. Interpersonal treatment received from the management, [8] and [9], one best way of approaching retrenchment is planning, however reactive planning may have marred retrenchment objectives; therefore, it is paramount that successful retrenchment approach requires proactive planning that begins long before the formal announcement [4]. As put by [9], proactive retrenchment approach involves detailed planning at organizational and individual level, before, during, and after retrenchment programme. It requires proactive implementation of fair and adequate detailed plan before retrenchment is being executed. In contrast, a reactive approach is described as involving

responding to cost reduction strategies with little consideration of any alternatives to redundancy and hastily conceived plan for those remaining in the organization. However, most Nigerian banks have been reportedly adopting reactive planning retrenchment approach of which employees have been unexpectedly terminated without following due process and procedural rules, [10]. Scholars such as [11], [7] recommended that fair and objective retrenchment approach should incorporate required procedures, therefore prior notice of contemplated retrenchment must be given; prior consultation must be done with affected employees, financial information must be disclosed. Also, fair and clear selection criteria must be used: e.g. last in first out (“LIFO”) criterion, competency (performance), skills, qualifications, record of service, age; while notice of termination of services must be given to all employees who are retrenched. Furthermore to this, adequate retrenchment approach and process increased survivors’ trust and fairness for management; based on this, making decision to retrench is one of the crucial approaches in retrenchment exercise, and this requires banks’ management to embrace employees’ interest and consider all possible alternatives such as salary freezes, pay cuts, elimination of bonuses, voluntary separation and early retirement with severance benefit, before deciding to retrench. Also, making retrenchment announcement as well as implementing are relevant; in implementing the retrenchment, management must be objective in its decisions and be fair in treating the employees by telling the employees the truth and also involving them in retrenchment implementation, as well as helping departed employees to find other jobs by absorbing them into other parts of the business through outplacement services such as career counseling, stress management, skill assessment, retraining reimbursement [7].

Considering criteria, [11] recommended that in selecting employees to be retrenched, Managers should adopt objective criteria well clear to the employees to be retrenched. Moreover, the criteria should focus on past performance and should fit with the vision of the future. Study of commercial banks by [7] identified retrenchment criteria such as seniority systems, i.e. first in first out (FIFO) method of which senior people in each class are laid off; unsatisfactory performance/performance appraisal, and last in first out (LIFO). On LIFO, the young or new employees that gained employment lastly are usually retrenched, while unsatisfactory

performance is the failure to meet prescribed standard on the job and are usually evaluated through performance appraisal. Other criteria include- misconduct, ill health, incapability/incapacity, early retirement, [12] and voluntary retirement schemes –VRS. In VRS, employees who are likely redundant are given opportunity to leave with better compensation and benefits as negotiated by the union. The schemes usually allow firms to be more flexible though at a higher cost. But among these criteria, [7] reported that performance appraisal is the most commonly used criterion in banks to select employees to be retrenched while [13] affirms that performance appraisal schemes provide a useful structure for establishing fair and objective selection criteria and that the use of appraisal data can help employers in ensuring that the act of selecting employees to be retrenched is not itself unfair. However, in most cases, especially in the ongoing post consolidation, the process/approach and criteria used by some banks to identify employees are perceived to be subjective, unfair and non-transparent,[10]. In line with the above, organizational justice theory offers explanation on this regard, [14].

The theory assesses employees' perception of the fairness with which they have been treated by an organization [15]. It focuses on perceptions of fairness in organizations, by categorizing employees' views and feelings about their treatment and that of others within an organization [16]. Following their study of some organizations, three types of organization justice theory were identified in literature.

- i. Distributive justice- perceptions about outcomes of decisions taken within the context of retrenchment, it concerns with perceptions of fairness by survivors arising from organizational allocations of resources to victims and the outcomes thereof. [17] Perception of unfairness among the survivors in banks are more likely to lead to positive or negative inequity especially where severance pay are not always paid and even when paid, it might be inadequate.
- ii. Procedural justice – Perceptions about the process and approach used to arrive at decisions to retrench, i.e. survivors feeling with regards to whether supervisor or managers conduct retrenchment in a fair manner. Positive views of procedures, approach and criteria and processes are

linked to higher levels of trust in the organization and supervisor.

- iii. Interactional justice- perceptions about the quality of the interpersonal treatment that an employee receives during the enactment of retrenchment procedures.(fair or unfair perceptions by survivors over management interpersonal relationship with them during retrenchment exercise) Perception for fairness may involve the use of empathetic communication with both victims and survivors, thus survivors are more likely to accept decisions even unfavourable ones, when given adequate and genuine reason for them. This assumption points to the role effective communication may play in engendering the reactions and subsequent behaviours of survivors in the new organizational setting, [17].

2. METHODOLOGY

The study was carried out in Ibadan metropolis Oyo State, Nigeria in four (4) selected commercial banks. The banks were divided into two categories – new generation bank (NGB) having Access Bank Plc. and Ecobank Plc; while the old generation bank (OGB) comprising- First Bank of Nigeria Plc. (FBN) and United Bank for Africa Plc. (UBA). The banks' branches selected were situated at Dugbe, Iwo road, Agodi and Gate, Bodija, Challenge and Ring road. These areas were purposively selected because they are commercial areas that warehousing numerous branches of banks in Ibadan. Also the choice of Ibadan was dictated by the fact that it was the former headquarters of western region, and it accounts for more than 60% of concentration of commercial banks' branches with their regional offices within the West (Lagos exclusive) with substantial sizeable number of employees, [2].The study population was the survivors - the surviving bank employees in the retrenching commercial banks comprising "management and non-management staff cadres", "permanent and contract staff cadres" in Marketing , Operations and other departments.

A survey research design was basically adopted for the study. The design was chosen because it helps in investigating problems in realistic settings; and also gives room for a large amount of data to be collected with relative ease from a variety of people. A sample size of 280 respondents representing 29.9% of the total

population of 935 in the selected banks was drawn using Taro Yamane formula shown thus;

$$\frac{N}{1 + N (e)^2}$$

Where:

N = Total Population, I = Constant, e = Error margin (0.05)

The study employed the multi-stage sampling technique. Firstly, purposive sampling technique was used in selecting the old generation banks (UBA and FBN) because they are outstanding banks that were not declared “distress” like their counterparts – Union, Wema bank. From the new generation banks, ECObank and Access bank were randomly selected through deep balloting among the surviving new generation banks, in order to ensure equal chance of representation.

Quantitative and qualitative instruments were used for data collection. For the quantitative instrument, structured questionnaire was administered to 280 respondents, 70 copies in each of the banks distributed among the branches of which 256 copies were finally retrieved for analysis. The respondents in the branches were selected using simple random sampling; this method was adopted to give each member an equal chance to be involved in the study without any element of bias. For qualitative instrument, twelve (12) In-Depth Interviews (IDIs) sessions were conducted, in which 3 respondents, (2 Management staff & 1 Non-Management) from the four banks were purposively selected to complement the data generated through the questionnaire. The IDI was also used because it gives the opportunity to probe deeper especially on issues that questionnaire could not extensively address.

The data were analyzed using both quantitative and qualitative methods. The data from the questionnaire were analyzed using frequency distribution. The aid of the Statistical Package for Social Sciences (SPSS) was also employed to analyze and cross tabulate the data, while the results were presented on tables, and interpreted by the use of simple percentages. For qualitative data, tapes and notes from IDI were first translated, and the data were then coded and transcribed through content analysis, while verbatim quotations from the interviewees were outlined to bring out some very cogent points.

3. RESULTS

3.1 Socio – Demographic Characteristics of the Respondents

Table 1 displays information on selected socio-demographic characteristic of the survivors among the old generation bank (OGB) and new generation bank (NGB). The result showed that 44.5% of the survivors in OGB were females, compared to 41.4% females located in the NGB. However, the highest numbers were Males, 58.6% located in NGB, and 55.5% in the OGB. This means that both NGB and OGB have more males than females. Since profit maximization is the ultimate in capitalist society, males are likely perceived to be more productive than female because they do not partake in maternity leave or regular absence from duty as a result of antenatal days during employees’ pregnancy; or confinement during such pregnancy and birth of a child.

Also, most of the survivors fell within various age categories; for instance, NGB had an overwhelming number (56.2%) of employees under age category of 21-30years compared to OGB with few number (32.2%); for age range 31-40years, equal proportion of survivors were located in both banks, 31.2% in NGB, and 32.0% in OGB. However, OGB had more survivors (23.4%) between age categories 41-50 years, compared to few numbers (11.0%) of workers in NGB. Moreover, 9.4% workers in OGB fell within 50 years and above compared to the least (1.6%) in NGB. Though NGB and OGB had almost equal number of middle age workers between the ranges of 31-40 years; however, it is obvious that within the young age range 21-30 years, NGB had the larger portion of workers. But within the older age category – 41-50 years and above, OGB had substantial proportion of older staffers. The implication is that NGB prefers to hire young employees with less family commitments, with a view to bringing in promising quality to withstand inherent work pressure; howbeit, the OGB does not discard the quality experiences of the older employees hence retained the skillful ones in order to tap from their experiences. On marital status, more than half of the survivors (64.8%) were married and were located in OGB compared to few (43.8%) in NGB that were also married. Also, in NGB, most of the survivors (56.2%) were single; compared to the few (35.2%) in OGB that were also single. This implies that OGB had the highest number of married employees and

probably, the highest number of matured workers compared to NGB that had the highest number of unmarried employees and probably the highest number of young workers. This further show that NGBs prefer to hire young single people and equally fire such staff whenever they are married or probably when they have advance in age.

Concerning educational qualification, the overwhelming numbers of survivors (68.0%) in NGB and 62.5% in OGB were OND/HND holders, few (27.3%) in NGB, and 31.2% in OGB were 1st degree holders, while least (4.7%) in NGB and 6.3% in OGB were post graduates holders. Contract workers were mostly OND/HND holders and a greater number of them were located in both banks, while permanent employees were the B.sc/Masters degrees holders and a few of HND holders with exceptional grade (distinction/ upper credit) plus master degree. This shows that banks are using competent workers such as HND, 1st Degree and post graduate degree holders with sound intellectual and mental skills to carry on their banking work. On a closer observation, it can be inferred that most OND/HND holders were located in both NGB and OGB, with few B.sc- 1st degree /Master's Degree holders under the same category. This shows that both NGB and OGB

used more contract workers compare to the permanent workers; e.g. the workforce (66.4%) in NGB and 60.2% in OGB were contract workers, while few (33.6%) in NGB and 39.8% in NGB were permanent/core workers. This indicates that banks are now using more contract or outsource employees than the permanent workers probably to minimize staff cost.

3.2 Dimensions of Retrenchment approach: Extent of fairness and transparency

Table 2 presents result on the respondents' views on approach of retrenchment, the result above showed that the least percentage of survivors (7.8%) in OGB and 9.4% in NGB were not certain of the retrenchment approach adopted in their banks; but substantial number of respondents (46.0%) from OGB stated that retrenchment approach in their bank was fair and adequately planned compared to very few respondents (10.2%) from the NGB that also said same. However, the highest numbers of respondents (80.5%) from the NGB said the retrenchment approach was arbitrary and inadequately planned compared to almost half of their counterparts (46.0%) from the OGB that also agreed same.

Table 1. Distribution of respondents by sex, age, marital status, and educational qualification, employment category

Item	Socioeconomics Characteristics	NGB	OGB	Total
1	Sex			
	Female	53(41.4)	57(44.5)	110(43.0)
	Male	75(58.6)	71(55.5)	146(57.0)
2	Age group			
	21-30 years	72(56.2)	45(35.2)	117(45.7)
	31-40 years	40 (31.2)	41(32.0)	81(31.6)
	41- 50 years	14 (11.0)	30(23.4)	44(17.2)
	Over 50 years	2 (1.6)	12 (9.4)	14 (5.5)
3	Marital Status			
	Married	56(43.8)	83(64.8)	139(54.3)
	Single	72(56.2)	45(35.2)	117(45.7)
4	Educational qualification			
	OND/HND	87 (68.0)	80 (62.5)	167 (65.2)
	B. Sc.	35 (27.3)	40 (31.2)	75 (29.3)
	M. Sc.	6 (4.7)	8 (6.3)	14 (5.5)
5	Employment category			
	Contract	85(66.4)	77 (60.2)	162 (63.3)
	Permanent	43 (33.6)	51(39.8)	94 (36.7)

Table 2. Frequency distribution of respondents' view on arbitrary retrenchment and planning

How do you view retrenchment approach in your bank?	NGB	OGB	Total
Arbitrary and inadequately planned	103 (80.5%)	59 (46.0%)	162 (63.3%)
Fair and adequately planned	13 (10.2%)	59 (46.0%)	72 (28.1%)
Don't know	12 (9.4%)	10 (7.8%)	22 (8.6%)
Total	128 (100.0%)	128 (100.0%)	256 (100.0%)

As closely observed, most respondents who viewed retrenchment approach as arbitrary and inadequately planned were located in the NGB. This may be due to the fact that retrenchment decision by their management is based on random choice or personal whim. Supporting this view is Ecobank interviewee who expresses that;

Retrenchment approach is highly unfair. The management is too autocratic in their retrenchment decisions, people are sent out of job instantly without any prior notice, decision to retrench is extremely dictated by the executive management and conveniently imposed on employees without consulting the union. The whole exercise is done in arbitrary manner, in short as the management's spirit leads.

(IDI/Male/HOP/ECOBANK)

This expression indicates unfair and non-transparent approach in retrenching employees in the NGBs. This corroborates with IDI respondents which states that;

Our retrenchment process is reactionary because it is hurriedly planned, and as a result, there is usually no transparency in the way retrenchment is being carried out. The employees are treated unfairly because our management are taking decision haphazardly, no proper communication, no notice what so ever, you come to work next day but noticed you cannot log on to the system; imagine, they treat us as if we are the fault of business decline to the bank we work in. In fact employees are poorly treated to the point that their terminal allowances are inadequately settled.

(IDI/Male/ BOM/Access Bank)

This submission evidently revealed that retrenchment decision is carried out in indiscriminate manner, retrenchment notice is inappropriate, communication for retrenchment

very poor, and severance pay inadequately settled, and hence employees are unfairly treated.

In the case of OGB, equal number of respondents fell in between two options; firstly, the (46 %) that viewed retrenchments approach as arbitrary and inadequately planned were mostly from the UBA. This was further buttressed by IDI respondent who said that;

The approach to retrenchment is arbitrarily executed. Our management usually adopts reactive planning approach because their emphasis is to reduce cost with little or no consideration of any possible alternative to redundancy; all decisions concerning retrenchment are done in hasty manner without any conceived plan. Management are disengaging employees in the manner they like without indicating clearly the criteria used in the exercise, especially now that they used performance charter as means for firing permanent worker.

(IDI/Biz Manager/UBA)

This indicates that though UBA is an old generation bank, nevertheless, it applies unfair retrenchment approach just like its counterparts in new generation bank. This finding corroborates with [7] assertion that the management of some firms usually applies subjective and unfair approach during retrenchment process while retrenching their workers arbitrarily just to protect their interest.

Secondly, the other 46% of the survivors that viewed retrenchment approach as fair and well planned were largely from the FBN. This means the approach in FBN is transparent and fair. This view corroborates with one of the FBN IDI respondents who submitted that;

The adverse situation in the industry has made banks to fire their staff

indiscriminately. There is no doubt about that, but what gives us happiness here is that our management adopts participatory approach in planning for retrenchment. Everybody through our union is being carried along during the time of unavoidable retrenchment

(BM/Male/FBN)

This response shows that retrenchment approach in FBN is participatory. Supporting further is another IDI respondent who said that;

In the issue of retrenchment, our Management do not just sack "any how", they take their time to plan for retrenchment where necessary. And before it takes effect, the affected workers are given adequate notice; you do not get to the office the following day to discover that you are being fired without notice; everything is well organized. Those who will leave are well communicated to and supported by the union. Sometimes employees are given alternatives such as voluntary exit, with justifiable severance pay

(RM/Male/FBN)

This response shows that retrenchment procedures are being followed hence accords fair treatment for the workers. This is in line with procedural justice [16] that encourages management of banks to treat employees in a fair manner by adopting fair and transparent approach and process in retrenching workers [17], [18] and [19].

3.3 Retrenchment Criteria: Extent of Fairness and Transparency

Table 3 presents the result on criterion. As per clear and fair criterion, the data showed that the highest number of the respondents (91.4%) located in the NGB indicated that there was no usual clear and fair criterion used in selecting those to be retrenched compared to 45.3% in the OGB. However, most of the respondents (54.7%) in OGB indicated that there was usually clear and fair criterion in selecting those to be retrenched in their bank. This is so because the senior management of OGB (FBN in specific) have usually used transparent performance appraisal method. Most of the time the management likely gave reasons for any proposed retrenchment and clearly announced through the union the criterion to be used and the number of workers that would likely be affected;

whereas the NGB appears not to be transparent in taking retrenchment decision especially in the aspect of procedures and criteria used to retrench workers. Though they combined other criteria with the performance appraisal system, such methods are not being transparent and fair

As regards the type of criterion used in selecting employees to be retrenched in the banks, the result showed that half of the respondents (50%) located in the OGB indicated that their banks always adopted First in first out (FIFO) criterion where senior and long serving employees were selected for retrenchment compared to (28.9%) in the NGB. Also (23.4%) in the NGB stated that their banks sometimes used Last in first out (LIFO) to select people to be sacked compared to (4.0%) in the OGB. Again 18.0% respondents in NGB said their bank rarely used misconduct as a criterion for retrenching their workers compared to 19.5% in the OGB; while (29.7%) in NGB also said their banks sometimes used incapability to determine who should be sacked compared to (26.5%) in the OGB.

A closer observation reveals that most of the time OGB used (FIFO) to determine those to be retrenched while NGB rarely used such criteria. Though it is clear that OGB partly used FIFO, however both NGB and OGB combined any of the criteria based on the situation. For instance if more aging or long serviced employee's positions are redundant, FIFO could be adopted, hence the use of any of these criteria is situational. This reveals that banks combine various criteria, but the criterion is not usually clear and transparent especially in NGB and UBA. The implication is that employees who perceived the selection of criterion as subjective and unfair usually perceived injustice and unfair treatment hence develop distrust for their management, they are also likely to exhibit other negative attitudes, and lowered commitments. As supported by [5], where there is no usual clear and objective criteria adopted in retrenchment selection, the employees perceived they are inequitably treated, hence develop low motivation to do a work.

Table 4 shows data on performance appraisal system used as criterion in measuring prescribed standards on the job. The result showed that all the respondents in the NGB (100%) accepted that performance appraisal system was in place as criterion used in selecting employees to be retrenched. In the OGB, 98.4% accepted the use of performance appraisal system while only 1.

6% rejected, stating that such method was not in place; probably they might be unaware of such criterion or did not show preference for it. This means that performance appraisal scheme is being adopted in the banks to select those to be retrenched based on unsatisfactory performance, individual productivity, incapability and misconduct; however, the major contending concern is the objectivity of the outcomes of the scheme.

In relation to this, most of the respondents (51.6%) in the OGB indicated that the method for the appraisal system was objective, indicating that the outcome was fair as compared to (22.7%) of the respondents in NGB that also said same, but majority of them (74.2%) in NGB compared to 41.4% in OGB stated that the appraisal method was subjective indicating that the outcome of the selection was full of bias and sentiments.. However, least respondents (3.1%) in NGB and 7.0% in NGB were undecided.

As closely observed, the appraisal criterion method is used by both OGB and NGB, but the manner it is being executed is questionable. The OGB perceived the outcome of the scheme as being objective, probably due to the fact that it is free from unscrupulous manipulations. This objectivity is buttressed by the IDI interviewee from FBN said;

Though our bank may use other criteria such as seniority, voluntary exit, the only pronounced criterion is the performance appraisal system. The outcome is always fair because it is devoid of management

manipulations. It is not used as a means for targeting, dictating, or measuring who to be retrenched, rather, it is meant to correct and improve performance, because those who are identified as low performers in one unit are always reposted to another department, hence the outcome has always been fair and objective.

(IDI/HOP/FBN)

This means that the outcome of performance appraisal system is fair in OGB, especially, in the FBN because it free from personal judgment. But within this same bank's category (OGB) it was also observed that majority of survivors in the UBA, viewed performance appraisal outcome as subjective. This was reconfirmed by one of the IDI respondents;

One of noticeable criteria our bank used in selecting employees to be retrenched is performance appraisal, but as good as this method is it has never been fairly executed because it specifically targets the marketers, while favouring those in other units. The appraisal software, 'infopool' as so call is automated, it is designed by management to entrap employees especially that have been penciled down for retrenchment, we do not have input, and whatever scores the system allotted is what we take without knowing how it is derived, often time, those who are doing very well are appraised as low performers and are being sack based on such unjustly manipulated result.

(Rel. Manager/Female/UBA)

Table 3. Frequency distribution of respondents' view on clear and fair criterion, and criterion used for selecting employees to be retrenched

There is usually clear and fair criterion used in selecting those to be retrenched	NGB	OGB	Total
Yes	11 (8.6%)	70 (54.7%)	81 (31.6. %)
No	117 (91.4%)	58 (45.3%)	175 (68.4.0%)
Total	128 (100)	128 (100)	(100)
What criterion does your bank use in selecting those to be retrenched?	NGB	OGB	Total
Seniority -First in first out-FIFO)	37(28.9)	64 (50.0)	101(39.4)
Last in First Out –LIFO	30(23.4)	5 (4.0.)	35 (13.7)
Voluntary retirement	23 (18,0)	25 (19.5)	48 (18.7)
Incapability	38 (29.7)	34 (26.5)	72 (28.1)
Total	128 (100)	128 (100)	256 (100)

Table 4. Frequency distribution of respondents' views on performance appraisal system and outcomes

Is there any performance appraisal system is in place?	NGB	OGB	Total
Yes	128 (100.0%)	126 (98.4%)	254 (99.2%)
No	0	2 (1.6%)	2 (0.8%)
Total	128 (100.0%)	128 (100.0%)	256 (100%)
If yes,how would you rate the appraisal method/outcomes?	NGB	OGB	Total
Objective	29 (22.7%)	66 (51.6%)	95 (37.1%)
Subjective	95 (74.2%)	53 (41.4%)	148 (57.8%)
Undecided	4 (3.1%)	9 (7.0%)	13 (5.1%)
Total	128 100.0%	128 (100.0%)	256 (100%)

For the NGB, the performance appraisal system was perceived to be subjective. This is so because performance appraisal focuses more on targets as indices for measuring the performance of employees without considering other non-financial contribution of employees. This falls in line with [20] and [21] observations that the selection of employees to be retrenched in banks usually focuses more on employees' assigned financial unrealistic targets efficiency than human effectiveness goals.

This assertion is further buttressed by IDI response that;

Performance appraisal method is highly subjective; it has never been fair and has never been objective. Our management in most cases programmed the outcome in the way that will benefit them in order to target those they want to yank off the system, for example we are made to sign performance charter, and give undated resignation letter to the management. Some of the employees having strong linkages with influential personalities are always favoured during the appraisal period. Unfortunately most of us especially the marketers are strictly appraised based on the unrealistic high targets and those who fall short of meeting the target are forced out of the system
(IDI/Male/BM/ECOBANK)

These responses show that banks have laid down procedure of appraising their workers, but the management subjectively manipulated the exercise as a tool for justifying their retrenchment mission. This is corroborated by [10] observations

that the management of banks have skewed performance appraisal practices to justify their rationalization policy to the extent that performance appraisal is used as a tool for sacking workers unjustly.

5. DISCUSSION OF THE FINDINGS

The ways and manners retrenchment have been organized in some banks are highly unfair, subjective and not transparent, and this has resulted to unfair treatment of the employees during and after retrenchment exercise. It is evidenced in the recently ongoing post consolidation programme, that the Management of NGBs and some OGBs adopted reactive retrenchment approach and arbitrarily retrenching huge number of employees without prior notice. Both Access Bank, Ecobank among the NGB and even UBA Plc. in the OGB were the main actors. In their last retrenchment, all the affected workers were retrenched suddenly without appropriately served with notice of termination; they only knew their fate when their "sign on profiles" could no longer access the bank's software because their personal data or profile were earlier deleted without their knowledge. This indicates the alarming rate of which the procedural justice had been jeopardized by banks. Procedural justice according [17] required that fair approach be applied in retrenchment and that employers should be fair in the treatment of employees during retrenchment, yet these banks relegated the employees to the background and often time flouted the procedures without recourse to the labour law. The labour law declares that whatever the reasons for the organization's need

to declare retrenchment process, it must be done in objective and transparent ways, [18] and [22]. Aside being not served with notice, retrenchment process and implementations were solely dictated by the executive management in conjunction with the external consultants without involving or consulting the trade union or employees' representatives as found in the NGB. Invariably, the employers being capitalists totally neglected the employees during the retrenchment process, as there was no empathetic communication with both victims and survivors concerning the exercise. In this aspect, the banks had extremely ignored the interactional justice [15] which suggests fair interpersonal treatment of employees during retrenchment by involving them in consultation process, and also communicating adequately with employees on retrenchment issues before implementation. Furthermore, non-payment, or inadequate settlement of severance pay to affected employees had being the main conflicting issue in these banks. Most often, the severance allowances were not paid, sometime grossly underpaid having being delayed for a long time. A very clear case was that of ECObank victims in June 2011, that protested against the unfair manner of which they were retrenched and non-payment of their severance benefits by the bank. Interestingly this case later attracted the attention of National Union of Banks, Insurance and Financial Institution Employees (NUBIFIE) who fought against this unjustly act to ensure the victims were finally paid on 2nd August, 2013, [19]. Despite that the victims were paid, their allowances were still not settled in full. This shows total disregard for distributive justice, which emphasizes fairness in treatment of employees by fair allocation of resources to victims and survivors,[17] and [22]. On the criteria, under the employment act, an organization has five legal standards by which retrenchment may be judged or decided. This include misconduct by employee, incapability, redundancy, illegality (breaking the law by recruiting person that does not have right to work), and retirement – either voluntary or normal based on required retirement age. Findings of the study showed that both NGB and OGB used a combination of retrenchment criteria such as seniority-first in first out, last in first out, incapability, misconduct, voluntary retirement to determine employee to be retrenched; but most banks rarely used or declared redundancy as a means of retrenchment because banks are avoiding cost of paying redundancy benefits as mandated by the law or as it may be

compulsorily declared by Minister of Labour on case by case basis as provided in sub section 2 of the Labour act. In that respect, most banks had hidden in the guise of performance appraisal systems as the most popularly used criterion for the assessment of employee's individual periodic productivity, [7]. All the banks had well-regulated means of appraising their employees' performance, but as relevant as the method is, the outcome was not devoid from management manipulations and subjectivity. The study revealed the NGBs and even OGBs, tactical used appraisal systems to massively sack employees in the pretense of poor and unsatisfactory performance. This, they achieved by setting high unrealistic targets to the employees especially those in marketing units and even across all departments, and those who could not meet the required targets were retrenched. However, there are some staffers who are retained even when they could not achieve the targets because they probably have influential persons within or outside the system who shield such employees in order to protect their job. Even some of the banks' management go extra miles by preparing "performance charter",i.e. performance commitment document allotting high percentage of deposit and income targets with other performance indices to be achieved by the employees. As a follow up, the management firmly executed this commitment by compelling the permanent employees to assent and sign off the document. To facilitate the process, the undated resignation letters would be tendered alongside with the charter, and this made it simple and even illegally legitimate for the Management to implement the agreement at their will, and treating such as if the employees voluntarily resign on their own. This crude and subjective method of retrenchment in banks was strategically designed to circumvent the law, and unjustly retrenched employees in order to achieve banks' rationalization needs, [20]. Most times, the criteria were not usually clear and fair since the good hands were adjudged as non-performers after the appraisal result and were laid off as well. These tactics show the height of injustice meted to the bank workers by their employers who practiced predatory capitalism, practices that totally negated organizational justice which pronounced application of fairness and legitimacy in the treatment of workers during retrenchment. Despite this, FBN was shown to be one bank in the OGB that has so far been adopting fair and objective criteria in retrenching workers. More so, their appraisal system was viewed to be transparent, though the bank sets

targets too for their employees; those who could not meet the targets were usually given second chance and supports from the supervisors by transferring them to other units of their interests or competence. Performance appraisal in this perspective was not just served as yard stick for retrenchment, as in the case of NGBs and other OGB, but a means to objectively measure periodic performances standards and equally correct the deviations aiming at improving employees' quality. To a great extent, among the selected banks, there is high degree of procedural injustice, lack of transparency, and subjectivity in the retrenchment approach, and criteria used in selecting bank workers to be retrenched, in NGB, and UBA Plc, hence the remaining employees after retrenchment exercise constantly felt they have been unjustly treated by these banks.

5. CONCLUSION

This study explored the retrenchment approach and criteria used in determining employees to be retrenched in some selected new and old generation banks, and the extent of fairness applied by the executive management in treating employees during and after retrenchment exercise. This research has been able to establish that new generation banks and some old generation banks adopted reactionary retrenchment approach and as such massively disengage their employees in an arbitrary manner without following the procedural rules. It is affirmed that Nigeria is one of countries where the procedural rules are circumvented with impunity by bank employers. Other than FBN, there are usually no fair, clear and transparent criteria used in selecting the employees to be retrenched. The study therefore concludes that during retrenchment exercise, the employees are unfairly treated; therefore, the surviving employees that remain after retrenchment develop persistent feelings of injustice meted on them by the Management. Therefore, labour regulatory agencies should be firm in ensuring that procedural rules during retrenchment exercise in the banking sector are followed. It is recommended that the top management of both the Old Generation banks (OGB) and the New Generation banks (NGBs) should apply fairness during retrenchment and treat survivors in a fairly manner.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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