International Journal of Business Management and Processes (IJBMP)
Vol 1.Issue No 1. December, 2017. PP 34-.43. ISSN 2616-3209

An Examination of the Effect of Work Force Reduction Strategy on Financial Performance of Commercial Banks in Nakuru Central Business District, Kenya

Victor Ogada Otieno

Received: November 19, 2017
Accepted: December 6, 2017

Abstract

The question that this study therefore seeks to address is whether the corporate downsizing has achieved its ultimate goal of improving on the profitability of the affected commercial banks. The specific problem that this study addresses has not been addressed in the available literature on the subject matter. This paper examines the influence of work force reduction strategy on financial performance of commercial banks in Nakuru Central Business District, Kenya. The study found that workforce reduction has reducing the wage bill, workforce reduction reducing the indirect costs associated with a bloated workforce, and layoffs as a work reduction strategy leads to poor organizational performance hence financial performance due to fewer staff doing the same work had the highest levels of consensus amongst the respondents on their influence on financial performance. The study recommends that while work force reduction strategy should be undertaken in order to enhance the financial performance of commercial banks, the strategy should be undertaken jointly with other strategies in order to enhance financial performance.

Keywords: Financial Performance, Workforce Reduction

I. INTRODUCTION

The corporate downsizing is necessitated by changes in the market environment due to the regulatory forces, introduction of new technologies, entrant of new market players, and economic changes amongst others (Kyei-poku, 2014). Other changes leading to downsizing include declines in sales (industry specific), declines in profits (industry specific), poor financial results (company specific), greater responsiveness to customer needs (industry specific), and increased international competition (macroeconomic) (Muthama, 2012). These changes may make it attractive to introduce leaner reporting structures for a more efficient and agile organization, some work functionalities may become redundant due to the use of technology, and older expensive workers may be replaced by cheaper and more educated workers (West & Wolf, 2013). The net effect of the corporate downsizing is the reduction of the workforce numbers. Downsizing therefore is the discharge of the surplus employees with the expected rewards being the installation of labour savings machinery, standardization of the processes, increased productivity, improved quality, and enhanced competitive advantage amongst other aspects (Ngige, 2012).

Kenya has a robust banking services sector composed of Central Bank of Kenya, as the regulatory authority, 44 banking institutions (43 commercial banks and 1 mortgage finance company), 8 representative offices of foreign banks, 9 Microfinance Banks (MFBs), 2 Credit Reference Bureaus (CRBs), 13 Money Remittance Providers (MRPs) and 87 Foreign Exchange (forex) Bureaus (Central Bank of Kenya, 2015).The organizational performance of Kenya's banking sector is characterized by hyper competition in the sector. Kenya is considered to be over banked due to the high number of commercial banks compared to the population. This is because the country has 45 banks serving 33 million people (Kithaka, 2014). On the other hand, countries like Nigeria have their banks serving a larger population as it has 30 megabanks that serve a population of over 100 million people (Ndukhu, 2014). According to Ndukhu (2014), hyper competition is characterized by intense and rapid competitive moves in which new competitive advantages are quickly built and the old competitive advantages eroded. Factors leading to high competition includes knowledge sharing (franchise and outsourcing), brand convergence, quick niche copying (imitation), and high quality resulting from standardization, shrinking markets, and attraction of powerful new entrants to business segments with high returns (Omollo, 2013). Sources of the competition for the Kenya's commercial banks include cooperative societies, merry go rounds, and microfinance institutions amongst others (Gitau, 2014).

The hyper competitive environment in the banking sector is indicated by the competition in profitability among the top five banks (Ngenoh, 2013). The Kenya's banking sector operates under a monopolistic competition market structure dominated by Barclays, Kenya Commercial Bank, Standard Chartered, Cooperative Bank and Equity Bank (Abdi, 2014; Chepkiyeng, 2009; Ganale, 2012). According to Central Bank of Kenya (2012), the most profitable banks in Kenya in profit before tax (PBT) in 2011 were KCB (14.081 billion), Equity Bank (12.10 billion), Barclays Bank (12.01 billion), Standard Chartered Bank (8.25 billion) and Cooperative Bank (6.16 billion). This had changed in 2012 financial year. According to Central Bank of Kenya (2013), the most profitable banks in PBT were Equity bank (16.06 billion), KCB (15.75 billion), Barclays Bank (13.02 billion), Standard Chartered Bank (11.51 billion) and Cooperative Bank (9.57 billion).

The 2012 financial year saw Equity bank displace KCB as the most profitable bank in Kenya. There were further changes in the 2013 financial year. According to Central Bank of Kenya (2014), the most profitable banks in terms of PBT were Equity bank (18.23 billion), KCB (17.76 billion), Standard Chartered Bank (13.31 billion), Barclays Bank (11.92 billion), and Cooperative Bank (10.70 billion). The year saw the Barclays bank move from the third position to the fourth position in terms of profitability. Despite the super profits enjoyed by the Kenyan banks, the banks have registered above average return on shareholders' funds compared to their global counterparts and segments of the Kenyan (Mutai, 2012).

The shifting market shares among the leading banks in the country further illustrate the banking sector hyper competitiveness (Gitahi, 2013). This is due to the entry and retaining of the multinational banks in the country such as Eco Bank and United Bank of Africa (UBA) as well as the rise of indigenous banks such Equity bank and KCB (Nzioka, 2013). According to Central Bank of Kenya (2012), KCB had 14.52% market share, Equity bank (9.98%), Barclays Bank (8.90%), Cooperative Bank (8.41%) and Standard Chartered Bank (7.74%) for the 2011 financial year. In 2012 financial year, KCB had 13.54% market share, Equity Bank (10.06%), Cooperative Bank (8.74%), Standard Chartered Bank (8.29%) and Barclays Bank (8.08%) (Central Bank of Kenya, 2013). The 2012 financial year saw the market share for KCB eroded while Equity bank marginally gained. For the 2013 financial year, KCB had 12.83% market share, Equity bank (9.79%), Cooperative Bank (8.61%), Standard Chartered Bank (8.096%) and Barclays bank (7.65%) (Central Bank of Kenya, 2014).

The question that this study therefore sought to address is whether the corporate downsizing has achieved its ultimate goal of improving on the profitability of the affected commercial banks. The specific problem that this study addresses has not been addressed in the available literature on the subject matter. Mutonga (2011) and Abdullahi (2013) examined the effect of downsizing on workforce quality among commercial banks in Kenya, and the restructuring strategy and performance of major commercial banks in Kenya respectively. Blair (2012) examined the impact of forced layoffs while Kaari (2013) examined the implementation of downsizing strategy at Bride international academies in Kenya. Kaloki (2014) examined the response of survivors to the effects of downsizing in Kenya. The studies didn't specifically examine the different components of the downsizing and how they impacted on the financial performance of commercial banks. The present study therefore wished to investigate the effect of the downsizing on the financial performance of the commercial banks within Nakuru Central Business District. This study wished to examine the effect of the work force reduction on the financial performance of commercial banks in Nakuru Town.

II. RESEARCH OBJECTIVE

To determine the effect of work force reduction strategy on financial performance of commercial banks in Nakuru Central Business District

III. RESEARCH QUESTION

What is the effect of work force reduction strategy on financial performance of commercial banks in Nakuru Central Business District?

IV. LITERATURE REVIEW

Theoretical Framework

The contingency theory of the structural contingency theory explains the fits between structure, contingencies and their beneficial effects on the performance (Kaloki, 2014).The contingency theory views organizations as a series of interdependent subsystems, each of which has a function to perform within the context of the organization as a whole (Kilonzo, 2012). However, the subsystems are open to variation in order to maximize operational efficiency, competitiveness and ultimately financial performance (Kaloki, 2014). The human subsystem embraces the people in the organization, their leadership, and their motivation (Kyei-poku, 2014). The human subsystem is subject to variation to enable the company to be more competitive and financially productive (Anderson & Proulx, 2014). This theory is related to this study because the corporate downsizing in related to financial performance of the organization through having a leaner company structure hence lower operational costs , and payments for departing staff.

Influence of Work Force Reduction Strategy on Organizational Financial Performance

The work force reduction strategy (layoff strategy) is interested in achieving a leaner workforce through reduction of employees numbers through layoffs, retrenchments, natural attritions, early retirements, hiring freezes, and buyout packages (Muthama, 2012). This is often a reactive cost cutting strategy with an aim of addressing short term decline in profits. There is often the cost element of reducing the number of employees in the short term and the expected financial gain of the reduced wage budget in the long term (Kyei-poku, 2014).

In the context of the cost of reducing the employees in terms of an exit financial package, the natural attrition is the cheapest method (Anderson & Proulx, 2014). The natural attrition occurs when the exiting staff due to normal work process such as retirement, sicknesses, and sacking amongst others are not replaced (Cho, 2010). There is often no huge payout involved in the exit package other than the basic and minimum benefits on such exits. Any other workforce reduction strategy involves a monetary incentive for the employees to leave. The early retirement incentives involve a promise of a generous retirement benefits in order for the employees to exit the company before the normal retirement age (Mutonga, 2011). The initial stages of downsizing involves the incurring of extraordinary large direct costs such as severance packages, early retirement packages, outplacement services, and other direct and indirect costs (Schaeffer, 2012).

Muñoz-Bullón & Sánchez-Bueno (2011) examined Does downsizing improve organizational performance? An analysis of Spanish manufacturing firms. The study found that a substantial number of Spanish companies reduced their work force between 1995-2001.These kind of layoffs were seen to improve on the firms' financial performance through elimination of redundancies and employment costs.

Ofuneke (2013) examined "Downsizing Strategies and Corporate Performance Amongst Commercial Banks in Nigeria". The study found that the various ways in which the commercial banks in Nigeria undertook work force reduction included natural attrition, early retirements, layoffs, and buy out packages. In the context of the effect of the work force reduction on organizational performance, the study examined several aspects. The natural attrition as work force reduction strategy was examined on whether it led to retaining of unproductive employees for longer and affected service delivery as employees are not worried of negative work related behaviour. In his study , Ofuneke (2013) found out that 72% and 68% of the respondents agreed that natural attrition led to retaining of unproductive employees for longer and affected service delivery as employees are not worried of negative work related behaviour respectively. This had the effect of affecting the productivity of the organization. The aspect of voluntary retirement affecting organizational performance negatively since many experienced employees might leave was agreed upon by 52% of the respondents in the study. The use of layoffs as work force reduction leading to few people doing the same work thus affecting organizational performance and level of service negatively was examined. In this context, 72% and 70% of the respondents indicated that layoffs as work force reduction strategy led to few people doing the same work thus affecting organizational performance and level of service negatively ultimately affecting the profitability of the firm. Finally, in relation to buyout packages increasing pension and benefits pay-outs, thereby impacting financial performance negatively had 100% respondents agreeing to the statement.

V. RESEARCH METHODOLOGY

This study adopts the descriptive research design. The descriptive research attempts to answer the "what" kind of questions in addition to describing the various opinions of the respondents in respect of the theme(s) being studied (Mugenda, 2003). The foregoing conforms to this study. The target population is all commercial banks in Nakuru Central Business District. Kothari (2004) explain that a population is a well-defined set of people, element or events being investigated. The unit of analysis is the commercial banks in Nakuru Central Business District. The units of analysis are units that are designed for purposes of aggregating their characteristics in order to describe some larger group or abstract phenomenon (Mugenda, 2003). The units of analysis are the what or whom to be analyzed (Kothari, 2004). The units of observations were the bank staff in the 25 commercial banks in Nakuru Central Business District who are estimated to be 800 (Kimasar, 2014).

This study employed Nassiuma's (2009) formula to calculate the size of the sample. The formula to scientifically derive the sample from the target population is illustrated hereunder.

$$n = \frac{NC^2}{C^2 + (N-1)e^2}$$ Where

n = sample size
N =size of target population

C = coefficient of variation (0.5)

e = error margin (0.05)

Substituting these values in the equation, estimated sample size (n) was:

$$n = 800(0.5)^2 / (0.5^2 + (800-1)0.05^2))$$

$$n = 89 \text{ respondents}$$

The stratified random sampling technique was used for the study. According to Gichimu (2013), a stratified random sampling is whereby the population is divided into two or more subgroups using a give criterion and then a given number of cases are randomly selected from each population subgroup. Stratified sampling technique is a technique that identifies sub groups in the population and their proportions and select from each sub group to form a sample (Kothari, 2004). The stratified sampling technique was the most appropriate for this study as it aims for a proportionate representation with a view of accounting for the differences in sub- group characteristics and ensures that each sub group in the target population is represented in a sample in a proportion equivalent to its size in the accessible population.

Table 1; Sampling Frame

Commercial Bank	**Number of Employees**	**Percentage**	**Sample Size**
Kenya Commercial Bank (KCB)	102	12.75%	11
Cooperative Bank	96	12.00%	11
Equity Bank	85	10.63%	9
Barclays Bank of Kenya	80	10.00%	9
Standard Chartered	74	9.25%	8
Commercial Bank of Africa	54	6.75%	6
CFC Stanbic	50	6.25%	6
Diamond Trust Bank	46	5.75%	5
NIC Bank	45	5.63%	5
National Bank of Kenya	36	4.50%	4
Chase Bank	34	4.25%	4
Others	98	12.24%	11
Total	**800**	**100%**	**89**

VI. RESEARCH FINDINGS AND DISCUSSIONS

Workforce Reduction and Financial Performance

It is apparent that whenever a business is not performing well the first strategy of improvement is reduction of cost especially the labour cost. The first objective of the study was to determine the effect of work force reduction strategy on financial performance. The responses were asked to indicate whether or not they agreed that reduction of workforce improved financial performance. The analysis of workforce reduction was based on gender, education and experience.

Gender and Workforce Reduction

In the context of gender distribution, 44% and 56% of the respondents were male and female respectively. The question of gender is critical in the context that certain aspects of the corporate downsizing affect the employees along the gender lines. For example, corporate downsizing leading to longer working hours may impact more negatively on the female employees given the additional family duties that they need undertake.

Table 2; Gender Distribution

Gender	Frequency	Percentage
Male	33	44.0
Female	42	56.0
Total	**75**	**100.0**

Level of Education of Workers and Workforce Reduction

Level of education is a critical factor in workforce reduction strategy. A majority of the respondents were graduates at 53.3% of the respondents with 26.7% and 20.0% having post graduate and diploma level education qualifications. The education level is directly tied to the corporate downsizing and the financial performance of the commercial banks. Staff with lesser education qualifications is likely to be impacted on the corporate downsizing especially in the holding of certain job positions in the organization. This is in line with the increasing education levels among the work force due to the expansion of the education sector especially in the higher education sector. The highly educated workforce is also likely to bring critical expertise on the job functions hence leading to improved organizational performance.

Table 3; Education Level

Education Level	Frequency	Percentage
Diploma	15	20.0
Graduate	40	53.3
Post Graduate	20	26.7
Total	**75**	**100.0**

Experience and Workforce Reduction

In the context of the years worked, a majority of respondents had worked for less than ten years in the commercial banks. The cumulative number of employees that have worked for less than 10 years is 62.7% of the total respondents. This high number is attributable to the fact that the commercial banks have expanded in the scope of their operations including expansion into regional markets in the last decade hence creating employment opportunities.

Table 4; Years Worked

Years Worked	Frequency	Percentage
0-5 Years	27	36.0
6-10 Years	20	26.7
11-15 Years	16	21.3
Over 15 Years	12	16.0
Total	**75**	**100.0**

The number of years worked is relevant to the aspect of corporate downsizing as the younger employees are often cheaper to maintain and more agile in understanding the emergent work dynamics especially the use of information technology in comparison to their older counterparts. However, the older counterparts while being expensive to maintain in terms of the wage bill are often more experienced having worked for a relatively long time.

Work Force Reduction Strategies Used

The workforce reduction strategies were analyzed through the use of the multiple response techniques. The natural attrition was the most popular method if the workforce reduction strategy at 54.3% of the respondents followed by early retirements (25.4%) and layoffs (20.3%). The findings that the Natural Attrition, early retirement and layoffs were the most popular workforce reduction strategies in that order were consistent with Ofuneke (2013) findings. Ofuneke (2013) had examined the concept of downsizing strategies on corporate performance of commercial banks in Nigeria.

Similar to the Kenyan scenario, the most popular methods for corporate downsizing were natural attrition, early retirements, layoffs, and buy out packages. The popularity of the natural attrition lies in the fact it is the method with the least friction between the employer and the employee as the employees exit the organization either on voluntary basis or as a result of retirement on old age (Muñoz-Bullón & Sánchez-Bueno, 2011). The method is also relatively cheaper compared to other methods as the employee only gets the retirement benefits and other compensation benefits due to him without being given monetary incentive to leave the organization (West & Wolf, 2013). The unpopularity of the layoff strategy as a workforce reduction strategy has been attributed to the fact that it is a reactive cost cutting strategy with an aim of addressing short term decline in profits. There is often the cost element of reducing the number of employees in the short term and the expected financial gain of the reduced wage budget in the long term (Kyei-poku, 2014).

Table 5; Work Force Reduction Strategies

Work Force Reduction Strategies	**Percentage**
Natural Attrition	54.3%
Early Retirement	25.4%
Layoffs	20.3%
Total	**100.0%**

Impact of Work Force Reduction Strategy on Financial Performance

The impact of the work force reduction strategy was examined using eight metrics that is reduction of wage bill, reduction of staff indirect costs, employment of cheaper labour, exit of non-performing staff, leaner staff management aspect, natural attrition negative contribution to organizational performance, layoffs negative contribution to organizational performance, and exit of experienced staff. The respondents on average tended to agree in relations to work force reduction leading to reduced wage bill, reduced indirect costs, leaner staff management, natural attrition leading to negative organizational performance, and layoffs leading to negative organizational performance due to means of between 3.5 and 4.5. On the other hand, the respondents on average were uncertain in relations to workforce reduction leading to employment of cheaper labour, exit of non-performing staff, and exit of experienced staff with means of between 2.5 and 3.5.

In the context of the standard deviations, the results indicated that the responses were moderately distributed in relations to workforce reduction leading to reduced wage bill, reduction of indirect costs, layoffs leading to negative organizational performance, and early retirement leading to exit of experienced staff due to standard deviations of between 0.5 and 10. On the other hand, there was lack of consensus amongst the respondents in relations to employment of cheap labour, exit of non-performing staff, leaner staff management, and natural attrition leading to negative organizational performance due to high standard deviations of above 1.0.

Table 6; Descriptive Statistics on Work Force Reduction Strategy

	N	Mean	Std. Dev.
The workforce reduction has reduced the wage bill hence improved financial performance	75	4.1200	.7877
The workforce reduction has reduced indirect costs associated with a bloated workforce such as medical schemes and administration costs	75	3.9467	.7866
The workforce reduction has led to employment of cheaper labour hence better financial performance	75	3.2800	1.1689
The workforce reduction has led to the exit of non-performing staff/aging staff leading to a more agile organization	75	2.6000	1.2411
The workforce reduction has led to a leaner staff management aspect leading to an improvement in organizational efficiency and financial performance	75	3.8000	1.1270
Natural attrition as a work reduction strategy negatively affects the organizational performance hence financial performance as unproductive employees are retained longer than necessary	75	3.7067	1.1481
Layoffs as a work reduction strategy leads to poor organizational performance hence financial performance due to fewer staff doing the same work	75	3.9067	.6812
The early retirement as a workforce reduction strategy leads to the exit of the experienced staff leading to poor organizational performance	75	3.0133	.8620
Valid N (listwise)	**75**		

The results of this study are consistent with the available literature on the effect of the work force reduction on the financial performance of commercial banks. For example, Ofuneke (2013) found out that the respondents agreed that natural attrition led to retaining of unproductive employees for longer and affected service delivery as employees are not worried of negative work related behaviour respectively. This had the effect of affecting the productivity of the organization. The voluntary retirement often led to the exit of experienced employees leaving the organization (Oduor, 2014). The use of layoffs as work force reduction leading to few people doing the same work thus affecting organizational performance and level of service negatively was examined (Tamonut, 2010). On the other hand, Muñoz-Bullón & Sánchez-Bueno (2011) examination of the downsizing effect on the organizational performance in Spanish firms found out that layoffs were seen to improve on the firms' financial performance through elimination of redundancies and employment costs.

Correlation Analysis

The linear correlation analysis was undertaken in order to understand the effect of the work force reduction strategies on financial performance of commercial banks in Nakuru. There is weak positive correlation between the work force reduction and financial performance as indicate through the Pearson correlation coefficient of 0.271.

Table 7; Correlational Analysis

	Financial Performance
Work Force Reduction	0.271*

VII. CONCLUSION OF THE STUDY

The study concluded that workforce reduction has reducing the wage bill, workforce reduction reducing the indirect costs associated with a bloated workforce, and layoffs as a work reduction strategy leads to poor organizational performance hence financial performance due to fewer staff doing the same work had the highest levels of consensus amongst the respondents on their influence on financial performance.

VIII. RECOMMENDATIONS OF THE STUDY

The study recommends that while work force reduction strategy should be undertaken in order to enhance the financial performance of commercial banks, the strategy should be undertaken jointly with other strategies in order to enhance financial performance.

REFERENCES

1) Abdi, A. (2014). Strategic Planning and Performance of Banks in Kenya: A Case of National Bank of Kenya. *Journal of Emerging Issues in Economics, Finance and Banking (JEIEFB)*, *2*(3), 25–35.
2) Abdullahi, H. (2013). Restructuring Strategy and Performance of Major Commercial Banks in Kenya. *International Journal of Arts and Commerce*, *2*(3), 25–30.
3) Central Bank of Kenya, . (2012). *Central Bank of Kenya Bank supervision annual report 2011*. Retrieved from https://www.centralbank.go.ke/images/docs/CBKAnnualReports/2011annualreport.pdf
4) Central Bank of Kenya, . (2013). *Central Bank of Kenya Bank supervision annual report 2012*. Retrieved from https://www.centralbank.go.ke/images/docs/CBKAnnualReports/2012annualreport.pdf
5) Central Bank of Kenya, . (2014). *Central Bank of Kenya Bank Supervision Annual Report-2013*. Retrieved from https://www.centralbank.go.ke/images/docs/CBKAnnualReports/2013annualreport.pdf
6) Central Bank of Kenya, . (2015). *Bank Supervision Annual Report 2014*. Retrieved from https://www.centralbank.go.ke/index.php/cbk-annual-reports
7) Chepkiyeng, F. (2009). Analysis of Strategic Responses of Commercial Banks Towards Attaining Competitive Advantage in Kenya. *International Journal of Social Sciences and Enterpreneurship*, *2*(3), 29–35.
8) Ganale, G. (2012). An Assessment of Factors Affecting Choice of Growth Strategy by Selected Commercial Banks in Kenya. *International Journal of Business and Management Invention*, *2*(4), 67–75.
9) Gichimu, S. (2013). Credit Reference Bureaus, Loans Advancement and Recovery Performance by the Higher Education Loans Board of Kenya. *Journal of Modern Accounting and Auditing*, *4*(3), 35–42.
10) Gitau, A. (2014). Agency Banking and Operational Performance of Commercial Banks in Kenya. *International Journal of Business and Social Research*, *2*(3), 17–25.
11) Kimasar, F. (2014). The Use of Credit Reference Bureau on Loan Recovery Among Commercial Banks in Nakuru Town, *3*(10), 2196–2201.
12) Kithaka, E. (2014). The Effect of Mobile Banking on Financial Performance of Commercial Banks in Kenya. *International Journal of Business and Social Research*, *2*(1), 36–40.
13) Kothari, C. (2004). *Research Methodology; Methods and Technologies*. New Delhi: New Age International Publishers.
14) Kyei-poku, I. A. (2014). Satisfaction With a Merger , Its Impact on Organizational Commitment and Turnover Intentions : Canadian Evidence Satisfaction With a Merger , Its Impact on Organizational Commitment and Turnover Intentions : Canadian Evidence. *Interdisciplinary Journal of Contemporary Research in Business*, *2*(3), 30–35.
15) Muñoz-Bullón, F., & Sánchez-Bueno, M. J. (2011). Does downsizing improve organisational performance? An analysis of Spanish manufacturing firms. *The International Journal of Human Resource Management*, *22*(14), 2924–2945.
16) Mutai, T. (2012). Competitive Staregies Adopted by Microfiance Institutions in Kenya. *Journal of Internet Banking and Commerce*, *3*(4), 27–30.
17) Muthama, K. (2012). An Investigation of the Impact of Corporate Restructuring on Shareholder Value: A Case Study of Companies Qouted on the Nairobi StOck Exchange. *Journal of Management Research*, *2*(3), 65–70.
18) Mutonga, J. (2011). Effect of Downsizing on Workforce Quality Among Commercial Banks in Kenya. *International Journal of Financial Research*, *1*(3), 17–24.

19) Ndukhu, B. (2014). Partcipatory Strategic Planning and Performance of Commercial Banks in Kenya. *International Multidisciplinary Journal*, *2*(1), 78–85.
20) Ngenoh, J. (2013). Organizational Structure and Strategy Implementation in Selected Major Banks in Kenya. *Journal of Emerging Issues in Economics, Finance and Banking (JEIEFB)*, *2*(2), 25–33.
21) Ngige, A. (2012). Corporate Restructuring and Firm Performance in the Banking Sector in Kenya. *International Journal for Management Science and Terchnology*, *1*(3), 15–20.
22) Nzioka, B. (2013). The Effect of Online Banking on Cost Efficiency in Commercial Banks in Kenya. *International Journal for Management Science and Terchnology*, *3*(4), 15–17.
23) Oduor, J. (2014). Impact of Corporate Restructuring on Shareholder Value: A Case of National Bank of Kenya Limited. *International Journal of Business and Social Research*, *2*(3), 27–35.
24) Ofuneke, C. (2013). Downsizing Strategies and Corporate Performance Amongst Commercial Banks in Nigeria. *Journal of Economics and International Business Research*, *2*(3), 19–25.
25) Omollo, D. (2013). Competitive Strategies Applied by Bank Agents to Sustain Their Market Share (A Case of Commercial Banks in Migori County). *International Journal of Social Sciences and Entrepreneurship*, *4*(2), 35–39.
26) Tamonut, I. (2010). Corporate Restructuring during Economic Crisis : Focus on Thai Financial Sector. *Journal of Business and Management*, *2*(3), 25–30.
27) West, G., & Wolf, J. (2013). The Effect of Downsizing on Survivors; A meta Analysis. *International Journal for Management Science and Terchnology*, *2*(3), 45–50.

How to Cite This Article;

Otieno, V.O (2017). An Examination of the Effect of Work Force Reduction Strategy on Financial Performance of Commercial Banks in Nakuru Central Business District, Kenya. *International Journal of Business Management and Processes (IJBMP)*, 1(1), 34-43.