ISSN 2229-5518

Effects of Corporate Restructuring on Competitive Advantage of Listed Commercial Banks in Nigeria.

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Abstract
This study is based on the topic effect of corporate restructuring on the competitive advantage of listed commercial banks in Nigeria and secondary data were used and sourced from the official annual financial reports of the selected listed commercial banks on the Nigerian stock exchange from 2015 to 2018, the study employed the descriptive research methodology. The purposive sampling technique was used to select a sample of seven listed commercial banks in Nigeria based on the best performing banks determined by ranking using market capitalization, current market price of shares, trade volume, firm growth rate and return on equity. Data collected were analyzed using the descriptive statistics and Ordinary least square analysis method on SPSS 25. Regression analysis was also used to form the basis for accepting or rejecting the four hypotheses in this study, normality test was conducted on the variables and they were confirmed to be stationery. It was discovered that there is a weak positive relationship between the effect of corporate restructuring and the competitive advantage of listed commercial banks in Nigeria, with a very strong associative prospects for growth. The study concludes that a high volume of trade is not a guarantee for growth neither is it a sign of high market share or leadership, but a combination of other forces and recommends that [managers' should devise a means to formulate strategies that will help to increase free participation in the equity market, through aggressive advocacy and that market forces be allowed to play its role more efficiently.

Keywords: *Corporate restructuring, competitive advantage, market capitalization, trade volume, market price, firm growth, commercial banks.*

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1.0 Introduction

Corporate restructuring includes mergers and acquisitions, amalgamation, take-over, spin-offs, leverage buy-outs, buy-back of shares, capital reorganization, sale of business units, downsizing and assets etc. In the face of consistent change in the economic environment, consideration must need be given to the position of the business in the market and the future developmental possibilities required by business owners

The most popular means of corporate restructuring or business combination is merger and acquisition; this process has play very important role in the external growth of most leading companies in the world.

"In the United States, the first merger waves occurred between1890 and 1904 and the second began at the end of the World War I and continued through the 1920s. the third merger wave commenced in the latter part of World War II, and continued to the present day. About two thirds of the large public corporations in the USA have merger in their history" (Pandey 2005).

The current global economic depression facing the world has been described by the world economic and financial experts as the longest and deepest depression in the post war period. Major industrial developed countries share in this performance characterized by declining growth rate, high inflationary pressure, increase in number of unemployment and this trend had serious adverse effect on the economics of developing countries of which Nigeria is a part.

The present development is affecting a substantial number of Nigeria contemporary business most of them are on the path of decline, leading to folding up of some companies and many others laying off their staff and equipment as a result of operational hardship with lack of ability to expand and decline in sales volume as well as profit.

There is need for businesses to be re-structured for survival in response to changes that is occurring in the economic environment, a company may decide, whether to acquire, merge or sell part or whole of its existing business stake thereby, giving birth to a stronger, bigger and more profitable outfit that is capable of surviving amidst strong competition, bringing to mind competitive advantage as a result of a well-planned and expertly crafted restructuring process.

Competitive advantage is the leverage that a business has over its competitors. This can be gained by offering clients better and greater value. Advertising products or services with lower prices or higher quality piques for the interest of consumers. Target markets recognize these

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unique products or services. A competitive advantage distinguishes a company from its competitors. It contributes to higher prices, more customers, and brand loyalty. Establishing such an advantage is one of the most important goals of any company. In today's world, competitive advantage is essential to business success. Any and every business must strive to gain this advantage in order to be in business for the foreseeable future, the business must need be aware of the requirements of Fordism and post-Fordism principles and when to apply these principles in entry and exit of a particular market. The global market is very hostile; this is why a business must be sure to have carried out both market analysis and environmental scanning properly well before attempting international trade at all.

For some companies restructuring may have been attributable to the organization's life cycle stage. According to Nelson and Quick, (2003), "organizational life cycle is the differing stages of an organization's life from birth to death". Shorter life cycles put more pressure on the organization to be both flexible and efficient at the same time. Further, as flexible organizations use design to their competitive advantage, discrete organizational life cycles may give way to a constantly changing set of continuously emerging, efficiency-seeking organizational designs. The manager's challenge in this context becomes one of creating congruence among various organizational design dimensions to fit continuously changing markets and locations.

Globalization and increased competition in the market place are a major force that is reshaping organizations. It has led to a number of negative responses by organizations, but it is not the case in all organizations. It is clear to state here that not all companies that have restructured have done so because of global or competitive impacts.

Clearly, globalization has changed the nature of competition and re-contextualized the nature of doing business. The strategies that have been employed by managers are strongly embedded in the principles of restructuring; managers within organizations must appreciate the dynamics of the environments as being fundamental to organizations and their contexts.

The impact of instability of the economic/business environment, globalization processes, and companies' life-cycle has been reduced, and business has become more dynamic, this has increasingly encouraged restructuring of companies. The motive for restructuring varies from company to company; however, the target is to increase the company's market value and value creation and to increase efficiency resulting from the implementation of its financial strategy.

Another point that needs to be made is that some managers have embraced the changes that have been occurring and have managed to increase the size and/or the financial position of their organizations. For some this has meant dramatic changes such as changing the purpose of the organization or altering its core activities so as to better meet market needs. For other organizations, such as Qantas Airways, the changes have meant improving the way they conduct their activities and aiming to be the best in the field. (Littler, Dunford, Bramble & Hede, 1997).

The relevance of banking sector to an economy cannot be overemphasized. Though a subset of the financial system, it forms a major component of the system, particularly in situation where other aspects of the system are undeveloped. Sanusi (2012), categorizes the financial system into three components, these are financial intermediaries (Banks and insurance companies), financial assets market and infrastructural components; which interact for the effective functioning of the system. The banking sector is seen as fund pipe through which funds are channeled from the surplus spending unit to the deficit spending unit. Through this mechanism, funds are made available to investors for productive investment and hence economic growth. Schumpeter (1961), in his concept of innovative financing sees the financial sector's functions as mobilizing resources from the traditional sector where they are kept idle to the modern sector where they are being invested productively, and secondly, stimulating the entrepreneurial response in the modern sector.

The Schumpeter's view of financial system is reflected in Patrick (1966), supply – leading hypothesis which postulates that financial development leads to economic growth, explicit in the supply-leading hypothesis is financial sector reforms. Thus, for financial development to be able to perform the two primary functions in the Schumpeter's concept of innovative financing efficiently, monetary authorities must enshrine into the system, economic policies which not only aimed to promote growth but also capable of instilling confidence into the public concerning the system. Only under this condition the public could save, for example in the banks, and investors could rely upon for funding their entrepreneurial ideas. However, the intervention of the monetary authorities must not be in the form of repression and restrictive measures that could hinder financial development. Repressive measure such as interest rate regulation and credit control impede financial development, thereby retards growths (McKinnon 1973). Interest rate and credit supply should be left to be determined by market mechanism for efficient mobilization and allocation of funds.

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The banking sector being a component of the financial system has witnessed reforms in the form of consolidation and interest rate liberalization particularly in developing countries in order to reap the growth benefits of allowing free market mechanism to determine the operation of the system (Ayadi and Hyman 2006). Nigeria as one of the emerging economies has aimed at financial reform regularly (Imala 2005). The reform process in the banking sector recorded a giant stride in 2004 when the last consolidation exercise was lunched, aimed at recapitalizing the capital base of financial institutions including banks and insurance companies in Nigeria.

Due to the present economic situation of the country (Nigeria), report indicated that many Nigeria businesses and corporate organizations have closed up while many more may soon close up, even those that have survived, it has been a magical survival and they are operating far below installed and optimum productive capacities leaving none in doubt that the situation is bad enough, the following problems are noticed.

The major problem that gave rise to this study is the unclear effects of corporate restructuring on the competitive advantage and firm performance and the gap noticed is that many studies on corporate restructuring has been carried out but none has combine it with competitive advantage as has been advanced in this study.

The major objective of this study is to determine the effect of corporate restructuring on the competitive advantage of listed commercial banks in Nigeria. Other specific objectives include determining;

a) The extent to which market capitalization affects the volume of trade of listed commercial banks in Nigeria.
b) To extent to which return on equity affects the volume of trade of listed commercial banks in Nigeria.
c) The importance of current market price of equity to trade volume on the exchange to stakeholders of listed commercial banks in Nigeria.
d) How relevant corporate restructuring is on the rate of growth of listed commercial banks in Nigeria.

To address the above enquiries the following conjectures were advanced in null form to get some directions for this study;

H_0: Market Capitalization does not have any significant effect on the Trade Volume of listed commercial banks in Nigeria.

H_0: Return on Equity does not significantly affect the Trade Volume of listed commercial banks in Nigeria.

H_0: Current Market price of equity does not significantly affect the Volume of Trade of listed commercial banks in Nigeria

H_0: Firm growth rate does not have any significant effect on the Trade Volume of listed commercial banks in Nigeria.

The study is worth the sort, because of the majority mindset that think too much about what it will cost to achieve restructuring.

Towards the end of the 20th century, in European Union (EU), during and after recession a majority of companies experienced financial difficulties and one of the possibilities of a company's strategy implementation lies in the restructuring of the company, this makes the study further worthwhile to carry out in-order to understand and know how best to restructure a company for the achievement of organizational goal and increase market leadership.

An understanding of the fact that you do not need to be a big company with deeper-pocket to survive in the global market is needed and that to reach the global market with your products is a matter of healthy alliance, venture and strategy and not necessarily size.

The study aims to cover areas that are relevant to the research topic, so as to uphold the credibility and reliability of the process, areas not related and not predetermined to form part of the study shall not be included.

2.0 Literature Review

2.1 Conceptual Clarification

Corporate Restructuring

According to Sulaiman (2012), corporate restructuring is the altering of ownership, asset and business alliances with the intent of optimizing the wealth of shareholders and repositioning the organization for added value. Corporate restructuring encompasses a change in the portfolio combination, ownership structure, asset and liability mix. Norley, Swanson and Marshall (2001) defines restructuring as the reorganization of a company's ownership, legal framework, and operational structure to make the firm more competitive, make higher profits and meet business needs. They noted further that organizational restructuring positions an organization to have a flat structure that will be more effective and concentrate on its core operations. Restructuring as implemented in many industries has produced results in terms of increasing revenues and productivity, reduction in operational cost, better welfare for employees, improvement of the wealth of shareholders and aided better organizational

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productivity, (Christa, Garashi, Odhiambo & Ochieng 2012).

Corporate Restructuring is the process of making changes in the composition of a firm's one or more business portfolios in order to have a more profitable enterprise. Simply, reorganizing the structure of the organization to fetch more profits from its operations or is best suited to the present situation (Business Jargon 2019). Gibbs (2007) defines organizational restructuring as deviation in the operational mechanism, financing mix, investment and governance structure of the organization. The Financial Restructuring may take place due to a drastic fall in the sales, because of the adverse economic conditions. Here, the firm may change the equity pattern, cross-holding pattern, debt-servicing schedule and the equity holdings. All this is done to sustain the profitability of the firm and sustain in the market. Generally, the financial or legal advisors are hired to assist the firms in the negotiations. (Business Jargon 2019). The need for a corporate restructuring arises because of the change in company's ownership structure due to a merger or takeover, adverse economic conditions, adverse changes in business such as bankruptcy or buyouts, over employed personnel, lack of integration/dysfunctional tendencies to the detriment of the company as a whole between the divisions,

Organizational restructuring means changing the structure of an organization, such as reducing the hierarchical level, downsizing the employees, redesigning the job positions and changing the reporting relationships. This is done to cut the cost and pay off the outstanding debt to continue with the business operations in some manner. (Business Jargon 2019). Organizational restructuring involves major changes in the organizational structure for enhancing the 'efficiency and effectiveness' of firms (Bowman & Singh, 1993). It involves reorientation of business units to rearrange resources within a firm for better performance. According to Gibbs (1993), there are three types of corporate restructuring. These include: (i) financial restructuring including recapitalizations and changes in capital structure; (ii) portfolio restructuring involving refocusing on core business, resulting in change in the diversity of business in the corporate portfolio; and (iii) operational restructuring, including reorganization and changes in business-level strategies (Gibbs, 1993).

Sterman (2002) describes organizational restructuring as the set of activities of structural changes in a poor performing organization. The set of activities includes divestments, mergers and acquisitions, debt-equity swaps, equity buy back, spin -off and stock repurchases. Bowman and Singh (1999) classify organizational restructuring into three classifications namely:

Portfolio restructuring: It involves a major change in the asset or the lines of business, which includes strategies such as liquidation, asset sales, spin-off and divestitures.

Financial restructuring involves a significant change in the capital formation of a firm, with strategies such as recapitalization, debt-equity swaps, issuing of new shares and leverage buy-outs, to improve the financial fortunes of the firm.

Organizational restructuring involves a major change in organizational structure with to flatten the structure of the organization, increase the span of control, application of divisionalized structure, organizational downsizing, reviewing the compensation and corporate governance enforcement. Corporate restructuring requires a long time to plan before implementation of the restructuring decision. Corporate restructuring is always a difficult period for organizations with tough decisions that bothers on the organizational finances and operations (Barry, Antonio & Shari, 2010).The difficult decisions in times of corporate restructuring includes merging of similar department, closure of unprofitable business lines, cost reduction programs, divestment of loss incurring departments/divisions, laying off of employees and outsourcing of some services to reduce administrative cost and allow the organization focus on core business operations. (Barry, et al, 2010).

Kinshore (2004) states that the motives behind corporate restructuring could be as a result of the following:

i) Availability and advancement in information and communications technology better organizational operations and productivity.
ii) Changed government policies, like deregulation, liberalization and privatization to allow private organization compete for customers and develop new markets.
iii) The global market concept which has caused many companies to embark on corporate restructuring in order to compete favorably and increase their market share through economies of scale
iv) The need to lower cost of operations and increase productivity by downsizing or right sizing management and non-management employees.
v) Easy domestication of foreign currencies which has attracted both large and medium sized companies to play in the global competitive market.

According to Dentchev and Heene (2004), the need for corporate restructuring can be attributed to the changing business environment and the competitive pressure. Managers reorganize that the organization has to reinvest itself for higher profitability and operation if they do not

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want to be faced out of the market. This calls for the optimization of management prices of cost reduction, strategic product mix and constant environmental scanning (Swanepoel, 2005). To restructure implies taking drastic steps, whether it is on the highest level by means of mergers and acquisitions, or on the lower levels in the company by means of outsourcing, reengineering or downsizing. Harris (2004) identifies three reasons for restructuring which are:

(1) To improve the financial standing of a firm as a result of drop in sales level, falling prices of stocks in the market and operating losses

(2) To incorporate a business strategy that the management is adopting which will lead to strategic alliance and for the organization to accept a new business opportunity

(3) To revalue the stocks of the company in the capital market.

Trade volume is the total quantity of shares or contracts traded for a specified security. It can be measured on any type of security traded during a trading day. It is measured on stocks, bonds, option contracts, future contracts and all types of commodities.

Market capitalization refers to naira market value of a company's outstanding shares of stock, it is commonly referred to market cap. It is calculated by multiplying the total number of a company's outstanding shares by the current market price of the share.

Return on equity is a measure of a firm's profitability in relation to the equity, also known as net assets or assets minus liabilities. It is also a measure of how well a company uses investments to generate earnings growth.

Current market price is the average of the daily sale prices per share of common stock for each of the ten consecutive trading days ending on the earlier of such date of determination and the day before the ex-date with respect to the issuance, distribution, subdivision or combination requiring such.

Firm growth rate is the compounded annualized rate of growth of a company's revenues, earnings, dividends or even macro concepts, such as gross domestic product and retail sales.

Competitive advantage

Competitive advantage are the drivers of economic value addition based on the discounted cash-flow technique. They are the generic strategies that a firm can pursue to create shareholders value. Economic value addition depends on revenue, costs, taxes, product differentiation and cost of capital, firm size and growth (both sale and firm). According to Pandey, (2005), the following are the financial value drivers or generic strategies that enhance value:

Revenue enhancement: the firm can increase its revenue by improving its market share and/or increasing the price of the product. The strategy needed to do so includes creating barriers like patents, product differentiation, monopoly power etc.

Cost reduction: The firm can become a cost leader by lowering its costs beneath that of its competitors through economies of scale, vertical integration, or captive sources of material.

Asset utilization: The firm can improve its profitability by reducing its capital intensity through improved utilization of its assets.

Cost of capital reduction: The firm can design debt and equity securities that appeal to special niche of the capital markets and thereby attract cheaper funds, it can reduce its business risk and design a capital structure that minimizes the overall cost of capital by increasing interest tax shield without much increase in financial risk.

Trade volume: Is determined by the summation of cost reduction, assets utilization, revenue enhancement, reduction in cost of capital and so on.

Porter's five forces include three forces from

'Horizontal' competition-

-the threat of substitute products or services,

-the threat of established rivals, and the threat of new entrants-

And; two others from:

'Vertical' competition-

-the bargaining power of suppliers and

-the bargaining power of customers.

There are six factors of competitive advantage:

- Quality,
- Price,
- Location selection,
- Service,
- Speed and Turnaround.

Porter's five forces model helps in accessing where the power lies in a business situation. Porter's Model is actually a business strategy tool that helps in analyzing the attractiveness in an industry structure. It let you access current strength of your competitive position and the strength of the position that you are planning to attain.

Porters model is considered an important part of planning tool set. When you're clear about where the power lies, you can take advantage of your strengths and can improve the weaknesses and can compete efficiently and effectively.

Porters model of competitive forces assumes that there are five competitive forces that identifies the competitive

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power in a business situation. These five competitive forces identified by the Michael Porter are:

- Threat of substitute products
- Threat of new entrants
- Intense rivalry among existing players
- Bargaining power of suppliers
- Bargaining power of Buyers

Threat of substitute products

Threat of substitute products means how easily your customers can switch to your competitor's product. Threat of substitute is high when:

- There are many substitute products available
- Customer can easily find the product or service that you're offering at the same or less price
- Quality of the competitors' product is better
- Substitute product is by a company earning high profits so can reduce prices to the lowest level.

Threat of new entrants

A new entry of a competitor into your market also weakens your power. Threat of new entry depends upon entry and exit barriers. Threat of new entry is high when:

- Capital requirements to start the business are less
- Few economies of scale are in place
- Customers can easily switch (low switching cost)
- Your key technology is not hard to acquire or isn't protected well
- Your product is not differentiated

Industry Rivalry

Industry rivalry means the intensity of competition among the existing competitors in the market. Intensity of rivalry depends on the number of competitors and their capabilities.

- Industry rivalry is high when there are a number of small or equal competitors and less when there's a clear market leader.
- Customers have low switching costs
- Industry is growing
- Exit barriers are high and rivals stay and compete
- Fixed costs are high resulting in huge production and reduction in prices

These situations make the reasons for advertising wars, price wars, modifications, ultimately costs increase and it is difficult to compete.

Bargaining power of suppliers

Bargaining Power of supplier means how strong is the position of a seller. How much your supplier has control over increasing the price of supplies? Suppliers are more powerful when

- Suppliers are concentrated and well organized
- a few substitutes available to supplies
- Their product is most effective or unique
- Switching cost, from one supplier to another, is high
- You are not an important customer to Supplier

When suppliers have more control over supplies and its prices that segment is less attractive. It is the best way to make win-win relation with suppliers. It is a good idea to have multi-sources of supplies.

Bargaining power of Buyers

Bargaining Power of Buyers means, how much control the buyers have to drive down your products price, can they work together in ordering large volume. Buyers have more bargaining power when:

- Few buyers chasing too many goods
- Buyer purchases in bulk quantities
- Product is not differentiated
- Buyer's cost of switching to a competitors' product is low
- Shopping cost is low
- Buyers are price sensitive
- Credible Threat of integration

Buyer's bargaining power may be lowered down by offering differentiated products. If you're serving a few but huge quantity ordering buyers, then they have the power to dictate you.

2.2 Theoretical Concept

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Porter's Value Chain Theory

According to Porter source of all competitiveness in an industry comes from value chain, precisely the one that comes out of firm's activity in an industry (Porter, 1985). Therefore, differences among competitor value chains are basic source of competitive advantage (Porter, 1985). When it comes to the logic behind the term value Porter explains that it is the amount buyers are willing to pay for good/service that a company provides to them. Therefore, value is measured by total revenue, and firm is profitable if the value it provides exceeds the costs involved in production. Value activities are therefore discrete pillars of competitiveness (Porter, 1985).
Porter argues that they have merit in creating competitive advantage as well wherefore, he introduces cost and differentiation as advantages that company can use to become competitive. A firm have cost advantage if its cumulative costs of performing value activities is lower than that of the competitors, while sustainability will be reached through uniqueness, and leaving no space for replication and imitation (Porter, 1985). Porter suggests for a firm to assess relative cost position of each value activity and then to accumulate it together with relative cost of different activities to determine its cost position (Porter, 1985).

After this is done Porter suggests that there are two ways from which a firm can gain competitive advantage; either by controlling cost drivers – meaning to say that control should be imposed on those parts of value chain that generate the highest cost, or by reconfiguring the value chain – meaning that a firm can find and adopt more efficient and cost effective way to design and produce its products. Finally he suggests that sustainability comes not only from the sources of competitive advantage but from their number as well, meaning to say that cost advantage derived from two or more value activities represents a great target for imitation by competitors, but since it is hard for them to achieve such set of circumstances it makes it more sustainable (Porter, 1985). Finally, existence of sustainability depends upon the possibility of duplication by competitors (Barney, 1991).

2.3 Empirical Reviews

In the research work carried out by Berger and Allen (1998) on mergers which occurred in the 1980s that involved banking organizations with at least $1 billion in assets and got to a conclusion as a result of the data aggregated to the holding company level, using frontier methodology and the relative industry rankings of banks participating in mergers. Frontier methodology involves econometrically estimating an efficient cost frontier for a cross-section of banks. For a given institution, the deviation between its actual costs and the minimum cost point on the frontier corresponding to an institution similar to the bank in question measures X-efficiency. They found out that, on average, mergers led to no significant gains in X-efficiency.

The work of Okafor (2009) on consolidation exercise in Nigeria in which he used capital adequacy asset quality liquidity and management, where 2004 -2005 was regarded as the pre consolidation period while 2006-2009 was regarded as the post consolidation period, she concluded that consolidation improved the overall performance of banks in terms of assets size, deposit base, capital base and capital adequacy, however it did not contribute to the profit efficiency of those commercial banks.

Barros and Caporale (2008), used the dynamic panel GMM method on a cross sectional data from 2000 - 2010, came to a conclusion that consolidation specifically reduced foreign ownership of commercial banks and also through merger and acquisition banks were more cost efficient.

Elumilade (2010) carried out research work on the effects of mergers and acquisitions on the efficiency of financial intermediation in the Nigerian banking industry had evidence that the consolidation programme induced mergers and acquisitions in the banking industry and improved competitiveness and efficiency of the borrowing and lending operations of the Nigerian banking industry.

The result of the investigation carried out by Donwa and Odia (2011) on the impact of the consolidation on banking industry in the Nigerian Capital Market between 2004 and 2008 using primary (questionnaires) and secondary data from the Nigerian Stock Exchange. When the data was analyzed with the chi-square test and ANOVA, it was found that bank consolidation affected the industry significantly as most of the banks had to go to the capital market to raise the required amount by issuing securities. They submitted that banks' consolidation had increased public awareness and operations of the Nigerian capital market just as the capital market had continued to be an easy and cheap source of funds for banks in the post- consolidation era. Based on their findings, it was recommended that the banks and capital market regulatory authorities should continue to monitor and institute reforms program that would better reposition the banking industry as a major player in the Nigerian Capital Market and the economy.

The impact of mergers and acquisitions on performance of Banks in Nigeria was investigated by Adegboyega (2012). Pre-merger and post-merger financial statements of two consolidated banks were obtained, adjusted,

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carefully analyzed and compared. The result revealed that all the two groups produced in addition to operational and relational synergy, financial gains far more than the 2+2=5 synergistic effects. Ratio technique and inferential statistical tools were used to highlight synergistic effects on the merging banks.

Berger and Udell (1995), quoted in Odeleye (2014), used 1980-1988 as its study scope and the Thick Frontier Approach (TFA) method. The study found out that deregulation of deposit rates caused an increase in average cost in US banks especially the smaller ones, hence it led to reduced efficiency while during post deregulation periods, and their average coast fell owing to the structural change.

Data envelopment analysis (DEA) was used by Sobodu and Akiode (1995), to study the efficiencies of banking institutions in Nigeria under the privatization policy, the study showed that the efficiency of the Nigerian banking system declined significantly during period of financial deregulation compared to its levels before consolidation, they also discovered that privately owned banks operated more efficiently than government owned banks.

A sample consisting of 174 Italian banks, was used by Favero and Papi (1995) representing 80 percent of total deposits, cross-sectional data from 1991 to 1995 and used the Data Envelopment Analysis (DEA) as its methodology. The major findings showed that efficiency of banks was mainly determined by productivity and specialization by bank size and lesser by their locations.

According to Erel (2006) studied the effect of bank mergers on loans price. He found out that on average mergers reduced loan spreads, and that the results were stronger for acquirers with large declines in operating cost post-merger. According to him, merger and acquisitions did not decrease the spread of the loans, because, by the time one or more banks were merged together at least they would be stronger more than before and that would allow them to spread credits to borrowers more than before.

Lamberte and Manlagnit (2004) examined the recent consolidation trends among depository institutions (commercial banks and thrifts) in Philippine for the period between 1989 and 1994. The study found out that market concentration increased significantly, midsize commercial banks were gaining market share at the expense of large banks in most markets. In addition, Roger and Ferguson (2009) studied the financial consolidation. Their study concluded with an extensive evaluation of the potential effects of financial consolidation on the efficiency of financial institutions, competition among such firms, and credit flows to households and small businesses

According to Wilson, Wilson and Goddard (2008) consolidation in the US had empirical evidence that there was often little improvement in efficiency or performance of merged entity. The study also suggested that the hubris and agency motives for merger may be relevant, or that synergy derived more from enhanced market power than from cost savings

De young (1993) studied 348 merged banks, of which 43 percent were intercompany ones. The study estimated pre- and post-merger cost efficiency by applying a thick frontier approach. Prior to merger, the acquiring banks were more cost efficient than the target; however, in the three years period after the merger, cost efficiency improved in about 64 percent of the cases.

From the foregoing, it can be observed that the rate of congruence as to the positive outcome of consolidation, mergers and acquisition, which all form the components of restructuring is higher than the negative, meaning that restructuring can impact the performance and competitive advantage of a firm positively.

3.0 Methodology

The data for this study is secondary and thus, generated from the Nigeria Stock Exchange. The population of this study is taken from the records of bank performance from fifteen (15) leading banks listed on the Nigeria stock exchange, the banks are: GTBank, First Bank, Unity bank, Sterling bank, Diamond bank, Wema bank, Stanbic IBTC bank, Zenith bank, Fidelity bank, Access bank, Skye bank, UBA, Union bank FCMB and Ecobank. The data has been taken from security traded for a period of four (4) years ranging from 2015 to 2018. The study adopted descriptive and ex-post facto research design because the variables under study are historical in origin and data were collected from the Annual Reports and Accounts of the various banks deposited at the Nigerian Stock Exchange and included specifically; the share prices, market capitalization, volume of trade, returns on equity (gain/loss) of all the 15 banks listed on the Nigerian Stock Exchange (see appendix I). The data set in this group are entirely quantitative in nature and measured on the ratio scale.

The data for this study were analyzed, using a descriptive statistic method and the tools for data analysis are the mean, median, minimum/maximum, standard deviation and multiple regression analysis, apart from the later, the rest were used to describe the behavior of the variables for the firms. The linear regression analysis was used to test the effect of corporate restructuring on competitive advantage of listed commercial banks in Nigeria for the

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period under study. This analysis was carried out using the SPSS (version 25). For the purpose of this analysis, capital restructuring is the independent variable, proxied by market capitalization, return of equity and current market price and firm growth while trade volume was used as the proxy for competitive advantage, the dependent variable. The assumption here is that a correlation coefficient greater than 0.5 indicate a strong effect of corporate restructuring on competitive advantage of listed commercial banks in Nigeria which consequently translates to increase in market share.

Model specification

The trade volume of the firm's equity is considered as a proxy for measuring competitive advantage of the firm and it serves as the dependent variable to the study.

$$Tvol = \alpha + \beta Mcap + Tvol_{t1} + \varepsilon \ \ldots\ldots\ldots.\ i$$
$$Tvol = \alpha + \beta Cmp + Tvol_{t1} + \varepsilon \ldots\ldots\ldots\ldots.\ ii$$
$$Tvol = \alpha + \beta Roe + Tvol_{t1} + \varepsilon \ldots\ldots\ldots\ldots.\ iii$$
$$Tvol = \alpha + \beta Fgr + Tvol_{t1} + \varepsilon \ldots\ldots\ldots\ldots.\ iv$$

Where;

Tvol = trade volume, dependent variable,

And the Independent Variable proxy as to;

Mcap = market capitalization
Cmp = current market price
Roe = return of equity
Tvol= trade volume serves as control variable.
ε = error term.

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The decision rule is based on a scale of -1 to +1, if the value is less than zero, it means that restructuring does not have significant effect on competitive advantage of listed commercial banks in Nigeria, and otherwise if it is greater than zero.

The hypotheses will be tested at 5% confidence level (p) and 5% level of significance. The decision rules is; if computed value is less than the table value, accept the null hypothesis, reject if otherwise.

4.0 Data Analysis, Findings and Discussion

The study employs Ordinary Least Square (OLS) method of batch linear regression, in order to analyze the causal effect between the dependent variable competitive advantage which is proxy by (trade volume) and the independent variable Corporate Restructuring which is proxy by (market capitalization, current market price, firm growth and return on equity).

Table 4.1: Descriptive Statistics of firm Performance

		mcap	cmp	roe	tvol	fgr	P-va
N	Valid	28	28	28	28	28	28
	Missing	1	1	1	1	1	1
Mean		0.127	0.119	-0.022	0.049	-0.079	0.043
Median		0.078	0.095	-0.041	0.013	0.000	0.022
Mode		0.077	0.061	0.000	0.001	0.000	
Std. Deviation		0.084	0.078	0.159	0.087	0.921	0.051
Skewness		1.203	0.848	2.528	2.248	-1.798	0.000
Std. Error of Skewness		0.441	0.441	0.441	0.441	0.441	0
Kurtosis		0.135	-0.210	9.983	4.121	4.556	0
Std. Error of Kurtosis		0.858	0.858	0.858	0.858	0.858	0
Minimum		0.051	0.035	-0.2709	0.0000	-3.1800	0.00
Maximum		0.3308	0.3040	0.6242	0.3101	1.5600	0.21
Sum		3.5519	3.3251	-0.6207	1.3688	-2.2153	0.32423109

Source: Author's computation using SPSS.

Table 4.1 represents the descriptive statistics of Market Capitalization (mcap), Current Market Price (cmp), Return on Equity (roe), Trade Volume (tvol), and Firm Growth Rate (fgr), as

indicated in the table, the average market capitalization is ₦12.68Billion, the minimum market capitalization for the sampled firms is ₦5.11Billion, while the maximum market capitalization is ₦33.08Billion. the fluctuation in capitalization is ₦8.37Billion implying that there is a high level of deviation from the average market capitalization of the firm within the study period, the average current market price is ₦11.87 per share. The minimum price per share is ₦N3.48, while the highest price per share index is ₦30.40 for the firms selected. The price fluctuation is ₦7.77, which is also very high for the period under review. The average value of return on equity is -0.022168, the minimum value of the firms is -0.2709 and the maximum value of the firms is 0.6242, while the deviation in the value of return on equity is 0.1590, which is also on the high side. The firms' average growth rate is -0.0791, with a minimum growth

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rate value of -3.18 and a maximum of 1.56, with a growth rate fluctuation of 0.9209.
The average trade volume is 0.0488, the minimum value is 0.0000, while the highest trade volume is 0.3101, and the fluctuation in trade volume of the firms is 0.086.

Table 4.2, Tests of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
TVOL	0.312	28	0.000	0.604	28	0.000
MCap	0.289	28	0.000	0.783	28	0.000
CMP	0.216	28	0.002	0.876	28	0.003
ROE	0.266	28	0.000	0.757	28	0.000
FGR	0.309	28	0.000	0.799	28	0.000

a. Lilliefors Significance Correction

Table 4.2, shows that the variables are normal and stationery, that they are fit for the analysis, and significant at the $p < 0.01$ and $p < 0.05$, for a 2-tail test. This is evidenced as shown on the table as 0.000 for both Kolmogorov-Sminov and Shapiro-Wilk test.

Table 4.3 Multicollinearity Test Result

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	MCap	0.676	1.479
	CMP	0.661	1.513
	ROE	0.991	1.009
	FGR	0.968	1.033

Source: SPSS 25 Output

It is not possible for a model to estimate properly if its predictors are linearly related with one another, this is called multicollinearity, this problem normally arise when two or more predictors (independent variables) are perfectly linear.
From table 4.3 above the variance inflation factor (VIF) of the variables are consistently smaller than 10, which shows that there is the absence of multicollinearity, similarly, the Tolerance values are consistently lesser than 1, supporting the fact that there is no multicollinearity between the independent variables, (Gujarati & Porter 2009).

Findings of the Study
Trade Volume and Market Capitalization

H_0: *Market capitalization does not have significant effect on the trade volume of listed commercial banks in Nigeria*"

Table: 4.4 Summary of Model

Model	R	R Squared	Eta	Eta Squared
tvol * mcap	-0.251	0.063	0.985	0.969

Predictor: Market capitalization.
As indicated in the model summary table, r-squared is 6.3% which means that a weak positive relationship exists between trade volume and market capitalization of listed commercial banks in Nigeria. The remaining 93.7% could be explained by other factors not considered in the model which could equally affect market performance of the firms. The Eta squared (Pierce, Block &Aguinis 2004), at 96.9%, shows a very strong effect size of the independent variable (market capitalization), representing a very high prospect.

Table 4.5 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.082	0.030		2.752	0.011
	MCap	-0.260	0.197	-0.251	-1.322	0.198

a. Dependent Variable: TVOL

In the absence of market capitalization, market value increases at a rate of 0.082, which could be explained by factors such as market conditions, inflation rates, government policy instability etc. on the other hand a marginal increase in trade volume will decrease the value of capital by -0.260 which is statistically insignificant at 0.198.

Table 4.6 ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.013	1	0.013	1.748	.198[b]
	Residual	0.191	26	0.007		
	Total	0.204	27			

a. Dependent Variable: TVOL

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b. Predictors: (Constant), MCap

The ANOVA table 4.5, shows the fitness of the model and it is used for the joint acceptance or rejection of the hypothesis. In this table, since the probability value of 0.198 is higher than the maximum value of 5%, the null hypothesis of "*Market capitalization does not have significant effect on the trade volume of listed commercial banks in Nigeria*" **is accepted**.

Trade Volume and Return on Equity

H_0: Return on equity does not significantly affect the trade volume of listed commercial banks in Nigeria.

Table 4.7 Summary of Model

Model	R	R Squared	Eta	Eta Squared
tvol * roe	0.275	0.076	1.000	0.999

Predictor: Return on Equity.

As indicated in the model summary table, r-squared is 7.6% which means that a weak positive relationship exists between trade volume and return on equity of listed commercial banks in Nigeria. The remaining 92.4% could be explained by other factors not considered in the model which could equally affect market performance of the firms. According to Pierce, Block and Aguinis (2004), the Eta squared at 99.9%, also shows a very strong effect size of the independent variable (return on equity), representing a very high prospect.

Table 4.8 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.052	0.016		3.216	0.003
	ROE	0.150	0.103	0.275	1.460	0.156

a. Dependent Variable: TVOL

In holding return on equity constant, other factors increase the trade volume of the firm by 0.052 points with statistical significance, whereas, a unit increase in the return on equity increases competitive advantage by 0.15, which is insignificant as it is more than the 5% test criteria.

Table 4.9 ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	0.015	1	0.015	2.133	.156[b]
	Residual	0.188	26	0.007		
	Total	0.204	27			

a. Dependent Variable: TVOL

b. Predictors: (Constant), ROE

The ANOVA table 4.8, shows the fitness of the model and it is used for the joint acceptance or rejection of the hypothesis. In this table, since the probability value of 0.156 is higher than the maximum value of 5%, the null hypothesis of "*ReturnonEquity does not have significant effect on the trade volume of listed commercial banks in Nigeria*" **is accepted**.

Current Market Price and Trade Volume

H_0: Current market price of equity does not affect the trade volume of listed commercial banks in Nigeria"

Table 4.10 Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.367[a]	0.135	0.101	0.0823237	0.135	4.041	1	26	0.050

a. Predictors: (Constant), CMP

b. Dependent Variable: TVOL

As indicated in the model summary table, (R^2) is 13.5% which means that a weak positive relationship exists between trade volume and share price of listed

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commercial banks in Nigeria. The remaining 86.6% could be explained by other factors not considered in the model which could equally affect market performance of the firms. The relationship shows statistical significance.

Table 4.11 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t
		B	Std. Error	Beta	
1	(Constant)	0.098	0.029		3.390
	CMP	-0.409	0.204	-0.367	-2.000

a. Dependent Variable: TVOL

In holding current market price constant, other factors increase the trade volume of the firm by 0.098 points with statistical significance, whereas, a unit increase in the share price, increases competitive advantage by -0.409, which is significant as it is less than the 5% test criteria.

Table 4.12 ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	0.027	1	0.027	4.041	.050[b]
	Residual	0.176	26	0.007		
	Total	0.204	27			

a. Dependent Variable: TVOL
b. Predictors: (Constant), SP

Firm Growth Rate and Trade Volume

H$_0$: "Firm growth rate does not have any significant effect on the Trade Volume of listed commercial banks in Nigeria"

Table:4.13 Summary of Model

Model	R	R Squared	Eta	Eta Squared
tvol * fgr	-0.337	0.114	1.000	0.999

Predictor: Firms growth rate

As indicated in the model summary table, r-squared is 11.4% which means that a weak positive relationship exists between trade volume and the growth rate of listed commercial banks in Nigeria. The remaining 88.6% of the relationship is not represented in the model and can be explained by other factors not taken into consideration in the model. The Eta squared (Pierce, Block &Aguinis 2004), at 99.9%, shows a very strong effect size of the independent variable (growth rate) as well, representing a very high prospect.

Table 4.14 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.023	1	0.023	3.335	.079[b]
	Residual	0.180	26	0.007		
	Total	0.204	27			

a. Dependent Variable: TVOL
b. Predictors: (Constant), FGR

The ANOVA table 4.13, shows the fitness of the model and it is used for the joint acceptance or rejection of the hypothesis. In this table, since the probability value of 0.079 is higher than the maximum value of 5%, the null hypothesis of "*Firm growth rate does not have significant effect on the trade volume of listed commercial banks in Nigeria*" **is accepted**.

Table 4.15 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	0.046	0.016	
	FGR	-0.032	0.017	-0.337

a. Dependent Variable: TVOL

In holding firm growth rate constant, other factors increase the trade volume of the firm by 0.046 points with statistical significance, whereas, a unit increase in the firm growth rate increases competitive advantage by -0.032, which is insignificant at 0.079 as it is more than the 5% test criteria.

Finally, from the analysis and results in this section, it can be observed that out of the four hypotheses propounded, three of them were accepted while only one was rejected, indicating that capital restructuring has little effect on the competitive advantage of listed commercial banks in Nigeria.

Discussion of the findings

This study examined the effect and relationship between firms' trade volume expected to determine the total customer patronage and other variables such as firms' average market capitalization, current market price per

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share, return on equity and firms' growth rate. In-order to determine the relationship of the variables, hypotheses were formulated and tested. In the study, the null hypothesis that states that market capitalization does not have any significant effect on the volume of trade of listed commercial banks in Nigeria was accepted, because the probability value of 0.198, was more than the level of significant of 0.05. This was explained by the r-squared value of the existence of a weak positive relationship between the variables. The hypothesis that says *Return on equity does not significantly affect the trade volume of listed commercial banks in Nigeria*" was accepted, because the significant level of 5% was less than the probability value of 0.156, meaning that investors are concerned by how much returns they stand to benefit before committing their capital

Summary of Findings

This study was based on the topic effect of corporate restructuring on the competitive advantage of listed commercial banks in Nigeria, four hypotheses were formulated for the study and tested accordingly, it was discovered that market capitalization does not have any significant effect on the volume of trade of listed commercial banks in Nigeria, and that the relationship that exist between them is positive but weak.

The study also discovered that Return on equity has significantly effect on the trade volume of listed commercial banks in Nigeria, which presupposes that even though the relationship between the return on equity and volume of trade is weak and yet positive, the investors are profit oriented.

Conclusions

The study concludes based on the findings that capital restructuring that was aimed at revamping the banking industry in Nigeria in-terms of eliciting a strong capital base, through having well capitalized asset base for efficient, global competitiveness and competitive advantage has not fair too well within the period under review.

As can be seen market capitalization is supposed to have a very significant effect on the volume of trade on the exchange, but from the findings the reverse is the case, but there is light at the end of the tunnel because, despite the weak relationship yet it is a positive one, there is a strong association between the variables meaning that if the right thing is done there will be improvement as revealed in the study.

Return on equity was discovered to have insignificant effect on the trade volume of listed commercial banks in Nigeria, yet the relationship between the return on equity and volume of trade is seen to be weak but positive in nature, it means that the equity market is large enough with untapped strong associative potential to be exploited to improve this weak relationship hitherto discovered from this study.

Recommendations

Based on the conclusion, the study recommends that managers should devise a means to formulate strategies that will help to increase free participation in the equity market, through an aggressive advocacy using various media and other resources available to them to boost the confidence of both local and foreign investors.

The forces of demand and supply should be allowed to determine equity prices so as to allow for a free flow of trade thereby the seemingly disguise monopoly power of a few market participants be broken.

The main objectives of banks consolidation and recapitalization which are a banking system that is part of the global change, strong, competitive and reliable, which depositors can trust and investors can rely upon should urgently be revisited.

Contribution to Knowledge

This research work has contributed to knowledge in the following ways:

i) High volume of trade does not guarantee growth and market leadership.

ii) A strong association does not necessarily mean a strong effect

iii) Potential for future growth and success can be estimated using eta squared.

iv) Competitive advantage cannot only be measured by dichotomous variable; but can also be measured by volume of trade which is determined by cost reduction, asset utilization, revenue enhancement, reduced cost of capital and the likes.

Acknowledgement

My sincere appreciation goes to the various authors that have made their work available on open access, all of which has been duely referenced accordingly, special thanks goes to Prof. Adebayo, Paul Adejola, Dr. Godwin Oyedokun, Prof. Inuwa, Fodio my course lecturers all at Nasarawa State University, Keffi. My amiable class colleagues, at NSUK and My departmental members at National Open University of Nigeria, my family members for all of your contributions consciously and unconsciously. Thanks to you all.

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