

Task Environment and Organisational Responsiveness in Nigerian Banks

Umelue, Ogochukwu Gloria¹, Akwaeze, Alex Emeka²

¹Department of Business Administration,

¹Cukwuemeka Odumewu Ojukwu University, Igbariam Campus, Igbariam, Nigeria

²Business Information System, Univesity of East London, United Kindom, Europe

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ABSTRACT

The study examined the effect of organizational responsiveness on environmental challenges, with the core objective of ascertaining the responsiveness of the banks to environmental challenges in Nigeria. The survey study adapted a structured questionnaire to generate data that were analyzed using simple percentages and Pearson correlation analytical tools. Results showed that customers, competitors and suppliers are the major task environmental forces that influence the banks, while planning, forecasting, changing of domain and lobbying are measures through which the banks respond to the challenges of the task environment. The study concludes that all the task environment is a threat to the provision of financial services by banks in Nigeria. The study recommends that bank management should devise strategy that will take advantage of the opportunity and counter threats emanating from the environment, as well as set up mechanism for collecting relevant information and managing the dynamic nature of the environment.

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INTRODUCTION

operates within an environment with high competition which influence the firm's strategic process and hence determines the firm's achievement and purpose (Sharma, 2008) therefore the survival and success of an organization can be achieved if the firm has the resources capacity to create and align its strategies to the environmental. Challenges. This is not only influenced by the internal environment but also the external environment. Kumar (2006) explained that rapid technological change, easier entry by foreign competition and the accelerating break down of traditional industry boundaries subject firms to new unpredictable competitive forces. He further adds that contemporary firms operating in a dynamic market context, often deal with these contingencies by implementing strategies that permit quick reconfiguration and redeployment of assets to deal with these environmental changes

Accordingly, the task environment refers to the forces and institutions outside the business with which an organization interfaces within the course of conducting its business. Such forces and Institutions are directly relevant to the achievement of the organizational goals because they have direct and immediate impact on decisions and actions of the managers. The specific environment of each organization is

Organizations operate within an environment that influences its operation either positively or negatively depending on the nature of the business. As porter (1996) explains that many firms operate within an environment whereby they are expected to meet various stake holder's expectations hence the need to formulate strategies that would help them meet their need, on the other hand, Organizations

unique and changes with condition. The important constituents of this task environment are. The customers, competitors, resources and government policies. Environmental influence has not spared the financial sector either, both locally and internationally. This was observed by Kumar (2006) when he explains that environmental influence has necessitated the need for financial institutions to redefine their mode of service delivery and goals so as to maintain and remain relevant in the ever changing and dynamic environment (p. 104-105). These changes therefore pose a lot of challenge to financial Institutions since this change comes with a cost.

In the light of the fore going, this paper is tasked with systematically under scoring the interface between task environment and organizational responsiveness. This is with a view to identify the various task environment being faced by the financial institutions in the state and also examine the level of responsiveness of these organizations particularly in the area of their goal achievement, in doing this, the researcher examines the operational activities of three well known financial institution in Anambra State, they include First Bank Nigeria Plc, United Bank of Africa Plc and Fidelity Bank Plc.

In today's fast changing world, few companies operate in a stable environment, and most managers are shifting toward culture that are more flexible and in tune with changes in the environment. The Environment in which companies operate is continually changing sometimes quite rapidly and managers have to be on their toes and to be prepared to respond quickly to even subtle environmental shifts (Daft et al 2010). This is further explained by Schutt (1986) where he points out that those organizations do not exist in a Vacuum. They function in an environment composed of other Organizations and individuals and their success and failure, their growth and contraction cannot be understood apart from that environment.

As observed earlier, Organization is basically a structure for carrying out a particular or specific activity on a regular basis. This is in line with the thought of Fulcher and Scoot (1999) who noted that every organization has the features such as Specified Goal, Defined Membership, and Rules of Behaviour or Conduct and Authority Relationship. However, organization do not exist in a vacuum but within a social formation which is influenced by socio-economic and political environmental force that shaped its operation in line with its defined goals. The explanation is explicit in understanding the modus operandi of the financial institution or organization that operate in Nigeria. In the instance, it is Glaringly obvious that Anambra State is made up of cities commercially inclined and the activities for which these cities like Onitsha, Nnewi and Awka are known for are such that directly attracts the full operational presence of financial institutions or organizations. But it appeared that the environmental forces pose serious challenges to these financial Organizations without corresponding organizational response and as such this seems to impend the possibility of this organizations to actualize their respective defined goals. At times this financial institutional goes a long way to give their marketing staff officers a huge amount of money as a target to meet or else they face dismissal. It is in line with this substituting problem, that this paper south to undertake the study of three well known Banks in Onitsha, Awka and Nnewi, both in Anambra State. And these Banks are first Bank Plc, United Bank Africa Plc and Fidelity Bank Plc. respectively what then are the specific task environmental factors that influences the Organizational performance of financial institution in Anambra State and how does these financial Institutions in Anambra state respond to these task environmental challenges?

Environmental Influence and Organizational Adaptive Performance

Enormous intellectual position have been canvassed about the severe influence the environmental forces have on organizations. It is not out of place to hold the view that organizations are significantly influences by environmental factors. This is because, organizations are human creation charged with a fundamental purpose of providing services. These influences however, have impacted fairly on the level of performance and goal attainment of these organizations, but the adaptability potentials of the organizations count imperatively on the level of performance of these organizations. It is in this line of thought that Suarez and Oliva (2005), have argued that organizational adaptation to environmental forces has long been an important research concern for management scholars. That change in the contextual forces surrounding organizations can cause an

organization to lose an important customer segment, a cost advantage in its operating process, and in left un attended for too long, can even threaten the organization's survival, they further posited that in a circumstances of severe environmental challenges such as deregulation, privatization, technological challenges, high change in customer preferences, etc, that poor organizational adaptive response can lead to the closure of such organization. At this stance let's consider the environment and environmental change.

Environment and Environmental Change

The concept of the environment in management has been approached from a variety of perspectives. Strategy scholar typically divide the environment into dimensions or forces that affect the organization's performance. According to Andrews (1971), the environment of an organization is the pattern of all the external conditions and influences that affect its life and development. He identified five environmental dimensions; technological, economics, physical, social and political. Whereas, subsequent strategy research concentrates on describing the environment in terms of its potential effects on organizational performance. It depicts the environment as being composed of five forces whose net effect determines for the organization the attractiveness of a particular context (attractiveness is measured as the ability to obtain rents, other things being equal). Similarly, Khanna and Palepu (1997) describe how the environment in which an organization operates effects the breath of its activities.

From the perspective of organizational theory, the environment has been classified according to its structural layers or constituent elements. Organization ecologists (Dill, 1958 and Bourgeois, 1980) distinguish two environment layers; the task environment- this is the layer closer to the organization that include sectors such as customers suppliers, and competitors having direct transaction with the organization. And the general environment comprising of sectors such as the social, demographic and economics that are further removed from the organization and affect it indirectly. Alternatively, institutional theory defines the environment as an inter organizational field that includes actors and their actions (Dimaggio & Powell, 1983), where actors are defined as an organizations or agents that interact with a given organization directly, through exchange or indirectly through competition (Leblebii, *et al*, 1991). In order to assess the impact of the environment an organization's performance, organizational theorists have attempted to characterize the environmental attributes that affect the organization. Dess and Beard (1984) reduced these multidimensional approaches to three basics environmental attributes; munificence, dynamism and complexity. They defined Munificence as the extent to which the environment and support sustained growth. Dynamism as the unpredictability or instability (Volatility) of an environment. And complexity as the range of skills, knowledge and information- processing capabilities managers need if they are to be successful.

It is however, environmental change that is of core interest to management scholars. Environmental variation is a key element in several management theories dealing with a range of issues and processes, including firm survival, competitiveness, innovation and executive turnover (Christeness, 1992; Tushonan & Rosenkpf, 1992, Suraez,

1993; D'Aveni, 1994). Despite this fact, and in sharp contrast with the attention paid to understanding and classifying Organizational change, relatively little effort has been made in understanding and classifying environmental change. Organizational ecology researchers have adopted Dess and Beards's (1984) concept of environmental instability as their construct for environmental change and have measured it by calculating the coefficient of variation in sales. Wholey and Brittain (1989) on the other hand have considered the pattern of longitudinal change, building upon Hannan and Freeman's (1977) work to distinguish three attributes of environmental change: frequency, amplitude and predictability and this has been used by several authors who used the effects on organizations to classify the degree of environmental change.

Environmental Challenge and Organization Response

The management school of thought has exerted much intellectual energy in explaining the interface and interaction between environmental challenge and organizational response. The Behavioral theory of organizations has held organizations as adaptive and response learning systems in which much behaviour unfolds through standard operating procedures (Cyert & March, 1963). Whereas, Nelson and Winter (1982) assert that organizations use routines that are developed through time and change constantly, but gradually, to adapt and respond to change conditions which are actions that appear to produce tends to become incorporated as new routines. Most of these scholars have contended that organizational responsive ability and adaptation are slow and of gradual processes, and that new capabilities are difficult to create and costly to modify (Argyris & Shon, 1984). Some suggested that existing capabilities may become core rigidities that can hinder an organization's ability to effectively respond to environmental change (Gersick & Hackman, 1990; and Leonard- Braton, 1991). Although recent works have remained consistent with the notion of organizational responsive- adaptive capacity as being a gradual processes by which an organization converges towards a reasonable fit with the task environment (Siggelkow, 2002)

On the theoretical front, organizational response capacity and adaptive have been extensively studied and classified. Greenwood and Hinings (1996) distinguish between radical and convergent organizational change by introducing the concept of an archetypal template. This is an organization's interpretive scheme shaped by underpinning ideas and values. Convergent change occurs within the parameters of an existing archetypal. Radical change, in contrast, occurs when an organization moves from one template-in-use to another. They also make the distinction between revolutionary and evolutionary change. The former happens swiftly and affects all parts of the organization while the latter is gradual. Similarly, Tushman and Romanelli (1985) distinguish between convergence which is a process of incremental change consistence with existing internal activities and strategic orientation and reorientations which simultaneous and discontinuous shifts in an organizations strategy, structures and control systems.

Moreover, they posited that re-creations are reorientations which also involve discontinuous shift in the organization's core values and beliefs. And they propose a punctual equilibrium model of organizational evolution, where periods of convergent progress are punctuated by

reorientations that set the direction of the next convergent period. The current taxonomies of environmental change are insufficiently sensitive to all the granularity of the relationship between environmental and organizational challenges and response.

A more careful description of the various type of environmental challenge will help improve our understanding or organization's specific responses to different environmental challenges. The different types of environmental challenge are likely to prompt or require different organizational responses. According to Tushman and Romanelli (1985), other things like organization's resource endowment being equal, one should expect more extreme forms of environmental challenge to be associated with more extreme forms of organizational response. However, a Sean of the existing literature on organizational responsiveness raises several important questions about the consistency of the findings vis-à-vis existing theory and suggests that a more fine grained classification of environmental challenge is necessary. On this note, Haveman (1993) observed that despite the abrupt discontinuity brought about by industrial deregulation, savings and loan financial organizations show or significant degree of stability and inertia which grows with organizational size.

It is argued that the task environment which represents the customers, suppliers, competitors and pressure groups some time pose serious challenge which perhaps possess potential uncertainty to an organization's success because of certain prevailing conditions and under such conditions, the organization's strategic response will determine its survival or closure. In line of this thought, Davis and Powell (in Dunnette and Hugh (eds), 1992) noted that research on organizational environment began to assume salience in the 1960s due to a number of studies that illustrated how factors in an organization's environment influenced organizational performance and design as well a turnover. Katz and Kalm's (1966) pivotal work focused attention on the open system's nature of organizations, and this perspective gained wide influence in subsequent research.

From the literature reviews, it was observed that positions are held only on the forces that make up the task environment and how the environment influences the organizations but little or nothing was said on specific factors that impact on financial organizational performance. Thus, this study becomes relevant in the area of the area of the interaction between the Bank and the task environment

Uncertainty

A review of the uncertainty literature reveals a variety of definitions of the concept uncertainty is seen as lack information for and knowledge in decision making (Duncan 1972) Lawrence and Lorsch 1967). It is also postulated as resulting from the indistinct and convoluted casual configuration underlying the internal operations of the firms its environment and the complex relationship between the firm its environment (Collins 1992). Uncertainty is equally viewed as a product of unpredictability (Cyert & March 1963). Environmental turbulence (Emay & Trist, 1965) and the complexity of influential variable (Galbraith, 19973) further uncertainty is also perceived as a tangible facet of the external environmental and as an illumination of the perceptual method through which managers interpret the decision situation (Millilcan, 1987). The complexity, inter

relatedness of influential variables in the environment call for segmenting the environment for the purpose of analysis (Fahey & Narayan, 1986).

The dimensions of uncertainty include the following

- Macro-environmental uncertainty: This is the uncertainty in the organization's general environment; including political, regulatory, statutory and economic condition this uncertainty has the capacity to reduce the organizations capability for mapping out and pursuing strategic choice (Miler & Friesen 1984).
- Competitive uncertainty: This is the inability to establish the intensity of competition in the industry in the future the relative powers of competition their future of action and strategies.

Strategy

Ansoff and McDonnell (1990) define strategic Management as a process through which a firm manages its relationship with the environment in which it operates. It involves aspects of that strategic planning and management of change. He argues that strategic management has the ultimate objective of developing corporate values and managerial capabilities and through it, they will focus the decision of the entire organization in one direction. Porter (1980) outlined very clearly that the concept of strategic management provides the central purpose and direction that has enabled management of organization to adopt the changing environment strategic responses. To environment challenges, competition in the recent past has become one of the major challenges and factors that has contributed to the diverse strategic behaviour among organization in general. Organization in Nigeria are characterized by an aggressive competitive environment with a lot of competitors which calls from them to readjust and adjust their strategies often so that they can become strategically fit.

This is more common in the banking industry in Nigeria which is characterized by intensive competition and show aggressiveness for customer satisfaction and customer loyalty. This has posed a lot of challenges to banks in Nigeria hence there is need for banks to respond to these challenges which forces them to review their strategies so as to become strategically fit. This is because of the fact that whenever there is rise in competition, it has a negative influence on prices of a firm's productivity and finally the ways due to employee will diminish leading to restructuring and downsizing of the Organization as a result of the intensive Competition.

Strategies for Achieving Organizational Response

The organization seeks to manage the uncertainty imposed by its interdependence with the environment in two ways:-

- A. Through external strategies of adaptation and adjustment or organizational design and
- B. Through external strategies, or modes of interaction.

As noted earlier, the primary method the organization uses for achieving response is to buffer or seal off its core technologies. This can be achieved in several ways that require only minimal changes in organizational design (Dunnette & Hugh, 1992). Organizations can stockpile both inputs and outputs, shifting the environmental uncertainty from the technical core to the resource procurement and output disposal components of the organization. This is typically costly, however, and so the organization in an

unsteady environment will seek to smooth out or level inputs and outputs. For instance, utilities offer lower rates during off-peak times in an attempt to level out demand over the course of the day. These two devices, stockpiling and leveling, are rarely sufficient to fully eliminate environmental fluctuations and uncertainty from the organization's technical core. Consequently, organizations turn to more complex ways of structuring themselves to deal with environmental uncertainty.

According to Thompson, the basic issue of where to place the organization's boundary is in large measure determined by the Loci of critical contingencies in the environment. This issue of where the line between an organization and its environment is drawn and is also critical to resource dependence theory and the transaction costs approach, the other two theories considered in this section.

For Thompson, a costly but effective ways to cope with a part of the environment that creates uncertainty for the organization' boundary around that element of the environment. Thus, the expansion of organizational boundaries is not a random process of growth; rather, growth will tend to be in the direction of the crucial contingencies facing the organization, that is, those aspects of the technology or task environment that are the source of the greatest uncertainty for organizations employing long-linked technologies (such as large-scale manufacturers), while those employing mediating technologies (such as banks or other service that linked together clients) will tend to grow by increasing the population served, as this is the source of the greatest environmental uncertainty. The general proposition of this is that complexity of the environment is reflected in the complexity of the organization's structure, or the number and variety of units.

A heterogeneous task environment presents the organization with a great number of constraints, and dynamic task environment presents the organization with a great number of uncertainty by setting up units designed to cope with specific contingencies. Hence, the more constraints and component will be segmented (Thompson, 1967).

Measure of the Environmental and Organizational Performance

The environment in this study refers to the immediate external conditions that directly influence organizational performance. In this sense, the task environment of this study refer to the competitors, suppliers and customers and the performance of the financial institutions sampled in this study. In this regard, the competitors are other financial service providers that alternatively provide similar services like the banks. They generally look for higher margins and for this, they provide unique features to their products, thus try to create differentiation. Whereas, the customers refers to the patronisers of the services provided by the banks. The banks have to compete for customers because they decide the fate of any organization and these organizations make effort to lure them.

The suppliers are also another factor the banks have to strategize to contain. The suppliers are the Central Bank of Nigeria, Nigeria Stock Exchange and other international independent financial marketers that supply the banks with raw materials or other financial bonds that the Banks trade

on and as such the Bank need to maintain good relationship with them.

So, these forces of customers, competitors and suppliers make up the task environment of the financial organizations like the Banks and the dynamic nature of their influence and interaction with the Bank will be used as a means of measuring the level of performance of the sampled banks in this study.

Performance evaluation of this study will be considered as the execution or accomplishment of works, tasks, or goals to a certain level of desired satisfaction. The ability of the sampled Banks (First Bank Nigeria Plc, United Bank of Africa and Fidelity Bank) to satisfy the desired expectations. The identified indices of performance are obtained through three major categories comprising of the customers, workers and competitors. This is measured in terms of the following parameters;

1. Employees' satisfaction with the conditions of work such as wages and remuneration, style of supervision, rapid promotion and the ability of the organization to guarantee job security.
2. Customers' expression of satisfaction with the quantity of service and product sales of the banks.
3. Competitors are other banks and financial institutions that render similar services like the sample of this study.

Strategic Response

Once forecasting processes have successfully identified potential opportunities and threats that lie in the future it is necessary for the organization to develop a strategic response for exploiting the opportunities and defending against the threats. One strategic response might be to simply do nothing or at least, pause long enough to further analyze the situation. On the other hand, the organization may decide to alter their existing strategy, to pursuing new markets for old products to introduce new products to new markets (Burton & Thakur, 1998).

Forecasting

Burton and Thakur (1998) explains that "Successful organization must continually monitor the change in the environment and make long-range plans for dealing with potential change" (p. 80). Forecasting in this sense they explain that it involves a number of common techniques ranging from the simple task of monitoring current events in news-papers and journal to the more sophisticated number-crushing by economics models of an industry's complex factors.

Theoretical Framework

Thompson (1967) approach to environmental analysis is a resource dependence approach such an approach to environmental analysis visualizes survival as the measure objective of an organization. So, an organization depends on the environment to produce the resources which are required for survival. Also theorist who (After Theoretical Discovery come about) adhere to a more voluntary orientation (Silverma, 1970) advocate the primacy of strategic change and attempt to identify individual, organizational and external factors that drives Organizational responsiveness. This arguments are largely rooted in strategy theory as well as resource dependency theory. In the area of strategy and organization theory, organizational effectiveness is a function of the match

between Organization structure, process and external environments (Hrebiniak & Toyle, 1985, Thompson 1967). In addition organization do not only passively react to the environmental change, external constraints and moreover organizations into favourable positions.

James Thompson (1967) in his classic organizations in action portrayed the basic problem of the organization as achieving rationality in an uncertain word. Organizations are created to pursue some desired outcomes, yet they are faced with technologies and environments of varying levels of uncertainty that limit their ability to plan and execute actions to achieve desired ends. This, much organizational behaviour can be understood as efforts to achieve a resolution of the tension between uncertainty and organizational rationality.

Thompson viewed organization as open system, fundamentally interdependent with environments over which they had only limited control, yet subject to criteria of rationality. Organizations can be thought of as taking on three levels of responsibility and control;

1. A technical level- concerned with achieving the processing tasks of the organization;
2. A managerial level- charged with controlling and servicing the technical unit
3. An institutional level-which articulates the organization with the community and its institutions. These three levels correspond to different sources and levels of uncertainty.

Thompson's most basic hypothesis is that in order to achieve rationally and self-control, the Organization seeks to seal off its technical core from environmental uncertainty by setting apart both the resource-acquisition and output disposal functions from this technical core. Thus, greater uncertainty at the managerial and institutional levels are been, in particular, the institutional level is oriented to an environment over which it has little control, subjecting it to the highest levels of uncertainty. The managerial level is left to meditate between the technical core and the outside environment.

METHODOLOGY

The Researcher adopted the survey research design. The study carefully adopted the purposive sampling technique in which three Banks were selected from each of the three senatorial zone in Anambra state. The study purposively selected a finite population size of 150 and the size is fairly distributed among the samples area as follows:

1. First Bank Nigeria Plc.	57
2. United Bank of Africa plc	48
3. Fidelity Bank of Nig. Plc	45
	150

The sample covered the three senatorial districts of Anambra State which are Anambra North, Anambra Central and Anambra South, respectively. The study employed the instrument of open ended questionnaire for data collection. The questionnaire was drawn in such a way that it reflected all the hypotheses raised in the study. The questionnaire is divided into two segments. To ensure that the research instrument applied in this work are valid, the questionnaires was face and content validated by the researcher's project supervisor. The researcher instrument was also pre-tested with a group of post graduate students to ensure clarity and

ease of administration. Items that were identified as irrelevant ones were dropped and those suggested include before the instrument was used for data collection.

ANALYSES AND RESULTS

Hypothesis Testing (H0₁): Customers seems not to be task environmental factor that influences organizational performance of financial institutions in Anambra State.

From the questionnaire distributed only one hundred and twenty (120) respondents out of the total of one hundred and fifty (150) respondents responded to the items of the instrument and returned them back. Testing the first Hypothesis, the researcher has adopted the Karl Pearson's correlation formula. Herein, those response that are positive are assigned X variant while those in negative are assigned Y variant.

Table 1: Value of response

Financial Institutions	Frequency	X	Y	XY	X ²	Y ²
First Bank Nigeria Plc.	45	15	30	450	225	900
United bank of Africa	35	30	5	150	900	25
Fidelity Bank	40	10	30	300	100	900
Total	120	55	65	900	1225	1825

Source: Field Survey (2016)

$$\begin{aligned}
 N &= 120 \\
 \sum X &= 55 \\
 \sum Y &= 65 \\
 \sum XY &= 900 \\
 \sum X^2 &= 1225 \\
 \sum Y^2 &= 1825
 \end{aligned}$$

$$r = \frac{(900) - \frac{(55)(65)}{120}}$$

$$r = \frac{(1225) - \frac{(55)^2}{120}}{(1825) - \frac{(65)^2}{120}}$$

$$r = \frac{(1225 - 25.21)}{(1825 - 35.21)}$$

$$r = \frac{1199.8}{1789.8} = 0.59$$

The correlation coefficient (r) is 0.50. To determine whether to uphold or reject the Hypothesis, we have to consider Karl Pearson's coefficient correlation table.

Decision Rule: The decision rule is determined as follows;

Rule 1: Reject null hypothesis (H₀), if Karl Pearson's coefficient correlation critical table reflects thus: r_p calculated value is > (greater than) r_p table value.

Rule 2: Accept null hypothesis (H₀), if Karl Pearson's coefficient correlation critical table reflects thus: r_p calculated value is < (less than) r_p table value.

Having obtained the r_p calculated value to be 0.59, it becomes important to solve for the r_p table value. In doing this, we have to first determine the degree of freedom. The formula for determining the degree of freedom is thus, $df = N - 2$

N= the number of pairs from calculated table, that is, the value of response table.

From table 1 which hosts the value of response, therein we have 120 respondents as sampled size, hence;

$$\begin{aligned}
 df &= N - 2 \\
 &= 120 - 2 \\
 df &= 118
 \end{aligned}$$

And since the degree of error is at 0.50, then to determine the table value, the degree of freedom (df) which is 118 has to be placed at the nearest degree of freedom in Karl Pearson product moment correlation coefficient (r_p) critical table, hence the table value is determined at 120 degree of freedom with level of significance at 0.05.

Therefore, the result reflects as follows;

$$\begin{aligned}
 r_p \text{ calculated value} &= 0.59 \\
 r_p \text{ table value} &= 0.18
 \end{aligned}$$

The implication of the above calculation is that the r_p calculate value at 0.59 is > (greater than) the r_p table value at 0.18 indicating that the Null Hypothesis (H₀) which proposes that customers seems not to be task environmental factor that influence organizational performance of financial institutions in Anambra state is rejected. Accordingly, this means that customers are among other task their environmental factors such as competitors and suppliers that influence organizational performance of financial institutions in Anambra State, is upheld.

Hypothesis Testing (H0₂): Planning is not a significant measure through which Banks respond to task environment.

From the questionnaire distributed only one hundred and twenty (120) respondents out of the total of one hundred and fifty (150) respondents responded to the items of the instrument and returned them back. Testing the second hypothesis, the researcher adopted the simple percentage formula. Herein, those response that are positive are assigned X variant while those in negative are assigned Y variant

Table 2: Value of response

FINANCIAL INSTITUTIONS	FREQUENCY	X	Y
First bank of Nigeria Plc.	45	2	43
United Bank of Africa	35	-	35
Fidelity Bank	40	10	30
total	120	12	108

N= 120
 $\sum X=12$
 $\sum Y=108$

Formular $X = \frac{\sum X}{\sum f} \times 100$

$Y = \frac{\sum Y}{\sum f} \times 100$

$x = \frac{12}{120} \times \frac{100}{1} = \frac{120}{12} = 10\%$

$y = \frac{\sum Y}{\sum f} \times 100$

$= \frac{108}{120} \times \frac{100}{1} = \frac{1080}{12} = 90\%$

From the above table 2, the second research hypothesis which noted thus; planning is not a significant measure through which the banks responds to task environment, is rejected. This implies that planning is a significant measure through which the banks respond to task environment. More so, this include other factors such as forecasting, changing of domain and lobbying of government legislation are all significant measures through which the financial institutions respond to task environment.

Hypothesis Testing (H03): The Dynamic Nature of the Environmental factors has no significant impact on the performance of the financial organizations in Anambra State.

Testing this hypothesis, the researcher adopted Karl Pearson’s correlation formular (rp). In that, the positive response are assigned X variant while the negative are assigned Y variant.

Table 3: Value of response

Financial Institutions	Frequenc y	X	Y	Xy	X ²	Y ²
First bank Nigeria Plc	45	10	35	350	100	1225
United bank of Africa	35	25	10	250	625	100
Fidelity bank	40	15	25	375	225	625
Total	120	50	70	975	950	1950

N = 120
 $\sum X=50$
 $\sum Y=70$

$\sum XY=3500$

$\sum X^2=950$

$\sum Y^2=1950$

$rp = \frac{\sum XY - (\sum X)(\sum Y)}{n}$

$$\sqrt{\frac{(\sum X^2) - \frac{(\sum X)^2}{n}}{n} \frac{(\sum Y^2) - \frac{(\sum Y)^2}{n}}{n}}$$

$rp = \frac{3500 - \frac{50 \times 70}{120}}{120}$

$$\sqrt{\frac{(950) - \frac{(50)^2}{120}}{120} \frac{(1950) - \frac{(70)^2}{120}}{120}}$$

$rp = \frac{3500 - 3500}{120}$

$\sqrt{3802459 \times 902479}$

$rp = \frac{3471}{1.853}$

$rp = 1873$

Having determine the calculated value to be 1873 lets determine the table value to enable us either uphold or reject the Null hypothesis.

Decision rule:

Rule1: Reject Null Hypothesis (H0), if Karl Pearson’s coefficient correlation critical table reflect thus;
 rp Calculate value is > (greater than) rp table value.

Rule 2: Accept Null hypothesis (H0), if Karl Pearson’s coefficient correlation critical table reflects thus;
 rp Calculated value is < (less than) rp table vale

Now having obtained the rp calculated value to be 1873.0 it becomes important to solve for the rp table vale. In doing this, we have to first determine the degree of freedom. The formula for determining the degree of freedom is this;
 $df = N - 2$, N = the number of pairs from the calculated table, that is, the value of response table.

From table 3 which hosts the value of response, it is observed that the total number respondent as sample size is 120, hence

$df = N - 2$

$= 120 - 2$

$df = 118$

And since the degree of error is at 0.05, then to determine the table value, we have; the degree of freedom (df) which is 118 has to be placed at the nearest degree of freedom in Karl Pearson's product movement correlation coefficient (r_{p}) critical table, hence, the table value is determined at 120 degree of freedom of under the level of significance at 0.05.

Hence, we have as follows;

r_{p} Calculated value = 1873

r_{p} calculated value = 0.18

The implication of the above calculation is that the r_{p} calculated value at 1873 is > (greater than) the r_{p} table value at 0.18 indicating that the Null Hypothesis (H_0) which noted thus; the dynamic nature of the environmental factors has no significant impact on the performance of the financial organizations in Anambra State is hereby rejected. The further implies that the dynamic nature of the environmental factors has nature of the environmental factors has significant impact on the performance of the financial organizations in Anambra State.

SUMMARY, CONCLUSION AND RECOMMENDATION

This study was specifically carried out to establish the level of influence the task environment has on the financial organizational performance (First Bank Nigeria, Plc, United Bank of Africa and Fidelity Bank). To this end, three banks were sampled from the three major commercial cities of Anambra State precisely Awka, Onitsha and Nnewi. Accordingly, the task environment served as the independent variable while financial organizational performance (Banks) served as the dependent variable. The study adopted the simple percentage and correlation analysis (r_{p}) tools to analyze the data generated.

Three research hypotheses and research questions were raised to guide the study. From the study, it was discovered that

1. The task environment which exerts influence on the banks includes; the customers of the studied banks, the competitors are other financial organizations and follow banks that offer similar service like the banks. The next is the suppliers. The suppliers are the Central Bank of Nigeria (CBN) and the Government that make provisions for what these banks sale and necessary regulations that guarantee free and level ground for the activities of these banks. These factors are indispensable forces that have remarkable impact on the level of performance of these banks. The study revealed that these environmental forces have direct and immediate influence on the result of the activities of these banks.
2. The study revealed that the financial organizations (the sampled banks) have measures through which they respond to the challenges which these task environmental forces pose on them. Among these measures include; Adequate planning, forecasting, changing of domain and lobbying of government legislation and regulation. From the study, it is discovered that these measure are effective in the operations of the selected banks and the financial organizations general.
3. The task environment has immeasurable correlation with the performance of the financial organizations in

Anambra state. This indicates that the level of performance recorded by these financial organizations is determined by the level of influence the task environment has on them. Extrapolating from the above, it is imperative to state that task environment and the performance of the financial organizations has strong correlation.

Based on this, the study recommends that:

1. The Chief Executive Officers and top managers of these banks should device strategy that take advantage of opportunities and counter threats emanating from the environment.
2. Managers should pay more attention on collecting relevant information about the task environment to ensure that dynamic nature of the environment will not take the banks by surprise.
3. First-Line mangers should also find ways to use resources more effectively to hold down costs.
4. The banks should adopt an organic structure, team work, participations, and decentralized measures, and integrative roles to ensure that the task environment is well contained by these financial organizations.

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