The Use of Public Relations Strategies by Commercial Banks during the Recapitalisation of the Banking Sector in Nigeria (2004 – 2009)

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Abstract
The recapitalization exercise of 2004-2009 went down in history as the most strategic policy in the annals of Nigerian banking sector. The policy was initiated to address the insolvency of banks and forestall future possibilities of financial distress. This saw the merger and acquisition of many banks. As a desperate moment for many banks, survival strategies were employed. One of such strategies was the use of public relations to build corporate image of survival and fitness. Although some of the public relations strategies employed by the banks were quite impressive, experts have continued to wonder the effect such strategies had in the survival of so many banks. Hence this study was initiated to empirically ascertain the effectiveness of public relations strategies employed by the banks during the recapitalization exercise of 2004-2009. In conducting this study, Explanatory mixed method design was employed to generate both quantitative and qualitative data through survey and in-depth interview methods. The population of this study covered the banks' Public Relations/Corporate Communications staff in Lagos State who were responsible for the conceptualization, design and execution of the P.R. strategies and the banks' customers whom these strategies were majorly targeted at. The study was anchored on the Hunt-Grunig Public Relations Boundary Role Model and Melvin Sharpes Behavioural theory. After analysis using SPSS, findings revealed that commercial banks, to a moderate extent, applied public relations strategies during the recapitalization exercise and banks mostly used the mass media and SMS to reach out to both the internal and external publics during the recapitalisation exercise. Findings also showed that the banks' public relations activities, to a moderate extent, influenced customers' confidence on the banks during the recapitalization exercise. The strategies also helped the image of the banks. However, inadequate funding was the major challenge of the public relations / corporate communications staff regarding the implementation of their Public Relations strategies during the recapitalization exercise. Based on these findings, it was recommended that commercial banks must maximally harness the potentials of Public Relations to secure and consistently maintain a good image. This implies that the banks should effectively deploy Public Relations to engender increased level of employees and customers' confidence.
Keywords: Bank, Recapitalization,Public Relations,Corporate image,Customers' perception

INTRODUCTION

A strong capital base is, no doubt, one of the fundamental requirements for banks to render excellent financial services. This is premised on the fact that a strong capital base heralds efficient service delivery and increased customer patronage. However, a bank with a weak capital base faces the challenges of inadequate/poor service delivery and a decline in customer patronage which may ultimately lead to the demise of such a bank.

Generally, capital is needed to support any business venture. Therefore, the importance of adequate capital in banking cannot be overemphasized. Capital is an important element which enhances confidence and permits a bank to flourish. A very important function of capital in a bank is to serve as a means of absorbing losses. Capital serves as a buffer between operating losses and being unable to pay debts (insolvency). As Philip (1967) has correctly observed, the more capital a bank has, the more losses it can sustain without running into bankruptcy. Capital, thus, provides the measure for the time a bank has to correct for lapses, internal weakness or negative developments. The larger the size of capital a bank has, the longer the time the bank has before losses completely erode its capital (Aregbeyan and Olufemi, 2011, p.160). Aregbeyan and Olufemi, (2011, p.160) also note that apart from capital standing as a protection against losses, adequate capital gives other benefits.

In a situation where a bank is bedeviled with the malaise of a weak capital base, recapitalization becomes imperative. Somoye, (2008) cited in Idowu (2013, p.169) avers that "Recapitalization is setting a new capital base. The essence is to consolidate the sector to enhance competitiveness and capacity to play an important role of financing investment." Consolidation which may result in increase in bank size through mergers and acquisitions has the potential of increasing bank returns through increase in revenue and cost efficiency gains. It may also reduce industry risks through the eliminations of weak banks and the creation of better diversification opportunities (Furlong, 1998) cited in (Idowu, 2013, p.169).

Recapitalization is used as a strategy to address the insolvency of banks and forestall future possibilities of financial distress. In the 1990s crisis of the banking sector in Nigeria, policy makers thought that most of the failed banks were partly responsible because the minimum capital requirements in force when they had been set up were very low (Brownbridge, 1998) cited in (Yauri, Musa and Kaoje, 2012, p.20). Lending credence to Brownbridge,s assertion, Yauri, Musa and Kaoje, (2012, p.21) aver that "recapitalization is therefore thought not only to be capable of resuscitating insolvent banks but also strengthen them especially through mergers".

Recapitalisation is an important component of reforms in the banking industry. This is because a bank with a strong capital base has the ability to absolve losses arising from non-performing liabilities (NPL) (Ajayi, 2005) cited in (Atinuke, 2011, p.4). Successful recapitalization of a bank heralds a strong capital base and a strong capital base enthrones efficient banking performance.

Recapitalisation can be done through three expedient means. These means are consolidation, convergence and capital market. While consolidation involves mergers and acquisitions between and among banks, convergence involves the consolidation of banking and other types of financial services like securities and insurance. However, convergence was identified to be less frequently embarked on as a means of recapitalization. The capital market as the third means of recapitalization provides a conduit for investment funds and devolution of the ownership structure through offer for subscription by either private placements or public offers. Banks expand their capital base in line with new business initiatives, technological initiatives and regulatory guidelines (Ajayi, 2005) cited in (Atunike, 2011, p.4).

Banking sector reforms and recapitalization have resulted from deliberate policy response to correct perceived or impending banking sector crises and subsequent failures. A banking crisis can be triggered by weakness in the banking system characterized by persistent illiquidity, insolvency, undercapitalization, high level of non-performing loans and weak corporate governance, among others. Similarly, highly open economies like Nigeria, with a weak financial infrastructure, can be vulnerable to banking crises emanating from other countries through infectivity (Adegbaju and Olokoyo, 2008, p.4).

Recapitalization of banks is certainly not a new phenomenon. Right from 1958 after the first banking ordinance in 1952, the colonial government then raised the capital requirement for banks, especially the foreign commercial banks from 200,000 pounds to 400,000 pounds. Ever since, the issue of bank recapitalization has been a continuous occurrence not only in Nigeria but generally around the world, especially as the world continues to witness increasing interdependence among national economies (Adegbaju and Olokoyo, 2008, p.7).

In Nigeria, the reforms in the banking sector proceeded the of banking crisis due to high undercapitalization of deposit taking banks; weakness in the regulatory and supervisory framework; weak management practices; and the tolerance of deficiencies in the corporate governance behaviour of banks (Uchendu, 2005) cited in (Kalu, 2012, p. 11). These ugly trends, which, amongst others, include undercapitalization led to the distress situation of many banks over the years. One key action that has been taken in this regard by the Central Bank of Nigeria is the recapitalization policy.

Recapitalization in Nigeria comes with every amendment to the existing banking laws. In 1969, capitalization for banks was N1.5 million for foreign banks and N600,000 for indigenous commercial banks. In 1979, when Merchant banks came on board the Nigerian banking scene, the capital base was N2 million. As from 1988, there had been further increases in the capital base, particularly coupled with the liberalization of the financial system and the introduction of SAP in 1986. In February 1988, the capital base for commercial banks was increased to N5 million while that of the Merchant bank was pegged at N3 million. In October the same year, it was jerked up to N10 million for commercial banks and N6 million for Merchant banks. In 1989, there was a further increase to N20 million for commercial banks and N12 million for Merchant banks (Adegbaju and Olokoyo, 2008, p.7).

As at 30th June, 2004, most banks in Nigeria operated with a capital base that was less than $10 million. This situation left Nigerian banks within the relegation zone in the world's financial market capital base league. For instance, as at that time, the smallest bank in Malaysia had $526 million capital base, whereas Nigeria's largest bank had a capital base of $240 million. The inadequate capital base of most Nigerian banks gave way to stratification of banks into large, medium and small banks and most of the new generation banks were known to be family banks. In spite of the small size and low capital base of most of these banks, they engaged in huge overhead costs in terms of expensive head offices, expensive cars, huge salary packages, etc (Mogaji, 2011, p.11).

In an address delivered to the Special Meeting of the Bankers' Committee, that held on July 6, 2004 at the Central Bank of Nigeria (CBN) Headquarters, Abuja, the then CBN Governor, Prof. Chukwuma Soludo announced a revolutionized banking reform for the Nigerian banking sector tagged "*Consolidating the Nigerian Banking Industry to the Developmental Challenges of the 21st Century*".

Professor Soludo, in 2004, came up with a 13-point reform for the Nigerian Banks. The primary objective of the reform is to guarantee an efficient and sound financial system. The reforms are designed to enable the banking system develop the required flexibility to support the economic development of the nation by efficiently performing its functions as the pivot of financial intermediation (Lemo, 2005) cited in (Adeyemi, 2012, p.32). Adegbaju and Olokoyo, (2008, p.3) assert that the reforms were to ensure a diversified, strong and reliable banking industry where there is safety of depositors' money and position banks to play active developmental roles in the Nigerian economy.

The main thrust of the 13-point reform agenda was the prescription of a minimum shareholders' funds of N25 billion for a Nigerian deposit money bank not later than December 31, 2005. The banks were expected to shore up their capital through the injection of fresh funds where applicable, but were most importantly encouraged to enter into merger/acquisition arrangements with other relatively smaller banks thus taking advantage of economies of scale to reduce the cost of doing business and enhance their competitiveness locally and internationally (Bello, 2008) cited in (Yauri, Musa and Kaoje, 2012, p.20).

Within the eighteen months notice (July 2004-December 2005) for banks to recapitalize up to N25 billion, some of the banks merged to meet the demand, while some weak ones were acquired by the stronger ones. In the end, only 25 banks emerged out of the 89 banks that were existing before the recapitalization exercise. The 25 banks are Access Bank, Afribank, Diamond Bank, Ecobank, Equatorial Trust Bank, First City Monument Bank, Fidelity Bank, First Bank, First Inland Bank, Guaranty Trust Bank, IBTC Chartered Bank, Intercontinental Bank, Nigeria International. Bank, Oceanic Bank, Bank PHB, Skye Bank, Spring Bank, Stanbic Bank, Standard Chartered Bank, Sterling Bank, United Bank for Africa, Union Bank, Unity Bank, Wema Bank, and Zenith Bank.

According to Morgan's (2008) research report of the International Monetary Fund (IMF) the recapitalized banks in Nigeria were divided into four groups:

- Group 1 comprises the First Generation Banks, which were the largest traditional banks that achieved the capital threshold mostly on their own and may have also consolidated long established affiliates and acquired one or two smaller banks. Group 1 banks, therefore, have significant advantages in terms of franchise and large resource base.
- Group 2 consists of banks that achieved the capital threshold by merging through voluntary partnerships.
- Group 3 is made up of banks that achieved the capital threshold through four or more banks partnering out of necessity.
- Group 4 is made up of banks with majority or wholly foreign ownership.

In mid-2008, the global financial crisis had an adverse effect on both the oil and gas sector and the Nigerian capital markets. A sharp deterioration in the quality of banks' assets followed, which immediately led to liquidity constraints across all the banks. Concerned about the state of some of the Nigerian banks and the overall stability of the financial system, the Central Bank of Nigeria (CBN), commissioned special examinations on all 24 banks in Nigeria. These examinations highlighted significant deficiencies in capital adequacy and liquidity requirements, and illustrated major weaknesses in corporate governance and risk management practices.

Consequent upon the bad shape of the 9 banks as shown by CBN's investigation, 8 of the banks were acquired by other banks while only Unity bank was allowed to remain. Afribank Plc was acquired by Mainstreet Bank Ltd, Equatorial Trust Bank was acquired by Sterling Bank Plc, First Inland Bank was acquired by First City Monument Bank, Intercontinental Bank Plc was acquired by Access Bank Plc, Oceanic Bank Plc was acquired by Ecobank Nigeria Plc, Enterprise Bank Ltd acquired Spring Bank, Platinum- Habib Bank was acquired by Keystone Bank Ltd while Union Bank Plc is now owned by African Capital Alliance Consortium.

Later on, Stanbic Bank and IBTC Chartered Bank Plc merged to form what is now known as Stanbic-IBTC Bank Nig. Ltd and the withdrawn operating license of Savannah Bank was restored. This now brought the total number of banks operating in Nigeria to 21. The banks are Access Bank Plc, Diamond Bank Plc, Fidelity Bank Plc, First Bank Plc, First City Monument Bank Plc, Skye Bank Plc, Sterling Bank Plc, United Bank Africa Plc, Unity Bank Plc, Wema Bank Plc, Ecobank Plc, Zenith Bank Plc, Standard Chartered Bank, Nigeria International Bank, Guaranty Trust Bank, Enterprise Bank Ltd, Keystone Bank Ltd, Union Bank Plc, Mainstreet Bank Ltd, Savannah Bank Nigeria, Stanbic-IBTC Bank Nig. Ltd.

Statement of the Problem

There is no doubt the events that led to the recapitalization of the Nigerian banks had to do with accountability, objectivity, transparency as well as ethical. But most of all, perception of the banking public was crucial to how the banks fared during the exercise because the recapitalisation exercise of Nigeria's commercial banks was no doubt a challenging task for the banks, particularly their Public Relations Departments which had the responsibility of managing the banks' communication strategies and reputation. In performing this responsibility, virtually all the banks employed several public relations strategies to ensure the effective management of the banks' reputation and customer confidence. But the manner in which these PR strategies were utilized by the banks has continued to agitate research interest. To appreciate the importance of a functional public relations department to a corporate organisation, Coombs (2007) explains that crisis management is a critical organizational function. Failure can result in serious harm to stakeholders, losses for an organisation or end its very existence. Therefore, public relations practitioners are an integral part of crisis management team. There is no doubt that events leading to recapitalization and the ones after it could pose serious challenges to the commercial banks or their customers if not properly managed or if there were no strong public relations strategies to address them.

Therefore, the problem this study investigated is the commercial banks' application of public relations strategies during the recapitalization exercise between 2004 and 2012.

Research Questions

To give the study a focus, four research questions were asked and answered. These four questions were drawn from the study objectives. They are:

1. To what extent did the selected Nigerian commercial banks utilise Public Relations strategies during the recapitalisation exercise?
2. What public relations strategy was mostly used by the selected Nigerian commercial banks during the recapitalisation exercise?
3. What is the influence of the selected banks' Public Relations strategies on customers' confidence during the recapitalisation exercise?
4 What is the major factor the banks' PR departments faced in the implementation of their PR strategies during the recapitalisation exercise?

Research Hypotheses

The researcher formulated the under listed research hypotheses for the study:

Hypothesis One

H_I: There is a relationship between the commercial banks' use of PR strategies and their reputation during the recapitalization exercise.

H_o: There is no relationship between the commercial banks' use of PR strategies and their reputation during the recapitalization exercise.

Hypothesis Two

H_I: There is a relationship between the extent to which commercial banks utilised Public Relations and the extent of customer confidence during the recapitalisation exercise.

H_o: There is no relationship between the extent to which commercial banks utilized Public Relations and the extent of customer confidence during the recapitalisation exercise.

Hypothesis Three

H_I: Funding will significantly influence performance of Public Relations during the recapitalisation exercise.

H_o: Funding will not significantly influence performance of Public Relations during the recapitalization exercise.

LITERATURE REVIEW

Empirical Reviews of Public Relations Thesis

There is no doubt that the recapitalisation order issued to commercial banks in the country caused a lot of panic and uncertainty among and within the banks. Similarly, customers and shareholders were skeptical too about the possibility of their banks meeting not just the new capital base but meeting the deadline set by the CBN. Except for a few first generation banks, like the First Bank, Union Bank, etc., there was upheaval among other banks, their shareholders and customers that not only created a management –to- customer panic, staff movement and loss of jobs as a result of merger and acquisition between the weak banks and those that were strong enough to raise the capital base on their own. All these led to what Pearson and Clair (1998) called organisational crisis. According to them, organisational crisis is "a low probability, high-impact event that threatens the viability of the organisation and is characterised by ambiguity of cause, effect and means of resolution as well as by a belief that decisions must be made swiftly". What makes this true is that activities during the recapitalisation exercise created confidence crises on the part of any banks which failed to meet up both capital and deadline stood the chance of not being allowed to continue operations. The arisen crisis of confidence came about because crisis is seen as a social construct (Efficiency Unit, 2009) where "individuals view it in different ways, depending on their own beliefs, interpretations, responsibilities, etc. (Drennam and McConnell, 2007). But when a crisis occurs within an organisation or an industry, how should such be handled and what role would Public Relations play in managing the crisis and restoring confidence in the process of operations? Louisot and Rayner (n.d.) submit that "to be successful and sustainable, i. e. to achieve a sound level of resilience, any business needs to enjoy the trust and confidence of all stakeholders and that can be achieved only when its actions are in harmony with its words".

The authors believe that in order to ensure that an organisation's actions match its words, there are a number of processes that must take place. Activities to restore confidence must flow from top to bottom. For instance, the CEO and Board must set an appropriate tone through a corporate vision, values and clearly articulated risk appetite which inform decision making and prescribe behaviours throughout the business and its supply chain. In the same vein, the external non-executive and independent directors must play their crucial role by using their broad experience to constructively challenge the business' risk profile while the management's role is to continuously scan their area of operations for threats and opportunities.

There are many other studies done in the past with regard to the impact of Public Relations, usefulness, placement, appreciation and its contribution to growth, success and sustenance of such organisations. Omankhanlen (2007) undertook a study on the "Influence of Consolidation of the Corporate Image Management of Banks" with particular interest on Oceanic Bank Plc. It was a research work that employed the survey research method. The study revealed that consolidation in the banking sector had stepped up corporate image management approaches, strategies and techniques.

Olalere (2010) in his study on "Corporate Social Responsibility Study in the Old and New Generation Banks", which also adopted the survey research method, brought to the fore that corporate social responsibility could engender effective public-private sector participation for the provision of basic amenities to the communities.

Oraka (2005) did a work on "The Use of Public Relations Communication Strategies in Sourcing Loans in Nigeria". The method of study was the survey, while the study sample was 500 people. The work showed that only 8.5% of Nigerian private enterprises had qualified Public Relations practitioners, while 88% did not employ any at all (qualified or unqualified). Again, it revealed that 5% of Nigerian private enterprises saw the need to use their Public Relations managers to assist in packaging their loan requests, while 92% felt that there was no need to involve Public Relations officers in doing so.

Chukwu (2010) did a study on "The Effect of Community Relations on Organisational Efficiency of Selected Companies in Rivers State". It also adopted the survey method with a sample of four oil companies and 20 host communities. The results showed that 75% of the respondents agreed that corporate social responsibility formed part of their overall strategic plans, while 25% of the respondents opined that it does not form part of their overall strategic plan. As a way of strengthening community relations, 75% of the companies indicated that they had Community Affairs Units in their companies, while 25% said that they did not have such units.

Grunig (1990), in his work entitled "Excellence in Public Relations and Communications Management", employed the survey method and studied 200 organizations and 3,249 employees and 204 heads of PR units in Canada, the United Kingdom and the United States from the organisation which included corporations, government agencies, non-profit organisations and associations.

The study was able to establish that:

(1) CEOs in general, value PR highly.
(2) Heads of Public Relations units estimate that Public Relations contributes about twice the value of other departments.
(3) CEOs in organizations with excellent communication units say communication with external groups is important for the organisation, and they devote a large proportion of their time to external communication.

In 2012, Osemene, O.F. did a research on Corporate Social Responsibility Practices in Mobile Telecommunications Industry in Nigeria. In the abstract as published in the European Journal of Business and Management, vol. 4, No. 8, 2012, the researcher revealed that "the study assessed the impact of Corporate Social Responsibility (CSR) practices in the Nigerian Telecommunication Industry (2006 – 2011) by evaluating the factors influencing Corporate Social Responsibility adoption".

According to the research, primary data were obtained from pretested questionnaire administered to 400 respondents (stakeholders and telecommunication staff) across the six geopolitical zones of Nigeria, using a purposive sampling technique. Secondary data on the annual reports of the company (2007 – 2011) were examined. Data were analyzed using appropriate descriptive and inferential statistics at $P<0.05$ significance level. Results revealed that Corporate Social Responsibility (CSR) impacted positively on the environment, telecommunication staff and stakeholders. The study concluded that MTN's Corporate Social Responsibility (CSR) policy is on course but grossly inadequate, in view of the colossal profits made by the company over the study period.

Nwanne (2010) did a study on "Reputation Management: The Contributions of Public Relations in Selected Nigerian Banks**"**. The doctoral thesis was executed using the survey method, complemented with interviews. The sample for the study was 600 people drawn from 10 banks at the quota of 60 respondents per bank. Findings of the study were as follows

1. All the banks have Public Relations philosophies which strive to build and sustain a positive image for their institutions and to be proactive to the needs of their stakeholders.
2. All the banks surveyed had Public Relations departments, designated variously as "Corporate Affairs, "Public Affairs" or other names.
3. The head of the Public Relations Department was not a member of the executive management.

Gae Synnoth (2001) carried out a Ph.D research work on, "Values and Identity in Public Relations in Malaysia." The thesis presented for the degree of Doctor of Philosophy of Murdoch University was undertaken in two parts. The first part depended on the survey and structured interviews, taking into consideration the influence of two cultural variables (ethnicity and gender) and two professional variables (years of experience and work environment). The second part was based on repertory grid methodology, and it examined values and identity. Findings of the study indicate that a distinctive u-shaped curve related to years of experience, which interpretatively indicates that Public Relations practitioners in Malaysia value important changes in the Public Relations profession. In addition the study indicated a challenge to Schwartz and Bilsky's Values Theory on which the exploratory study was based.

The Ph.D dissertation of Lages and Caldeira. (2001) was on, "Dimensions of Public Relations Activity: An Exploratory Study**".** The study was carried out through 15 exploratory interviews which brought about the identification of core characteristics associated with PR activities. According to the Lages and Caldeira research work, these resulted in the formulation of the research instrument for the main survey involving Public Relations practitioners, consultancy and industries. The population of the study consisted of Public Relations practitioners managing external consultancies in England. A total of 297 valid copies of the questionnaire (representing a 29.7% response rate) were analyzed through exploratory analysis (EFA) simply for the purpose of verifying the component structure of the research data. In the bid to validate the purposes of the research work, 16 follow-up interviews were embarked upon for the purpose of determining the external validity of the new construct and interpret their correlations. The importance of the study includes identification of the dimension of Public Relations activities, the operationalisation of its constituent elements and the preliminary understanding of their co-existence.

According to the researchers, the findings of the study have important implications for both PR theory and practice (consultants, professional associations, academics and the industry as a whole), and will contribute to Public Relations practice by identifying some of the main contemporaneous challenges: for the Public Relations industry forces, the evolution towards a semi-professionalising occupation; for Public Relations consultancy, the satisfaction of the strategic needs of client corporations; for the individual practitioner, the acquisition of new skills motivated by an ongoing evolution of Public Relations from a tactical function to a strategic function.

Another empirical study with a related link to the study is that of Jill Boudreaux. Boudreaux did a study in 2005 on, A quantitative assessment of Public Relations practitioners perceptions of their relationship with the organisations they represent.

According to the researcher;

> The study attempts to identify how Public Relations practitioner roles and organizational decision-making style impact the relationship that is shared between the practitioner and the organization they represent. Based on Internet survey research methods, research findings indicated that organizational decision-making style was a minimal factor in influencing the relationship shared between the practitioner and the organization they represent. Practitioner role did, however, have a significant influence on the levels of trust, commitment, satisfaction and control mutuality between the practitioner and the organization they represent. Lower response rates prevent confidence generalization of the results of this study to the entire Public Relations Society of America population. Findings support the relational theory of Public Relations. Specifically, trust, commitment, satisfaction and control mutuality influence the quality of the relationship between the public relations practitioner and the organization he or she works for. Public Relations practitioner roles, manager or technician, were also found to have a significant influence on the relationship. The rational model for organizational decision-making style also influenced relationship quality.

Theoretical Framework

The study is anchored the Hunt-Grunig Public Relations Boundary Role Model. The Boundary Role Model theory was propounded by Professors James Grunig and Todd Hunt (1984). Grunig and Hunt postulate that

Public Relations managers perform a boundary role. By boundary role they mean that Public Relations managers of organisations act as a liaison between the organization and its external and internal publics. They figuratively have their one foot inside the organization and the other one outside.

Grunig and Hunt expatiated that in any given organisation, Public Relations managers must develop the capacity to demonstrate in-depth knowledge of the various elements that make up an organisation, namely:

1. Functions, the real jobs of organisational components;
2. Structure, the organizational hierarchy of individuals and positions;
3. Process, the formal decision-making rules and procedures the organisation follow, and
4. Feedback, the formal and informal evaluative mechanisms of the organization (Grunig and Hunt, 1984, p.91)

The Boundary Role Model is the latest of the Public Relations models propounded by Hunt and Grunig. Earlier, they had such other models as the Press Agentry/Publicity Model; the Public Information Model; the Two-way Asymmetrical Model and the Two-way Symmetrical Model.

The uniqueness and thereby the appropriateness of the Boundary Role Model as distinct from the other mentioned models from the same authors is that the Boundary Role Model places premium on the effectiveness of Public Relations professionals in the organisation and outside the organisation and not necessarily on the direction of communications and media.

Public Relations managers are employed to achieve the necessary elements of behaviour for effective Public Relations performance.

There is a link between the other studies reviewed and the present one, as generally all the studies bordered on Public Relations. Again, most of the studies reviewed focused on financial institutions, especially commercial banks.

It is instructive that all the studies reviewed employed the survey method of research. The present study will benefit from such past studies as their findings and methods guided the researcher in the formulation of research objectives, research questions and hypotheses. The present study also borrowed the adopted research method of the previous studies, which is the survey research method.

Apart from the Boundary Role Model, the study is also anchored on the Melvin Sharpes Behavioural Theory and Model of Public Relations, primarily because it centres on good Public Relations as an extension of good human relations. This is another model that is relevant to the study. This model is primarily anchored on honesty, openness, fairness and continuous communication which are very relevant in the banking sector of any economy.

The Melvin Sharpe Theory is believed to be an off-shoot of the limitations of the Grunig and Hunt's Public Relations Model, which fails to meet the behavioural elements for good Public Relations.

Olusegun, (2006:p.46-48) in **Principle and Practice of Public Relations**, asserts that,

> "*The Sharpe Model is premised on the assumption that certain behaviourial actions are necessary for good Public Relations as the behaviour serves as a lubricant for relationships and communication is a vital tool for bringing about those actions. Such elements or qualities that could bring about good human relations and harmonious Public Relations include*:

(i)	Honesty	Credibility
(ii)	Openness	Consistency of action for confidence
(iii)	Fairness	Reciprocity
(iv)	Continuous communication	To prevent alienation and build relationship
(v)	Continuous image	Analysis for corrections adjustment in behaviour or communication

In line with this study, the banks, particularly the public relations officials, must ensure that they observe and uphold honesty to enable them gain credibility, openness to build confidence amongst the publics and, fairness to effectively experience reciprocity. Other things the banks are required to do (in such times as the recapitalization exercise) as recommended by the Melvin Sharpe Model are continuous communication to prevent alienation and build relationships and the continuous image analysis for corrections adjustment in behaviour or communication.

Research Design

Similarly, the Explanatory mixed Method Design was used. The design allowed the researcher to generate both quantitative and qualitative data for the study. To put simply, according to Creswell (2002, p.566), the explanatory mixed method design, "consists of first collecting quantitative data and then collecting qualitative data to help explain or elaborate on the quantitative results." Based on the above, the researcher generated more of quantitative data and used a little of qualitative data to support the quantitative data in the discussion segment. Two research methods were used: survey and in-depth interview research methods. The questionnaire was used to generate quantitative data while the interview guide was deployed to generate qualitative data. Thus, emphasis was placed on eliciting clear and direct responses from the respondents in such areas as the connection between banks' reputation, banks' successful recapitalisation and their Public Relations practices. Determining the extent to which banks utilised Public Relations strategies and the major impediments encountered during the recapitalisation period was central amongst the issues addressed in this study.

Population of the Study

The population of this study covered the banks' Public Relations/Corporate Communications staff in Lagos State who are responsible for the conceptualization, design and execution of the P.R. strategies and the banks' customers who these strategies are majorly targeted at. After visits to the banks, only nine banks indicated interest to participate in the study. The banks are Union Bank Plc, Skye Bank Plc, Access Bank Plc, First City Monument Bank Plc, Sterling Bank Plc, Stanbic-IBTC Bank Plc, Fidelity Bank Plc, Diamond Bank Plc, and Zenith Bank Plc. To this end, the population of these banks' customers and the PR/Corporate Communications staff constituted the population of the study. The study focused on the headquarters of these banks because the policies, action plans and all conceptualised Public Relations strategies are formulated, executed and monitored closely from their various headquarters.

Population of Study for Segment One (Banks' Customers)

According to the estimated figures released by these banks regarding their customer strengths, Union Bank Plc has a customer strength of 7,600,000, Skye Bank Plc customer base of 2,400,000, Access Bank Plc 5,700,000 customer strength, First City Monument Bank Plc has a customer strength of 2,000,000, Sterling Bank Plc has a customer base of 1,100,000, Stanbic-IBTC Bank Plc has a customer base of 2,400,000, Fidelity Bank Plc is with a customer strength of 2,000,000, Diamond Bank has a customer base of 2,200,000 while Zenith Bank Plc has a customer base of 7,164,000. A summation of these figures gave a total of 32564000. Therefore, the population of the study for segment one is 32564000.

Population of Study for Segment Two (Banks' PR/Corporate Communications Staff)

Here, the population of the PR/Corporate Communications staff of the nine banks constituted the population of study. The nine banks and the population of their PR/Corporate Communications staff are Union Bank Plc-10, Skye Bank Plc-12, Access Bank Plc-24, First City Monument Bank Plc-20, Sterling Bank Plc-13, Stanbic-IBTC Bank Plc-13, Fidelity Bank Plc-17, Diamond Bank Plc-16 and Zenith Bank Plc-9. A summation of these figures will give you a total of 134. Therefore, the population of study for this segment is 134 (Banks Information Manual, 2013).

Determination of Sample Size

A sample is precisely a part of the population. In social science research, samples are used in place of population, especially when the said population is large. This is because, when it is objectively done, a sample can represent the population and it goes a long way to sustain the validity of measurement findings.

Determination of Sample Size for Segment One (Banks' Customers)

Here, the researcher used the Taro Yamane formula to scientifically obtain the sample of 400 from the stated population of Lagos State residents. Therefore, sample size for the banks' customers is 400

Determination of Sample Size for Segment Two (PR/Corporate Communications Staff)

Since the total population in this segment is manageable, the entire 134 P.R./Corporate Communication Staff of the nine banks were studied. These banks offered commendable co-operation throughout the study.

Sampling Technique

Sampling Technique for Segment One (Banks' Customers)

The researcher purposively administered the questionnaire in such a manner that only the customers who have a good knowledge of Public Relations were sampled. These customers were approached as they came into the banks for transactions. This method made it possible for the researcher to access the banks' customers with ease.

Sampling Technique for Segment Two (PR/Corporate Communications Staff)

The researcher administered the questionnaire to the entire 134 P.R./Corporate Communication Staff of the nine banks. Also, the researcher purposively selected heads of the PR/Corporate Communication Departments of the nine banks for in-depth interviews to give more insight into the issues at stake. The heads were chosen based on the fact that they coordinate and oversee the entire Public Relations/Corporate Communications activities in their banks.

Discussion of Findings

For the purpose of clarity, the researcher discussed in detail the findings of the study.

The need to ascertain the extent to which commercial banks used Public Relations during the recapitalization exercise was amongst the priority aims of this study. Data presented show the response of respondents on the extent to which their banks applied Public Relations strategies during the recapitalisation exercise. Data presented also indicate that 1.53 percent of the respondents say their banks, to a large extent applied Public Relations strategies during the recapitalisation exercise while most of the respondents, about 8 in 10 of them (75.83%) indicates that the extent to which their banks applied Public Relations strategies was moderate, 89 respondents or 22.65 percent said their banks applied the Public Relations strategies just to a little extent while none of the respondents indicated the options of 'Did not' and 'Can't say'. This implies that majority of the commercial banks applied Public Relations strategies during the recapitalization exercise moderately. However, the generated data also indicate that the banks used Public Relations strategies to a large extent. The outcomes of these tables answered the first research question which examines the extent to which commercial banks in Nigeria utilized public relations strategies during the recapitalisation exercise. The findings were corroborated by the in-depth interviews conducted with the managements of the selected banks. As the interviews show, all the banks employed public relations strategies during the recapitalization exercise, which indicates that the banks took public relations seriously. As a matter of fact, the banks "applied well planned Public Relations strategies to consistently maintain customer and staff confidence" because they "couldn't have made the mistake of not efficiently utilizing public relations at such delicate time like the recapitalization era". FCMB Bank was categorical in its management's response that "no sensible organization would ignore Public Relations at terrible time like during the commercial banks recapitalization exercise". This finding is in consonance with a study conducted by Kalu (2011) and cited in chapter two where he found that there is a high level of Public Relations usage amongst banks in Nigeria. With the outcome like this, it shows Public Relations has a bright future in Nigeria's banking sector.

Similarly, the second research question examines the nature of the Public Relations strategy mostly used by the commercial banks during the recapitalization exercise. Therefore, the data generated and presented were utilized to provide answer to this research question. They show the responses of the banks' customers on the nature of Public Relations strategies their banks mostly employed to reach out to them during the recapitalisation exercise. From the data, 42 respondents or 10.69 percent indicated that interpersonal communication was mostly utilized by their banks, 275 respondents or 69.97 percent said the mass media and SMS were mostly utilized by their banks, 76 respondents constituting 19.34 percent indicated branded gifts while none of the respondents indicated the 'Can't say' option. Also, data presented above are the responses of the respondents on the nature of the Public Relations strategies their banks mostly utilised during the recapitalisation exercise. From the data, 23 respondents or 17.16 percent indicated that the nature of the Public Relations strategies mostly utilised by their banks was interpersonal communication, 96 respondents or 71.64 percent said the mass media and SMS were mostly utilized by their banks, 15 respondents constituting percent 11.19 indicated branded gifts while none of the respondents indicated the option of 'other'. This therefore implies that commercial banks mostly used the mass media and SMS to reach out to the publics during the recapitalisation exercise. The qualitative data presented also gave credence to this finding as virtually all the interviewees indicated that the banks used more of the mass media and SMS to reach both their internal and external publics. In the interview, while all the banks mentioned the need to restore confidence in the sector among their customers and stakeholders, Skye Bank explained thoroughly that "one core strategy was effectively used. That was the strategy of confidence building. This was because we discovered that what both the customers and bank staff needed was confidence that their bank will not fold. To this end all the necessary available tools were used to achieved this strategy. The tools include giving branded gifts to both staff and customers, using the mass media and text messages to communicate relevant reassuring messages to the publics, organising shareholders meetings etc. Of course, you know that because of the wide reach, the media and SMS were mostly used". Fidelity Bank was most explicit when it said that "we used radio, television, newspapers, magazines, SMS, interpersonal means/focus group discussion etc. But the SMS and the mass media were often used". Therefore, media relations and short messages were mostly during the recapitalisation exercise. These findings support Gambo (2010, p.12) in its where he found that SMS and the mass media are very potent avenues deployed by banks to reach out to their customers as well as their staff. Relatively, they are a cheap way to relate with the publics and for any bank to employ these strategies means such bank will reach more people and a cheaper way.

Furthermore, the third research question examines the influence of commercial banks' use of public relations strategies on customer confidence during the recapitalization exercise. Therefore, the data presented were deployed to provide answer to this research question. On the views of the respondents on whether the Public Relations activities of their banks were able to influence their confidence during the recapitalisation exercise, 391 respondents representing 99.49 percent indicated that their banks' Public Relations activities influenced their confidence during the recapitalisation exercise. Only 2 respondents or 0.51 percent indicated that their banks' Public Relations activities could not influence their confidence on their banks while none of the respondents indicated the 'Can't say' option. On the other hand, the respondents were asked to ascertain the extent of their confidence in their banks during the recapitalisation exercise. 8 respondents constituting 2.04 percent indicated to large extent, 289 respondents or 73.54 percent said to a moderate extent, 94 respondents representing 23.92 percent indicated to a little extent, 2 respondents or 0.51 percent said they did not have confidence on their bank during the recapitalisation exercise while none of them indicated the ‘Can’t Say’ option. This implies that the banks’ Public Relations activities influenced customers’ confidence on the banks during the recapitalization exercise moderately. These findings corroborate Okon’s (2011, p.9) findings in his study and which was cited in chapter two that the not too convincing nature of many banks’ Public Relations activities lead to customers moderate level of confidence on their respective banks during the banks’ recapitalization era.

In a similar vein, the fourth research question designed to find out the major factor that affected the banks’ Public Relations departments in the implementation of their Public Relations strategies during the recapitalization exercise and the findings presented. To answer this research question, the Public Relations staff of the banks were asked to indicate the major challenges that affected the implementation of their Public Relations strategies. Data presented earlier shows the major challenge of the respondents in the implementation of the Public Relations strategies during the recapitalization exercise. From the table, 29 respondents or 21.64 percent indicated inadequate staffing, 101 respondents representing 75.37 percent indicated inadequate funding, 4 respondents constituting 2.99 percent said it was too much pressures from the banks’ management while none indicated the option of ‘others’. This shows that inadequate funding was the major challenge of the Public Relations / Corporate Communication staff regarding the implementation of their Public Relations strategies during the recapitalization exercise. The qualitative data presented equally gave credence to this finding as virtually all the respondents said funding was a major challenge to the implementation of their Public Relations strategies during the recapitalization exercise. However, it was not funding only that constituted a big challenge to the Public Relations departments of the banks. Like Union Banks said, the banks “honestly had some challenges regarding the implementation of our Public Relations strategies during that period. Some of them were inadequate funding of our Public Relations programmes by the bank, inadequate staff, time constraint in planning and execution, and even pressures from ‘our oga at the top’. But the issue of funding was very paramount. Due to the nature of things that time, we desperately needed enough fund to carefully plan and execute very convincing Public Relations programmes but it didn’t come as required”. So, even though funding was the number one challenge, there were other ones like staff that were not enough to match the amount of work needed to be done, inadequate time as well as pressure from top managers of the banks that made the period of recapitalisation a difficult one. But the findings corroborate Okon’s (2011, p10) insinuations in his study that one of the major factors that affect the Public Relations activities of many banks is the issue of inadequate funding.

Similarly, the findings of the hypotheses lend credence to the entire findings of the study so far. For instance, in hypothesis one, the researcher tried to find out whether there is a relationship between the commercial banks’ use of Public Relations strategies and their reputation during the recapitalization exercise. To ascertain this, the researcher did a crosstab of SPSS was used to test the hypothesis. The result from the test shows that;

P Value = 3.452E-05 = 0.00003452 < 0.05: This shows that there is very strong relationship between the variables in the tables.

R square = 0.9748 which is equivalent to 97.48% indicates the strength of the relationship to be very high.

Coefficient of X variable 1 = 0.707095636 is positive indicating a positive slope, indicating that the two variables increase or decrease with each other.

From the analysis, the null hypothesis was rejected while the alternate was accepted. This therefore implies that there was a relationship between the commercial banks’ use of Public Relations strategies and their reputation during the recapitalization exercise. This finding shows that the use of Public Relations strategies by commercial banks influenced the banks’ reputation. Gambo (2010, p.11) found in his study that the Public Relations activities of banks influence the banks’ reputation.

However, data show the responses of respondents on the extent to which the banks’ Public Relations activities influenced how the customers perceived their banks. 17 respondents representing 4.33 percent indicated to large extent, 299 respondents or 76.08 percent said moderate extent, 74 respondents or 18.83 percent indicated little extent. 2 respondents or 0.51 percent said it did not influence them while one respondent or 0.25 percent indicated the ‘can’t say’ option. This implies that the banks’ Public Relations activities moderately influenced their reputation.

Hypothesis two was also formulated to specifically ascertain whether there is a relationship between the extent to which commercial banks applied Public Relations and the extent of customer confidence during the recapitalization exercise. A crosstab was done to ascertain the relationship. The result from the test indicates that;

P Value = 6.73239E -06 = 0.00000673239 < 0.05: This shows that there is very strong relationship between the variables in the tables.

R square = 0.999368754 which is almost 100% indicates the strength of the relationship to be very high.

Coefficient of X Variable 1 = 1.034305568 is positive indicating a positive slope, indicating that the two variables increase or decrease with each other.

Based on the outcome of the test, the research hypotheses was upheld while the null was rejected, indicating that there is a relationship between the extent to which commercial banks applied PublicRelations and the extent of customer confidence during the recapitalization exercise. This means that the level at which the commercial banks utilized Public Relations influenced the extent of confidence the customers had during the recapitalisation exercise. Data also showed that the banks applied Public Relations to a moderate extent while other data indicate that the banks Public Relations activities influenced customers' confidence to a moderate extent during the recapitalization exercise.

The sole aim in hypothesis three was to ascertain whether there is a relationship between commercial banks' funding of their Public Relations units and the units' performances during the recapitalization exercise. To determine the relationship, the researcher did a crosstab. The crosstab showed that;
P Value = 0.000271449 < 0.05: This shows that there is a relationship between the variables in the tables.
R square = 0.9926 which is equivalent to 99.26% indicates the strength of the relationship to be very high.
Coefficient of X Variable 1 = 3.415469275 is positive indicating a positive slope, indicating that the two variables increase or decrease with each other.

In line with the outcome of the crosstab, the null hypothesis was rejected while the alternate was accepted. This means that there is a relationship between commercial banks' funding of their Public Relations units and the units' performance during the recapitalization exercise. What this indicates is that the extent to which the banks Public Relations units were funded determined the units' level of the performance during the recapitalization exercise.

Summary of Findings

The major goal of this study was to evaluate commercial banks' application of Public Relations strategies during the recapitalisation of the banking sector in Nigeria. Specifically, four objectives were raised from where four research questions were asked and three hypotheses were consequently formulated and tested. In the end, the following findings were made;

(i) Commercial banks, to a moderate extent, applied Public Relations strategies during the recapitalization exercise.
(ii) Commercial banks mostly used the mass media and SMS to reach out to both the internal and external publics during the recapitalisation exercise.
(iii) The banks' Public Relations activities, to a moderate extent influenced customers' confidence on the banks during the recapitalization exercise.
(iv) Inadequate funding was the major challenge of the Public Relations / Corporate Communications staff regarding the implementation of their Public Relations strategies during the recapitalization exercise.
(v) The banks' Public Relations activities influenced their reputation to a moderate extent.
(vi) The moderate extent of funding of the Public Relations units led to the units' moderate level of performance during the recapitalization exercise.

Recommendations

Based on the findings of the study and conclusion arrived at, the following recommendations were made;

1. Commercial banks must maximally harness the potentials of Public Relations to secure and consistently maintain a good image. This implies that the banks should effectively deploy Public Relations to engender increased level of employees and customers' confidence. This no doubt, will herald a very good reputation for the banks.
2. Future researchers should widen the scope to accommodate more states.

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