HR INTERVENTION FOR ORGANIZATIONAL TURNAROUND: EVIDENCE FROM PAKISTANI FINANCIAL SECTOR

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ABSTRACT

Existing literature on organizational turnaround has largely been focused on HR interventions related to good management practices to improve organizational performance. This research suggests that in addition to adopting good management practices, the managers also need to take into account the impact of external environment variables and organizational resistance to change (organizational inertia). These external environment variables are significant and beyond the control of the organizations. Applying this concept to the private banks operating in Pakistan, this study finds that organizational turnaround is influenced by changes in external environmental variables, by changes in organizational inertia, and by good management practices.

KEY WORDS: Turnaround, HRM, ROA, Retrenchment, Repositioning, Reorganization

1. INTRODUCTION

Various conceptual models have been developed to understand organizational turnaround strategies [(Pearce and Robbins, 1993); (Jerry Paul Sheppard, 1994); (Arogyaswamy et al., 1995); (Shelley S. Gordon et al., 2000); (Juha-Antti Lamberg and Kalle Pajunen, 2005); (George A. Boyne, 2006); (Pretorius, 2008);(Pearce II & Robbins, 2008); (Boyne & Meier, 2009);(Solnet, Paulsen, & Cooper, 2010); (Smarick, 2010);(Lawton, Rajwani, & O'Kane, 2011);]. Various empirical studies are available that assess the impact of different turnaround strategies [(Shelley S. Gordon et al., 2000); (Dawley et al., 2002);(Bruton et al., 2003); (Morrow et al., 2004); (Fisher G. et al., 2004); (George A. Boyne, 2006); (Boyne & Meier, 2009); (Murphy, 2010);(Lawton et al., 2011); (Braun & Latham, 2012)]. In general, the literature is focused on improving organizational performance through a) good management practices b) a clear vision and mission statement and c) good performance management systems. Little literature is available that focusses on the impact of a) external environment and b) organizational resistance to change (organizational inertia) on improving organizational performance.

2. LITERATURE REVIEW AND HYPOTHESES

ORGANIZATIONAL TURNAROUND AND EXTERNAL ENVIRONMENT

Organizational turnaround studies typically assume that the degree of organizational turnaround varies with management practices, a clear vision and mission statement, and performance management systems. Organizational turnaround success is considered as a result of either selection of universally successful management strategies or by adaptation of internal management strategies to external environment. This perspective suggests that drivers of turnaround are internal to the organization and not external. Good management drives success and vice versa.

We suggest that organizational success not only depends on good management practices but also on changes in external environment variables. These changes in the in the external environment variables constrain organization performance. These changes are important because favorable changes in such environmental variables can improve performance regardless of the adopted managerial strategies and unfavorable shifts can erode the positive impact of adopted managerial strategies.

Some turnaround studies do take into account the impact of such changes on organizational success. [(George A. Boyne and Kenneth J. Meier, 2004); (George A. Boyne, 2006);(Boyne & Meier, 2009); (Abebe, M. A., Angriawan, A., & Liu, Y. ,2011)] provides an analysis of impact of such shifts on organizational turnaround in public sector organizations.

According to (Kelly and Amburgey, 1991), change in organizational strategy has either neutral or negative impact on organizational performance. We suggest that both organizational strategy and environment influence the extent of turnaround success. Good management practices, favorable changes in external environmental variables, and changes in organizational inertia all contribute to turnaround success. The perspective of this research is supported by (Hrebiniak and Joyce, 1985) and (Koberg, Tegarden, & Wilsted, 2011). They suggest that choices of management practices and external constraints both can significantly impact the organizational performance.

In general, while explaining the changes in organizational environment, the turnaround literature is generally focused on analyzing a single industry such as [(Robbins and Pearce, 1992); (O'Neil, 1986); (W. Terry Umbreit, 1996)]. This approach also ignores the impact of changes in organization external environment variables. This approach has two problems. (Tony W. Tong and Jeffrey J. Reuer ,2006) concludes that characteristics of industries are important in explaining variation in firm performance but firm characteristics plays a dominant role. (Hawawini et al., 2003) and (McGahan and Porter, 1997) found a significant role of characteristics of industries in explaining variations in organizational performance. [(Dess and Beard, 1984); (Castrogiovanni, 1991); (Harris, 2004)] finds that organizations operating in same industry may face similar aggression environment but very different task environment (such as different levels of finance and support from key stakeholders). Favorable or unfavorable changes in the task environment during turnaround may occur. Restricting the analysis to industry in which the organization is located, without taking into account these changes, it will be unable to assess the impact of changes in the specific environment of individual organizations on organizational performance. Our first hypothesis is, therefore,

Hypothesis 1: Favorable changes in external environment of organization produce a positive impact on organizational performance.

ORGANIZATIONAL PERFORMANCE AND GOOD MANAGEMENT PRACTICES

Many empirical studies have analyzed three major organizational turnaround strategies [(Hoffman, 1989); (Pearce and Robbins, 1993);(George A. Boyne ,2006); (Langabeer, 2008); (Hopkins, 2008);(Boyne & Meier, 2009); (Murphy, J., & Meyers, C. V. 2009); (Schmitt, 2010);(Evans, Chitnomrath, & Christopher, 2012)]. These strategies include retrenchment, repositioning and reorganization.

1) Retrenchment Strategy

The retrenchment strategy focusses on reducing the size and scope of a business to minimize financial losses and generate resources that can be used for productive activities. Retrenchment strategy may include out-sourcing and downsizing as sub-categories.

There exist many theoretical and empirical studies that analyzed the impact of retrenchment on organizational performance. [Robbins and Pearce 1992; John A. Pearce II, and D. Keith Robbins, 1994] suggest that turnaround success corresponds to divesting assets and cutting costs. [David D. Dawley et al., 2002] finds that in order to benefit from retrenchment, a firm should either have relatively high strategic choice or few environmental constraints. [Hoffman, 1989] concludes that cost control is the key to successful turnaround. (Jody Hoffer Gittell et al., 2006) argues that downsizing doesn't necessarily bring an upswing in the organizational performance. [John D. Francis and Ashay B. Desai, 2005] finds that organization size is not a significant contributor to a successful turnaround. By contrast (Mark A. Farrell and Felix Mavondo, 2005) argues that restructuring the organization and redesigning tasks has a positive effect on organizational performance. Retrenchment may cause organizational weakness [Barker et al., 1994; Barker and Mone, 1998], produce a significant positive impact on organizational success [(Hambrick and Schechter, 1983); (O'Neill, 1986); (Robbins and Pearce, 1992) ; (Pearce and Robbins, 1994);(Bruton and Wan, 1994); (Chowdhury and Lang, 1996); (Victor B. Wayhan and Steve Werner ,2000); (Dawley et al., 2002); (Bruton et al., 2003); Morrow et al., 2004], and may produce no impact on organizational success [(Pant, 1991); (Barker and Mone, 1994); (Chowdhury and Lang, 1994); (Evans and Green, 2000); (Sudarsanam and Lai, 2001)]. No study was found that suggests a significant negative impact of retrenchment on organizational success. Literature also suggest that turnaround in large organizations is more difficult and time consuming [(Pant, 1991); (Bruton et al, 2003)]. The evidence available supports the argument that retrenchment influences organizational success and we expect negative relation between organizational size and turnaround. Our second and third hypotheses are, therefore:
Hypothesis 2: Retrenchment produces a positive impact on organizational success.

Hypothesis 3: Organization size produces a negative impact on organizational success.

2) Repositioning Strategy

The repositioning strategy focuses on change and innovation. This change and innovation can be related to market position and product portfolio. Organizations following repositioning may also move into new markets, seek new revenue streams, develop new products, change their vision and mission, or improve the organizational image. Many studies exist that found a positive link between repositioning and organizational success [(Hambrick and Schechter, 1983); (Pearce and Robbins, 1994); (Barker et al., 1998); (Evans and Green, 2000) ;(Dawley et al., 2002)]. Few studies found no significant impact of repositioning on organizational success [(Schendel and Paton, 1976); (Sudarsanam and Lai, 2001); (Kontic, L., Kontic, J., & Vidicki, D. 2012)]. However, no study suggests a negative impact of repositioning on organizational success. Keeping in view the evidence available, our fourth hypothesis is, therefore:

Hypothesis 4: Organizational success is positively influenced by repositioning.

3) Reorganization Strategy

Reorganization focusses on changing internal management of an organization including new organizational structures, strategic processes, and management styles.

a) Leadership Change

A significant focus of turnaround literature is on the change in leadership [(Hoffman, 1989);(Vincent L. Barker, III and Paul W. Patterson, Jr.,1996) ; (Barker et al., 2001); (Kalle Pajunen, 2006)]. The literature proposes a positive impact of executive succession on organizational success. In support of this proposition, two main arguments have been suggested. First, the length of service of senior executives is directly correlated with their resistance to change the existing strategies. Long-serving executives are reluctant to accept that existing strategies need a necessary change [(Miller, 1991);(Barker and Patterson, 1996)]. Second, the replacement of senior executives can convey the organizational determination towards organizational success. This can, in turn, increase staff motivation and encourage external stakeholders to make available time and resources required for improving organizational performance. Some studies found a positive impact of leadership change on organizational performance improvement [(Pearce and Robbins. 1994) ;(Mueller and Barker, 1997)] while other found no impact [(Bruce A. Samuelson et al., 1985); (Bruton et al., 2003); (Sudarsanam and Lai, 2001)]. Some studies have suggested conflicting effects of leadership change on organizational performance (Vincent L. Barker, III and Mark A. Mone, 1998). (Wallace N. Davidson et al., 1993) concludes that market's reaction is more positive for outsider succession than for insiders, and this was especially so when the succession happened after bankruptcy. [(Dan R. Dalton, and Idalene F. Kesner, 1983) ;(George A. Boyne and Kenneth J. Meier, 2004)] find that turnaround success is positively related to insider succession. Outsiders may be more prepared and willing to bring radical change. At the same time, they lack the required detailed knowledge about organization required to bring this radical change quickly and effectively. This speed of change is crucial in organizational turnaround (Arogyaswamy et al., 1995). An insider may already possess the detailed knowledge of the current issues of organizational performance and in a better position to make rapid moves towards organizational turnaround. Our fifth and sixth hypotheses are, therefore:

Hypothesis 5: Insider succession of senior executives in the organization produces positive impact on organizational success.

Hypothesis 6: Insider succession more positively impacts the organizational success than outsider succession.

b) Leadership Experience

Turnaround literature suggests that experience of top-management is an asset for organization. But after a threshold level this experience can lead to resistance to change and becomes a liability for organization [(Eitzen and Yetman, 1972); (Hambrick and Fukutomi, 1991)]. With the available evidence, we expect an initial positive relationship between tenure of top management and organizational turnaround. But this positive relationship eventually becomes negatives.

c) Quality and Proportion of Core Staff

There exist empirical studies that analyze the impact of reorganization. However, these studies recognize the role and impact of top management and place little emphasis on potential positive effect of recruitment of new staff throughout the organization. Literature suggests that higher performance is associated with the recruitment of employees with expertise that align with the strategic objectives of organization i.e. the core staff [(Wright and Snell, 1998);(Hitt et al., 2001); (Skaggs and Youndt, 2004)]. The probability of organizational turnaround success increases with an increase in the proportion and quality of core staff. Such reorganization strategy seeks to replace non-core staff with core staff and recruit core staff with high level of expertise. Our seventh and eighth hypotheses are, therefore:

Hypothesis 7: An increase in the proportion of core staff positively impacts the organizational success.

Hypothesis 8: An increase in the quality of core staff positively impacts the organizational success.

ORGANIZATIONAL TURNAROUND AND INERTIA

Inertia can be defined as the strong persistence of existing form and function. There are five basic categories of inertia (a) distorted perception, (b) dulled motivation, (c) failed creative response, (d) political deadlocks, and (e) action disconnects (Richard P. Rumelt, 1995). (Barker V. L. , and Duhaime I. M. 1997) finds that organizational inertia constrain organization performance. Successful change requires enough organizational momentum to move quickly from the initial state (inertial state) towards the desired direction. This momentum is generated once sufficient support and speed is generated quickly. (Alan McKinlay and Ken Starkey,1988) concludes that organizational realignment is positively related to significant organizational turnaround. (Denish Shah et al., 2006) concludes that organizational realignment is crucial for business success. (Richard P. Rumelt ,1995) defines Fragmentation as dividing the company into smaller department, reducing interdependencies, measuring each department's performance and tying managerial pay and career potential to results. Fragmentation reduces the sources of inertia, breaks political coalitions, reinforces the legitimate authority of management over employee behavior, and results in more attention to performance. Our ninth hypothesis is therefore:

Hypothesis 9: Organizational success is positively influenced by fragmentation.

3. RESEARCH DESIGN

SAMPLE

The sample of firms for our study consists of 35 private banks operating in Pakistan. This is a good choice to examine organizational success for many reasons. First, banks belong to a single industry, a single country, and are directly comparable. All banks work under State Bank of Pakistan (the regulatory authority). That means that all banks work under the same set of rules and regulations. Thus we can hold some of the potentially confusing variables that might affect the bank's organizational performance, constant. Second, all the banks operate under a similar governance structure. Third, banks are a common private organization in Pakistan. Finally, chief executives of banks have substantial power to choose and implement the strategy of choice (such as retrenching, repositioning, or reorganization) in order to improve deteriorating performance.

It takes time to implement change and this time varies from industry to industry. In this study we review banks performance for the period 2008-2012. This time period is considered sufficient to allow for the performance effects of changes in external environment variables, change in organizational inertia, and good management practices to emerge.

DATA SOURCES

The data for this study was drawn from various sources of primary and secondary data. These sources included the published annual financial statements of banks, public documents from State Bank of Pakistan, targeted interviews with senior executives (N=40), library references, and the review of different research articles/studies.

MEASURES FOR VARIABLES

ORGANIZATIONAL EXTERNAL ENVIRONMENT

Bank's performance is dependent on two most significant external constraints 1) Access to extra financial resources and 2) Perception of key stakeholders about bank's organizational and market performance. We measured the munificence and hostility of task environment of the bank. The munificence of the environment was measured as the access to extra financial resources to the bank, which is determined by the exogenous variables such as funding from the parent organization. Other things being equal, poorly performing banks who has access to expanding financial resources make it convenient to improve their performance. The hostility of environment was operationalized as the change in perception of key stakeholders. We argue that performance improvement is positively related to the perception of key stakeholders about bank's organizational and market performance. The change in perception of key stakeholders about bank's organizational and market performance was measured as the change in price-earnings ratio of the bank. A high price-earnings ratio indicates favorable shift. These variables can also be taken as exogenous to bank's performance.

Good Management Practices

The central elements of retrenchment strategy i.e. cost reduction and efficiency improvement, organizational focus on core business, and attention given by senior executives to internal operations of the business (Arogyaswamy et al., 1995) were operationalized. First the senior executives of banks were asked about their relative priority given to lower costs and increase efficiency. This measure reflected the organizational approach towards cost reduction and improvement of the efficiency. Second, the senior executives were asked about their relative priority that they attached to keeping account holders. This measure reflects organizational focus on core business. Third, senior executives were asked to provide an estimate of the proportion of their total time they spent on internal management. This measure reflects detailed attention by senior executives to the internal operations of bank.

The concept of repositioning was operationalized in three ways. First, the bank executives were asked three questions regarding the extent to which they were seeking change. They were asked 1) whether they favor major changes in bank policies 2) whether they assume leadership role in shaping bank policies 3) whether they see themselves as a change agent

A weighted score was derived from responses to these questions. This measure reflected attitude towards change. A high score reflected a more positive attitude change and vice versa. Second, to measure the organizational approach towards creating new streams of revenue, executives were asked whether they actively made efforts to raise level of bank deposits by either attracting new account holders or existing customers. A positive response indicated organizational efforts towards creating new sources of revenue. Third, to measure the organizational efforts to influence perceptions and expectations of key stakeholders, bank executives were asked three questions. They were asked 1) to what extent they interacted with external stakeholders and 2) to what extent they initiated interactions with key stakeholders. A weighted score was derived from the responses. A high score reflected a keen interest of organization in changing the perceptions of key stakeholders and vice versa.

The concept of reorganization was operationalized in three ways. First, the bank executives were asked about the total tenure of their employment and their tenure as an executive in the bank. This measure was used to establish whether a change of executives occurred from 2008-2012 and whether the succession was from inside or outside. Second, secondary data was used to measure the proportion of core staff in the bank i.e. staff with relevant skills and qualifications. An increase in the proportion indicates greater emphasis of bank on increasing the core staff. Third, secondary data was used to measure the average length of experience of staff in the bank. This measure reflected the quality of workforce.

Organizational Inertia

To operationalize the concept of organizational inertia, we used two measures. First, Secondary data was used to determine whether the organization has implemented a restructuring program composed of basic elements of fragmentation. Second, executives were asked whether they think fragmentation resulted in increased organizational performance.

Bank Size and Success

The extent of success and improvement for Pakistani banks can be determined by calculating bank's ROA. This is a suitable measure of performance that is considered as primary criterion of success by key stakeholders [(Samy Ben Naceur and Mohamed Goaied, 2001);(Medhat Tarawneh, 2006)]. The size of bank was measured as the number of employees. This is a measure of organizational workload and related closely with indicators of internal aspects of size such as operational budget.

4. RESULTS AND DISCUSSION

Table 2 shows variables and the correlations between them. The statistical evidence on the validity of results is presented in Table 3. The model explains 72% of the variation in organizational success across private Pakistani banks between 2008 and 2012.

Statistical evidence supports our first hypothesis. Regardless of whether the banks followed the retrenchment or reorganization strategy, banks were more likely to improve if there were favorable changes in their external environment variables. Increases in environmental munificence, as indicated by the access to extra financial resources, is positively associated with performance; and decrease in environmental hostility, as reflected by the increase in Price Earning ratio is positively related with performance.

All three retrenchment variables, emphasis on keeping accountholders, time spent on internal management, and focus on cost cutting and increasing efficiency have no significant effect on performance. Thus statistical evidence contradicts our second hypothesis.

Size of bank has a positive co-efficient and is not significantly related to the performance which contradicts our third hypothesis.

Statistical evidence provides mixed support about our fourth hypothesis about repositioning. Two of the three retrenchment variables, Seeking change and emphasis on pursuing new deposits, are not significantly related to performance. Third variable (contact with stakeholders) is significantly related to performance. Executives who keep contact with key stakeholders are more likely to boost bank performance.

Reorganization strategy also has significant positive impact on performance. The variable of insider executive succession has significant positive relation with performance while the outsider executive succession has no significant impact. That provides support for our fifth and sixth hypothesis. Banks that have insider succession are more likely to improve performance while appointment from outside is insignificantly different from keeping the same executive who led to deteriorating performance. Length of chief executive experience has significant positive relationship with performance.

Statistical evidence contradicts our seventh hypothesis and supports eighth hypothesis. Proportion of core staff has no significant relation with the performance while increase in quality of core staff had significant positive correlation with the performance. Banks that raised the proportion of core staff witness no improvement in performance while banks that recruited more experienced professionals achieved improved performance. These results are consistent with the proposition that organizational success associated not only with top management change but also with the organizational emphasis on increasing proportion of core staff in the work force.

95% of executives answered “Yes” to the question whether they think fragmentation of organization increased performance. Statistical model shows that restructuring variable has positive correlation with performance. This evidence clearly supports our ninth hypothesis.

5. IMPLICATIONS

Contradictory results not necessarily imply the inappropriateness of these strategies nor cast any doubts on findings of previous studies. These results suggest to HR managers that they need to adopt different strategies to respond to failure on multi-dimensional performance measures. Retrenchment strategy is likely to improve organizational performance if the reasons for non-performance are high costs and lower levels of efficiency. The empirical evidence suggests that repositioning works and poor performance requires change in the product offering and better relationships with key stakeholders. When it comes to reorganization, there exists a distinction between insider and outsider executive succession. However, further research is needed to establish the proposition that insider succession to the top management role is also an effective HRM strategy in other settings. Our evidence provides significant positive effects, on organizational performance, of HRM strategy of raising the quality of core staff. This, in turn, points to the fact that leaders alone don’t make a difference. Our evidence provides significant positive effects, on organizational performance, of changes in organizational inertia.

6. CONCLUSION

In this research we extended the study of organizational success and its drivers by adding the impact of a) changes in external environment variables of organization, and b) organizational inertia to the existing models. We developed hypothesis on various turnaround strategies in the same model and provided statistical evidence that supports them. Our statistical analysis suggests that changes in external environment variables produce significant impact on organizational performance but HR managers should be aware that the relative influence of such changes and organizational strategy may vary within the public and private organizations. Our analysis extends the prior turnaround research by covering institutional environment of organizational success (e.g. by measuring change in perception of key stakeholders). We found contradicting effects in our sample of organizations about various turnaround strategies which have generally been found helpful in improving organizational performance. Future research is required to investigate the environmental factors under which a verity of HRM strategies can be linked to performance improvement.

Table 1: Variables and their Description

ROAAT	Return on Assets (After Tax)
TIMEIM	% of time spent on internal management
EMPKAC	Emphasis on keeping accountholders
EMPEFF	Emphasis on efficiency
SEEKCH	Executive seeking change
CONTSH	Contact with Stakeholders
HIREOUTSIDE	New Leader – Outside Hire
HIREINSIDE	New Leader – Inside Hire
CHP	% change of professionals in workforce
CHPEXP	Avg. length of experience of professionals
LEXP	Length of experience of Chief Executive
EMPLOYYES	Number of Employees
Restructuring	Restructuring Implemented
EXTRAFIN	Access to Extra Financial Resources
EMPNACC	Emphasis on pursuing new deposits
PERATIO	Price Earning Ratio

Table 2: Correlation Matrix

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	**ROAAT**	1	.091	.276	.208	.200	.523(**)	.140	.558(**)	.193	.388(*)	.537(**)	.241	.407(*)	.324(*)	.205	.426(**)
2	**TIMEIM**	.091	1	.153	.127	.144	.157	-.023	.054	.032	.013	-.014	.093	.013	-.016	.104	.076
3	**EMPKAC**	.276	.153	1	.822(**)	.335(*)	.420(**)	-.129	.205	.405(*)	.182	.153	-.317(*)	.051	.233	.150	.364(*)
4	**EMPEFF**	.208	.127	.822(**)	1	.444(**)	.394(*)	-.187	.226	.471(**)	.180	.166	-.283	.008	.331(*)	.087	.320(*)
5	**SEEKCH**	.200	.144	.335(*)	.444(**)	1	.295	.037	.186	.184	.061	.082	-.227	.019	.072	-.163	-.039
6	**CONTSH**	.523(**)	.157	.420(**)	.394(*)	.295	1	.188	.665(**)	.219	.330(*)	.659(**)	.202	.617(**)	.157	.019	.413(**)
7	**HIREOUTSIDE**	.140	-.023	-.129	-.187	.037	.188	1	.348(*)	-.101	-.020	.515(**)	.246	.157	-.016	-.148	-.024
8	**HIREINSIDE**	.558(**)	.054	.205	.226	.186	.665(**)	.348(*)	1	.157	.316(*)	.940(**)	.174	.351(*)	.235	.077	.525(**)
9	**CHP**	.193	.032	.405(*)	.471(**)	.184	.219	-.101	.157	1	.661(**)	.134	-.043	.193	.297	-.026	.290
10	**CHPEXP**	.388(*)	.013	.182	.180	.061	.330(*)	-.020	.316(*)	.661(**)	1	.271	.009	.545(**)	.228	.276	.306
11	**LEXP**	.537(**)	-.014	.153	.166	.082	.659(**)	.515(**)	.940(**)	.134	.271	1	.263	.382(*)	.261	.054	.513(**)

12	**EMPLOYYES**	.241	.093	-.317(*)	-.283	-.227	.202	.246	.174	-.043	.009	.263	1	.360(*)	.034	-.012	.197
13	**Restructuring**	.407(*)	.013	.051	.008	.019	.617(**)	.157	.351(*)	.193	.545(**)	.382(*)	.360(*)	1	.098	.243	.096
14	**EXTRAFIN**	.324(*)	-.016	.233	.331(*)	.072	.157	-.016	.235	.297	.228	.261	.034	.098	1	.271	.398(*)
15	**EMPNACC**	.205	.104	.150	.087	-.163	.019	-.148	.077	-.026	.276	.054	-.012	.243	.271	1	.230
16	**PERATIO**	.426(**)	.076	.364(*)	.320(*)	-.039	.413(**)	-.024	.525(**)	.290	.306	.513(**)	.197	.096	.398(*)	.230	1

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

Table 3: Performance of Banks – Summary of Regression Analysis

Independent Variable	**Slope**
% of time spent on internal management	.001
Emphasis on keeping accountholders	.377
Emphasis on efficiency	-.250
Executive seeking change	.196
Contact with Stakeholders	.055*
New Leader – Outside Hire	-.109
New Leader – Inside Hire	.132*
% change of professionals in workforce	-.201
Avg. length of experience of professionals	.320*
Length of experience of Chief Executive	.235**
Number of Employees	.254
Restructuring Implemented	.018+
Access to Extra Financial Resources	.176+
Emphasis on pursuing new deposits	.029
Price Earning Ratio	.003+
R^2	0.72
N	150

Significance Levels:

+	< 0.10
*	< 0.05
**	< 0.01
***	< 0.001

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