



## CRISIS MANAGEMENT AND ORGANISATIONAL PERFORMANCE IN ZENITH BANK PLC, AWKA METROPOLIS, ANAMBRA STATE

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### Abstract

The study examined the relationship between crisis management and organisational performance in Zenith Bank Plc in Awka metropolis. The specific objectives are to determine the relationship between information technology and employee productivity; to determine the relationship between crisis risk reduction and market share in Zenith Bank Plc in Awka metropolis. This study made use of descriptive survey research design. The study population comprised of 167 staff from selected Zenith Bank Plc branches in Awka metropolis. Census sampling technique was deployed in order to collect data from every member of the target group. Primary data were collected through a structured questionnaire distributed to the sampled participants. Test of hypotheses was done with the use of Spearman's Rank Order Correlation, The Statistical Package for Social Sciences (SPSS) Version 23 was employed for these analyses. The findings include that information technology significantly and positively influences employee productivity of Zenith Bank Plc in Awka metropolis ( $\rho = 0.449$ ,  $p\text{-value} = 0.000$ ). The study concludes that crisis management serves as a key mechanism for learning and adapting, allowing Zenith Bank to better prepare for future challenges and to align its resources and actions with its overarching objectives. Information Technology (IT) department of Zenith Bank Plc continues to invest in and enhance the bank's technological infrastructure in order to support further improvements in employee productivity by providing advanced tools that facilitate better communication and operational efficiency.

**Key words:** Crisis Management, Organisational Performance, Information Technology, Employee Productivity, Crisis Risk Reduction, Market Share.

### Introduction

The banking industry plays a pivotal role in the economic development of any country, serving as a crucial intermediary between savers and borrowers, thereby facilitating capital formation and investment (Fatai & Alenoghena, 2024). As financial institutions, banks operate within a highly dynamic environment characterized by regulatory changes, economic fluctuations, and technological advancements. Within this context, the need for effective management practices that ensure the stability and resilience of banks cannot be overemphasized. Crisis management is an essential aspect of

organizational strategy, especially in the banking sector, where the repercussions of a crisis can be far-reaching, affecting not only the individual institution but also the broader financial system and economy (Kaythi, 2023). In today's business environment, organizations are increasingly confronted with various forms of crises that can disrupt their operations and threaten their survival (Noone, Lin & Sharma, 2024). These crises may arise from internal factors, such as operational failures like inadequate risk management, inefficient processes, poor communication among departments, human errors, or even system malfunctions. It could also arise from leadership issues, or external factors, such as economic downturns, natural disasters, or political instability. The relevance of effective crisis management lies in its ability to mitigate the negative impacts of these crises and safeguard the organization's assets, reputation, and long-term viability (Castelblanco, Guevara & De Marco, 2024). For banks, in particular, effective crisis management is critical due to their exposure to financial risks, regulatory scrutiny, and the potential for widespread economic implications in the event of a failure. In the face of such challenges, banks must adopt comprehensive crisis management strategies that not only address immediate threats but also enhance their resilience to future crises. This involves the integration of crisis management into the overall corporate strategy, ensuring that the organization is prepared to respond swiftly and effectively to any unforeseen events.

Crisis management involves a systematic approach to identifying, assessing, and responding to crises in a manner that minimizes damage and facilitates recovery (Jaaffar, Alzoubi, Alkharabsheh & Rajadurai, 2023). It encompasses a range of activities, including risk assessment, crisis planning, communication strategies, and post-crisis evaluation. The main concepts of crisis management include risk identification, which involves recognizing potential threats to the organization; risk assessment, which involves evaluating the likelihood and impact of these threats; crisis response, which involves the implementation of strategies to manage the crisis; and crisis recovery, which focuses on restoring normal operations and learning from the crisis to improve future preparedness (Alkhazali, Al Aqrabawi & Alshamayleh, 2023). In the banking sector, crisis management is particularly complex due to the interconnectivity of financial systems and the potential for a crisis in one institution to trigger a broader financial crisis. Therefore, effective crisis management in banks requires a proactive approach, where potential risks are continuously monitored and contingency plans are regularly updated to reflect the evolving risk landscape. The influence of crisis management on organizational performance is profound, as it determines the organization's ability to withstand and recover from adverse events. For banks, organizational performance is often measured in terms of financial stability, customer trust, and regulatory compliance (Kaythi, 2023). An effective crisis management strategy can enhance these performance indicators by ensuring that the

bank is well-prepared to handle crises, thereby reducing the likelihood of financial losses, maintaining customer confidence, and adhering to regulatory requirements. Conversely, the absence of a robust crisis management framework can lead to significant disruptions, including financial losses, reputational damage, and legal penalties, all of which can adversely affect the bank's performance. In the case of Zenith Bank Plc in Awka, the implementation of effective crisis management practices is crucial for maintaining its competitive edge in the Nigerian banking sector, where the ability to navigate crises can significantly impact long-term success. Thus, the study of the effect of crisis management on organizational performance in Zenith Bank Plc, Awka, Anambra State, is essential for understanding how banks can safeguard their operations and thrive in an increasingly volatile environment.

### **Statement of Problem**

Poor crisis management in deposit money banks can significantly impair employee performance by creating an environment of uncertainty and stress, which undermines their ability to function effectively (Kaythi, 2023). When a bank faces a crisis, such as financial instability, cybersecurity threats, or reputational damage, the absence of a well-structured response plan can leave employees feeling unprepared and anxious. This uncertainty can lead to decreased morale, as employees may fear job loss, blame, or being overwhelmed by the situation. Thus, poor crisis management can lead to a breakdown in trust between employees and management. In the long term, the cumulative effects of poor crisis management can result in high turnover rates, loss of institutional knowledge, and a weakened organizational culture, further impairing the bank's ability to recover and perform effectively. In an ideal situation, banks would operate in a stable and predictable environment where crises are either nonexistent or managed so effectively that they pose no significant threat to the organization (Kaythi, 2023). However, the current situation at Zenith Bank Plc reveals significant shortcomings in its crisis management.

In Nigeria's banking sector, instances of unresolved disputes and poor communication during crises have raised public concerns about crisis preparedness and response strategies. For example, recent controversies involving Zenith Bank Plc particularly allegations of unauthorized financial transactions and the ensuing communication lapses, have drawn attention to possible gaps in crisis handling and stakeholder engagement (Adamolekun, 2024). Hence, the need for the study to examine the relationship between crisis management and organisational performance in Zenith Bank Plc.

## **Objectives**

The broad objective of the study is to examine the relationship between crisis management and organisational performance in Zenith Bank Plc in Awka metropolis. The specific objectives are:

1. To examine the relationship between crisis management through information technology and employee productivity in Zenith Bank Plc, Awka Metropolis.
2. To examine the relationship between crisis risk reduction and market share in Zenith Bank Plc in Awka metropolis.

## **Research Questions**

- a. To what extent does information technology influence employee productivity of Zenith Bank Plc in Awka metropolis?
- b. To what extent does crisis risk reduction influence market share of Zenith Bank Plc in Awka metropolis?

## **Research Hypotheses**

H<sub>01</sub>; Information technology does not significantly influence employee productivity of Zenith Bank Plc in Awka metropolis.

H<sub>02</sub>; Crisis risk reduction does not significantly influence market share of Zenith Bank Plc in Awka metropolis.

## **Literature Review**

### **Crisis Management**

Crisis management refers to the strategic process by which an organization anticipates, prepares for, responds to, and recovers from unexpected, disruptive events that have the potential to threaten its stability, reputation, or survival (Salahi, Zarei-Jelyani, Rahmatmand & Rahimpour, 2023). In essence, crisis management involves identifying potential crises before they occur, creating a plan to address these emergencies, and then executing this plan when needed (Permatasari & Mahyuni, 2022). These crises can range from natural disasters, such as earthquakes or floods, to internal issues like data breaches, financial downturns, or scandals. While crises are often unpredictable, effective crisis management emphasizes preparedness, allowing organizations to respond swiftly and decisively to minimize damage (Rumman, 2022).

### **Information Technology**

Information Technology (IT) is the application of computers, telecommunications equipment, and software systems to store, retrieve, transmit, and manipulate data for various business or personal tasks (Alshurideh, Al Kurdi, Alzoubi & Salloum, 2023). In its most basic form, IT encompasses all forms of technology that facilitate the

creation, sharing, and utilization of information in electronic formats. The field is vast, covering everything from the hardware components that make up computer systems to the software programs that run on them, as well as the networks and systems that connect these elements. IT serves as the backbone of modern business operations, enabling organizations to manage large amounts of data, automate processes, and communicate both internally and externally (Alshurideh *et al.*, 2023).

### **Crisis Risk Reduction**

Crisis risk reduction refers to the proactive measures that organizations take to minimize the likelihood and potential impact of crises (Leanza, 2015). It is an essential aspect of risk management, focusing on identifying vulnerabilities, assessing risks, and implementing strategies to mitigate these risks before they manifest into full-blown crises. The goal of crisis risk reduction is not merely to respond to a crisis after it occurs but to reduce the probability of a crisis happening in the first place. This is achieved through various preventative strategies such as regular risk assessments, employee training, robust infrastructure, and contingency planning (Mizrak, 2024).

### **Organisational Performance**

Organizational performance refers to the ability of an organization to achieve its goals and objectives efficiently and effectively, while maintaining sustainability and competitiveness in its respective industry (Chukwujama, Ihim & Nwangwu, 2024). It is a broad concept that encompasses various dimensions, including financial outcomes, operational efficiency, customer satisfaction, employee performance, and innovation. The performance of an organization is typically measured by evaluating both quantitative and qualitative indicators that reflect how well the organization is functioning and meeting its strategic goals. These indicators may include profitability, productivity, market share, employee engagement, customer loyalty, and the overall impact on society. Organizational performance refers to the overall effectiveness and efficiency of an organization in achieving its goals and objectives (Noone, Lin & Sharma, 2024).

### **Employee Productivity**

Employee productivity is a measure of the efficiency with which an employee completes their work and contributes to the organization's overall goals (Bob-Manuel, 2023). It reflects the output produced by an individual or a team within a specific timeframe, often assessed in terms of the quality and quantity of work delivered (Ako, 2023). Productivity can vary significantly across different sectors, roles, and individual capabilities, but at its core, it serves as a vital indicator of an employee's effectiveness in their designated tasks. A highly productive employee not only meets their targets but also enhances the organization's ability to achieve its broader objectives (Anugwu & Okolocha, 2023).

### **Market Share**

Market share is a key business metric that indicates the percentage of an industry's sales that a particular company controls over a specified period (Etale, Bingilar & Ifurueze, 2016). It is a vital measure of a company's size relative to its competitors in the marketplace and reflects the company's ability to attract customers and generate sales. Market share is typically expressed as a percentage and can be calculated using total sales figures, either in terms of units sold or revenue generated (Obi, Amalu, Okpalanzekwe & Chigozie, 2021). A higher market share suggests a stronger competitive position and can signify customer preference for the company's products or services, potentially leading to increased profitability and brand recognition.

### **Theoretical Framework**

This study is anchored on Crisis Communication Theory as propounded by Timothy Coombs in the late 20th century, gaining prominence in the 1990s as organizations began to recognize the critical role that communication plays during crises (Coombs & Tachkova, 2023). With Coombs' Situational Crisis Communication Theory (SCCT) gaining particular attention, the theory builds upon earlier communication theories and public relations frameworks, focusing on how organizations can effectively manage their communication strategies during crises (Liu, Jin & Austin, 2023). This understanding has evolved, especially in light of high-profile crises across various sectors, emphasizing the necessity of timely and appropriate communication to mitigate damage to an organization's reputation.

### **Empirical Review**

Shakya (2022) examined the relationship between crisis management and a leader's ability to drive organizational productivity. This quantitative study relied on primary data collected from participants in industries based in Bagmati (Kathmandu). The study focused on Caliber Industries and utilized a sample size of 100 employees. Data were gathered through a questionnaire that was pilot-tested for reliability and validity. Cross-correlation analysis was conducted to examine the relationship between independent, moderate, pre-condition, and dependent variables. The findings revealed that while the organization faced challenges during the COVID-19 pandemic, its operations, particularly the production of shoes, were largely unaffected due to a steady supply of raw materials. The study highlighted the role of crisis management in maintaining organizational productivity during the pandemic.

Zaidan, Khaw, Chew, Alnoor, Ganesan, and Sadaa (2023) explored the influence of organizational contingencies on financial performance, with the mediating role of crisis management in Iraq. Structural equation modeling (SEM) was used to test the causal

relationships between the variables. Data were collected from 379 employees in energy companies in Iraq using a questionnaire. The results indicated that organizational contingencies affect financial performance, with crisis management providing complete mediation between the two. The study suggested that leaders should encourage a creative culture and empower employees to focus on organizational goals, thereby building sustainable organizational capacity. The findings offer insights for both academics and practitioners in developing practices and policies to enhance financial performance.

Castelblanco, Guevara, and De Marco (2024) examined crisis management within public-private partnerships (PPPs), drawing lessons from global crises of the 21st century. Their analysis of PPP literature related to global crises, spanning from the 2008 financial crisis to 2022, was conducted in three stages: selecting and screening relevant articles, developing a semantic network to explore thematic relationships among the selected papers, and calculating network metrics for analysis. The thematic analysis identified six research avenues for the PPP-crisis agenda, including public interest, relational governance, risk management, user-pay PPPs, crisis management, and financial performance. The literature on PPPs in relation to crises has grown significantly over the past five years, largely driven by case study approaches at national or regional levels. In contrast, non-crisis periods provide opportunities to enhance user-pay PPPs and relational governance. The pandemic and post-pandemic phases mirrored the priorities established during the 2008 financial crisis while also strengthening risk management and addressing the structural drivers of global crises.

Sawlani (2024) explored the lived experiences of leaders in the hotel industry to understand the strategies they employed to motivate employees during crisis situations. This study addressed the issue of low employee morale during crises, which can lead to increased turnover rates and subsequent organizational losses. A critical aspect of hotel management is crisis planning and the implementation of strategies to motivate employees, thus enhancing business resilience. Data were collected through semi-structured interviews with ten hotel managers. Thematic analysis of the data revealed various strategies that effectively motivate employees, including engagement activities, health precautions and insurance benefits, the implementation of COVID-19 policies, and financial incentives such as bonuses and salary increases. Other motivating strategies included fostering open communication, providing feedback, encouraging social support, recognizing employee efforts, offering flexible work schedules, decentralizing decision-making, and organizing virtual team-building activities.

### **Methodology**

This study employs a descriptive survey research design to examine the relationship between crisis management and organizational performance in Zenith Bank Plc in the Awka metropolis. The target population for this study comprises employees of Zenith Bank Plc in the three branches in Awka metropolis. Focusing exclusively on this bank branches allows for an in-depth exploration of the relationship between crisis management practices and organizational performance within a singular context. The population constituents of the study is shown below in Table 1.

Table 1 Branches of Zenith Bank in Anambra state

<b>S/N</b>	<b>Branch name</b>	<b>Branch Address</b>	<b>Population</b>
1	Awka	4 Zik Avenue Awka, Anambra State	62
2	Awka 2 Branch	Along Enugu-Onitsha Expressway, by Regina Caeli Junction, Aroma, Awka, Anambra State.	55
3	NnamdiAzikiwe University	NnamdiAzikiwe University, Awka, Anambra State	50
Total			167

Source: Field Survey from the Banks (2024)

Therefore, the researcher made use of the entire population of 167. The sample size for this study includes the entire target population of 167 employees from the three branches of Zenith Bank Plc in the Awka metropolis. Given the manageable size of the population, a census sampling technique was employed, which involves collecting data from every member of the target group. Primary data were collected through a structured questionnaire distributed to the sampled participants. This method enables the gathering of firsthand information that is reliable and relevant to the research objectives. The questionnaire was designed to assess various aspects of crisis management, including the role of information technology in employee productivity, the influence of crisis risk reduction on market share, and the effectiveness of post-crisis evaluations in achieving organizational goals.

**Data Analysis**

**Test of Hypotheses**

**Hypothesis I**

H<sub>01</sub>; Information technology does not significantly influence employee productivity of Zenith Bank Plc in Awka metropolis.

Table 2 Test of Hypothesis I

		Employee Productivity	
Spearman's rho	Information Technology	Correlation Coefficient	.449
		Sig. (2-tailed)	.000
		N	166

Source: Computed Using SPSS Version 23 (2024)

In Table 2, the correlation between information technology and employee productivity is displayed, showing a Spearman's rho value of 0.449 and a p-value of 0.000. This result demonstrates a positive association, indicating that increased use of information technology aligns with improved employee productivity at Zenith Bank Plc. The highly statistically significant p-value (below 0.05) confirms the reliability of this finding.

**Hypothesis II**

H<sub>02</sub>; Crisis risk reduction does not significantly influence market share of Zenith Bank Plc in Awka metropolis.

Table 3 Test of Hypothesis II

		Market Share	
Spearman's rho	Crisis Risk Reduction	Correlation Coefficient	.149
		Sig. (2-tailed)	.005
		N	166

Source: Computed Using SPSS Version 23 (2024)

Table 3 illustrates the correlation between crisis risk reduction and market share, with a Spearman's rho value of 0.149 and a p-value of 0.005. The weak positive correlation suggests a minimal association between strategies for reducing crisis risks and market share at Zenith Bank Plc. Despite the weak association, the statistically significant p-value supports the validity of this finding.

### **Conclusion and Recommendations**

The findings of this study revealed that indices of crisis management enhance organisational performance in Zenith Bank Plc in Awka metropolis. The positive influence of information technology on employee productivity suggests that technology plays a crucial role in enhancing the efficiency and effectiveness of employees. This implies that investments in technological tools and systems are not just beneficial for day-to-day operations but are essential for improving overall productivity. By enabling employees to perform tasks more efficiently and enhancing communication, the bank is likely to see continued improvements in performance.

Secondly, the significant and positive relationship between post-crisis evaluation and organizational goal attainment suggests that the bank's post-crisis processes are effective in driving future performance. This finding indicates that after crises, the evaluations conducted by the bank lead to insights that are crucial for achieving the bank's objectives.

Based on these findings, the study therefore recommends that:

- a. Information Technology (IT) department of Zenith Bank Plc continues to invest in and enhance the bank's technological infrastructure in order to support further improvements in employee productivity by providing advanced tools that facilitate better communication and operational efficiency.
- b. The Risk Management Unit should strengthen and expand its crisis risk reduction strategies to ensure a more resilient market position. The positive influence of crisis risk reduction on market share suggests that ongoing efforts to proactively manage potential risks will help maintain and potentially increase the bank's competitive advantage.

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