AN ANALYSIS OF THE IMPEDIMENTS TO STRATEGIC MANAGEMENT IN THE NIGERIAN BANKING INDUSTRY

BY

ORANYE, NONYELUM IFEOMA
PG/MBA/08/53228

DEPARTMENT OF BANKING AND FINANCE
UNIVERSITY OF NIGERIA
ENUGU CAMPUS

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BEING A DISSERTATION PRESENTED TO THE DEPARTMENT OF BANKING AND FINANCE, UNIVERSITY OF NIGERIA ENUGU CAMPUS

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SUPERVISOR: DR. B. E. CHIKELEZE

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CERTIFICATION PAGE

This is to certify that this research project report by Oranye Nonyelum Ifeoma with Registration number PG/MBA/08/53228 presented to the Department of Banking and Finance, University of Nigeria, Enugu Campus, is original and has not been submitted for the award of any degree or diploma either in part or full in this or any other tertiary institution.

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Dr. B. E. Chikeleze	**Dr. J.U.J. Onwumere**
Project Supervisor	**Head of Department**

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Oranye Nonyelum Ifeoma
Researcher

DEDICATION

This research work is dedicated to the Almighty God, for His mercies

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Glory be to God.

ORANYE NONYELUM IFEOMA

ABSTRACT

It is no gain saying that Nigerian banking and financial system has undergone remarkable changes over the years, in terms of the number of institutions, ownership structure, as well as the scale of operations driven largely by the deregulation of the financial sector in line with the global trend. The aim of the study is to analyze impediments, determine and ascertain the causes of resistance to changes in strategic management practices by bank management as well as proffer solutions on eliminating such impediments to strategic management practices in Nigerian banking sector. In this study, descriptive statistics was used to describe quality and quantity raw data on the impediments to strategic management in the Nigerian banking industry. It is important to note that a thorough understanding of descriptive statistics is essential for effective use of all normative and cause-and-effect statistical techniques, including hypothesis testing, correlation, and regression analysis. In conclusion, the result of the analysis 'showed that banks have really developed new ideas to contend with impediments to strategic management through new technology, new products and services, competent human resources and strategic branch locations to enhance performance and profitability.

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Strategic management is a field that deals with the major intended and emergent initiatives taken by general managers on behalf of owners, involving utilization of resources, to enhance the performance of ýrms in their external environments (Nag et al,2007). It entails specifying the organization's mission, vision and objectives, developing policies and plans, often in terms of projects and programs, which are designed to achieve these objectives, and then allocating resources to implement the policies and plans, projects and programs (Johnson and Scholes, 2008). A balanced scorecard is often used to evaluate the overall performance of the business and its progress towards objectives. Recent studies and leading management theorists have advocated that strategy needs to start with stakeholders expectations and use a modified balanced score card which includes all stakeholders. Strategic management is a level of managerial activity under setting goals and over tactics.

Strategic management provides overall direction to the enterprise and is closely related to the field of Organization Studies. In the field of business administration it is useful to talk about "strategic alignment" between the organization and its environment or "strategic consistency".

According to Arieu (2007), "there is strategic consistency when the actions of an organization are consistent with the expectations of management, and these in turn are with the market and the context." Strategic management includes not only the management team but can also include the Board of Directors and other stakeholders of the organization. It depends on the organizational structuredified balanced scorecard Strategic management is an ongoing process that evaluates and controls the business and the industries in which the company is involved; assesses its competitors and sets goals and strategies to meet all existing and potential competitors; and then reassesses each strategy annually or quarterly to determine how it has been implemented and whether it has succeeded or needs replacement by a new strategy to meet changed circumstances, new technology, new competitors, a new economic environment., or a new social, financial, or political environment (Lamb, 1984) which includes all stakeholders.

According to Bracker (1980), ñalthough different definitions of strategic management have been proposed there appears to be a common focus among scholars about the key aspects or elements that form the current structure of strategic managementò. Thompson, et. al. (2008), and Dobes and Starkey (2006) propose the elements of strategic management to include strategic analysis, strategic choice and strategy implementation.

Dess and Miller (1993) and Lynch (2000) argued that strategic management involves environmental and capability analysis, strategy formulation and strategy implementation and control on an on-going basis. Boyd and Reunning – Elliot (1998) identify mission statement, trend analysis, competitor analysis, long-term goals, annual goals, short-term action plans and on-going evaluation as the key indicators that can be used to measure the strategic planning and management construct.

Banks have a strategic role to play in the nation's economic development. This is hinged on their basic function as financial intermediaries, mobilizing vital savings from surplus economic units and channeling same to deficits units. An efficient financial system is widely accepted as a necessary condition for an effective functioning of a nation's economy. The state of development of the financial market in a country serves as barometer for measuring the stage of development of the economy. The mix of these financial intermediaries varies from country to country, reflecting the stage of development and the degree of sophistication of the country's economic agents (Abdullahi, 2003). Thus, it is imperative that the banking system be healthy in order to fulfill its many expectations, chief among which is the provision of the financial catalyst for the attainment of economic progress, reduction in poverty and general improvement in the living standard of the people (Eboreime, 2009)

A review of developments in the Nigerian banking and financial system indicates that the banking sector has undergone remarkable changes over the years, in terms of the number of institutions, ownership structure, as well as the scale of operations driven largely by the deregulation of the financial sector in line with the global trend (Ogunleye, 2005). As at the end of 2004, insured banks stood at 89 with various sizes and degrees of soundness. The sector generally enjoyed a stable operating environment until the July 6, 2004 announcement of the CBN which introduced a major policy initiative affecting the sector.

1.2 INTRODUCTION OF BANKING SYSTEM IN NIGERIA

The banking operation began in Nigeria in 1892 under the control of the expatriates and by 1945, some Nigerians and Africans had established their own banks. The first era of consolidation ever recorded in Nigeria banking industry was between 1959-1969. This was occasioned by bank failures during 1953- 1959 due mainly to liquidity of banks (Somoye, 2008). Banks, then, do not have enough liquid assets to meet customers demand. There was no well-organized financial system with enough financial instruments to invest in. Hence, banks merely invested in real assets which could not be easily realized to cash without loss of value in times of need. This prompted the Federal Government then, backed by the World Bank Report to institute the Lyons commission on September

1958. The outcome was the promulgation of the ordinance of 1958, which established the Central Bank of Nigeria (CBN).

The year 1959 was remarkable in the Nigeria Banking history not only because of the establishment of Central Bank Nigeria (CBN) but that the Treasury Bill Ordinance was enacted which led to the issuance of our first treasury bills in April, 1960. The period (1959ï 1969) marked the establishment of formal money, capital markets and portfolio management in Nigeria. In addition, the company acts of 1968 were established. This period could be said to be the genesis of serious banking regulation in Nigeria. With the CBN in operation, the minimum paid-up capital was set at N400, 000(USD$480,000) in 1958. By January 2001, banking sector was fully deregulated with the adoption of universal banking system in Nigeria which merged Merchant bank operation to Commercial banks system preparatory towards consolidation programme in 2004(Somoye,2008).

The proliferation of banks in the 1990s which also resulted in the failure of many of them, led to another recapitalization exercise that saw bankôs capital being increased to N500million(USD$5.88) and subsequently N2billion(US$0.0166billion) in 2004 with the institution of a 13-point reform agenda aimed at addressing the fragile nature of the banking system, stop the boom and burst cycle that characterized the sector and evolve a banking system that not only could serve the Nigeria economy, but also the regional economy (Somoye, 2008). The author explained that the agenda by the monetary authorities is also agenda to consolidate the Nigeria banks and make them capable of playing in international financial system. However, there appears to be divergent between the state of the banking industry in Nigeria vis-à-vis the vision of the government and regulatory authorities for the industry. This, in the main, was the reason for the policy of mandatory consolidation, which was not open to dialogue and its components also seemed cast in concrete (Somoye, 2008).

The Nigerian banking environment has witnessed tremendous changes before and during the global financial crisis with a gradual transformation from transactional orientation to customer service-orientation in an increasingly aggressive environment (Okwuosah, 2009). However, customers say the banks of their choice are those with national presence whose network are nationwide such that withdrawal and deposits could be made anywhere in the country, as most Nigerians are gradually losing the desire to carry cash around. This also explains the reason why most customers prefer banks with efficient online banking facilities, most of the banks that have these facilities would attract quite a sizable number of customers, which means if customers all come at the same time queuing is inevitable hence yet customers say they do not like to queue. They desire strong banks that would reply their e-mails promptly with great public relations, prompt issuance of bank statements, less charge on online services, prompt attention to opening online account, quick activation of accounts, friendly approach, and efficient customer service (Asikhia, 2007).

1.3 STATEMENT OF THE PROBLEM

The intensity of the strategic control system is the extent of an organizationô s effort in monitoring the effectiveness of the chosen strategy on an on-going basis (Oyedijo, 2008). The philosophical basis and relevance of this strategic management dimension in the empirical study and prediction of organisational performance derives from the role and contribution of strategic control to overall corporate performance. Because a strategic control system involves a process by which managers monitor the on-going activities of an organisation and its members to evaluate whether the activities are being performed efficiently and effectively so as to take correction action to improve if they are not (Hill and Jones, 2005), the system does not just mean reacting to events after they have occurred; it also means keeping an organisation on track, anticipating events that might occur and responding rapidly to new emerging opportunities. A good control system provides an opportunity for the parties involved to agree on objective performance standards well ahead of any performance evaluation (Barringer and Bluedorn, 1999). Consequently, a higher amount of strategic plan implementation effort on the part of employees or organisational sub-units is stimulated. As a result of its important effects, the strength, robustness or intensity of a strategic control system cannot be overlooked when conceptualising and measuring the intensity of a firmô's strategic management system.

A greater allocation of time and money on strategic planning and management activities can facilitate an improved awareness and understating of environmental threats and opportunities. The consequence of this is that the quality of the strategic plans that are made will be higher and this can translate to a better positioning of the organisation in its environment and superior performance. Thus, the extent of a firmô's commitment to strategic planning as measured by the percentage of its budget devoted to this function is critical in judging the soundness or intensity of the firmô's strategic management system. The question this study tends to answer is therefore stated as follows:

What are the impediments to strategic management approach in the Nigerian banking industry? Do bank managers behaviourally and systemically resist changes to strategic management of banks in Nigeria?

What are the impediments militating against the use of strategic approach to management of banks in Nigeria?

1.4 OBJECTIVES OF THE STUDY

The broad objective of this study is to analyze the impediments to strategic management in the Nigerian banking sector.

The specific objectives are:

i. To determine the major impediments of strategic management practices in the Nigerian banking sector.

ii. To ascertain the causes of resistance to changes in strategic management practices by bank management.

iii. To proffer solutions on eliminating impediments to strategic management practices in Nigerian banking sector.

1.5 RESEARCH QUESTIONS

The research question this study tends to answer is stated as follows:

(1) What are the impediments militating against the use of strategic approach to management of selected banks in Nigeria?

(2) Do strategic management practices have any role in the nationôs banking industry?

(3) Has the introduction of new products and service in banks increased its performance and profitability?

(4) What are the proffer solutions to mitigate impediments to strategic management in the nations banking industry?

1.6 HYPOTHESIS OF THE STUDY

The hypothesis that would guide this study is stated as follows:

H_{o1}: There is no impediment to the strategic management practices in Nigerian banking sector

H_{o2}: Strategic management practices have no role in the nationõs banking sector

H_{o3}: Introduction of new products and services in banks has not increased its profitability

H_{o4}: Is there solutions to mitigate against impediments to strategic management in the nations banking industry.

1.7 SCOPE OF THE STUDY

This study covers three banks in Nigeria covering the period from 2006 to 2010 which is the post consolidation period in the Nigerian banking sector using analytical techniques.

1.8 SIGNIFICANCE OF THE STUDY

The significance of this study cannot be over emphasized. It is significant because data so generated from the study shall be sufficient to expand further fields of knowledge on the topic from many other dimensions.

The study also presents sufficient challenges to academics to increase their research interests in the field of knowledge. Subsequently, business organizations in general and the banking industry in particular will benefit from this study in that they will learn more about the implications of proper application of strategic management in order to improve business performance, which will be beneficial in the following ways:

Firstly, they will be able to easily adapt to changes from time of conception in the execution of a strategy thereby translating business strategies into practices, which is the essence of strategic management. Secondly, they will be able to meet customer's demand and its customer's service strategies have been translated into specific policies and practices.

Thirdly, they will be able to achieve better financial performance through effective execution of strategy.

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CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 THEORETICAL REVIEW

Chandler (1962) recognizes the importance of coordinating the various aspects of management under one all-encompassing strategy. Prior to this time the various functions of management were separate with little overall coordination or strategy. Interactions between functions or between departments were typically handled by a boundary position that is, there were one or two managers that relayed information back and forth between two departments. The author stressed the importance of taking a long term perspective when looking to the future. Chandler (1962) notes that a long-term coordinated strategy was necessary to give a company structure, direction and focus. Selznick (1957) introduces the idea of matching the organization's internal factors with external environmental circumstances. Strengths and weaknesses of the firm are assessed in light of the opportunities and threats from the business environment. Ansoff (1965) while building on Chandler's work by adding a range of strategic concepts and inventing a whole new vocabulary developed a strategy grid that compared market penetration strategies, product development strategies, market development strategies and horizontal and vertical integration and diversification strategies. The author felt that management could use these strategies to systematically prepare for future opportunities and challenges. Drucker (1954) stresses the importance of objectives. An organization without clear objectives is like a ship without a rudder. According to the author, the procedure of setting objectives and monitoring your progress towards them should permeate the entire organization, top to bottom.

Chaffe (1985) summarizes the main elements of strategic management theory by the 1970s. The author stated that strategic management involves adapting the organization to its business environment. Other important points noted by the author include that.

Strategic management is fluid and complex. Change creates novel combinations of circumstances requiring unstructured non-repetitive responses. Strategic management affects the entire organization by providing direction. Strategic management involves both strategy formation (she called it content) and also strategy implementation (she called it process). Strategic management is partially planned and partially unplanned.

Strategic management is done at several levels: overall corporate strategy, and individual business strategies.

Growth and Portfolio Theory

In the 1970s much of strategic management dealt with size, growth, and portfolio theory. The Profit Impact of Marketing Strategies (PIMS) was a long term study, started in the 1960s and lasted for 19 years, that attempted to understand the PIMS, particularly the effect of market share (Buzzell and Gale, 1987). Started at General electric, moved to Harvard in the early 1970s, and then moved to the Strategic Planning Institute in the late 1970s, it now contains decades of information on the relationship between profitability and strategy. Their initial conclusion was unambiguous: The greater a company's market share, the greater will be their rate of profit. The high market share provides volume and economies of scale. It also provides experience and learning curve advantages. The combined effect is increased profits (Buzzel and Gale, 1987). The studies conclusions continue to be drawn on by academics and companies today: "PIMS provides compelling quantitative evidence as to which business strategies work and don't work"(Peters and Waterman, 1987).

Strategic Group Theory

The application of strategic group theory in strategic management stems from an observation by Hunt in 1972 (Hunt, 1972) that, contrary to existing theory based on the structure- conduct-performance paradigm in the Industrial Organization (IO) literature there appeared to exist performance differences between groups of firms within the same industry as well as across industries (Leask and Parker, 2005). The term ñstrategic groupsò was framed to describe a group of firms within the industry that are highly symmetric with respect to cost structure, the degree of vertical integration, and the degree of product differentiation, formal organization, control systems, management rewards/punishments, and the personal views and preferences for various possible outcomes (Hunt, 1972).

According to Porter (1980) ,ñ a strategic group is the group of firms in an industry following the same or a similar strategy along the strategic dimensionsò the author extended Huntôs original idea to include indirect effects leading to different strategies between firms, notably the existence of market entry barriers (Porter, 1979). A further definition that is provided by Cool, who described a strategic group as ña set of firms competing within an industry on the basis of similar combinations of scope and resource commitmentsò (Cool and Schendel, 1987). The implication is that firms in a strategic group compete in adopting similar strategies and resources, leading to intra-industry segmentation.

The idea of groups of firms acting along similar strategic dimensions within industries brought together the ideas of industrial organization, with a primary focus on the industry, with those of strategic management focused on the individual firm (Porter, 1980). The strategic group can be viewed as a middle ground between the industry and the firm. Thus, the idea of strategic groups enriched the industrial organization perspective and provided a convenient taxonomy for strategic management researchers to compare and contrast groups of firms (Porter, 1980, Oster, 1994). Perhaps unsurprisingly, as research into strategic groups expanded so a number of problems arose. Cool and Dierickx (1993) were of the view that this was because of inconsistency in the variables selected for analysis and the techniques used to classify groups, as well as the differing objectives of researchers. For example in IO, the principle focus was on understanding the level of rivalry within the industry and its impact upon industry performance.

Most studies encompassed a multi-industry context and employed very general, arguably almost blunt measures to define strategic groupings. Employing similar variables to identify strategic groups across industries, the common practice in IO based studies entailed trade offs and inconsistencies that arguably compromised accurate identification of strategic groups (Cool and Schendel, 1987b). Porter provided guidance on 13 possibly dimensions for defining strategic groups, but in his own empirical work tended to adopt a sole dimension, such as size or advertising (Porter, 1973, Porter, 1979). This method was pursued by subsequent researchers, such as Primeaux and Oster (Oster, 1982, Primeaux, 1985). The underlying assumption was that strategic groups invest in one or more mobility barriers that provide the structural impediments to allow significant and sustained performance differences to exist between groups of firms.

The Strategic Management Process

Strategy is grounded in the array of competitive moves and business approach management depends on how to produce successful performance. Strategy in effect, is management game plan for strengthening the organization's position, pleasing customers and achieving performance targets. Managers devise strategies to guide how the company's business will be conducted and to help them make seasoned, cohesive choices among alternative courses of action. The strategy managers decision indicates that "among all the paths and actions we could have chosen, we decided to follow this route and conduct our business in this manner". Without a strategy, a manager has no thought - out course to follow, no roadmap to manage by, no unified action program to produce the intended results (Thompson et al 1996).

Management's game plan involves every major function and department - purchasing, production, finance, marketing, Human Resources, R & D. Each has a role in the strategy. The strategy making challenge is to mold business decisions and competitive actions taken across the company into a cohesive pattern. The prevailing pattern of moves and approaches indicates what the current strategy is: new moves and approaches under consideration signal how the current strategy may be embellished or recast.

It is pertinent to note that the ultimate end of strategy is to make a firm survive in the face of competition and change. According to Thompson et al. (1996), crafting and implementing strategy are core management functions. Among the entire things managers do, few affect company performance more fundamentally than how well its management team charts the company's long-term direction, develops competitively effective strategic moves and business approaches and execute the strategy in ways that produce the targeted results. Indeed, good strategy and good strategy execution are the most trustworthy signs of ógood managementô.

There's a strong case for linking "good management" to how well managers craft and execute strategy. Managers must combine good strategy-making with good strategy execution for company performance to approach maximum potential. The better conceived a company's strategy and the more proficient its execution, the greater the chance the company will be a solid performer. Powerful execution of a powerful strategy is not only a power recipe for business success but also the test of excellent management.

The existence of strategy enables a systematic approach to be made so that the strengths of the business can be used to the greatest possible advantage (Akinola, 2000).

According to (Kaplan Robert S., et.al (2001), the strategic planning process should use initiatives to help the organization in its strategic objective not as ends in themselves.

Developing and implementing a strategy that allows managers to exercise more control over the firm's direction and to chart a course that enhances the firm's performance are the objective of strategic management. Garth, et.al., (2001). Strategic planning as defined by Mathis Robert, et.al (1994) is the process of identifying organization objective and the actions needed to achieve those objectives.

Strategic Management an Ongoing Process

The new term strategic management comes to replace the old nomenclature of strategic formulation by recognizing that in addition to formulating strategies one has to implement, evaluate and as a result dictate and change strategies on a continuous basis.

Strategic management can be seen as the process by which top management determine the long-run performance of the organization by ensuring careful formulation, proper implementation and continuous evaluation of the strategy.

The additive, which the suffix "management" brought to the vocabulary of strategy formulation, is the issue of continuity. It came to underscore the fact that strategy formulation is not a oneshort event rather it is a series of event which ensure that the organization remains focused amidst change and competition. It brings all the managerial functions of planning, organizing, directing and controlling to bear on the design and Implementation of strategy (Thompson et al. 1996.)

According to Michael, et.al., (1999), the pursuit of competitiveness is at the heart of strategic management and the choices made when designing and using the strategic management process. Firms are in competition with one another- to gain access to the resources needed to earn above average returns and to provide superior satisfaction of stakeholders' needs. Effective use of the interdependent parts of the strategic management process results in selecting the direction the firm will pursue and its choices to achieve the desired outcomes of strategic competitiveness and above-average returns. The strategic Management is intended to be a rational approach to help a firm respond effectively to the challenges of the new competitive landscape. This process calls for a firm to study its external and internal environments to identify its market place opportunities and threats and determine how to use its core competencies in the pursuit of desired strategic outcomes. With this knowledge, the firm forms its strategic intent so it can leverage its resources, capabilities, and core competencies and win battles in the global economy. A firm's strategic inputs provide the foundation for its strategic actions to formulate and implement strategies. As strategic actions, both formulation and implementation are critical to achieving strategic competitiveness and earning above- average returns.

The Characteristics of Strategic Decisions

Johnson, et.al. (1984) specifically enumerates the characteristics usually associated with the words "straky and "strategy decisions. These are: Strategic decisions are likely to be concerned with or affect the long-term direction of an organization. Strategic decisions are normally about trying to achieve some advantage for the organization. Strategic decisions are likely to be concerned with the scope of organization's activities. Strategy can be seen as the matching of the activities of an organization to the environment in which it operates.

The five tasks of strategic management

According to Thompson, et.al. (1996), the strategy-making, strategy-implementing process consists of five interrelated managerial tasks namely:

i. Forming a strategic vision of what the company's future business make up will be and where the organization is headed - so as to provide long-term direction, delineate what kind of enterprise the company is trying to become, and infuse the organization with a sense of purposeful action.

ii. Setting objectives - converting the strategic vision into specific performance outcomes for the company to achieve.

iii. Crafting a strategy to achieve the desired outcomes.

iv. Implementing and executing the chosen strategy efficiently and effectively.

v. Evaluating performance and initiating corrective adjustment in vision, long term direction, objectives, strategy, or implementation in light of actual experience, changing conditions, new ideas and new opportunities.

The Benefits of a Strategic Approach to Managing

The advantage of first-rate strategic thinking and conscious strategy management (as opposed to freewheeling improvisation, gut feel and hoping for luck) as stated by Arthur Thompson et el, (1996), include:

i. Providing better guidance to the entire organization on the crucial point of "what it is we are trying to do and achieve".
ii. Making more managers more alert to the winds of change, new opportunities and threatening developments.
iii. Providing managers with a rationale for evaluating competing budget requests for investment capital and new staff - a rationale that argues strongly for steering resources into strategy - supportive results - producing areas.
iv. Helping to unify the numerous strategy-related decisions by managers across the organization.
v. Creating a more proactive management posture and counteracting tendencies for decision to be reactive and defensive.

The advantage of being proactive is that trial blazing strategies can be the key to better long-term performance.

An Overview of Strategic Management

In today's intensely competitive and global marketplace maintaining a competitive advantage by becoming a low cost leader or a differentiator puts a heavy premium on having a highly committed or competent workforce. Competitive advantage lies not just in differentiating a product or service or in becoming the low cost leader but in also being able to tap the company's special skills or core competencies and rapidly respond to customer's needs and competitor's moves. In other words, competitive advantage lies in management's ability to consolidate corporate wide technologies and production skills into competencies that empower individual businesses to adapt quickly to changing opportunities (Chaturvedi, 2002).

In a growing number of organizations, human resources are now viewed as a source of competitive advantage. There is greater recognition that distinctive competencies are obtained through highly developed employee skills, distinctive organizational cultures, management processes and systems. This is in contract to the traditional emphasis on transferable resources such as equipment. Increasingly, it is being recognized that competitive advantage can be obtained with a high quality workforce that enables organizations to compete on the basis of market responsiveness, product and service quality, differentiated products and technological innovation.

SHRM as previously defined is the linking of human resources with strategic goals and objectives in order to improve business performance and develop organizational culture that foster innovation and flexibility. Hence strategic HR means accepting the HR function as a strategic partner in the formulation of the company's strategies, as well as in the implementation of those strategies through HR activities such as recruiting, selecting, training and rewarding personnel.

HR management can play a role in environmental scanning i.e. identifying and analyzing external opportunities and threats that may be crucial to the company's success, as further stated by Chaturvedi (2002). Similarly, HR management is in a unique position to supply competitive intelligence that may be useful in the strategies planning process. HR also participates in the strategy formulation process by supplying information regarding the company's internal strengths and weaknesses. He noted that the strengths and weaknesses of a company's human resources can have a determining effect on the viability of the firm's strategic options. Chatuvedi (2002) further stated that the new HR role is to be viewed from the strategic perspective wherein HR plays an important and vital role whilst designing and delivering the HR strategy for the organization. The approach of HR planning activity is no more in isolation but very much aligned to the strategy of the organization as a whole. Delivering a strategic impact, the HR strategy needs to be in sync with business objectives and the systems and processes incorporated must also support, demonstrating the required results.

According to Bowey (1974) strictly defined, manpower planning is the activity of management, which is aimed at coordinating the requirements for, and the availability of different types of employee. Usually this involves ensuring that the firm has enough of the right kind of labour at such times as it is needed. It may also involve adjusting the requirements to the available supply. Human Resources planning can also be viewed as the process of setting human resources goals, devising and implementing programmes of action to achieve such goals and evaluating the success of the programs (Gephart et al., 1984). Equally, Robert (1994) stated that the strategic role of HR emphasizes that the people in an organization are valuable resources representing a significant investment of organizational efforts. These human resources can be a source of competitive strength if they are managed effectively.

Strategically then, human resources must be viewed in the same context as the financial, technological and other resources that are managed in organizations. At the same time that jobs are eliminated and experienced workers become unemployed in some industries, shortages of qualified people in other industries and occupations have occurred. Therefore, the supply and demand must be viewed from a strategic standpoint.

Therefore, effective human resource planning is a process of analyzing an organization's human resource needs under changing conditions and developing the activities necessary to satisfy these needs. (Pattanayak Biswajeet, et all 1997)

2.2 EMPIRICAL LITERATURE

Akingbade and Dauda (2010) examine the influence of strategic management on corporate performance in selected small scale enterprises in Lagos, Nigeria. The study provides how strategy could be used for improved performance of small scale enterprise in Nigeria. Two hypotheses were tested. They are to determine whether:

i. There is a significant relationship between strategic management and organizational profitability;
ii. There is a significant relationship between strategic management and company market share.

Cross sectional survey research method was adopted for the study and 140 participants were randomly selected among SSEs in Lagos metropolis. Pearson product moment coefficient of correlation and descriptive statistics were used for data analysis. Their study reveal that strategic management practices enhance both organizational profitability and company market share. The study recommends that investors and managers should make use of strategic management to improve their organizations actual performance at all times.

Koufopoulos and Ogbechie (2010) evaluate corporate governance in Nigerian banks with regards to board performance, culture and diversity, and impact on board effectiveness. Their study reveals that boards of banks operating in Nigeria embark on regular evaluation of their activities as a means of improving their performance.

From the directorsô perspective, the most important determinant of effective boards in the Nigerian banking industry is directorsô competence. Other major determinants include board diversity, compliance with corporate governance code and relevant laws/regulations, board independence, and degree of openness in board processes. The study draws a number of conclusions and recommendations and also highlights some limitations that can be improved upon in future studies. For urgent reforms in TQM practices in our universities for effective results.

Ogunsij and Kayode (2010) state that Small and Medium enterprises are widely distributed in the Nigerian economy and they are major contributors to the socio-economic development of the nation. They note that some salient features of these enterprises and the dynamic nature of a highly global economy makes the effective and efficient contributions of these enterprises unattainable. They argue that entrepreneurial orientation is the panacea to this ebbing productivity and provides deeper understanding of the cross-functional activities in the behaviour-embedded nature of innovation, proactivity, autonomy, risk-taking propensity and competitive aggressiveness.

Asikhia (2009) determines the relationship between market-focused strategic flexibility and sales growth and evaluate the effect of environmental factors on this relationship. A research instrument was administered on the executives responsible for strategic direction of the twenty five banks in the country. The findings indicate that a positive relationship exists between market focused strategic flexibility and sales growth and that competitive intensity and technological turbulence moderate this relationship. The results suggest that market-focused strategic flexibility acts as a driver of organizational positioning in a dynamic business environment and that it should be incorporated into any conceptualization of an organizational success framework since it exists on a continuum characterized by the degree to which a bank acquires, allocates and reconfigures its resource portfolio.

Oyedijo (2009) proposes an expanded operational definition of strategic management intensity in a way that permits the inclusion, quantification and measurement of some dimensions of strategic management practice which were overlooked by previous researchers. The author proposes the inclusion of strategic control system, commitment to planning and strategic planning organisation as additional dimensions in the conceptualisation and measurement of strategic management intensity. He suggests the weighting of the components measured and the classification of strategic management practice into various levels to provide a basis for the development of a continuum in which the intensity or practice of strategic management can be viewed as a matter of degree in a range of sophistication.

Bassey and Bassey (2008) investigate the perceived level of Total Quality Management (TQM) practices attained in universities in the south-south region of Nigeria. The population of study consisted of all senior university employees (lecturers and administrators) from four universities located in two of the south-south States; while sample was 210 senior university employees-lecturers 120 (57.1%); administrators 90 (42.9%) randomly selected from the four institutions. A 25-item ómostly agreeô/ómostly disagreeô instrument titled ñTotal Quality Management Scale of Universitiesò prepared by the researchers was used in data collection and percentages were employed in data analysis. Major findings revealed that overall, high and moderate level TQM variables numbered only 10 (40%); while low level variables were 15 (60%). The highest rated TQM variable (involvement of National Universities Commission) reported 95%; while the lowest rated variable (adequacy of buildings and accommodation) was 9.09%. The grand mean of the TQM variables investigated was 48.73%, suggesting a moderate level of TQM practices in Nigerian Universities. On the basis of findings and conclusions, recommendations were made to University Councils and their management teams on need.

Akindele et al. (2006) examine the challenges especially the need for better customer services and better technology in the banking sector in Nigeria. Using descriptive study, data were collected using both primary and secondary, via questionnaire and oral interview. The findings revealed that banks have developed to content with the changes wrenching the banking industry. Most banks are getting ready and have developed strategies such as new technology, and improved telecommunications, new products and services for improved performance and profitability in the 21st century.lt was concluded that strategic management practices are not sufficient for the improved performance of the banks in the 21st century; it must be combined with competent human resources, technology, improved services and products.

Jimoh (2003) investigates whether or not the conventional wisdom that strategic management improves a firm's performance is applicable to less developed countries (LDCs) in general, and to the banking industry of LDCs in particular. Using a sample of 11 commercial banks (6 planners and 5 non-planners), the researcher uses a variant of discriminate analysis to determine the salutary role of the adoption of strategic management in Nigerian banks. The results of the study suggest that the adoption of Strategic Management by Nigerian banks improves their performance.

2.3 OVERVIEW OF THE NIGERIAN BANKING INDUSTRY

The Nigerian banking history started with the African Banking Corporation nurtured by Elder Dempster & Co; 1892 which metamorphosed into the bank of British West Africa (1894) the grand father of the present day First Bank of Nigeria (Muo 2003: 13). The banking sector has witnessed reforms in the past years which have not been able to address challenges and crisis that have bedeviled the sector. In spite of the reforms and consolidation policies of regulatory agency, bank failures in Nigeria are on the increase.

2.4 FIRST BANK OF NIGERIA PLC

The First Bank of Nigeria Plc traces its history back to 1894 and the Bank of British West Africa. In 1957, bank of British West Africa changed its name to Bank of West Africa (BWA).

In 1965, Standard Bank acquired Bank of West Africa and changed its acquisitions name to Standard Bank of West Africa. In 1971, Standard Bank of Nigeria listed its shares on the Nigeria stock exchange. In 1982 First Bank opened a branch in London and in 2005 it acquired MBC international limited and FBN merchant Bankers limited.

In 2002, it had become a commercial bank. The bank had rapidly grown to become the largest bank in Nigeria and has established branches all over the country.

First Bank on Nigeria Plc has more than 200 branches nationwide that are linked on line ï real- time by the state of the art technology infrastructure. The success of the bank was based on the following:

- To revolutionize the banks operations in line with the dynamics of the operating environment.
- To strengthen the banks brand, leverage and upscale the customers experience.
- To project first bank as sophisticated and dynamic.

The first Bank of Nigeria operates marketing and operational business thereby the marketing business units in the bank were created to focus on the customer segments enabling each business unit to deepen its understanding of its customer needs and to develop targeted products and services and improve on profitability.

First Bank of Nigeria maintains an operating structure where the branch operations report to the branch operations manager who in turn report to area and regional operations managers with reporting lines to the group head operations.

The structures allow the staff to focus on purely delivering the expected level service to customers, standardize the quality of service delivery and profitability across the business units.

2.5 UNITED BANK FOR AFRICA PLC

United bank for Africa is a public limited liability company incorporated in 1961 with its headquarters in Lagos. UBA is one Africaꞌs leading financial institutions offering universal banking to more than 7 million customers across 750 branches in 19 African countries.

Since its historical emergence from the merger of former Standard Trust Bank Plc and United Bank for Africa Plc in 2005, the UBA group purports to have a clear ambition to be the dominant and leading financial services provider in Africa.

UBA was listed on the Nigerian stock exchange in 1970 thereby positioning themselves as the unbeatable bank in Nigeriaôs financially strong banking industry.

The banks total assets have grown by over 345.01 percent in the last five years up from NGN 198.68 billon in 2002 to NGN 884.14 billion in 2006. Recently, at the end of the 2008 financial year it recorded gross earnings of NGN 169.6 billion profits before tax and exceptional items of NGN 56.8 billion profit after tax of NGN 40.8 billion and total assets of NGN 2.2 trillion.

The bank currently operates in the whole of West Africa region and plans to expand its banking operations to other 15 countries in Africa. The United Bank for Africa group operates an organizational structure consisting of corporate governance framework, performance measurement and professional development.

In corporate governance framework, UBA presently has a twenty member board led by a chairman who is a non-executive director including eight executive directors on the board with the group managing director and eleven non- executive directors. It is the responsibility of the board to provide strategic direction for the bank, they also reviews and approves the major strategies, financial and other objectives and plans of the bank. The other functions of the board include:

- To select directors and review succession planning and determine management compensation.
- To ensure that the bank operates ethically and in compliance with all applicable laws and regulations.
- To advise management on issues facing the bank.
- To approve extra budgetary investments and capital projects.

2.6 DIAMOND BANK PLC

Diamond bank plc commenced operations as a private limited company on March 21, 1991. It became a universal bank, ten years later in February 2001. In January 2005 Diamond bank became a public limited company while in May 2005 the bank was listed on the Nigerian Stock Exchange. Diamond bank is one of the leading banks in Nigeria respected for its excellent service delivery, driven by innovation and operating on the most advanced banking technology platform.

Diamond bank maintains a flat operating structure built around eight groups with each under the control of the executive director. These various groups are retail banking, corporate banking, diamond capital, public sector, treasury and correspondent banking department, customer services and technology, general services and personal banking with each group in a different department and under the control of the regional/area manager who is empowered to exercise authority to reduce turnaround time ,improve and strengthen customer relationship with the bank.

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CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 RESEARCH DESIGN

This study is survey research which seeks to generate data from respondents with the aim of ascertaining the view of management staff on the critical issues containing the impediments to strategic management in the Nigeria banking industry. The research involved both qualitative and quantitative methods. The qualitative method shall dwell on the descriptive statistics while the quantitative method shall involve explanation (analysis) of our observations which was drawn up using percentage ratios and frequencies. The major research instrument was the questionnaire.

3.2 SOURCES OF DATA

The sources of data explored in this study are:

Primary Data

The data adopted in this research is primary data. In the presentation of the data, the researcher adopted the simple percentages and ratios through creation of frequency table from data contained in the questionnaires/interviews.

The primary data for the survey instrument used is questionnaire and one set of questionnaire was used by the researcher to collect data relevant to this study from the selected bank executives as explained in the sampling procedure.

3.3 POPULATION/ SAMPLE DERIVATION

The population of the study was made up of all the top and middle management staff of Diamond bank Plc, First bank Plc and United bank of Africa Plc branches in Lagos. This involved heads of department, regional managers, unit supervisors and branch managers. They were chosen because they are in better position to give the relevant information needed for a standard study of this nature. The population of study is two hundred and fifty top and middle management staff of the branches of the three banks in Lagos. The composition of the three banks is presented in the table below:

Table 3.1: Composition of the management staff of the banks

S/N	BANK	NUMBER
1.	Diamond Bank Plc	62
2.	First Bank Nigeria Plc	108
3.	United Bank For Africa Plc	80
	Total	250

Sample Size Determination

The sample size for this study was achieved using the statistical model:

$$n = \frac{N}{1+N(e)^2}$$

Where n= desired sample size

N	=	Population of study
E	=	Minimum allowable error margin (5%)
I	=	Constant

$$\text{Therefore } n = \frac{250}{1+250\,(0.05)^2}$$

$$= \frac{250}{0.6275}$$

$$= 398.40$$

$$n = 398$$

The sample size determined above is 250 management staff of the three banks under study.

Procedures for Sampling

The sample size was stratifies in line with the composition of number of Management staff of each bank and randomly sampled.

Table 3.2

Determination of Each Banks Sample Size

S/N	BANK	NUMBER	SAMPLE SIZE
1.	Diamond Bank Plc	62	58
2.	First Bank of Nigeria Plc	108	102
3.	United Bank of Africa Plc	80	71
	TOTAL	250	231

Source: *Field Survey 2011*

3.4 INSTRUMENT FOR DATA COLLECTION

A sutured questionnaire designed by the researcher was used as data collecting instrument. Ten (10) questions were asked ranging from specific to general research questions. As much as possible, closed ended questions were used to standardized the responses. At the same time to make for easy and efficient co-ordination of responses and less tasking work.

To ensure that the research questions were pre-tested on a small sample of five (5) respondents. Their responses, suggestions and contributions led to the modification of the research instrument to the final questionnaire thus ensuring the validity.

3.5 METHOD OF DATA ANALYSIS/QUESTIONNAIRE ADMINISTRATION

A brief letter of introduction was attached to each copy of the questionnaire. Instructions for responding to the questionnaires were clearly set out. The copies of questionnaire were distributed and collected by the researcher under the help of four research assistants. However, out of the copies of the questionnaires administered to the respondents i.e. 100 copies to Diamond Bank, 100 copies to United Bank for Africa and 150 copies to First Bank of Nigeria Plc staff. A total of 350 were given out to the three banks, 62 copies of the questionnaires were collected back from the Diamond Bank staff, While 80 copies were returned from United Bank for Africa and 108 copies were returned from First Bank of Nigeria Plc staff. A total of 100 copies of the research instrument were not returned and 8 copies out of it were not properly filled.

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CHAPTER FOUR

4.1 DATA PRESENTATION AND ANALYSIS

In this chapter, the data collected are presented and analyzed using the method already indicated in chapter three. The method of data analysis adopted was simple percentages and ratios, all data presentation were done on simple frequency tables.

QUESTIONNAIRES DISTRIBUTION AND RESPONSES

Table 4.1.1: Questionnaire Distribution and Response Rate

Respondent's Bank	**Questionnaires Distributions**	**Returned Questionnaires**	**Percentage**
Diamond Bank Plc	100	62	24.80
United Bank for Africa Plc	100	80	32.00
First Bank of Nigeria Plc	150	108	43.20
Total	350	250	100%

Source: *Field Survey, 2011*

From the table above, we can evidently see that the number of management team of Diamond Bank plc who effectively responded to the questionnaires constitute 24.80% of the total number of people to whom the questionnaires were administered. Responses from the management team of United Bank for Africa Plc was in the neighborhood of 32% while First bank of Nigeria Plc was 43.20%. It is noteworthy that actual number of questionnaires distributed was 350 copies while only 258 copies were returned out of which 8 were not properly filled.

These sums up to an appreciative total response rate of 73.71% given the busy schedules of this category of bank staff.

4.2 IMPLICATIONS OF RESULTS/ANALYSIS

To realize the objectives of this study, the research questions designed were broken down further into detailed and testable questions and administered to the respondents. The following were the analyses and presentation of the questionnaire responses.

Table 4.2.1: Application of Strategic Management approach in Nigerian Banks.

	DIAMOND BANK PLC				UNITED BANK FOR AFRICA				FIRST BANK PLC			
Items	**Frequency**				**Frequency**				**Frequency**			
	Yes	**N0**	**%** Y	**%** N	**Yes**	**N0**	**%** Y	**%** **N**	**Yes**	**No**	**%** **Y**	**%** **N**
Does your bank engage in planning new strategies?	62	0	100	0	80	0	100	0	108	0	100	0
Does your bank strategic planning considers the changing internal and external operating environment?	62	0	100	0	80	0	100	0	108	0	100	0
Does your bank consider Information Technology (IT) and changing customersô needs	45	17	72.5	27.5	65	15	81.3	18.7	100	8	92.5	7.5
Do you think that Nigerian banks adopt more of strategic approach to management?	50	12	80.6	19.4	60	20	75	25	90	18	83.3	16.7

Source: *Field Survey, 2011*

Available data from table 4.2.1 once more establish the age long preposition that one of the essential functions of management is planning. Continuous planning occurs at every level of the organization but at the topmost level it becomes strategic, systematic and synergic as the impact of planning has overall implication on the organization concerned.

As a result, all the respondents maintained that their organization engage in formal and deliberate planning aimed at formulating new strategies so as to remain in business amidst aggressive competition in the banking industry.

From the above analysis, all the respondents were of the opinion that their banks consider the internal and external environmental in formulating and implementing new strategies. The findings agreed with realities of time that proposed strategies for organizations immediate environment as well as involve external factors that exert influence on the organization.

Banks, like any organization exist within a sophisticated and dynamic environment that is not protected from external distortions, positive and negative factors etc. They formulate and implement new strategies in line with the demands of the environment.

However, on the comparative level it could be seen that most of the respondents agreed that new generation banks in Nigeria adopt more of strategic approach to management than the first generation banks. This development could be as a result of the conservative management team in the old generation banks as opposed to dynamic and aggressive new generation managers. From the available figures, it could be seen that new generation banks are more proactive in new policy/strategy formulation compared with the old generation banks that seems to be forced by the environment to take on new strategies.

On the other hand, most of the respondents agreed that the contemporary banking industry is information technology (IT) driven and they consider this trend in formulating and implementing new strategies. All the same, available statistics indicated that the new generation banks place more emphasis on information technology in the course of formulating new strategies.

Finally, from the analysis all the respondents agreed that banks in Nigeria adopt strategic management in formulating new strategies for their organizations.

Table 4.2.2: Impediments to Strategic Management in Nigerian Banks.

	DIAMOND BANK PLC				UNITED BANK FOR AFRICA PLC				FIRST BANK PLC			
Items	Frequency				Frequency				Frequency			
	Yes	N0	% Y	% N	Yes	N0	% Y	% N	Yes	No	% Y	% N
Are banks top management reluctant to allocate huge funds needed for strategic formulation and implementation?	58	4	93.5	6.5	75	5	93.7	6.3	50	58	46.3	53.7
Does your bank create new task positions, hire new workers and make salary adjustments in face of new strategy implementation?	40	22	64.5	35.5	35	45	43.75	56.25	103	5	95.4	4.6
Do stakeholders in the Nigerian banking industry favour short terms plans with guarantee of quick returns as opposed to long term plans.	62	0	100	0	80	0	100	0	108	0	100	0
Do you think that inconsistencies in government policies militate against strategic management in Nigeria bank?	60	2	96.8	3.2	80	0	100	0	105	3	97.2	2.8

Do regulatory authorities and investors base their decisions more on short term performance than on long records?	32	30	51.6	48.4	50	30	62.5	37.5	75	33	69.4	30.6

Source: *Field survey, 2011*

From the data available in the table above, the respondents revealed that top bank administrators feel reluctant to allocate huge funds needed for new strategic formulation and implementation. New strategies involve a lot of resources there by making some managers reluctant to allocate huge funds for the fear of strategy failure. It was shown that the bank administrators feel reluctant to create task positions, deployment of adequate human capital and other adjustments in the face of new strategy implementation and it could be attributed to cost.

It is seen that major stakeholders in the Nigerian banking industry base their decisions more on short term performance as opposed to long term performance due to the patience, perseverance and will to plan ahead for the next five, ten or more years was clearly lacking in the managerial decisions of some top bank executives. Respondents indicated that even regulatory authorities and investors many a time take decisions based on short term performance contrary to long term plans. The apex bank

(CBN) encourages some banks management to proffer operational planning anchored on traditional approach to management and emphasizes short period planning and results.

Finally, it was ascertained that policy inconsistencies on the part of the government discourage many bank managers from embracing strategic management approach. All the same, some respondents did not agree to the idea since emergent strategies could be formulated to take care of changes in government policies.

Table 4.2.3: Resistances to change as Impediment to Strategic management in Nigerian Banks

	DIAMOND BANK PLC				**UNITED BANK FOR AFRICA PLC**				**FIRST BANK PLC**			
Items	**Frequency**				**Frequency**				**Frequency**			
	Yes	N0	% Y	N	Yes	N0	% Y	% N	Yes	No	% Y	% N
Do all cadres of staff (Junior, Middle and Top Management in your bank resist the implementation of new strategies?	60	2	96.8	3.2	74	6	92.5	7.5	90	18	83.3	16.7
Does the management team in your bank make provisions for the demands of new strategy implementation such as change in organizational structure; lay off of staff and new hiring etc?	62	0	100	0	45	35	56.25	43.75	105	3	97.2	2.8

Source: *Field survey, 2011*

Figures in table 4.2.3 indicates that a good number of administrators/managers in the banking industry behaviorally resist the implementation of new strategies because of historical and selfish interests coupled with the need to remain relevant in the banking industry even when such move overrules the interest of the corporate organization.

In a related development, it was discovered that top management most of the time do not make provisions for the demands of new strategy implementation. This provision may be in the area of change or adjustments in the organizational structure: hiring of staff, salary adjustments, working materials etc. This accounts for failure in marketing strategies, promotional strategies and competitive strategies in the banking industry.

Table 4.2.4: Impact of Poor Strategic Planning as Impediment to the performance of Nigerian Banks

	DIAMOND BANK PLC				**UNITED BANK FOR AFRICA PLC**				**FIRST BANK PLC**			
	Frequency				**Frequency**				**Frequency**			
Items	Yes	N0	% Y	% N	Yes	N0	% Y	% N	Yes	No	% Y	% N
Do you see poor strategic planning as an impediment causing poor performance of banks in terms of profitability and customer service delivery?	47	15	75.8	24.2	70	10	87.5	12.5	80	28	74	26

Source: *Field survey, 2011*

From table 4.2.4 above, most of respondents agreed that the impediments to strategic planning in banks as earlier discussed could lead to poor performance and low profitability. Also innovative bank products to satisfy the ever changing demands of customers could be denied to them. On the contrary, some respondents disagree with this saying that poor performances and innovativeness may not be connected to the impediments associated with strategy formulation and implementation.

Table 4.2.5: Solutions to the Impediments to Strategic Management in Banks

	DIAMOND BANK PLC				**UNITED BANK FOR AFRICA PLC**				**FIRST BANK PLC**			
Items	**Frequency**				**Frequency**				**Frequency**			
	Yes	N0	%	%	Yes	N0	%	%	Yes	No	% Y	% N
What indices do you think that the Central Bank should use in assessing performance of banks?												
(i) Short term indices	0	62	100	100	20	60	25	75	06	102	5.6	94.4
(ii) Short and long term indices	62	0	100	0	80	0	100	0	108	0	100	0
(iii) Capital base	35	27	56.5	43.5	75	5	93.7	6.3	103	5	95.4	4.6
(iv) Stable management team	62	0	100	0	60	2	96.77	3.23	100	8	92.59	7.41
Do you really think that bank managers should be proactive and adopt strategic approach to management issues in order to eliminate any impediment that may arise?	60	2	96.8	3.2	70	10	87.5	12.5	105	3	97.2	2.8

Source: *Field survey, 2011*

With the figures available in table 4.2.5, most of the respondents maintained that capital base, short and long term indices and adoption of strategic management approach should be considered by the Central Bank of Nigeria (CBN) in the assessment of the performance of banks in the country. On the other hand, all the respondents rejected the idea of applying short term indices along in the assessment of banks. Few respondents also agreed with the idea of stable management team as one of the criteria in banks appraisal.

Finally, most of the respondents accepted the idea that proactively on the part of bank managers should be encouraged. This will go a long way in equipping the managers and eliminate any impediments that may hinder the benefit of strategic planning.

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CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY

This study is an analysis of the impediments to strategic management in the Nigerian banking sector using (3) three selected banks such as Diamond Bank Plc, United Bank for Africa Plc and First Bank Plc. It has been noted that the Nigerian banking and financial system has undergone remarkable changes over the years in the terms of the number of institutions, ownership structure as well as the scale of operations driven by the deregulation of the financial sector in line with the global trend. The need for banks in Nigerian to adopt multi functional strategy to enable them remain competitive in the industry cannot be over emphasized. The key to the success of any organization to achieve her corporate objective rest greatly on the design and implementation of the strategy efficiently.

5.2 CONCLUSION

In conclusion, the result of the research analysis shows that banks have challenging periods which resulted in bank failures in the past years. Also, regulatory agencies have introduced number of reforms and policies to make the sector strong.

However, in response to the challenges in the banking industry most banks have design and develop strategies such as new technology, new products, improved telecommunications, improved customer services and aggressive marketing strategy etc. The strategy among banks involves human capital, technology, branch expansion and others.

5.3 RECOMMENDATIONS

Based on the above conclusion the following recommendations are made to alleviate the impediments to strategic management in the Nigerian banking industry:

There is need for a further research on this topic that would cover other areas of strategic management practices in the Nigerian banking sector that would cover the period after the recent banking distress in Nigeria.

Banks in Nigeria should implement strategic management policies that would enhance their success and reduce bank failure.

1. There should be a combination of strategic management practices and technology to improve telecommunication, new and improved products and services as well as having competent human resources
2. Banks should invest greatly on strategy to improve and achieve their corporate objectives.
3. There is need for banks to review their strategy and improve on it.

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APPENDIX 1

INTRODUCTION

Good day sir/madam,

I am an MBA student of University Of Nigeria Nsukka and this questionnaire is part of my research work on ñThe Analysis of the Impediment to Strategic Management in Nigerian Banking industryò to enhance stability and profitability in the sector.

I would appreciate your time in answering the questions and assure you that all responses will be treated in the strictest confidentiality.

Kindly indicate your response by ticking a mark (**X)** in the appropriate box and return your responses to me.

Thank you.

Oranye Nonyelum Ifeoma

Banking & Finance,

UNEC.

APPENDIX II

QUESTIONNAIRE

Please tick in the box your options.

SECTION A: PERSONAL PROFILE OF THE RESPONDENTS

1) Sex

Male ( ) Female ( )

2) Marital Status

Married ( ) Single ( )

3) Professional/ Education Qualification

B.Sc/ HND ( ) MBA/ MSC ( )

ACA/ACCA/CIBN ( ) PHD ( )

4) Which of these banks is your bank?

First Bank ( ) UBA ( )

Diamond bank ( )

5) How many years have you worked in your bank?

Up to 1 year ( ) 1to 5 years ( )

More than 5 years ( )

6) Do you have personal access to the internet in your office/home?

Yes ( ) NO ( )

SECTION B: APPLICATION OF STRATEGIC MANAGEMENT IN THE SELECTED BANKS

7) Does your bank engage in planning new strategies to enhance growth?

Yes ( ) No ( )

8) Does your bank strategic planning considers changing internal and external operating environment?

Yes ( ) No ( )

9) Does your bank respond to changing customers needs through (IT) Information Technology?

Yes ( ) No ( )

SECTION C: IMPEDIMENTS TO STRATEGIC MANAGEMENT IN THE NIGERIAN BANKING SECTOR

10) Does your executive management team allocate funds to carry out strategic management approach?

Yes ( ) No ( )

11) Do you think inconsistencies in government policies impede strategic management success in Nigerian banks?

Yes ( ) No ( )

12) Does your bank favour short term plans rather than long term plans?

Yes ( ) No ( )

SECTION D: RESISTANCE TO CHANGES AS IMPEDIMENT TO STRATEGIC MANAGEMENT IN NIGERIA BANKS

13) Does your colleague resist changes to strategic approach implementation?

Yes ( ) No ( )

14) Do you see impediments as the causes of poor banks performance in terms of profitability?

Yes ( ) No ( )

15) Does your executive management provide new strategic in terms of training, new recruitment and organizational restructure?

Yes ( ) No ( )

SECTION F: SOLUTIONS TO THE IMPEDIMENTS TO STRATEGIC MANAGEMENT IN BANKS

16) Does new strategy in E- business and innovative products enhanced efficient service delivery?

Yes ( ) No ( )

17) Is long term strategic management approach efficient?

Yes ( ) No ( )

18) What indices would Central Bank of Nigeria (CBN) adopt in accessing banks performance?

i) Short term strategy Yes ( ) No ( )

ii) Long term strategy	Yes	( )	No	( )
iii) Capital base	Yes	( )	No	( )
iv) Innovative products	Yes	( )	No	( )