CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The introduction of resources and tasks for goal attachment is a key function of the management of any organization and one of the effective tools of achieving this is planning. The fundamentals principles of planning involves the selection of enterprises and departments objective as well as alternation of the mean, when to do it, why and who to do it. Although planning itself is not and end to success, it's believed to be an aid to it, therefore individuals including corporate bodies who fails to plan, have planned to fail.

An organization is forced to looked ahead, sat targets purpose and directions. The organization through its management will set long-term strategies which are converted to convert into short-term actions plan to help to achieves its long-term plans. To this end, the importance of strategic planning and its relationship to the profitability of any company or organization cannot be over emphasized.

It has been observed that most company in Nigerian do not operate with formal plans, those few ones that design such plans seldom follow them. However, it has been observe that successful manager are those that operate their business with formal plans as it encourages to think ahead systematically and improved interactions between executives.

It also helps to ensure full exploitation with dear objectives and direction for the future in this respect it is generally agreed that business that perform strategic planning are more effect and their employees are more satisfy than those without it.. Any progress in sub-sector will tell on the economy and if otherwise, the whole of the economy will be affected too. The most development of these sub-sectors in the banking industry.

Cole, G.A (1997) defined strategic management as a process directed by top management, to determine the fundamental aims or goals of the organization, and to ensure a range of decisions which will allow for the achievement of those aims or goals in the long term, whilst providing for adaptive responses in the shorter term. A useful starting point in understanding planning model is to adopt the "company wide" planning model developed by Stainer (1963:33). The model divides planning of corporation into three distinct types: strategy planning and plan (long range), medium range and short-range planning and plans. Also, in strategic planning, there are factors that must be considered before the strategic planning process can be efficiently utilized and these arethe strength, weakness opportunities and threats (SWOT). The strength and weakness are from the internal environment while the opportunities and threats are from the external environment and in tackling these problems we make use of SWOT ANALYSIS.

Hence, this study will focus on the strategic planning of the Banking Industry with specific reference to United Bank for Africa, which presupposes that it is not sufficient to engage in planning but to embark on planning strategically.

That is, strategic planning is different from other planning in that it embodies two essentials component: time span and strategic formulation. Strategic planning on a long-term planning has a time horizon of at least three years, while the strategic formulation refers to a clearer device with the potential of evolving in the long-run creation of additional resources that will facilitate and hasten the attainment of long run objectives and enable the organization to gain some relative advantages over current positioning and competitions.

Literature as well as review of existing theories on strategic planning and management process and problem will be required. Also, the findings from this research will go a long way to solving problem of the frequent cases of bank failure regards to this topic (impact of strategic planning in bank performance) to be meaningful and intellectually dealt this respect that the United bank for Africa plc, has been chosen has a case study.

1.2 Statement of the Problem

A lot of problems are faced by the Banks management which leads to the failure of their business. Lack of capital, competitors, poor management, wrong choice of handling business, education and experiences, technological changes are also considered to be responsible for Bank's failure, attainment of growth and survival and also in their day to day activities. A Banking business may fail financially or economically. Financial failure of banks may result in technological obsolesce, bankruptcy, fraud. While economic failure may be as a result of the banks' total revenue not covering the total cost.

It is not know the remote causes of the discuss cycle in the midst of the plenty are what us however paramount is for the financial sector to play its risks of intermediation effectively to facilitate growth and development in Nigeria therefore must to formed for the banking sub-sector if it must adequately meets it challenges. The first chapter is solving the distress condition of the sector, since only a healthy system can perform its primary function of financial intermediation effectively. The second and related challenge is to restore public confidence in the banking system since confidence is fundamental for financial transaction.

To the effect the research work draws interest by attempting to analyze empirically his strategic planning can be used by banks effectively to derive plans for growth and development. This study will also analyze strategic planning as a finance for the distress in the banking industry with the aim of using a case study united bank of Africa plc as an organization that has adopted strategic planning hence their success story.

1.3 Research Questions

A research question is the fundamental core of a research project, study, or review of literature. It focuses the study, determines the methodology and guides all stages of inquiry, analysis and reporting.

Thus, the following questions form the corner stone of the research.

i. What are the major contribution of strategic planning to the United Bank for Africa banking performance?
ii. What are the likely problem faced by banking performance through strategic planning?
iii. What are the significant relationship between planning and performance of United Bank for Africa?

1.4 Objectives of the Study

The aim of this research work is to study strategic planning in financial institution taking united bank for Africa plc as a case study, the objective include the following.

i. To examine bank failure due to lack of proper planning
ii. To look at the strategic planning of united bank for Africa plc relating to the level of it performance.
iii. To use both numerical and empirical analysis to gauge the effect of strategic planning of united bank for Africa plc to its operational result.

1.5 Research Hypothesis

In an attempt to have a thorough analysis on the impact of strategic planning on banking performance, the following hypothesis was tested.

Ho: There is no significant relationship between Strategic planning and performance.

Hi: There is significant relationship between Strategic planning and performance.

Ho: Strategic planning is not the major problem facing banking performance in Nigeria

Hi: Strategic planning is the major problem facing banking performance in Nigeria

Ho: Strategic planning has not improve the performance of banking in Nigeria

Hi: Strategic planning has improve the performance of banking in Nigeria

1.6 Significance of the Study

The first significance of this research study is to examine and educate planning as a tool for achieving organization objective.

Also, to focus attention on the application of planning in managerial function, it also centers on the extent at which planning plays an important role in correcting the past, present and future problems of an organization through statistical tools.

Furthermore, attempt would be also be made to find out major problem facing organization in term of manipulation of decision. Also the potential manager in an organization will be to anticipate, prepare for planning in advance, with various aspect of planning tools for achieving its managerial objectives.

Also to contribute to the existing knowledge of man in the field of planning tools and organization and as well as take off ground for future researcher to make references.

1.7 Scope and Limitation of the Study

Strategic planning is abroad topic, but in order for the study of permit careful investigation and by very meaningful the study is limited of United Bank of Africa Plc ,The branch to be covered is UBA house, 57, Marina, Lagos

The study will cover five chapters financial summary. The mission of the bank and the strategic adopted by bank within the period will be analyzed too.

The research work will also cover the staff strength, branch network, profitability asset, base of the bank, total deposit and the various final account indicators for performance, earning per share to determine the valve of stock or share holders returns investment.

1.8 DEFINITION OF TERMS

i. **PLANNING:** This is deciding in advance what to do, how to do it, when to do it, who is to do it and why and how much resources are used in other to achieve the organization objective.

ii. **STRATEGIC:** This is referring to the determination to the purpose (or mission) and the basic long term objective of an organization and the adoption of course of action and allocation or resource necessary to achieve this aims.

iii. **STRATEGIC PLANNING:** This is the analysis of environment condition and organization capability and the formulation of the plans to which the firm capabilities with those condition.

iv. **BANK FAILURE:** This is inability of the bank to meet its obligation to its customers, owners, stakeholders and the economy, occasioned by felt weakness in its operation which has rendered it either illiquid on insolvent.

v. **EFFECTIVENESS:** This means doing things the right way to produce good result or a way of producing the result that is wanted or intended.

vi. **BANKING BUSINESS:** Section 61 of the Banks' and Other Financial Institution Act (BOFIA) 1991 provides a banking business to mean the business of receiving deposits on current account, saving account, or other similar account, paying or collecting cheques, drawn by or paid in by customers, provision of finance, such other business as the Governor may by order published in the Gazette, designate as banking business.

vii. **MANAGEMENT:** The process of utilization in attaining the pre-determined objectives of the organization. It can also be defined as the act or process of running and controlling a business or an organization in order to achieve its set objective. It can also be defined as the people who run and control a business.

viii. **BANKRUPTCY INSOLVENCY:** This is a situation where a firms total assets cannot meet its total liabilities or where a firms total liability exceeds its total assets.

ix. Bankruptcy can also be defined as a proceeding by which the state takes possession of property of a debtor through officers appointed for that purpose and such property is realized, subject to certain priorities, distributed rateably among persons to whom the debtor owes money or incurred pecuniary liabilities.

x. **INNOVATION:** This is defined as the introduction of new things, ideas or ways of doing things that has been discovered to help improve the banking sector. It can also be defined as recognizing the fact that continued existence of a company or bank depends on its ability to do and invent new things of value.

xi. **OPPORTUNITY:** These are business activities that can be profitably exploited by the banking industry. It can also be defined as a time when a particular situation makes it possible for a bank to achieve certain goals and objectives or a period of time when circumstances are right for a bank to achieve its set aims, goals and objectives.

CHAPTER TWO

LITERATURE REVIEW

2.1 Conceptual Framework

2.1.1 Concept of Planning and Strategic

Planning is the most basic managerial function. When done properly, it sets the direction for the organizing, leading and controlling functions of the managers.

Slocum Jr. (1999) states that planning involves defining organizational goals and proposing ways to reach them. It determines the formal process of choosing the organization's vision, mission and overall goals for both the short run and long run; devising divisional, departmental and even individual goals based on organization goals; choosing strategies and tactics to achieve those goals and allocating resources (people, money, equipment and facilities) to achieve the various goals. Ewurum and Unamka (1995) stated that a business planning is a managerial function of setting company's objectives, determining strategy and selecting alternative course of action. Planning is an umbrella word or idea containing the following elements:

Objectives,

Policies,

Rules,

Programmes.

Methods, and Standards

All managers plan. Planning as a concept has been around for a long time. Consequently, there are varieties of definitions of planning. However for the purpose of this study, the researcher is specifically interested in only one type of planning – Strategic Planning. Kazmi (2008) defines strategic plan as a document which provides information regarding the different elements of strategic management and the manner in which an organization and its strategists propose to put the strategies into action. A comprehensive strategic plan document could contain the following information: A clear statement of strategic intent covering the vision, mission and objectives, results of environmental and organizational appraisals, strategies chosen, contingent strategies to be used under different conditions, strategic budget, proposed organizational structure and system for strategy implementation, functional strategies and the mode of their implementation and the measures for evaluating performance.

In line with others, Abbah (2009) opines that planning is a very important aspect of strategic management because it is the means by which strategic choices (policies) are translated into actionable mile-posts. Without planning, a policy may never be implemented satisfactorily and efficiently. Alkhafaji (2004) states that strategic planning is a management tool to look at the future and see tomorrow's opportunities or challenges to gain competitive position. Strategic planning requires strategic thinking which is a continuous process that deals with corporate events in a comprehensive manner. By strategic thinking, is the matching of opportunities with corporate resources in order to envision the future direction that leads to improved corporate performance and enhanced competitive advantage. Hellriegel (1990) states that strategic planning is the process of analyzing the organization's external and internal environment, developing a mission and a vision, formulating overall goals, identifying general strategies to be pursued and allocating resources to achieve the organization's goals. In developing a strategic plan, managers take an organizational approach. The overall purpose of strategic planning is to deal effectively with environmental opportunities and threats as they relate to the organization's strengths and weaknesses. Drucker (1974) describes strategic planning as a continuous process of making entrepreneurial risk-taking decision systematically with the greatest knowledge of organization's futurity; organizing systematically, the efforts needed to carry out these decisions and measuring the result of the decisions against the expectation through an organized system feedback. Strategic planning deals not with future decisions neither is it an attempt to eliminate risk.

2.1.2 Strategic Planning Process

Although steps taking by organization in the formulation of their strategies may different. But the methods of strategic formulation can be built of least conceptually around the key element.

The method start with enterprise profile to determine shaped by people especially top management the purpose and objectives are end point towards which enterprise activities are directed. The environment that is, the present and the future must be assessing in terms of opportunity and threats. Also an audit of the internal environment and evaluation with respect of company must be taken.

Strategic alternatives are then developed on the basis of internal and external environment medium and short range plans and their implementation should be considered and lastly test the plans for instance and prepare contingency plans.

2.1.3 Strategic Management Variables

Strategic management in selected banks established that there is positive correlation between strategic management and organization performance is some banks.

According to Adeyemi (2007) there are three parameters that are considered in trying to investigate the relationship between strategic planning and performance they are:

a. The organization environment

b. The structure of the organization and

c. The strategic decision making which includes mission and objective since the issue that concern the literature review on strategic planning and organization performance, a number of studies have prove that those companies that plan usually perform creditably will then those without formed plan.

In the study, Wada D and Malik A.Z (2002) raised the question that those long range planning improve company performance, fund that formal planners significantly out do informal planner.

2.1.4 Portfolio Diversification as a Strategic Plan for Growth

Plans for business portfolio are very important in an organization. This is because of different types of risk that are present around the business environment. A national investor is expected to control risk to the bearest minimum and maximum return.

In respect of this in defining the best business portfolio, you must first analyze the current portfolio is one that best fits the organization strength and weaknesses to environment opportunities.

Hence, a bank can diversity its portfolio inform of growth strength. hall and Salsa (2006) the firm should be cognizant of the potential benefit of diversification of investment to achieve the best combination of net present valve and According to minimize risk.

The firm can diversity either through investment in proposal generated internally or through external acquisition.

Capital should be allocated so as to increase shareholders wealth. An optima combination of internal and external investment should be on that which maximizes the valves of firm to the shareholders.

Latane and futhe (2004) went further to demonstrate that a strategy of investment in portfolio with the highest geometer mean return is almost certain to result in highest geometer mean return is almost certain to result in higher terminal wealth position than any significant different strategy means of measuring the growth of the firm by assuring that dividend payment correlates positively with profit.

In evaluating the strategy adopted by united bank of Africa ple and performance, the research work will consider the use of questionnaire administered from some of the staff of the bank.

The choice of these variable is based upon the fact that total deposit (i.e demand, saving and time) equity and shareholders found and capital employed from the found loans and advances from used of funds.

2.1.5 Strategic Management In The Banking Industry

Formulation of policies in the banking industry is a function and polices with objective of the bank be focused in the increase is shareholders wealth, therefore one of the various indices used to measuring the increase as its earning per share. According to Rapport (2008) the principle objective of corporate strategic planning is to create valve for shareholder. Hence, focusing systematically on strategic decision making management allocates corporate resources for their most productive and profitable use. It is assume that if the strategy plan provides for satisfactory growth in earning preshares then the market valve of the company share will increase as the plan materialized, therefore creating valves for shareholders.

2.1.6 Control Organization Strategy

One of the important parts of strategic planning is the control part. This aspect is concerned with the actual performance is and ensuring that it is consistent Boseman etal (2005) have listed fire basic steps in the control process.

These steps are as follows:

Establish the standard performance

ii. Measure and evaluate actual performance against established performance standard

iii. Diagnosis the reason for deviation (if any) between the acutla performance and performance standard.

iv. Continue to get feedback from internal and external environment and monitor actual performance in the final analysis, the business should compare favourably with competition firms in the industry and these can be determine by using the under listed factor.

a. Marketability of company share

b. Return on equity

c. Net profit

d. Asset

e. Growth A review of four key F financial ratios help to assets the bank overall situation and to pinpoint the strategy adopted areas of problems.

a. **LIQUIDITY RATIOS :** This ratio resources the bank ability to meet it current obligation

b. **PROFITABILITY RATIO:** This ratio measures the degree and level of corporate(bank) success in achieving desire profit level.

c. **LEVERAGE RATIO:** This measure the contributions of owners fund compared with creditors fund

d. **ACTIVITY RATIO :** This measure the effectiveness of the bank used of resources.

Finally, proper evaluation and a growth control system should be subjected to strategic management and planning model.

2.1.7 Strategic Planning Process

A simplified view of the strategic planning process according to QuickMBA (2009) is :

Mission & Objective
↓
Environmental Scanning
↓
Strategic Formulation
↓
Strategic Implementation
↓
Evaluation & Control

2.1.7.1 Mission and Objectives

The mission statement describes the company's vision, including the unchanging values and the purpose of the firm and forward-look visionary goals that guide the pursuit of the future opportunities. Hellriegel (1990) states that organizational mission and goals are developed by answering questions such as: what business are we in? What are we committed to? and what results do we want to achieve?

2.1.7.2 Environmental Scan

Environmental Scan includes the analysis of both the internal and external environments. Onwuchekwa (2000) added that the environment in which an organization exists can therefore be described in terms of the strengths and weaknesses existing in the internal environment and the opportunities and threats operating in the external environment. Hellriegel (1990) defines internal environment as all factors within the organization that impacts strengths or cause weaknesses of a strategic nature. The external environment includes all the factors outside the organization which provide opportunities or pose threats to the organization. Kazmi (2008) suggested that organization performs a SWOT analysis to understand their internal and external environments. SWOT, is the acronym for strengths, weaknesses, opportunities and threats. Strength is an inherent capacity which an organization can use to gain strategic advantage e.g. resources, people and experience. Weakness is an inherent limitation which creates disadvantages e.g.

financial deadline and over dependence etc. Opportunity is a favorable condition in the organization's environment which enables the organization to consolidate and strengthen its position e.g. economic boom, loosening of regulation and arrival of new technologies etc. Threats is an unfavorable condition in the organization's environment which creates a risk for, or causes damage to, the organization e.g. demanding new regulations, economic downturn and new competitors etc.

2.1.7.3 Strategy Formulation

Given the information from the environmental scan, the firm should match its strengths to the opportunities that it has identified while addressing its weaknesses and external threats (QuickMBA 2009). Hellriegel (1990) identified three basic growth strategies: Market penetration strategy involves seeking growth in current markets with current products. It can be achieved by buying a competitor and attracting competitors' customers etc. Market development strategy involves seeking new markets for current products. It can be by entering new geographic market. Product development strategy which is the third strategy according to Onwuchekwa (2000), consists of the company's seeking increased sales by developing improved products for its present market. It can be achieved by improving the features, quality of the products and introducing new models etc.

2.1.7.4 Strategic Implementation

The selected strategy is implemented by means of programs, budgets and procedures. Implementation involves organizing of the firm's resources and motivating of staff to achieve objectives (QuickMBA 2009). Strategy implementation according to Onwuchekwa (2000), is the process of searching out appropriate organizational structure and technology which will match the level of turbulence in the environment of an organization. The ultimate result of strategy implementation is the effectiveness of organization's capability which is appropriate for attainment of organizational objectives. Kazmi (2008) suggested two main means of overcoming the barriers of strategy implementation which are adopting a clear model of strategy implementation that is implementation activities take place according to the abilities and initiatives of the managers involves in them and effective management of change in complex situation. Areas of change are in the behavioural style and leadership style inherent in the organization.

2.1.7.5 Evaluation and Control

The purpose of strategic evaluation is to evaluate the effectiveness of a strategy in achieving organizational objectives. Kazmi (2008) defines strategic evaluation and control as the process of determining the effectiveness of a given strategy in achieving the organization objectives and taking corrective action wherever require.

The implementation must be monitored and adjustments made as needed. QuickMBA (2009) states that evaluation and control requires the following steps:

i. Define parameters to be measured.

ii. Define target value forthe parameters.

iii. Perform measurements.

iv. Compare measured results to the pre-defined standards.

iv. Make necessary changes.

The most discussed concept in management is the strategic management under which there is strategic planning. According to Owolabi (2011) strategic management as a management process by which policies are formulated and strategies are selected to achieve the good and objective of an organization and strategic planning are upon used interchangeably strategic planning is component of the strategic management system concerned with clarifying goals and objectives.

It determines policy for the acquisition and distribution of resources. Is also establish a basis for translating policies and decision into specific action commitment.

He concluded that strategic planner identify the way range need of community or organization, explore the ramification and implication of policies and programmed designed to meet those needs and formulate strategies to maximize and minimize the native aspect of the foreseeable future, strategic planning has been described by writers as the fountain head of all corporate progress.

Steiner (2009) defines strategic planning as the systematic and more or less formalized effort of a company to establish basic company purposes, objectives, policies and strategies. It involves the development of detailed plans to implement policies and strategies to achieve objectives and basic company purposes. Strategic planning is an organization"s process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy including its capital and people (Adeleke et al, 2008). These plethora"s of definitions are complementary in the sense they express and sometimes confuse with planning itself. Is strategic planning synonymous with planning? We will rely on the insights drawn earlier in the definitions of planning, long term planning and consequently strategic planning in this study, to propose a better description of strategic planning as a means designed to pursue well-articulated goals of an organization with reliable alternative means to ensure the attainment of these articulated goals. What makes strategic planning different from ordinary planning include the following:

i. Strategic planning is aimed at capturing, occupying and maintaining competitive positions to have edge over contemporaries while planning is aimed at undergoing normal flow of business activities.

ii. Strategic planning is intended to have long run effects on the firm while planning may only have short run effects.

iii. Strategic planning due to its affiliation with the military and sensitive issues creates actions and alternative actions (intended to responds to possible future changes) towards the goal of the organization while planning may not because there is always time to change the one and only plans without much damage.

iv. All strategic plans are long term but not all long term plans are strategic plan. Some long term plans are not properly planned.

v. Strategic planning is environment conscious while plan/long term plan is not. Strategic planning assumes that an organization must be responsive to a dynamic, changing environment.

vi. A plan is concrete in nature, doesn't allow deviation, and not flexible, but strategic planning is very flexible and open for adaptation and change when needed as a result of real-time strategic issues.

Boseman, Colem and Phortak (2005) describes strategic management as process by which policies are formulated and achieved the goal and objective of an organization.

They further stated that the concerned of strategic management and strategic planning are often uses interchangeably. Strategic planning is component of strategic management system concern with clarifying goals and objective.

Earlier before, the managers manage their business without future plan. At the time they are interested only into day's would with time, however, they began to see the need to anticipate the future and prepare for it by first preparing system and procedure for decision that must be made repeatedly thereby creating time for important decision.

For the purpose of this study therefore, strategic planning will be used together with strategic management and corporate planning while strategic management serves as the intelligence of organizational management which raise the level of consciousness in management and provide valuable insight both to evaluate the parameters of efficiency that are attainable or unattainable.

Whichever of the three strategies, they all end with plans which are developed for the effective, efficient and dynamic management of an organization.

Conclusively, the banks in the finance system should evolve a measure of strategic planning as a survival strategy as strategic planning makes difference between success and failure evidence has shown that most banks with strategic planning process and most unlikely to fail, thing being equal the corporate plans usually, would integrate the short range, medium range and long plans, in a consistent and integrate manner and thus provide a working document for ensuring growth, environment.

2.2 Theoretical Framework

Planning is one of the fundamentals of life especially modern life. Planning is one of the management functions which is the process of setting goals and objectives in an organization and determining how to achieve such goals and objectives (Alaka, Tijani & Abass, 2011). Hofer & Schendel (2003) asserts that it is an anticipatory decision making process for effective performance. Planning occupies a central position in management and obviously, it is difficult to talk about management without planning. However, a plan is concrete in nature, does not allow deviation, and is not flexible, but strategic planning is very flexible and open for adaptation and change when needed as a result of real-time strategic issues. Real time management issues translate to surpriseful changes arising from many sources while implementing strategic plan. The function of planning involves evolving mission statement and objectives as well as designing the actions to achieve them (Oyedijo, 2004). Other important management functions include organizing, coordinating, directing, and controlling.

Strategy is the direction and scope of the organization over the long term which deliver a competitive edge for the firm amidst an ever changing business environment.

Effective strategy configures a firm's resources and core competencies so as to adequately meet the firm's goals and objectives. Strategy creates a culture in the firm in which the firm only focuses on the value adding priorities in its mission and vision (Johnson, Scholes, and Whittington, 2008). Competitive strategy is aimed at creating a goodness of fit between the firm's internal resources capabilities and the environmental challenges faced (Aosa, 2002). At the core of strategic management is the concept of strategy (Ansoff and McDonnell, 2007). There is no universally accepted definition of strategy (Mintzberg, Guinn and Ghoshal, 2003). In the military context, strategy has been associated with how war is conducted. In general application, strategy has been taken as a plan for attaining a goal. Mintzberg and Quinn (1991) have defined strategy using five dimensions. This dimensions" view strategy as a plan, a ploy, a pattern, a position and a perspective. The most basic definition of strategy regards strategy as the long term direction of an organization (Johnson and Scholes, 2004). Grant (2003) asserts that business managers exhibiting substantial autonomy and flexibility in strategy making reap successful performance. The structure of the planning systems allows corporate management establishes constraints and guidelines in the form of vision and mission statements, corporate initiatives and performance expectations.

2.3 Empirical Review

Grant (2003) notes that empirical research is strategic planning systems have focused on two areas: the impact of strategic planning on firm performance and the role of strategic planning in strategic decision making. The latter area of research explored the organizational process of strategy formulation.

Berry (2004) defines strategic planning as a management process that combines four basic features; a clear statement of the organization"s mission; the identification of the agency"s external constituencies or stakeholders, and the delineation of the agency's strategic goals and objectives, typically in a 3-5 years plan; and the development of strategies to achieve them.

There are many factors listed in the literature that influence strategic planning process. Environmental uncertainties hampers the development of long range plans; scarce resource strategic planning should be aligned to use scarce resources effectively; legal forces legislative changes introduce new dynamics in an industry thus affecting strategic planning; size and complexity of an organization as size and complexity of an organization increases, so does the degree of formulating of planning activities; the extent of involvement in operating issues compromises the attention paid to management functions; the implementation gap - this is the inability of the top management and the planners to effectively communicate with the planners; the lifecycle of the organization as organizations move through different phases, the competitive environment changes and influences the way they plan and execute strategy (Thompson, et al, 2007). Organizations need to plan for a number of reasons. These are; to reorient the organization or institution to the needs of the community; another serious consideration is that when people plan for expansion, a certain level of minimum standard must be observed. This will guarantee a certain level of minimum quality performance. Effective strategic planning initiatives make organizations more responsive and viable instrument for socio-economic development (Robinson and Pearce, 2003). Strategic planning is a continuous process that requires constant feedback about how the current strategies are working.

CHAPTER THREE

3.0 Research Methodology

3.1 Introduction

This chapter makes an attempt in presenting the procedures require for carrying out this study. It encompasses a brief description of such component party of this research such as the population, sample size types, sources of data, methods of data collection and analysis of data presentation of united bank of Africa plc and historical background of the Bank (UBA Plc).

It is worthy to note that an appropriate methods of only research can only be determined by the dictates of the problem selected for investigation. As a result, the analytical data of this chapter is based on the answers from questionnaire administrated by the researcher for the purpose of establishing the impact of strategic planning on bank performance.

3.2 Research Design

The descriptive survey design was employed. The design is considered appropriate for the fact that it facilitated the collection of detailed information on strategic planning and banks performance in Nigeria.

Survey design was considered appropriate for the study, to seek opinion from leaders and staffs of united bank for Africa on the effect of strategic planning on bank performance in Nigeria. The survey instrument was deemed the most appropriate for gathering the data required for the study.

3.3 Population of the Study

The target population for this study is United Bank for Africa in Abuja, Nigeria for the year 2022. Combination of purposive and systematic sampling was adopted to determine the sample and the Taro Yamane formula was used in the determination of the sample size for the study.

The sample was based on the formular:

Where;

n = sample size;

N = population size;

e= Level of precision required;

3 = constant

In determining the sample size, the following variables were used:

Confidence interval = 95 %

e = Margin of error = 0.05

Substituting into the formula,

Sample size for the number of staff to be used:

$$n = \frac{570}{1+570\,(0.05)^2}$$

$$n = \frac{570}{3+570(0.05)^2}$$

$$n = \frac{570}{3+1.425}$$

$$n = \frac{570}{4.425}$$

n = 128.8, approximately 129

3.4 Sample Size & Sampling Technique

Sample the entire population of the study cannot covered by the research for research investigation due to limiting factors, such as cost, time and human resources, or this reason the sample size of 35 staffs of united Bank was chosen which represent the entire population for the research investigation.

3.5 Methods of Data Collection

Most of the data analyzed in chapter four of this research study was obtained form the questionnaires complete by the target respondents. To this end, the use of staff administered questionnaires become obvious and most suitable for collection of primary data. Since the needed information can not be totally supplied by the administered questionnaires. Other information by the bank committee report, news papers, magazines and some other publication about financial institutions in Nigeria were collected which formed as a supplement to the questionnaire.

As a result, two methods of data collection were adopted for this study.

a. Personal Interview

As a supplement to the written questions, personal interview is also conducted.

It is the main process of obtaining information facilitate the fact and figures that were being presented in the project

Personal interview is the process of meeting with knowledgeable people or face to face communication is used with people in order to obtain valuable information as regards to the topic under references.

B. Questionnaire

This is a series of written question aimed at eliciting information from which it is given with a view to conduct a research on the particular topic.

A questionnaire may be dichotomous or opened or even multiple in nature, with the multiple method. The respondent will be provided with alternatives to select from. An open to the end questionnaire is one, which is apart from requiring a Yes or No answer to the question, also giving room to the correspondent to express their personal opinion on some of the issued raised.

Besides a combination of both open and closed ended type of questionnaire is used this is to enable us to obtain correct and up to data information. This is end; the questionnaire would be specifically made it cover a wide range of all department.

3.6 Methods of Data Analysis

The data collected from the research field will be computed in percentage to show the proportional representation of items measured by various responses obtained.

The use of percentage is appropriate since it brings out a glance, the overall result in relative proportion showing the position of respondents to issues in variable. The Chi-square will be employed and decision rule for establishment of relationship between the dependent and independent variables is reached through the setting of the Unal (HO) and alternative (H1) hypothesis. Furthermore, decisions are made relating the observed Chi-Square (x0) and expected Chi-Square (x'e) at specified level of significant of 05 relations to the corresponding degree of freedom.

3.7 Limitation of Methodology

The limitations of the study are those characteristic of design or methodology that impacted or influenced the interpretation of the findings from your research. They are the constraints on general inability, applications to practice, and/or utility of findings that are the result of the ways in which you initially choose to design the study and/or the method used to establish internal and external validity.

Despite all efforts to ensure a smooth research work, there are some restrictive factors affecting this work. Some of the restrictive factors are respondents were belief that the information they divulge could be used against them. Some of the information given was incomplete while others are either in adequate or not up to date, Despite these limitations, information are relevant for the purpose of this research work

CHAPTER FOUR

4.0 Data Presentation and Analysis

4.1 Data Presentation

This chapter consists of the analysis and result of data using the statistical tools as described in chapter three of this study. However, due to this and cost limitation out of one hundred questionnaire sixty were successfully completed. Lastly, other instrument used for the research was the financial report of the bank.

The methods of data analysis adopted in this study are the mean and the standard deviation, while t-statistics (t-test) was used to test the research hypotheses.

The t-test is given as

t=

Where = the sample mean value

u = Population size

S= Standard deviation = $\sqrt{\frac{\sum FX^2}{\sum F} - \left(\frac{\sum FX}{\sum F}\right)^2}$

F = frequency of respondents

$\sum$ = Summation sign

The Cut off mark generated is 3.0

4.2 Presentation and Analysis of Results

This study presents the results of the analysis done in this work. For accuracy of results, the entire analyses were done using a statistical package called Statistical Package for Social Science (SPSS) version.

Tests of Hypotheses

Hypothesis One

H_{01}: There is no significant relationship between strategic planning and the enhancement on bank performance.

Table 1: Summary of results for hypothesis one

Hypothesis	**N**	**Mean**	**S**	**Cut off**	**T-value**	**P-value**	**Remark**
1	129	4.2713	1.1371	3.0	12.698	0.000	Reject H_0

Source: Researcher field work, 2022

The result in table 1 showed that the t-statistics value of 12.69 is significant at 5% level. That is, the t-value of 12.698 is greater than the tabulated value of ±1.96. The probability value of 0.000 is equally less than 0.05. The null hypothesis is therefore rejected and thus shows that there is a significant relationship between strategic planning and the There is no significant relationship between strategic planning and the enhancement on bank performance.

Hypothesis Two:

H_{02}: Appropriate technology does not significantly guarantee the implementation of strategic plan.

Table 2: Summary of results for hypothesis two

Hypothesis	N	Mean	S	Cut off	t-value	Pvalue	Remark
2	129	3.8295	1.31769	3.00	7.149	0.000	Reject H_0

Source: Researcher field work, 2022

From table, it can be observed that the calculated t-value is 7.149 and the tabulated value is ±1.96 and it therefore falls in the rejection region. This was equally confirmed by the P-value of 0.000 which is less than 0.05 and hence the null hypothesis was rejected.

Conclusively, appropriate technology in-fact does significantly guarantee the implementation of strategic plans.

Hypothesis Three

H_{03}: Sound strategic planning does not significantly depend on effective use of manpower.

Table 3: Summary results for hypothesis Three.

Hypothesis	N	Mean	S	Cut off	t-value	P-value	Remark
3	129	4.2946	0.987 45	3.00	14.89	0.000	Reject H_0

Source: Researcher field work, 2022

Finally, the P-value of 0.000 which is less than the 0.05(or 5%) chosen level of significance indicates that the t-value of 14.89 falls under the rejection region and thus the alternative hypothesis was accepted. In rejecting the third null hypothesis therefore, we conclude that sound strategic planning significantly depends on effective use of manpower.

CHAPTER FIVE

5.0 Summary, Conclusion and Recommendation

5.1 Summary

There has been the inception of democratic, government in may 1999, which has indeed brought an end to the political instability within the country. Despite these changes in the financial industry is still been threatened.

The banks which are the facilitations of change in economy, have not been leaving up their responsibilities. A lot still need to be done by authorities concern and government to project bank, the depositors and shareholders alike from the series of collapse. Prevailing or which may likely prevail in the industry.

Against this background, the research work examines the concept of strategic planning and its impact on banking industry with a case study of United Bank of Africa plc.

Chapter one, introduces the background of the study, the researcher tries to analyze and expressed the need for the study of the most sensitive and problematic industry in Nigeria. The significance of the study was intended to present a bank with performance pasture that would reflect the rate strategic planning can play, if well anticipated and implemented.

Further areas of which the research study will be of immense benefit were also concerned. In chapter two, the researcher reviews the concept of strategic and strategic planning. In order to have a scope of study, strategic concept that are necessary for understanding of the courts of study was received extensively, part of this necessities the need to identify the cause of decline in bank performance. The bases were therefore laid on what strategic planning in banking industry was all about.

The research procedure and methodology was analyzed in chapter three. Here the difference performance indicators were defined and reviewed in line with the course of study to reflect the approach by which banks can be appraised. The significance is to present to abide with the regulation guideline, need not be afraid of the increscent collapse, which may affect the financial industry. At the penultimate. Chapter statistical analysis of data were presented to show the result and performance of bank. Here some statistical parameter were used to appraise the bank performance.

5.2 Conclusion

The potential of the financial industry is measurable in terms of its contribution to action building. A critical look as exemplified by this study leaves no one doubt as to its volatility. However, past events have shown that if not properly managed, most especially banking sub-sector. The whole industry mighty finally collapse, especially now that there functions are no longer differentiated.

Moreover, a number of significant characteristic seen to be important in evaluating strategic planning in a financial institution for any banks to achieve a significant success, there must be sufficient commitment and communication for all level of management involved. Specific responsibility for organizing and monitoring organization plans should be assigned. Strategic objectives and plans must be measurable and decision oriented management information system must developed.

More so, planning must be periodically reviewed and plans should be comprehensive with employee reward system tied to plan achievement.

Finally, for the bank to be profitably run and to be able to whether the storm of completion effort should be greeted towards the implementation of this recommendations.

5.3 Recommendations

Based on the findings, the following recommendations were made:

i. The management of any bank in Nigeria should constantly scan through the environment and evolve a systematic strategic plans process that would checkmate the effects of business environment. This would help to reduce the adverse effects of environmental changes thereby enhancing banks performance.

ii. The management of banks should intensify on interactive communication about the strategic plans with the employees. This will give the employees a sense of belonging and put them in a position to appreciate the necessity of strategic planning in the bank.

iii. The management of the bank should equip it with appropriate new technologies for strategic planning implementation; this will correspond to attainment of banks performance that the strategic planning process was intended for.

iv. The management should endeavour to involve experts/ professionals that serve the bank in the strategic planning development. If they are assigned to areas of their specialization, the strategic plans will be more effective, thus very sound.

v. Finally, there is need for financial institution to introduce a more comprehensive strategic planning procedure to improve the effectiveness.

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