THE ROLE OF MANAGEMENT IN STRATEGIC PLANNING (CASE STUDY): HABIB BANK LIMITED.

BY

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DECLARATION

I hereby, certify that the work reported in the project was carried out and written by me, under the supervision of Mallam Mukhtar Abubakar of the Department of Business Administration, Faculty of Administration, Ahmadu Bello University, Zaria. The works of other investigators are acknowledged and referred to accordingly. I declare that no part of this project has been submitted elsewhere for a masters degree.

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CERTIFICATION

This project entitled "The Role of Management in Strategic Planning" (case study) Habib Bank Nigeria Limited.
By BELLO AHMED NAFISA meets the regulations governing the award of the degree of Masters in Business Administration of Ahmadu Bello University and is approved for its contribution to knowledge literacy presentation.

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DEDICATION

TO,

IMRAN AND ABDUL-RAZAQ
WHOSE LAUGHTER MAKES
LIFE WORTH WHILE.

ACKNOWLEDGEMENT

I give gratitutde to Allah, whose guidance and protection has enabled me reach this stage in life, and for granting me the strength and wisdom to make this write-up a possibility.

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ABSTRACT

In every organization, strategic planning is of paramount importance because it helps in defining the mission of organizations; give direction and focus to activities. As a result, organizations function better. Because managers are planners, organizers and controllers of the organization, strategic planning function is vested on management of every organization.

The aim of this study however, is to examine strategic planning in organizations and the role management plays in adopting the best strategic planning in achieving the organizational goal.

The study has Habib Bank Limited (commercial bank) as its case study. It discussed the organizational structure of the bank, a brief history of the bank, and organization for planning at the bank and management function of the bank.

Above all, the study investigates and analyses how Habib Bank Limited operates and institutionalize its strategies and the role management plays in institutionalizing and implementing these strategies.

Conclusively, the entire study centers on strategic planning and the role of management in planning. For every organization to achieve its goals, it must have an efficient plan. This planning is nobody's job but the manager's.

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CHAPTER ONE

1.1 INTRODUCTION

The purpose for setting up any enterprise public or private is to perform a social obligation, this could be to satisfy societal needs or to make profit for owners.

To achieve the stated organisational objective, three basic elements are required: Land, Capital and Labour (human resources). Of these components, human resources are the major determinant or organisation's ability to perform its functions. Management in any establishment is the building block of human resources charged with harnessing all the three resources towards meeting those stated goals and objectives.

Management is responsible for the work and performance of an organisation, and must manage all organisational resources efficiently and effectively. The bottom line however is simply "getting the job done". Getting the job done is a challenge that can best be examined under these aspects:

i. **Management of work:** This is the basic management challenge, to decide what need is to be served, what goals must be established and what means will be used for conduct of work. Problems must also be solved, decisions must be reached, plans must be established, budgets must be prepared, responsibility must be assigned and authority must be delegated.

ii. **Management of People:** The work of an organisation must ultimately be accomplished by people. Managing people of the organisation is in fact two tasks in one, the task of dealing with each employee as an individual with a uniquely different set of need and behaviour. Secondly, the task of dealing with each work group as a different group of uniquely different needs and behaviour.

iii. **Management of operations:** Every organisation has an operation process, which a product or service is produced or provided for the consumer. The management of this product operation controls flow of input materials and technology of transforming these inputs into desired products. Obviously the management of operations is inextricably interwoven with both management of work and management of people.

Strategic planning on the other hand, is the process of selecting an organisation's goals, determining the policies, programmes and guidelines necessary to achieve specific objectives enroll to goals and establishing the methods necessary to assure that the policies and strategic programs are implemented. To sum it up, strategic planning is a formalised long range planning process used to define and achieve organisational goals.

Among the vast functions of management which includes: Planning, Organising, Staffing, Controlling, Co-ordinating and Directing, Planning is the primary and most important function and it exist at all levels of management whether for long term

objectives or for short term objectives. Strategic planning is carried out by top management, therefore the managerial team must be competent to execute this vital function efficiently and effectively.

1.2 STATEMENT OF PROBLEM

Many organisations face difficulties due to lack of efficient and effective management while others due to wrong implementation of vital aspects and this occurs as a result of inadequate strategic planning.

1.3 STATEMENT OF HYPOTHESIS

Hypothesis is a suggested explanation for a group of facts or phenomena accepted as likely to be true.

H^1 = "Strategy is the behaviour of management in trying to achieve organisational goals in a competitive environment."

H^2 = "Strategic planning develops clear-cut concept of an organisation, hence makes it possible to formulate plans and activities that brings an organisation closer to its goals and also capable of dealing with the rapid environmental change in which the organisation operates".

H^3 = "Managers are architects and innovators of the

organisation's management system, they are also vigilant seekers of opportunities and willing to promote organisations at all time also to solve organisational human and technical problems".

1.4 OBJECTIVES OF STUDY

The objective of this project is to study the "Role of management in strategic planning in Habib Bank Nigeria Limited", and also how management team influence the achievement of organisational goals.

Basically, the objectives of this study includes:

i. To look into the role of management team in Habib Bank and how they contribute towards the achievement of organisational goals and the strategy they implement to be at a better advantage over their rivals.
ii. Also to examine problems encountered while formulating and implementing these strategies.
iii. Finally to make appropriate recommendations to overcome these problems and increase overall efficiency.

1.5 SIGNIFICANCE OF STUDY

This study examines the various strategies adopted by Habib Nigeria Bank Limited in order to analyse its strengths and weaknesses, so that the bank can correct its weaknesses.

The significance of this study is also to explain how the organisation is being managed and what the managers must know in order to manage effectively and how they should apply their skills.

This study expands on understanding of management which proves helpful in many situations and activities within the organisation.

1.6 RESEARCH METHODOLOGY

The methods of research adopted in this project are:

i. Personal discussions and consultations with some of Habib Bank staff.

ii. Data collected from the bank on some of their performance and how their managers discharge their roles.

iii. Finally, data used through reading of literature; text books, publications and magazines on roles of management in strategic planning.

1.7 SCOPE OF STUDY

This study is on Habib Nigeria Bank Limited. The head office which consists of four major divisions which are: Credit Division, Corporate Services Division, Banking Services Division and International and Financial Services Division. Also, the management teams in these various divisions and their roles, moreover detailed analysis of corporate services division and how it discharges its planning function.

1.8 LIMITATIONS OF STUDY

The major problem I have encountered during the course of this project is the limited period of time within which the project is expected to be submitted. However, the officers in Habib Bank are always very busy, so I could not get all the information I need during the short time I was there.

1.9 CHAPTER LAYOUT

This project is on "Management's role in Strategic Planning with Habib Nigeria Bank Limited as the case study. The project is divided into five chapters.

Chapter one consists of the general introduction which includes statement of the problem, statement of hypothesis, objectives of the study, significance of the study, research methodology, scope of the study and limitations of the study.

Chapter two of the project is the literature review, which is the overview of management's role in strategic planning, the strategy development, the importance and steps involved in strategic planning, finally the key managerial responsibilities in strategic planning and the organisation as a whole.

Chapter three starts with the brief history of Habib Bank, then its organisation for planning, that is the strategy Habib uses in organising its staff and apportioning responsibility to these staff. It also explains functions of management in Habib Bank.

Chapter four is on data presentation and analysis, that is how the management of the bank conducts its strategic planning, then the problems and prospects situated at the bank.

Finally, Chapter five constitutes the summary, conclusion and recommendation. It is the final chapter of the project and makes some recommendations to Habib Bank on how to tackle some of its problems.

CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

Strategic planning is the pattern of decision in a company which determines and reveals its objectives, purposes or goals and produces the principal policies and plans for achieving those goals. This definition was made by "Eliza G. C. Collins and Mary Anne Devanna – Portable M.B.A.

Strategic planning also defines range of business the company is to purse, the kind of economic and human organisation, it intends to be and the nature of economic and non-economic contribution, it intends to make to its shareholders, employee, customer and community as a whole.

There are three (3) levels of strategy that comprises the total strategy of the firm, they are, Business strategy, Corporate strategy and function strategy.

i. *Business strategy and how a company will compete in a given* business and how a company will position Itself among its competitors. It also describes the goals and mission of the business and determines the policies that will be adopted to achieve these goals.

ii. Corporate strategy defines the businesses in which company compete and the allocation of resource among these businesses.

iii. Functional strategy refers to the basic character and vision of the company. It also provides basic concepts and belief that guides the organisation's choices and behaviour.

All these three levels of strategy are being developed and implemented simultaneously and are constantly influencing each other. Moreover once a strategy is developed managers begin to implement it, when problems or new opportunities are encountered the strategy is then revised. The three levels of strategy are further explained in the chapter.

There is no one universally accepted way to introduce and do strategic planning either formal or informal. Every organisation is unique hence their strategic planning system must fit the uniqueness of each company if it is to be effective. Strategic planning deals with the furthering of current decisions meaning that long range planning looks at the chain of causes and effects, consequences over time of an actual or intended decisions that a manager is going to make, if the manager does not like what he perceives ahead he then charges the decision. The essence of this long range planning is a systematic way of identifying opportunities and threats that lies in the future.

Strategic planning function is vested in top management of organisation, it is also essential in discharging top management's responsibilities. For strategic planning to be effective, both management and other staff of organisation must believe that

strategic planning is worth doing and it must be done whole heartedly.

Management of any organisation establishes the organisational goals and selects means of achieving them. Management also have responsibility downward to their subordinates, first to make aware of their responsibility and also to help them set and achieve their objectives and goals. The chapter also explains further on management's role in strategic planning.

2.2 OVERVIEW OF MANAGEMENT'S ROLE IN STRATEGIC PLANNING

Strategic planning starts with objectives of the business. These are some of the strategic questions often asked in order to set objectives: "where are we going", "How do we get there", "What is our blue print for action?" "How do we know if we are on the right tract to attain our objectives. Most plans concerns themselves with new products, new processes. New markets and so on. But the key to success is to do something different tomorrow and get rid of the unproductive and obsolete products/services. Hence, this will encourage management to think positively, understands priorities of the organisation and place emphasis on those things that are most crucial for success.

Top management takes initiative to establish the environment required for effective planning and action. They mark out the direction of activities and stimulates analysis of aims and operations. Also they enforce co-ordination within the organisation which spurs widespread efforts and at the same time prevents duplications by

making experience in different areas or parts of organisation available to all.

Size of an organisation is a major consideration in strategic planning, in very small organisations chief executive does all the planning alone, but as these organisations expands other senior managers get involved in the planning process, then planning is done more in terms of patterns, objectives, policies and guidelines rather than an item by item basis. Therefore management at each level of the business organisation must conduct its own self examination in order to possess the ability to cope with the rapid environment changes.

Due to complexity of these organisations, there is need to spend more time on strategic planning, the larger the organisation the greater tendency for more time to be devoted to strategic planning. Since planning consumes considerable amount of time, some large organisations employs planning staff to reduce the work load of the management team. Centralised planning staff may be attached to organisation's headquarters under the direct control of the chief executive or a planning staff may be attached to each divisional heads. Strategic planning requires a lot co-ordination and integration, that is the reason why an expert is needed to discharge these planning task efficiently and effectively. The planning staff would be generally responsible for the major planning activities of the organisation but bearing in mind that the chief executive has hands on the reins to ensure optimum co-ordination and continuity.

2.3 STRATEGY PLANNING LEVELS

Strategic planning is done under three levels: the corporate level, the business unit strategy level and the functional level strategy.

1. Corporate level strategy: At this level of strategy, strategic planning is formulated by top management, to oversee the interest and operations of organisations of organisation that contains more then one line of business. Questions asked under corporate level strategy includes:
   - **(a)** What kind of business should be done?
   - **(b)** How should resources be allocated among these businesses?

   To answer these basic questions strategic planners, usually the management must address a further series of question. They are:
   - **(a)** What business should we get into?
   - (b) What business should we get out of?
   - (c) Which customers should the organisation serve?
   - (d) What new technologies should we use?
   - (e) How do we manage the range of our activities?
   - (f) How do we acquire and allocate resources for the activities we choose to pursue?

   Corporate level strategy addresses the actions of total organisation by determining the roles each business activity is plying and is suppose to apply.

ii. Business unit strategy and operations of particular business. It involves the following questions:

(a) How will business compete witching its market segment?

(b) What product/service should we offer?

(c) How various functions operate in order to meet market goals

(d) How resources should be distributed within the business

iii. Functional level strategy: This creates the framework of the management's functions, such as: finance, production, marketing, research and development. These functions conform to the business unit level strategy. Example if the business unit level strategy calls for a development of new product, the research and development department will create plans on how it will develop the product.

2.4: IMPORTANCE OF STRATEGIC PLANNING

Strategic planning is for long range growth or organisation, it involves a longer time frame than other types of planning. It helps in defining mission of organisation, gives direction and focus to activities, as a result organisations functions better and become more responsive to changing environment.

Strategic planning is important to all dimensions of business organisations, some of these importance includes:

(a) Strategic planning focuses on organisation's energies and resources on high priority activities and gives frame work for more detailed planning of daily decisions.

(b) Strategic planning helps to match products or markets with geographical territories, and explains environmental opportunities, threats and constraints.

(c) Strategic planning helps in recognising and sensing competitive advantage.

(d) It also displays large quality and variety of resource both human and material.

(e) Strategic planning also helps to plan for different future situations, for stability needed to continue existing successful activities in fairly stable environment.

(f) Strategic planning helps organisations to adapt to rapid and frequent change in the environment and engages in contingency planning, where to anticipate future events and develops plan for action to be used if and when those events occur.

(g) Another importance of strategic planning is in decision making, the process of developing and selecting a course of action to solve a specific problem. Decisions are made at many points in the planning process, managers decides the predictions in such areas as economy and the actions of competitors likely to be most accurate. They also analyse organisational resources and decide how to allocate them to achieve organisational goals most effectively.

2.5 STEPS INVOLVED IN STRATEGIC PLANNING

The steps involved in strategic planning are as follows:

a). Goal formulation: Goal formulation is a key responsibility of upper level managers. It is the most essential step in the

planning process, because goals chosen takes up a large amount of business resource and government many of its activities.

b). Identification of current objectives and strategies:
Organisations must evaluate past strategies and estimate the success of future strategy. Proper examinations helps in determing which direction to turn to in case existing strategy fails. Identification of current objectives and strategies also helps in determing what must be done different from others in order to achieve stated goals and objectives because the key to success is doing something different and unique so as to excel in areas of competence.

c). Environmental analysis: Environmental analysis helps organisations to adjust to changes in the environment, the key to successful environmental analysis for strategic formulation is the early detection of changes while late detection of changes within the environment enhances the venerability of the organisation against its competitors.

d). Resource analysis: Analysis is necessary to identify the organisation's competitive strengths and weaknesses, also its opportunities and threats. The question is not "What do we do well or poorly" rather "what are we doing better or worse than others?" After analysis of environmental resources, the results of the existing strategy can be forecasted. The longer the strategy has been in place, the more stable the environment will be and the easier it will be to make predictions. Based on

these predictions managers will then decide whether or not to modify the strategy or implement it as it is.

e). Strategic decision making: Decisions should be based on whether performance gap can be identified or not. If a change in strategy appears necessary to choose the performance gap, then the next step should be identification evaluation and selection of an alternative strategy.

2.6 KEY MANAGERIAL RESPONSIBILITIES

Managers work with and through people. Managers work with each other to establish the organisational long range goals and plan on how to achieve them. Also, they provide accurate information needed to perform these tasks and act as communication channels within the organisation.

Managers are also planners, organisers, leaders and controllers of the organisation, they take responsibility of moving organisation towards its stated objectives. Managers are also responsible and accountable for not only their work but also of their subordinates, success or failure of subordinates are direct relations of managers.

At given time, every manager faces a number of organisational goal problems and needs, all of which compete for manager's time and resources (both human and material). Such resources are always limited, therefore each manager must strike a balance between various goals and needs so they arrange each days task in order of priorities and gives these priorities adequate time.

Managers also act as mediators and politicians. As mediators, they settle disputes within the organisation, because disputes can lower the morale and productivity of the organisation, it may become so unpleasant and disruptive that competent employees may decide to leave the organisation. While as politicians managers build relationship and use persuasion and compromise to promote organisational goals. They develop network of mutual obligations with other managers in the organisation, hence gains co-operation and support for proposals or decision to discharge various activities.

Managers also serve as diplomats to organisations they represent their work units at organisational meetings or represents organisation's while dealing with customers, contractors, government officials and personnel of other organisations. Also they personify for both organisation's members and for outside observers on organisation's success or failures.

Brief descriptions of these managerial responsibilities shows that managers must change hats frequently and be alert at all times. As a rule managers should possess the ability to recognise the appropriate role of play and to be able to change roles readily and effectively.

2.7 KEY ROLES OF MANAGEMENT IN STRATEGIC PLANNING

For any strategy to be implemented successfully, it must be operationalised, processed or systematised into specific actions and objectives that lower managers and employees can actually execute. Strategy must also be institutionalised in order to succeed, meaning

they must become a routine part of the daily life of the organisation, pervading its culture system and values.

Management's role in strategic planning starts at the departmental level. Every department has its priorities therefore must develop its own proce4sures, policies and strategies, in order to contribute to greater organisational strategy.

These strategies can further be sub-divided into: functional strategy, financing strategy research and development strategy.

i. Functional strategy: They have shorter time horizon. Their purpose it to communicate short term objectives and actions. Top management formulates these strategies and creates environment which encourages their achievement, then they pass the responsibility of implementing these strategies to lower level managers, also they educate these managers on what needs to be done and how to do it and ensures their commitment to these plants. Top management reduces the inevitable conflicts by ensuring co-ordination of these functional strategies.

ii. Marketing Strategy: Management matches products/services to customers needs, they decide where and when to sell and promote products. They also formulate strategies in areas of market penetrations, development and diversification.

iii. Finance strategy: This is concerned with the acquisition and allocation of capital. This strategy has both short term and long components. Top management discharge their

responsibility by formulating strategy that will enable the organisation to have enough capital for both short and long term objectives.

iv. Research and development: Organisations engage in research and development to ensure their product/service and production methods, does not become obsolete. This is a very important role of top management because the key to any organisation's survival is to cut down competitors by doing something different from others and unique. To overcome the threat of obsolescence the management must undergo periodic monitoring and revision of plans to adjust to changes within the environment. In view of this, plans must be flexible for effective implementation and should be in harmony with overall objectives of the organisation.

Finally, management must search for factors that could hinder the progress of implementing these strategic plans. These factors could be internal or external factors. The internal factors could be:

a). Improper definition of overall organisational objectives.

b). Inadequate time devoted to strategic planning consumes a lot of time to produce effective result, but usually management have so many tasks that needs their attention, so they cannot devote as much time to strategic planning as needed. So management must address this problem.

c). Employees obsolesce: Members of an organisation may become obsolete as environment and technology changes, making their knowledge irrelevant. Therefore employees must be trained and developed constantly to overcome this problem.

While the external factors that could hinder the progress of strategic planning implementation could be: unexpected actions of competitors and technological advancement, therefore management must make provisions for these.

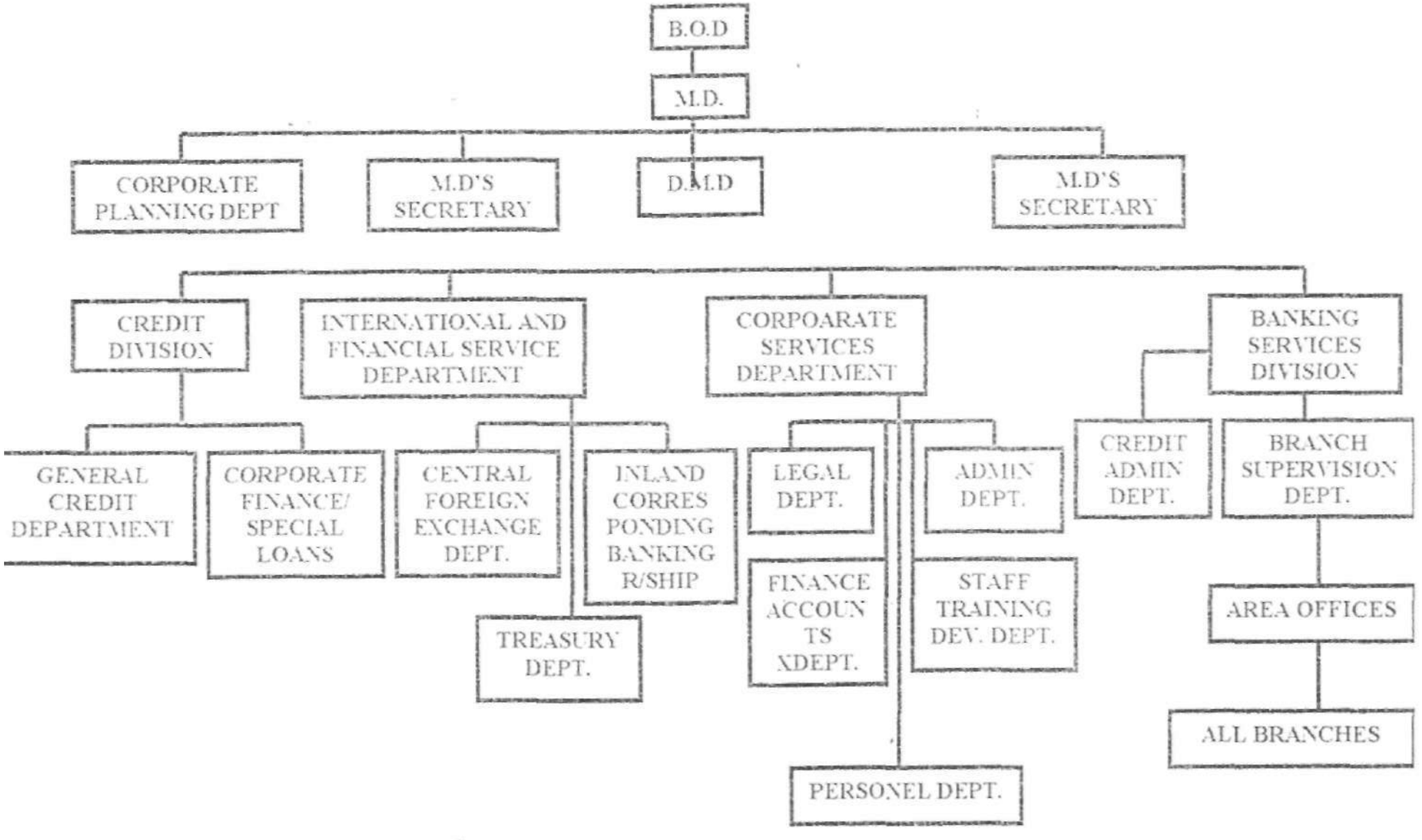
CHAPTER THREE

3.1 INTRODUCTION

Organisations play vital roles in our society, without them life could have been very unpleasant, we could have been a little more than animals. Organisations serve the society by making the world a better, safer and more luxurious place to live. Moreover, organisations helps in accomplishing objectives, the people who manage the organisation perform this essential function by co-odinating the efforts of different individuals to reach these goals and objectives, that would otherwise be much difficult or even impossible to achieve by an individual. As a result provides career opportunities which provides source of livelihood to employees.

This chapter illustrate the style and pattern of actions undertaken by top managers of Habib Nigeria bank Limited to communicate priorities clearly and profoundly to influence overall performance of the bank.

3.11 ORGANISATIONAL STRUCTURE OF HABIB BANK



3.2 BRIEF HISTORY OF HABIB NIGERIA BANK LIMITED

Habib Nigeria Bank Limited was incorporated as private limited liability company in November, 1982 and granted Banking license on 7th March, 1983. However, operations were not commenced until 6th May, of the same year.

The share holding ratio was 40 percent to Habib Bank Limited, Pakistan with which technical management Agreement was reached and 60 percent to Nigerians but in 1985 in compliance with Nigerian Enterprise promotion Act of 1977, the Nigerian partners of the venture relinquished 10 percent of their shares to the Nigerian employees for acquisition under the staff equity participation scheme. In 1988 when the first 5 year term of the Technical Agreement lapsed, the first Nigerian Managing Director and Chief Executive was appointed, and most of the management positions were Nigerianised.

OBJECTIVES OF THE BANK

a). To introduce a fresh banking style in Nigeria and develop a sound bank with branch network in various parts of Nigeria.

b). Provide financial and technical assistance to the public and private sector organisations within the frame work of government of Nigeria economic plans and policies.

c). Mobilise deposits by encouraging savings through introduction of efficient bank services and effective advertising programme. With these at the back of the mind of the operators, the bank went full blast providing a full range of retail-banking services

tailored to the needs of all categories of customers, emphasising service and professionalism with a difference.

SERVICES OFFERED

At Habib Bank Limited, high premium is placed on personalised customer service irrespective of the social and financial status of the customer. Such services includes:

a). Current Deposit Accounts
b). Saving Deposit Accounts
c). Term/Fixed Deposits
d). Loans and Advances to all sectors of the economy
e). Equipment leasing
f). Finance of import and Export
g). Documentary letters of credit/Bills for collection
h). Inward and Outward Remittance and other international Banking services.
i). Treasury and Money Market activities
j). Inland correspondence banking services.

DEVELOPMENT PROCESS OF THE BANK

Branch network. The Bank started operations in May, 1983 with two branches but by the following year, the number of branches had grown to four. This streak of rapid expansion of branch network was maintained. Such that by 30th April, 1997, the number of branches had reached forty-two.

Foreign Branch: Plans are being concluded for the opening of their first foreign branch in Karachi, Pakistan and once necessary approval is received from Central Bank, operations will commence.

STAFF AND MAN POWER DEVELOPMENT

Recruitment Policy: *The recruitment policy of the bank since* inception has been employ highly competent, fresh and young graduates from universities and colleges based on strong and reliable reference and train them to occupy higher responsibilities. This approach has given the management the opportunity to mould the characters of staff to be good and serve the bank with utmost dedication and commitment.

Staff Strength: At the end of 1983, the Bank had a total of seventy-two (72) employees, twenty-eight (28) in the senior cadres inclusive of executives and forty-four (44) in the junior cadre. With expansion of branch network over the last fourteen (14) years, the staff strength of the bank increased to nine hundred and fourteen (914) inclusive of expatriate staff as at end of April, 1997.

Staff Welfare, Involvement and Encouragement: The bank has a good remuneration package that is paid to the employees. Other welfare incentive such as loans (housing, car, furniture, personal, tuition, emergency, rent advance etc) medical facilities to employees and their immediate families without limit are also available for the employees comfort. The bank had since November, 1986 introduced a staff provident fund scheme by which 10 percent of every employee's basic salary is contributed by the bank annually. Apart

from this, a staff equity participation scheme [Equity Participation Trust Fund – EPT] started in 1985 with the approval of the Nigeria Enterprises Promotion Board, had made it possible for eligible employees of the bank to purchase shares in the bank and enjoy benefits of the shares until they leave employment of the bank, but longer serving employees can retain a fraction of their holdings, in cessation of employment.

3.2 ORGANISATION FOR PLANNING AT HABIB BANK

At Habib Bank, the board of directors have the supreme power, they choose the managing director and delegate powers to him to be in charge of the whole bank.

From the chart of the organisational structure of Habib bank, the head office consists of four (4) major divisions which are: Credit division, corporate services division, Banking Services division and International financial services division. Each of these divisions are headed by a General Manager. Under the various divisions are numerous departments which are headed by an by an Assistant General Manager. At Habib Bank the divisional heads, the departmental heads as well as the Managing Director and the Deputy Managing Director constitutes what they call the "Management Committee". This Management Committee meets once in every month to take decisions on important issues.

I. **Corporate Services Division:** This division constitutes of five departments, which are; Legal department, Administrative department, Personnel department, Training and

Development department and Finance Account department. We shall now examine the various functions of these departments.

a). **Administrative department:** The function of this department is to approve appointments of staff subject to existence of vacancies. It is also in charge of transfer of all staff from one place to another within the bank. It also recommends employment of officers and finally approves all staff expenditures.

b). **Legal department:** The functions of this department include:

i). It approves bills on debt recovery from solicitors and auctioneers, amount up to N50,000 above which the Managing Director or Deputy Managing Director is to approve.

ii). Also approval of solicitor's bills up to N50,000 (condition same as above).

iii). Finally it recommends file shits.

C. **Staff Training and Development Department:** This department is charged with the responsibility of training and developing staff. The bank has its own training Centre (Situated at Kaduna), therefore the department's function is to send staff for training especially the new employees.

Although existing staff are also sent for training programmes there or to undergo short time courses outside the

organisation. Hence this enhances the efficiency and productivity of their workers.

D. **Finance Accounts Department:** This department is charged with the responsibility of monthly confirmation of approved/budgeted recurrent expenses of all branches in respect of these expenditure heads:

- Hotel expenses
- Rent (office/Residence)
- Rates and taxes
- Furniture and fixture

Where expenditure is in excess of budget, the department recommends extra amount of money and pas the recommendation for approval of the Management Committee.

E. **Personnel Department:** This department is in charge of approving miscellaneous loans of Head Office staff. It is also charged with the approval of payment of allowances that were allowed in the collective agreement and bank's conditions of service example leave grant, furniture allowance, transport allowance and so forth. The personnel department is also responsible for monthly confirmation of approved recurrent expenditure of branches and office on these areas:

- Wages/ancillary staff cost
- Medical expenses
- Luncheon voucher
- Leave subsidy
- Overtime

- National provident fund
- Salary and allowances
- Staff loans and leave grant

On monthly basis, the General Manager (Corporate services) jointly with the respective Heads of Departments under him, prepare a report to the management committee on approvals granted. In addition to this the Head of legal department mode prepare report on the following issue:
Securities perfected and amount paid to solicitors, facilities called in, up-date on recovery suits and up-dated on suits instituted against the bank.

II. **Credit Division:** This is the most recent division, it was created out of Banking services division. It comprises of two departments which are; General Credits department and Corporate Finance and Special Loans department. The functions of these departments includes:

a). **General Credits department:** It is in charge of all appraisal of Credit request emanating from all branches except those credits listed under special loans. It also appraises all requests for Bonds/Guarantees emanating from all branches. Finally, it appraises commercial loans to staff.

b). **Corporate Finance and Special Loans Department:**
The Corporate Finance function is to identify and market prospective corporate clients (high network individuals). This department is also responsible for the formulation

of profitable methods of expanding the bank's professionalism, and development of effective ways of improving the quality of the bank's services.

While the special loans function is to appraise all special loans which includes; Exports, Equipment leasing and funding projects and Agriculture.

On monthly basis as with other divisions, the Head of Departments and the divisional Head, prepare and submit to the management Committee approvals granted and the Bank's total lending and sectional distribution as a means of informing the Management on position of the Bank.

III. **Banking Services Division:** This division consists of two departments, Credit, Administrative department and branch supervision departments. The functions of these departments involves:

a). **Credit Admin. Department:** This department is charged with the responsibility of confirming on monthly basis the following Head of Accounts:

- Statement of telex and telegrams
- Statement of telephone
- Statement of light and water charges
- Statement of repairs and maintenance
- Statement of conveyance and transport
- Statement of printing and stationery

- Statement of generator charges and computer maintenance.

b). **Branch Supervision Departments:** This department is vested with the responsibility of supervising bank's branches and Area offices. Also Area/branch mangers and expenditures of their individual accounting departments.

On monthly basis the General manager of the division, jointly with department heads prepare reports to the Management Committee on approval granted with details of such approvals.

IV. **International/Finance Services Division:** This division comprises of three departments which are; Treasury department, Central Foreign Exchange department and Inland Corresponding banking Relationship department.

Their functions includes:

a). **Central foreign exchange department:** This department controls purchase of foreign exchange and establishment of letter of credit and issuance of shopping guarantees.

b). **Inalnd corresponding banking relationship:** This department is in charge of opening accounts for other banks who wish to maintain an account with Habib Bank, and also monitors the account.

c). **Treasury department:** The treasury department is charged with the responsibility of maintaining financial dealings of the Bank with the Central Bank of Nigeria,

were the Bank maintains its account. In addition, this department administer inter-banks relationship – lending to other banks or borrowing from other banks.

As with other divisions, this division also on monthly basis, prepares report and submit it to the Management Committee informing the Management Committee the position of the Bank. The General Manager of the division together with the Departmental Heads jointly prepare the report.

3.3 MANAGEMENT FUNCTIONS OF HABIB BANK

In addition to the functions of Management in their various divisions/departments, there are also some important Committees that are particularly charged with advance forecast and planning the best strategy to be applied in the coming fiscal years. The top management of the Bank constitutes membership of these committees. The committees are as follows:

A. **Budget Committee:** The members are – Assistant General manager Admin., Assistant General manager Corporate Planning, Assistant General Manger Branch Supervision and General Manager Corporate Services as the Chairman of the committee.

The function of this committee is to receive and consider annually budget proposals of all offices/branches and recommend to the Management Committee proposed budget

of the following year for approval. The committee also reviews the Bank's budge every quarter and recommend review where necessary. Finally, the committee appraises all capital and recurrent expenditure proposed to be incurred by all the various department/branches of the Bank, thus ensuring threat only prudent expenditure are incurred.

B. **Credit Committee:** The Deputy Managing Director is the Chairman of this committee. Other members includes – General Manager Corporate Services, General Manger banking Services, General Manger Credit Division, head of Department Credit Department and Head of Corporate *finance/Special Loan Department.*

The function of this committee is to appraise credit proposals from all branches of amounts Ten million (10m) above. They critically analyse all such proposals by taking into consideration the viability offered, thus minimising the risk of bad credit accommodation resulting in bad debt.

C **Welfare Committee:** Members of this committee are: Assistant General Manager Personnel, Assistant General Manager Legal and General Manager Corporate Services as the Chairman.

This committee is charged with the responsibility of monitoring the staff strength of the bank, the need and cost to be incurred in recruitment of needed additional staff. They also monitor the

welfare package payable in other banks in order to ensure that the bank is not under paying its staff.

D. **Debt Recovery Committee:** The Members are: Assistant General Manager Credit Admin., Assistant General Manager Banking Services as the Chairman.

The function of this committee is monitoring advances portfolio of the bank as a measure of preventing bad debts, also they supervise all debt recovery units of the bank.

E. **Foreing Exchange Allocation Committee:** Members of this committee are – Assistant General Manager Foreign Exchange department, Assistant Manager Treasure and General Manager International Finance as the Chairman.

The function of this department is to allocate to various customers foreign currency through the branches in which they operate an account.

F. **Disciplinary Committee:** The members comprises of the Assistant General Manager personnel, the Assistant General Manager Legal, one member from each union (both Junior and Senior staff union) and the General Manager cooperate services as the chairman of the committee.

The function of this committee is to mete all punishments to all erring staff members in accordance to the condition of service and collective agreement of the Bank.

G. **Appraisal Committee:** The Bank has three(3) appraisal committee – the Senior Staff Appraisal Committee which appraisal the senior staff of the Bank. The junior appraisal committee which appraises the junior staff and area office staff appraisal committee which appraises all non-clerical to clerical grade employees.

The basic function of these committees is to appraise staff based on appraisal forms filled by each employee supervisor. The members of this committee use the appraisal forms to promote hard working employees or on the alternative merit an increment in salary, while on the other hand if the employee is doing poorly, a warning letter will be issued to the employee or even termination of appointment. This committee also determines training needs for employees through the appraisal exercise.

The reporting system of all the committee mentioned above thus on conclusion of the exercise, the member/secretary of each committee through the chairman of the committee would pass to the management committee, the report of the committee, reflecting proposals and recommendations.

The top-management of Habib Bank plays a vital role to the bank's administration with a view to ensure the provision of adequate and practical policies which certainly saves the Bank from the mishap of being caught either off balance or unprepared by any significant happening in the global/local financial sectors.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 INTRODUCTION.

This chapter explains in details the functions of corporate Planning Department of Habib Bank and how it discharges its planning responsibility. Also it explains how strategic decisions of the Bank are reached. The chapter also enlightens on some prospects and problems of the Bank.

4.2 CORPORATE PLANNING DEPARTMENT

This department is charged with planning responsibility of the Bank. For easy strategic decision, the department reposes directly to the Managing Director, through an Assistant General Manager who heads the department.

The Prime function of corporate planning department is formulation and monitoring implementation of strategic plans, and it carries out its responsibility as follows:

a). The department reviews the implementation of approved plans and also proposes new plans well before the existing ones become obsolete.

b). It also reviews the placement of human and material resources for effective implementation of the plans.

c). The department also prepares annual report on the formulation of the Bank's strategic plans for the approval of the Management Committee.

d). Finally, this department promotes the Bank by marketing the bank to prospective customers, and maintaining a good and cordial relationship with them.

Another major function of Corporate Planing department besides planning activities is preparation of budgets for the consideration of the Budget Committee, and monitoring these budgets. The department receives reports from departments and branches monthly, on the implementation of the Bank's annual recurrent capital budget, therefore it prepares periodic reports on implementation of the budget for consideration and confirmation of the Board. The department also prepares quarterly reports on the direction of the budget and propose amendments where found necessary.

4.3 PROCESS OF THE BANK'S STRATEGIC DECISION MAKING

Basically, strategic decisions of the Bank are reached by way of:- Management Committee meeting, and the Managing Director chairing the meeting or Deputy managing Director in the absence of the Managing Director. Therefore, the Corporate Planning department together with other departments submits their monthly reports on their performance and suggestions or proposals to the Management Committee. The reports are then circulated to all the committee members after which each member gives his comment or suggestion based on these reports. Finally, a position is then taken

though the views of the managing Director are final and are taken as the Management Committee decision. Moreover, where a decision taken entails fundamental change of the Bank's policy then other members of the Management Committee make a presentation to the Executive Committee of the Board. The Broad then takes the appropriate decision.

4.2 BUSINESS POWERS OF THE BANK'S EXECUTIVES

Habib Bank as a financial institution which provides financial and technical assistance to individuals or other organisations thus has money as its symbol. All activities or businesses conducted at the Bank is about money incurred or expend. Therefore as a strategic manoeuvre, the Bank has business power limits for various grades of executive and branch managers. The limit is about the amount or money over which an executive has power to approve for budgeted or unbudgeted expenditures. The limit has been enhanced so as to eliminate the need to refer to the Head Office for approval, which often leads to unnecessary delay due to the long procedure of approval, hence lead to increase in cost before the approval is finally given. As a result this strategy enhances overall efficiency of the Bank.

BUSINESS POWER LIMITS FOR VARIOUS EXECUTIVES AND BRANCH MANAGERS.

TYPE OF BUSINESS	DMG	GM	AGM	AM	BRANCH MANAGER (A)	BRANCH MANAGER (B)
TOD (clean) No security involved	5,000,000	350,000	200,000	100,000	Not authorised to give with no security	Not authorised to give with no security
Against Bankers cheques/drafts	10M	7.5M	6M	5M	3M	2M
Sanctioned overdraft	60M	40M	20M	10M	3M	2M
Against Deposits	1M	750,000	500,000	350,000	250,000	200,000
Term Loan	60M	40M	20M	10M	3M	2M

DEFINITION OF SOME TERMS IN THE TABLE

DMD - Deputy Managing Director

GM - General Manager

AGM - Assistance General Manager

AM - Area Manager

Branch Manager A

Branch Manager B

Clients of the Bank are allowed credit facilities through two main avenues, that is "Overdraft" or "Loan".

OVERDRAFT: This is situated in which a client is allowed to withdraw money in excess of the credit balance available in his current Account through overdrawing of the account. The overdraft facilities are of two types namely; Temporary overdraft (TOD) and sanctioned overdraft (SOD).

A. **Temporary Overdraft:** This type of facility is usually short term in nature, not exceeding thirty days (30) and is allowed against effects such as:

   i). **Clearing Instruments:** This facility may be allowed to clients who have deposited cheques/drafts drawn on other Banks and pending for clearing and collection to their accounts.

   ii). **Term Deposits Account:** Clients may also be allowed to temporary overdraw their account against lien (collateral) from their Term Deposit Account, that is

after surredndering their respective receipts (to be held under lieu) subject to the repayment of the debit.

B. **Sanctioned Overdraft:** This is normally allowed for a period of one year during which a specific sum of money is approved against a valuable collateral such as mortgage of property. The facility may be renewed for additional terms upon expiring of the initial period of one year given by the bank, but this depends on satisfactory performance of how the money is being used.

TERM LOAN This is a situation where a special loan account is opened for a client with the proceeds credited into his current Account. This type of facility has a longer tenure of not less than one year and it is normally secure with collateral such as mortgage of property or lien on Term Deposit Accounts.

Re-alignment of Area Offices is also another strategic achievement. Due to movement of most Central Bank's department from Lagos to Abuja, the Bank sensed the need for closer liaison with Abuja in order to achieve maximum benefits. As a result, the Area office in Minna – Niger State was moved to Abuja to serve both as a controlling office for north-western branches of the Bank and as liaison office of Bank in Abuja.

Another important strategic decision taken by the Management of the Bank, is the creation of two (2) Corporate offices in Lagos and Kaduna. These offices enhanced the development of effective ways to improve the quality of the Bank's ways to improve the quality of

Bank's service and also to maintain close contact with clients as an effective means of evaluating their operations hence performs advisory function to the Bank on its customers. This strategy has greatly enhance the Bank's image and has protected the Bank from the syndrome of distress.

Another strategy of the Bank is its recruits its employees from personal introduction by a staff or people with credible reputation in the society. This has resulted into law reported cases of fraud. Since most of these employees are recruited through respectful persons who will only introduce responsible individuals, this gives Habib Bank the credit of having least reported of fraud compare to other banks or financial institution. This is a research made by the Bank, and for this reason they still maintain this method of recruitment.

Strategic planning has become increasingly important to managers in recent years because it strongly influences the survival and growth of an organisation. Based on this reason Habib Bank is always formulating new strategic ideas and reviewing some existing plans in order to keep up its position and keep its rivals at bay.

Apart from Business powers given to the Bank's executive there are also other strategic manoeuvres made by the Bank to enhance its efficiency, for instance the creation of "Credit division" out of "Banking Services division". The credit division as stated earlier on has two departments: General Credit department and corporate financial special loan department. The essence division thus increasing its efficiency. While on the other hand the newly created division will have other functions to perform that will enhance the

productivity of the Bank and as well formulates other profitable methods of expending the Bank's clientele.

In addition to the above strategies the Bank also created an Electronic Data Processing systems department, which is changed with the responsibility taken care of the Bank's computer Network. Since this is an era of computerisation the bank is also not left behind. To meet up this challenge the bank also have its computers the biggest amongst them is the "BR3000" which links up all the bank branches nation-wide on line. Therefore the operations in Bank are made easier, faster and more efficient.

With the examples cited of the bank's strategic manoeuvres, these facts have proven the first hypothesis which states: "Strategic Planning develops clears cut concept of an organisation, which makes it possible to formulate the plans and activities that brings organisation closer to its goals as well as capable of coping with the rapidly changing environment". Another hypothesis architects and innovators of organisation management system, and they are vigilant seekers of opportunities willing to promote organisation at all times".

In Line with the above discussions it is obvious to see that, there will be no effective comprehensive strategic planning where the management does not give it a firm support and makes other staff to understand its efforts importance and encourage them to put in their best efforts towards making the plan to become a reality.

4.3 PROSPECTS OF THE BANK

The Bank has many prospects, some of them are:

a). Strengthening of public confidence in the Bank.

b). The effective use of personal selling to improve the bank's performance.

c). The incorporation of two subsidiaries: HNB Trustees as an investment outfit and HNB securities and protection as a security outfit, these subsidiaries increases the Bank's earnings.

d). Branch geographical network spread. At the moment the bank has branches in all the states of the federation and the federal capital. In addition some Merchant and commercial banks in the country use Habib bank as their corresponding Bank in those states.

e). The planned introduction of interest free/Islamic banking system will definitely enhance the image of the Bank.

4.6 PROBLEMS OF THE BANK

Habib Bank also has its weaknesses which have become the Bank's problems. Some of these problems are:

a). Decisions takes relatively longer period of time before they are reached. Most often decisions are deferred for reconsideration or review of the case. This is because the bank is always keen on perfection, so it does not ruche into things. It has to analyse the proposals and examine the advantages and disadvantages, so if the advantages are more the proposal is

accepted whereas if the disadvantages outweigh the advantages the proposal is then rejected.

b). Declining staff morale: This is a serious threat to the Bank. Some staff feel that they are not well compensated so as a result they are not wholly committed to the Bank. Though compare to other bank the middle bank pays its staff adequately but within the Bank the Middle managers and other junior staff feel they are not adequately compensated because the gap between them and the operational executives of the Bank is very wide.

c). Decline in performance: Due to job overload, the performance of the staff is declining, because Habib bank is cautious in employing any kind of individual to work in the bank due to the fear of fraud or other disloyalty.

d). Huge fixed assets which result in tying down the Bank's resources: Habib Bank has many assets, for example, computers and many houses and cars for its executives to mention a few.

e). Non-patronage of Federal Government and its parastatals: This was brought about by the Political conflict between the Federal Government and two the bank's principal promoters/Directors. This is a great constraint to the Bank.

These are some of the major problems of the Bank though there might be a few more there and then but these are the significant problems that are becoming serious threats to the Bank's survival and progress.

CHAPTER FIVE

5.1 SUMMARY

In this project, the trust has been on Management of Habib Nigeria Bank Limited. In chapter one effort was made to give a background of the problems which is the "role of management in strategic planning".

Chapter two which is the literature review, strategy has been defined based on three levels, Corporate, Business unit and Functional level. Under the Corporate level, managers are concerned with developing a strategy for their organisation's varied business interest. While business unit level, managers deal with the particular concern of one line business, and functional level management administer corporate and business level strategies as functional areas (such as manufacturing, marketing and so on). To device an appropriate strategy mangers must determine their organisation's purpose, mission and goals. What should the business organisation be? Who are its customers and who should they be? Where its organisation is heading? Are all questions needed to be asked by managers, while by answering these fundamental question, managers can determine the true capabilities of their organisation and devise the most effective strategy to utilise these capabilities.

Chapter three of this project is where the case study comes in, starting with the brief history of Habib Bank, its objectives and services it offers to its customers, employees and nation as a whole. The chapter also consists of the organisational structure of the bank

and the way which various activities/tasks are assigned to different departments and how these separate activities/tasks are co-ordinated. It also talks on how the Bank organises its staff and divides work activities amongst them. Finally the organisational hierarchy, authority structure and reporting relationship are also defined.

The fourth chapter is the aim of the project, that is data analysis and presentation on how Habib Bank operates and institutionalise its strategies and the role the Bank's management team plays in institutionalising and implementing these strategies.

Chapter five is the conclusive chapter of the whole project. All these project has been talking about its planning and role of management in planning. Planning process is an invaluable method for improvement of performance at any organisational level, because planning focuses management's attention on objectives that can generate results. It also helps management to establish priorities and emphasise on organisational strengths. Planning also helps management to cope with the ever changing external environment. Therefore, planning is the most vital function of management and they cannot carry out other functions/responsibilities without planning. Thus, planning should be the prime priority of every manager to enable him achieve over all goals and objectives. There is a saying that goes: "What ever is worth doing, is worth doing well".

5.2 CONCLUSION.

Planning is every manager's job, the need to plan exist at all levels of business and actually increase at higher levels. Upper level managers devote most of their planning time to distant future, that is – they are responsible for formulating the strategies of the entire organisation. While managers at the lower level plan mainly for their own sub-units, for short term objectives.

Prior to any manger organising, leading or controlling (management's functions), he must make plans that give purpose and direction to the organisation, deciding what needs to be done, when and how it should be done and who should do it? As a result of this, strategic planning has become increasingly important to managers. Strategic planning defines the fundamental goals and objectives in specific terms and determines the means to achieve them. It also influences the survival and growth of an organisation in a volatile environment.

Management have both symbolic and practical role to play in institutionalising strategy of an organisation, they interpret the strategy, demonstrate management's commitment to it, and motivate subordinates to implement it. In strategic planning process, mangers are responsible for the following functions:

They formulate organisational goals and objectives, they analyse the organisational resources and takes it into consideration during planning, if the resources available are not adequate to enable organisation carry out its plans then plan has to be altered/revised.

Managers also analyse the environment and search for factors that could hinder the progress towards realisation of goals. These factors could be internal or external factors. External factors could be threat from competitors or technology, while internal factors could be incompetence of employees or mismanagement. Managers also identify opportunities and threats within the environment, they also determine the extent of change required in current strategy then they evaluate and select the best alternative and finally implement the chosen strategy. In addition to these functions, management also motives and communicates information to subordinates.

The planning approach of organisation differs from one another because large organisations often use specialised planning staff to formulate their objectives and strategies and also coordinate the strategic planning process. While small organisations usually do not have planning staff and may not even formalise their planning process.

Strategic planning also has its constraints, the major problem of strategic planning begins with improper definition of business objectives. Some organisations have high level of foresight, therefore they plan for changes likely to occur, while others without foresight do not make provision for changes in their planning process and that is where the problems begins. However, plans have to be flexible in order to become successful.

Time factor is also another constraint because strategic planning consumes most of management's time, and complications in organisations increases at a faster rate than development and

application of tools and techniques to solve some of the organisation's problems. Therefore, management is often faced with some difficulties, first to solve the increasing problems and complications and at the same time the need to devote adequate time to formulate sound strategic plans.

Temperament of top management is also another issue, because these managers rose to the post through several functional areas, so it is often difficult for a manager who was used managing his department, now to be looking over the whole organisation. In some cases, the functional or divisional loyalty of a manager that rose to the top still remains with him; he will prefer to favour the division more that other divisions.

Management dilemma is also another crucial issue in strategic planning. Conflicts usually occur between the chief executive and the planning staff, mostly as a result of improper clarification of roles. The role of the planning staff is to offer professional advice to the chief executive while the chief executive approves or rejects the plan, he has the final say over the whole organisation's activities. Other managerial constraints include:
Inability of management to meet all the overall organisational demands therefore choice or scale of preference has to be adopted; legal trade union constraint; technological limitations; longer working hours and intensive activities.

There are also some barriers to effective implementation of strategy such as: Scarcity or shortage of natural resources causing cost of raw materials to rise as a result some plans have to be altered.

Politics also influences the implementation of strategy because organisation's fortunes often spin unpredictably as the globe turns according to changes in political stability, legal system and environment attitudes towards the business. Values, style, tradition and attitudes towards the business. Values, style, tradition and attitudes of organisation make managers to become reluctant in recognising the significance of environmental changes and making them (managers) more reluctant to modify their priorities or shift strategic resources. Thus, these are some of the barriers to effective strategic implementation, therefore management should be encouraged to make strategies of an organisation become routine part of the day-to-day life of the organisation pervading its culture, systems and values.

Conclusively, it is obvious to see that there will be no effective and comprehensive strategic planning in any organisation where the management does not give it a firm support and make staff to understand their in-depth of commitment. Hence, managers are the most expensive and basic resource; therefore, they must be, constantly replenished through training and development programmes, because it takes years to build a qualified management team but it can be depleted in short period of misrule.

5.3 RECOMMENDATIONS

The purpose of this has been to examine the Management of Habib bank and their role in strategic planning of the Bank. In the course of carrying out this research work, the following recommendations have

been discovered to help improve the services of the bank and the success of the Bank as a whole.

The Bank should introduce "Management by Objectives" which is the most effective method of rationalising strategy down to individual level. Management by objective is a formalised set of procedures that begins with goal setting and continues through performance review. Managers and their subordinates act together to set common goals, each person's major areas of responsibility are clearly defined in terms of measurable expected results. Managers at every level help set objectives for levels higher than their own, this requirement gives them better understanding of the broader strategy of the company and how their own specific objective relates to the overall picture, and also gives both managers and subordinates clearer idea of what top management hopes to accomplish. The annual objective is set by identifying precisely what must be accomplished, in the process managers are provided with specific targets for the coming years performance. The annual objectives helps in clarifying managers task and gives them better understanding of their role in the organisational strategies. Well designed annual objectives are clearly linked to the organisational long term goals, and they are measurable which makes it easier to spot performance problems. Managers must co-ordinate the annual objective of the whole organisation, different units must interact with one another.

Nothing succeeds like succeeds like success, individuals who determine their own goals tend to aim for an improvement on past performance, if they achieve this improvement, they again set themselves higher goal. While if they fail to reach their target,

however they tend to set more conservative levels of aspiration for next period. Also when employees are consulted in setting their goals, they feel important and this motivates them to work harder and might as well help mangers to develop realistic objectives in turn mangers might help subordinates raise their sights towards higher objectives by showing willingness to help them overcome their obstacles and build confidence in their abilities.

Finally, as a general rule the greater the participation of both managers and subordinates in setting of goals and objectives, the more likely of the goals being achieved effectively and efficiently. For this reason, Habib Bank should accept this method of institutionalising strategy in order to expand their operations and success.

Though Habib Bank is doing well compared to other Bank, the bank still has its shortcomings which, if they address, the bank will even do better than it does now. Here are some recommendations in respect to the Bank's problems mentioned in Chapter Four.

The major problems are declining of both staff morale and performance. This is a very serious issue which the bank needs to address immediately. The reason behind this is the staff, apart from the senior executives, are not satisfied with their total salary package, therefore the management committee should address this problem and design new package for the staff of the bank so that they could be motivated to improve on their performance. Another reason for the decline in performance is job overload. The bank has limited number of staff that is why the job is too tasking for the

existing staff; therefore the management committee should make provision either to employ more staff or to purchase more computers that will help in lightening the task of these employees.

The duration of time taken for decisions to be reached is also another major problem of the bank. Even though the bank has introduced a scheme that gives the senior executives of the bank business power to carry out some decisions of their own without going through the long process of management committee meetings, but decisions still takes long time before they are reached for one reason or another, so if the bank welcomes the idea of management by objectives then this problem shall surely be solved. Another major problem of the bank is the non-patronage of the Federal Government and its parastatals. This is beyond the bank's control, never the less, the bank should try as much as it can to draw other customers from the private sector in order to feel less impact on the loss of their most valuable client. This can be done through intensive advertisement, and providing many social responsibilities to the society.

Here are also some points the management should take into consideration while planning:

- Management should always give long term planning greater importance, planning for future not for the next month or year.

- The bank should always raise the quality of its staff, this can be done through training and development programmes, because without training staff to acquire latest skills, there is every tendency that members of the organisation may become

obsolete as the environment changes, making most of their accumulated knowledge irrelevant. In addition, organisations should view people as transferable resources to be shifted from one problem/function to another. This can also be achieved successfully through training and developing employees. Thus training should be considered very important in all organisations; it is the key to success for every organisation.

- Management should also drive out fear while planning. Some times, risk has to be taken and some of these risks might turn out to become a success.

- Management's should also encourage departments to work closely together rather than concentrating on departmental or divisional distinction

- Finally, plans must be flexible, and managers must continuously monitor relative environmental factors so quickly as possible, they should learn to manage surprises before they occur.

These recommendations, if fully adhered to, will strengthen the Bank's capabilities and increase the success of the Bank as a whole.

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