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Core resources of corporate strategy and performance-oriented bank management practice: a lesson for Nigeria

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CORE RESOURCES OF CORPORATE STRATEGY AND PERFORMANCE-ORIENTED BANK MANAGEMENT PRACTICE: A LESSON FOR NIGERIA

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Abstract

In the past three decades, the Nigerian banking industry has suffered from a host of vices namely miss-management, financial misappropriations, administrative recklessness, et cetera, reflecting incompetence on all levels of management and these have had dire consequences in the economy. In an attempt to re-position the industry on the path of performance, different governments in the past took various corrective steps to no avail. In the 1980s, bank executives were incarcerated on ground of faulty credits and by 2009, five bank executives were sacked for poor performance in managing their resources. The instability in the industry created panic and serious public concern that called for the review of management practice. Globally, for the knowledge-based firms such as banks, adopting Corporate Strategy core resources centered on human endowed capabilities is now one of the most influencing inputs to any sound performance strategy. Thus, this study seeks to explore the Core Resources of Corporate Strategy and Performance-oriented Bank Management best practice with a view to creating sustainable best practices in bank management in Nigeria. The findings from the study are quite robust with embedded policy implications for regulators and suggest that adopting Competence-based strategy in recruitment and placement of bank employees at all managerial levels could enhance and sustain performance in the banking industry in Nigeria.

KEY WORDS: Corporate Strategy; Competence; Performance; Bank Management; Nigeria

1.0 INTRODUCTION

The Corporate Strategy of an organization is of great importance to its operations and indeed for an efficient, effective and proactive Management practice. The concept of Corporate Strategy can best be understood by knowing first what 'Strategy' means. Reley (2012) defined Strategy as the direction and scope of an organization over the long-term which achieves advantage for the organization through its configuration of resources within a challenging environment to meet the needs of markets and to fulfill stakeholder expectations. In a more concise form, Strategy may be defined in terms of how an organization creates and captures value in a specific product market. From these definitions and based on its value creation ability, we deduce that 'Strategy' is an essential prerequisite in facilitating management activities and it enhances performance by aiding management to achieve set goals and objectives in organizations and particularly for knowledge-based institutions such as banks.

Strategy exists at different levels in every organization. It ranges from the overall business operations through to individuals working in it. For instance we have 'Business Unit Strategy' which deals with how a business competes successfully in a particular market, 'Operational Strategy' which is concerned with how each part of the business is organized to deliver the corporate and business-unit level strategic direction and Corporate Strategy which is defined as the overall scope and direction of a corporation and the way in which its various business operations work together to create value across different businesses or achieve particular goals.

Our focus in this study is on Corporate Strategy and its core resources and how they facilitate effective management practice. Corporate Strategy is an extremely crucial and essential level strategy and acts to steer strategic decision-making throughout the business. For this reason, Corporate Strategy is often stated explicitly in the 'Mission statement' of most well meaning and knowledge-based organizations. Its development involves establishing the scope and purpose of the organization's activities and the nature of business it is into. In doing so, it takes into consideration the environment in which the business operates; the competition it faces, its position in the market place and in its full scope it may involve using tools such as the SWOT Analysis to analyze the strengths, weaknesses, opportunities and threats in the business.

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In addition to adding value across business frontiers, another fundamental objective of Corporate Strategy includes improving the competitive advantage of the operating units or departments or firm. As business becomes increasingly complex and competitive, top executives formulate organization's Corporate Strategy that enables them accomplish superior performance. In formulating Corporate Strategy that allows an organization add value and improve competitive edge, managers in various management levels utilize some intrinsic values residing in their heads. These intrinsic values are otherwise referred to as Corporate Strategy resources which enable mangers accomplish efficiently their decision-making responsibilities. Efficient and highly differentiated strategies, either low cost or product leadership which offer the promise of high returns is a function of the capabilities of the management team. Capable management teams have the abilities to craft the business portfolios, and design the organization structure, systems and corporate functions or transfer skills across the business frontiers or across businesses. This study seeks to explore how Corporate Strategy resources are utilized to enhance performance in bank management with a view to improving bank management in Nigeria.

Having defined Corporate Strategy, it becomes necessary to explain what bank management means. From theoretical literatures, several definitions of Management have been offered by different authors. The definitions are legion and appear to vary as to the needs of the author. The situation is further complicated if one considers what or who is being managed. However, from the general point of view, Management may be defined as the coordination and organization of the activities of a firm, particularly, a business corporation in order to achieve defined objectives. It consists of the interwoven functions of creating corporate policy and organizing, planning, staffing, leading, controlling, and directing an organization's resources in order to achieve set goals or the objectives of the policy so created. The term is synonyms to administration, direction and leadership. Malik (2009) defines Management as the transformation of resources into utility. According to Whyte and Plenderleith (1994) two definitions of Management stand out clearly;' the classical approach is exemplified by analyzing management's five aspects namely: planning (including forecasting), organizing, commanding, coordinating and controlling and the other authoritative approach states that Management involves the managing of people, the process of getting things done through people'

It is an obvious fact that banking industry performance in Nigeria in the past three decades has been dwindling. The situation has forced monetary authorities to formulate and implement several policy reforms in order to restore efficient corporate performance to the sector. During this period, the industry witnessed mass failures of banks, distresses, re-capitalization, merger and acquisitions. The alarming uncertainty resulting in some banks operating on negative shareholders' funds prompted regulators to take several actions aimed at correcting the looming danger associated with the drain on capital. Some of the corrective measures taken by Central Bank of Nigerian (CBN) include: the sacking of five Managing Directors of banks in August, 2009, the proposed establishment of Credit Bureaux to facilitate the granting of credit facilities in banks, the N620 billion CBN bailout operations in 2009 to rescue ailing banks, the establishment of Asset Management Corporation of Nigeria (AMCON) whose primary purpose is the acquisition of non-performing loans from the banks et cetera. While it may appear true that these CBN actions may have led to the resurrection of some ailing banks to active operations, it cannot be said that these actions guaranty the non re-occurrence of the events that led to their bad state. For instance, a bailout operation is not a guarantee for soundness. What is obvious and true is that the core reason for the dwindling state of banks is the consequence of Competence meltdown amongst the hierarchy of bank management cadre. In clear terms the industry appears to have run short of managers endowed with the right occupational Competences in the various levels of management to facilitate effective corporate performance and why it is so is central to this research study.

2.0 Review of Related Literature,

The act of Management is carried out in all businesses by top executives. Thus, the executives in every organization have delegated power and the responsibility of planning, coordinating and making decisions on all aspects of business operations. In large corporations, the Board of Directors defines the strategic policy reforms and the reforms are effected by the Chief Executive Officer or CEO and his team of managers at all management levels. We deduce from the foregoing that Management constitutes the process of coordinating the efforts of people and the activities of the firm or corporation in accordance with certain policies in order to achieve clearly set goals and objectives. It involves the strategic manipulation of the human capital of a corporation to contribute to the success of the enterprise. It does means that the firm's corporate goals and objectives are achieved by efficiently and effectively employing human resources more than financial, technological, and natural resources and that explain why employees are the most valuable assets of a firm. Human resources or attributes are employed in planning, controlling, coordinating, managing and organizing other resources, meaning that the act of management is hinged on human capabilities.

The size of a Management team varies and can range from one person in a one-man business firm to hundreds or thousands of managers at different management levels in a large multinational company. The totality of a firm's human capital or workforce including the Management team constitutes its employees. These employees carry in their heads some intrinsic values on which they depend on to formulate proactive corporate strategies and perform exceptionally well at various duties in the organization. The employees' outstanding performance transforms into overall organization's outstanding performance and that has the effect of enhancing or creating competitive advantage for the organization. From the foregoing, we infer that organizational performance is a function of human attributes and capabilities. On the other hand, human capabilities rely on these intrinsic values residing in the heads of employees. These intrinsic values are what are referred to as core resources of Corporate Strategy, the resources that enable employees craft result-oriented Corporate Strategy and act excellently. We elaborate on this below.

2.1 Core Resources of Corporate Strategy: The Theoretical Foundation

Performance-oriented Corporate Strategy in modern and knowledge-based institutions such as banks is a function of efficient and innovative employees. This is so because efficient employees rely on and use their 'Competences' to build result-oriented Corporate Strategy for the organization. According to Boyatzis, 1982:240; Competence encompasses knowledge, skills, attitude and behaviours that are causally elated to superior job performance. We deduce from the definition that Knowledge, Skill and Attitude are the intrinsic values in the heads of employees and constitute the core resources utilized to facilitate the building of a proactive Corporate Strategy for an organization. Lynch (1997) argued that within resources analysis, the area of core resources; Competences:- Knowledge and Skills are fundamental to strategy development in terms of adding value to an organization performance. According to Lynch (1997), it seeks to explore some basic strategic questions: 'How is it possible for companies with a small share of a market to gain significant share of an industry? How did Canon photocopiers (Japan) make headway against the dominance of Xerox (US)? The cardinal part of the answer to these questions lies with the organization's core resources, Competences:- the knowledge and skill of the employees and how they used them competitively. Whyte and Plenderleith (1994:132) opined that when it became clear that earlier management theories presented less than complete picture of effective management, a number of modifications or alternative were postulated and from management point of view, Competences now increased from impersonal technical skills to include interpersonal skills.

For this study, we adopted Rick Bayatzis' definition of Competence as our working definition and for emphasis; it states that Competence encompasses knowledge, skills, attitude and behaviours that are causally elated to superior job performance (Boyatzis, 1982:240). This understanding of Competence has been described as attribute-based inference of Competence. Lynch (1997,258) argued that: Core Competences covers an integration of skills, knowledge and technology that enables an organization to provide a particular benefit to customers. Accordingly, Competences are utilized to facilitate organizational Corporate Strategy aimed at improving efficient management and organizational performance. Armstrong (2004:148-149) contends that the concept of 'Competence' was conceived in the UK as a fundamental part of the process of developing standards for National Vocational Qualifications (NVQs). These specify minimum standards for the achievement of set tasks and activities expressed in ways that can be observed and assessed with a view to certification. Micklethwait and Wooldridge [1994:142-143] affirmed that Competences - knowledge, Skill and attitude also reside in various traditions of collective behaviour. This refers to the organizational culture governed by the firm corporate strategy. Specifically, this has to do with occupational competences; the ability to perform the activities within an occupation or to function to standards expected in specific industries. It includes the ability to transfer skills and knowledge within the industry and to new situations, organizing and planning of work, innovating and coping with non-routine activities, and the personal effectiveness to deal with co-workers, managers and customers. According to Micklethwait et al (1994), the leaders in this respect may be the Japanese. Visit a Japanese factory and you will see many employees communicating without actually talking. The

Japanese middle managers are, in effect, the real knowledge 'engineers' of the knowledge-creating company whose cardinal focus is performance management. Individual employee Competence (knowledge and skills) culminates into organizational efficiency. When this formed the fundamentals of their company Corporate Strategy, it results in superior products such as the Toyota products.

Harvey (2004) posits that Competence (knowledge and skills) tends to be a particular concern when assessing some professional disciplines such as medicine, teaching, social work, architecture and banking. He emphasized that in a specific organization or industry, you need to have the professional Competence of the profession or industry. Also, from theoretical literatures based on the UK point of view, it is argued that the professional or occupational Competences are the Competences you show in an interview for a job which constitutes a fundamental part of the process for developing standards and subsequently effective management. Therefore, Competences is defined to meet the needs of the particular organization such as bank. Industry-wide technical Competences represent the knowledge skills and abilities needed by all occupations within the industry.

For modern organizations, occupational Competence-based models are frequently developed to define performance in a workplace; to design Competence-based curriculum or to articulate the requirements for an occupational credential such as certification. A Competence model refers to a group of Competences required in a particular job and this depends on the nature and complexity of work along with the culture and values of the organisation in which the work takes place. Bratton and Gold (1999;188) posits that it is now recognised that Competence model can be an important means of integrating Human Resources Management (HRM) processes for all employees. This explains why since the early 1970s, leading and successful organisations globally have been using Competence Model to help recruit, select and manage their outstanding performers after Dr David Mcclelland, a Harvard Business School, a Professor of Psychology found out that traditional test such as academic aptitude and knowledge tests did not predict success in jobs. Once identified, Competences provides a starting point for the assessment and development of an organisation's employees and a link of processes to the organisation strategy.

3.0 Competence-based Strategic Management

We have attempted to establish that building an efficient Corporate Strategy for a performance-oriented organization requires the usage of some intrinsic values (knowledge and skills) commonly termed Competences, residing in the heads of employees of an organization. Competence-based Strategic Management is relatively a new way of thinking about how organizations gain high performance for a significant period of time, that is, how efficient performance could be sustained overtime. Established as a theory in the early 1990s, Competence-based strategic management theory explains how organizations can develop sustainable competitive advantage in a systematic and structural way. In other words, a competent or performance-oriented organization has the ability (being capable of) to structurally and systematically coordinate resources for the realization of the organizations goals and objectives and commit resources for the creation and distribution of customer value in order to develop competitive advantage. Raye and Walter [2003:1] argued that: Competence-based Strategic Management as it were is designed to assist in addressing the specific needs of competent managers in their innovative work environments. It examines the major initiatives taken by Management executives on behalf of shareholders involving allocation of human and financial resources and achieving set goals. It entails specifying the organization's mission, vision and objectives and working strategically to achieve them. This includes formulating policies, developing plans to achieve set objectives, and allocating resources to implement the policies, plans, projects and programs, thus it gives an overall direction to the firm.

Globally, in modern and knowledge-based organisations and even governments, the role of employees using tacit knowledge to enhance productivity are now being acknowledged, hence the path followed with Competences, the approach in the organisational world referred to as Competence-based approach. Becker [2001:1] posits that: the most successful companies and the most successful countries will be those that manage human capital in the most effective and efficient fashion – investing in their workers, encouraging workers to invest in themselves, provide a good learning environment, and yes, include social capital as well as skills and training. Competence is the driving force behind the success of modern businesses. The efficient management of employees possessing industry Competences (e.g. banking industry) required to perform specified job tasks is of vital importance and this has become an integral aspect of managerial activities in modern organizations. Competence-based Strategic Management can be incorporated into various business processes and indeed banking activities and transactions. This strategy ensures the effectiveness of the business process and can also effectively isolate employees' current skill gap and help them in mapping out training and development plan targeted at closing those gaps. On Recruitment and Selection, Homer (2004:5) argued that Competence assessment as a management tool can be used to assess how well a candidate fits the requirements for a specific job. By creating a competence-based job or resourcing profile, recruiters and managers can screen candidates based on how well their Competence proficiencies match their profile. For sustainable management practice and performance-oriented organizations, these are incorporated into the Corporate Strategy of the firm.

3.1 Competence-based Performance Management

Performance Management is an integral component of a firm's Corporate Strategy. It focuses on the improvement and development of employees in organizations in line with their exhibited Competences. According to Armstrong [2004:477]: Performance management can be defined as a strategic and integrated approach to delivering sustained success to organizations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors. It is strategic in the sense that it helps to align employees displayed Competences with work tasks to ensure maximum productive levels. Thus it functions effectively as a management tool in maximizing organizational scarce resources to achieve longer-term goals. From the foregoing, we deduce that Competence-based Performance management is basically concerned with maximizing employee capabilities particularly in job-task they are best fit in order to achieve individual and team effectiveness which eventually culminate into organizational effectiveness and consequently high performance.

Employee performance can be improved by continuous training and re-training in line with their acquired Competences by certification. Organizations rely on employees' capabilities to perform. Thus organization's performance could be improved and sustained when deliberate effort is made to incorporate Competence policies into recruitment and training strategies and as a core aspect of the Corporate Strategy of the organization. From the foregoing, we deduce that improving employees' Competences is synonymous to improving the organization's Competences and that constitutes an essential pre-requisite to managing performance that ensures maximum productivity of any firm. Hartle,(1995:241) contends that Competence-based Performance management should be integrated into the way the performance of the business is managed and it should link with other processes such as the business Corporate Strategy, Employee development (training) and Total Quality Management (TQM). Presently, knowledge-based and performance-oriented organizations build their Corporate Strategy around employees' Competences – seeing them as the 'common currency' for the organization to perform well and through which the organization communicates its value and notion of excellence to their clients and the general public..

Banking is a highly competitive professional business and requires competent employees with the right skills and capabilities. The Corporate Strategy of modern banking firms focuses on how Competence can be entrenched or used to enhance performance of banks' Management teams and employees. Prastacos (2008:7-8] argued that to achieve high level performance, the Competence model for banking should take into consideration, not only the bank's job description, but also best practices and recent trends in the banking sector, as well as the bank's own Corporate Strategy, so as to guarantee the relevance and survival of the bank in the new competitive era. We deduce from the forgoing that modern and performance-oriented banks build their Corporate Strategy around their employees' Competences - their skills and their knowledge. Building the bank Corporate Strategy involves creating a description of every job or function within the organization in terms of employees Competences. It becomes essential that banks must recruit employees having banking occupational and professional Competences - employees having mastery skills and knowledge in banking and banking related disciplines. In this way, Competence constitutes an integral part of bank Corporate Strategy and is used to define the structure of jobs in the bank, build the organization culture, align the activities of the workforce with the desired management goals and objectives, standardize processes - recruitment and selection, remuneration, reward and recognition, performance measurement, development planning and training needs analysis.

4.0 Corporate Strategy, Corporate Governance and Organizational Performance

The system operations of organizations are synonymous to a car engine which coordinates all its components to function appropriately. One very important component of modern organization is its Corporate Strategy. In most cases, it comes in the form of its policies which facilitates the act of Corporate Governance. Competent and skillful management teams employ good corporate governance in promoting efficiency in the productive sector and in delivering of goods and services. Viewed from this perspective and in a cyclical manner, an organizational performance is a function of good Corporate Governance and good Corporate Governance depends on good Corporate Strategy emanating from policies derived from employee Competences, the available skills and knowledge of the workforce of the organization. A definition of Corporate Governance may ease the understanding of the underlying concepts. Simply, Corporate Governance refers to a complex of methods or rules or policy by which corporations are organized, controlled and directed. It specifies the distribution of responsibilities and rights amongst the Board of Directors and various categories or levels of managers, shareholders, regulators et cetera.

According to Philips (2007) Corporate Governance is an internal system encompassing policies, processes and people which serves the needs of shareholders, by direction and controlling management activities with good business savvy, objectivity and integrity. The central meaning of the act of good corporate governance in business is the firm's ability to put in place organized, achievable, sustainable and profitable goals. Such businesses craft feasible and executable Corporate Strategy, provides enabling environment to deliver the corporation's objectives and puts in place a reporting system to guide progress. These procedures in the firm are the feats of competent employees, thus the act of good corporate governance has to be in the bones and bloodstream of the employees of the organization, a reflection of their knowledge and skills. Besides, it affirmed that running the business successfully is not simply about market domination and shareholder value but about the distinctive and efficient corporate culture of the organization. These days, it is not enough for a company to merely be profitable; it also needs to demonstrate good corporate citizenship through environmental awareness, ethical behaviour and sound corporate governance practices. Globally, best management practice involves evolving a proactive Corporate Strategy built around employees Competences: knowledge and skills. On the other hand, proactive Corporate Strategy serves as a guide for good corporate governance aimed at adding value both to the administrative and productive sectors of the firm and that culminates eventually into high profits; the cardinal measure of organizational performance.

5.0 Discussion of Finding, Conclusion and Recommendation

5.1 Discussion of Findings.

So much has happened in the banking industry in Nigeria in the past three decades. To some observers of events in the industry, the fundamental errors though may have existed in the past; they came to fore in the 1980s during the proliferation of banks when banking institutions in the country grew as high as 124 in number. The prime businessmen stakeholders of most of those banks did NOT take cognizance of the fact that banking is a 'well-guided Profession' and should not be essentially run as a 'Commercial Business' -- buy, sell, make profit, or a source of generating funds for other businesses by deposit taking and false and forced loans by stakeholders. Better put, banking is a 'Business for Professionals' The word 'Profession' with respect to banking is supreme. Advanced English Dictionary (AED) defined 'Profession' as an occupation requiring special education or the body of people in a learned occupation. If this definition is relevant to us, then it means that banking business requires special education and for people learned in the act of banking. It also means that banking is not for people who can read and write anything in any discipline. As a profession, it is expected that a banker must be a trained professional like a learned lawyer or a medical doctor. However, the situation in the industry from the 1980s has been different. What is prevalent in the industry is that bank owners who were core businessmen stultified themselves and contracted persons from all academic disciplines, engineering, history, pure sciences, Arabic studies et cetera as bankers thereby contradicting the norms of the profession. Though most of the businessmen banks have liquidated, their workforces have remained in the system and have grown to positions of decision making in the various active banks they have found themselves. The consequences of continuous breaching the norms of the profession aside economic down turn are the lingering dwindling performance in the industry. Indeed, an Engineer/banker or biochemistry/banker lacks the fundamental and tacit knowledge of managing complex concepts such as Risk Assets, Intermediation process, Capital adequacy, Liquidity/profitability equilibrium, Solvency, complex Foreign transactions and in particular the innovative knowledge and skills to build a proactive Corporate Strategy for a banking firm. Building an effective Corporate Strategy for a banking firm requires the mastery of its basic concepts and off cause the possession of the necessary Competences; the intrinsic values - knowledge and skills that must be embedded in the heads of Management team and employees of the bank that enable them perform exceptionally well, add value to their corporate portfolios, conduct good corporate governance and cultivate corporate culture of the organization.

As a matter of fact, modern and knowledge-based organizations globally match individual competences to roles in the organization. It does means that identifying and developing competences for job roles in a very useful exercise thus it forms the bases for training in the firm's Corporate Strategy. In competitive business environment which we are, nothing is left to chance. Therefore best management practice requires that the employees' skills must be developed in term of the area of knowledge acquired by certification. This requires conducting job analysis to understand the different tasks in the firm, observing employees as they perform their task or conduct their roles in order to assess their training needs. It may also require getting advice from clients and professional experts about what knowledge and skills that is useful in delivering the best quality product or services to customers' satisfaction. A firm's corporate strategy built around employee competences has relationship with the customer's perception of the organization and its products or services. This is so because employee Competence enkindles good corporate governance, elicits and elevates customer's value of the organization and this gives the firm a competitive edge and differentiates it from competitors.

The following analysis may serve to explain the underlying facts. Football is a big, competitive and professional business in Europe. The football profession has some fundamental similarities to banking profession in some aspects especially with regards to Competence. The quality of a football team is a function of the skills and Competences of its players. The Managers of football teams are quick to react negatively to players loosing skills, an essential prerequisite for performance and being aware of this, players make deliberate efforts to keep their skills strengthened by training and re-training. On the contrary, a good proportion of the bank workers in Nigeria do not have the basic and tacit knowledge of banking and fundamental skills by certification for the job, having being drawn from all academic disciplines. The Competences of bank employees is of significant importance to the bank performance. Most importantly, a bank's Corporate Strategy built around its employee competences has the ability to enhance productivity and also has relationship with the customer's perception of the bank. High customer perception is a good indicator of how well the bank is performing. Competence enkindles and elicits good corporate governance in organizing and coordinating a bank's ability to conserve its limited resources, having the capability thereof to act efficiently and the potentiality of inducing and stimulating best management practice in all its ramifications. In the words of Zacker (2004:3): successful companies rely on its employees' Competences for maximum performance.

5.2 Conclusion

Globally, economic downturns cum banking crises are of major concern to governments and bank stakeholders. In Nigeria, banking in the past three decades has witnessed dwindling performance in all its ramifications. In the Nigerian context, beside economic downturn, the core reasons for banking crises has been associated with human attributes, vis a vis, break down in employees Competences at all levels of management. Evidently, this led to the incarceration of many top bank executives during the Abacha-led administration and the sacking of the Managing Director of five banks in 2009 by the regulatory authority in Nigeria. The consequences of Competence meltdown in Nigeria have been enormous on the economy. Thus, this study seeks to explore Core Resources of Corporate Strategy and Performance-oriented bank Management Practice: A Lesson for Nigeria with a view to creating sustainable best practices in bank resources and human management in Nigeria.

We emphasized that residing in the heads of employees of firms are some intrinsic values referred to as Competences (knowledge and skills) that enable them craft viable and proactive Corporate Strategy for a firm. Thus, the Corporate Strategy of a bank built around its employees' Competences enhances effective and efficient coordination of the firm's human and financial resources and hence innovative management practice. Indeed, a proactive Corporate Strategy for an organization relies on its employees' Competences and it enables them perform exceptionally well and add value to the corporate portfolios of the organization. Employees' Competences is a significant pre-requisite for efficient and effective management best practice because it facilitates the task that reflects the scope of professional practice, has relationship with the customer's perception of the organization, enhances customer value and firm's competitive edge, enkindles and elicits good corporate governance, rejuvenates management capability to plan, control, conserve bank limited resources and manage its liabilities efficiently. Ultimately, we conclude that bank Corporate Strategy built around employee competences has the potentiality of inducing and stimulating best management practice in all its ramifications.

5.3 Recommendation

One of the most relevant deductions from the study is that banking is a 'Profession', not essentially a 'Commercial Business' where anyone can buy and sell but rather it a 'Business for Professionals'. The word 'Profession' with respect to banking is supreme. It means that banking business requires special education and for people learned in the act of banking. Most importantly from the forgoing, we emphatically recommend the need to invest in human capital as it offers the highest returns in terms of increasing performance and it enhances the level of competence of the employee. This involves on one hand training and re-training of the existing workforce in the industry possessing banking Competences by certification.

On the other hand, it might require a compulsory policy or moral suasion to cajole bankers possessing non-related banking certificates, for example, the Engineer/banker, History/banker, Botany/banker, Arabic Studies/banker et cetera to acquire banking rudimentary knowledge and skills by taking Post Graduate Diploma (PGD) courses in any of the Management Science disciplines to bridge the gap (Gap Analysis) and NOT executive MBA. With a PGD, he/she could advance in banking studies. In the UK, the measure of Competence is qualification. Competence refers to vocational qualifications and explains that National Vocational Qualifications (NVQs) are Competence-based qualifications, meaning that they attest to the ability of an individual to do a job of work to nationally agreed standards (Wikipedia). It is linked to ability to perform activities within an occupation or function, work consistently to agreed standards and transfer skills to a range of situations within and even external to the central occupational area. Just as only lawyers called to Bar are competent to practice law only competent and qualified bankers should be assigned the responsibility of managing or heading specialized departments or branches. In other words, there must be a sort of bar or ceiling for unqualified bankers in terms of assigned responsibilities. These should form a fundamental rule in the Corporate Strategy of the firm. In Nigeria, there are implied rules of recruitment based on 'Federal Character'. Even where 'Federal Character' has to be employed in recruitment of bank employees we recommend that, the Corporate Strategy of the bank should contain policy statement emphasizing that the geo-political zones must produce competent personnel who possess the necessary banking skills and knowledge. 'Equal Opportunity Policy' as it is practiced in advanced economies of the world like the UK and USA is often being abused in Nigeria as bank recruitment officers have been found to tactfully make way for their favoured person(s) and so there must be checks and balances for such policy implementation to ensure that truly all prospective employees enjoy equal rights and opportunity.

Lastly, we recommend that the responsibilities of funding research in Management Science faculties of our tertiary institutions should be part of the responsibilities of all the banking institutions in the country since they are the ultimate beneficiaries of such studies. It may come in the form of a policy statement from the apex bank instructing that a certain percentage (maybe between 0.5% to 0.1%) of the annual profit after tax be committed to research as it is done by the committee of bankers for the Small and Medium Enterprises Equity Investment Scheme (SMEEIS) program. Such funds could be managed by the Research Department of the CBN and these funds could be used to develop general infrastructures for part-times studies in tertiary institutions for bankers and the general public. This reiterates our first recommendation of training and re-training. We conclude finally by re-emphasizing that the most successful companies and the most successful countries will be those that manage human capital in the most effective and efficient fashion –investing in their workers, encouraging workers to invest in themselves, provide a good learning environment, and yes, include social capital as well as skills and training (Becker [2001:1).

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