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Strategic planning: A catalyst for performance among banks in Nigeria

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Abstract
The study identified the various strategic planning practices adopted by Nigerian banks and also examined the impacts of Strategic Plans on Corporate Performance. Primary data was used for the study. Lagos metropolis was used as the area of the study because 20 banks out of 21 post consolidated banks have their head offices in Lagos. Ten banks listed on the Nigerian stock exchange market with stable corporate identity were selected out of 21 Deposit Money Banks in Nigeria using purposive sampling technique. 200 senior staff of banks in the Nigerian banking industry was used as the population. Sample was selected using multi-stage sampling technique. Ten senior managers of the selected banks who are involved in strategic planning decision and coordination of resources in the banks were selected using purposive sampling techniques. Thus, the sample size for the study was 100 respondents. A well-structured questionnaire was administered to the respondents. Data was analysed using descriptive and inferential statistics. The findings of the study revealed that the strategic planning practices adopted by Nigeria banks included environmental scanning (73%), strategy formulation (83.2%) and feedback and evaluation (65%). It also revealed that strategic planning proxied by environment by environmental scanning ($t=4.624$, $p< 0.05$); strategy formulation ($t=3.000$, $p< 0.05$); feedback and evaluation $t=2.019$, $p< 0.05$) had significant effect on organisational performance. The study concluded that strategic planning if properly integrated by Nigerian banks could make significant improvement on their performance in the industry.

Keywords: strategy, strategic planning, organisation performance, banking industry, corporate performance

1. Introduction

The word "strategy" has always been associated with and indeed been prominent in any discussion on the subject of management of an organization because of its importance. Strategy is derived from Greek word "strategos" which mean "the roles of a general" (Mohammed, Ann & Yea 2010). The Greek verb "strategos" means to plan the destruction of one's enemies through effective use of resources. For a relatively long period, the concept of strategy first became prominent in the military/political context when Socrates went to console Nichomachides, Greek militarist, who lost an election to the position of general to Antisthenes, a Greek business. Socrates compared the duties of both a general and a businessman and showed Nichomachides that in either case one plans the use of one's resources to achieve one's target/objectives. Even though the concept of strategy may have had its original underpinnings in the military, after World War II, the need for a concept of strategy as related to business become greater as business moved from a relatively stable environment into a more rapidly changing and competitive environment.

Strategic planning has been a forward-looking exercise and all managers should be involved with it. According to Fraser & Stupak (2012) [17], strategic planning may "encourage the clarification of business goals, systematic gathering of information, prioritization of projects, teamwork, environment responsiveness, communication of strategic to all stakeholders, and an improved performance." the authors are of the view that the strategic planning process may strategically position a business by striking balance between how it operates and the requirement of the environment. from the foregoing arguments, proponent of the strategic planning process sustain the view that strategic planning may not be regarded as panacea to business success, but it well managed, business are able to clarify future direction, establish priorities, effectively respond to the dynamic business environment and, hence improve their performance.

Obviously, some organizations perform better than others. It is possible that a firm having equal capacity in man, money and material could perform much better or much poorer than some other firms. To determine what makes the difference, strategic planning should be evaluated. In management literature, advocates for strategic planning like Thompson, Strickland & Gamble (2007) [37], and Fraser & Stupak (2012) [17] to opine that strategic planning contributes to managerial effectiveness and thus, to corporate success.

Due to the fact that strategic planning is an antidote to business failure if properly implemented, many developed countries have evolved policies to support top managers at different level to embark on strategic planning because of its benefits. For business to survive, it should be able to operate successfully with environmental forces that are unstable and uncontrollable and which can greatly affect decision making process. If strategic plan is available and well implemented, an organization will have little or no challenge in managing external changes. Organizations manage the environment forces as they play and carry out strategic activities. It is through strategic planning that an organization can predict change in the environment and act pro-actively (Uvah, 2005; Adeleke, Ogundele & Oyenuga, 2008) [43, 2]. In a more specific sense, strategic planning is an engine on which corporate performance rides. Many empirical studies in developed countries have equally justified the importance of strategic planning as one of the key factors that can sustain corporate performance.

In the developing world, the role of strategic planning captured the attention of policy makers during the past decades and this perhaps led its practices of strategic planning. It has to do with the need to accelerate the process of economic development. By analyzing the firm strengths, weaknesses, opportunities and threats, strategic planning helps to device strategies to improve firm performance. Specifically, Nigerian has suffered from the dearth of strategic managers which has greatly hindered the effective growth of the private and public sector. The poor development of strategic planning can be attributed to some reasons. Firstly, some organizations have not developed culture of adopting strategic planning to deal with dynamic environment. Top managers still adhere to old method of planning and management which are no longer effective in guaranteeing a steady future. Secondly, most organizations are more concerned with the formulation of strategic plan and not how to implement and execute the chosen strategy efficiently and effectively, this situation has led to failure of business enterprise Thompson and Strickland (2005) [37] and Draft (2008).

1.1 Statement of the Problem

Some of the problems confronting all organizations are: how to achieve their objectives, what to do in order to survive in ever-changing environment? What to do to enhance employee job satisfaction? Does the customer derive a sense of satisfaction? Are the shareholders satisfied with the company performance? If so what are the strategies? If not what are the factors responsible? Therefore the question on how to achieve the objectives of an organization toward improvement of corporate performance occupied the minds of managers from the chief executives to the lowest ranking supervisors.

Many organizations spend most of their time realizing and reacting to unexpected changes and problems instead of anticipating and preparing for them. In developing countries like Nigeria, it was observed that the Nigerian financial sectors is one of those sectors that have failed to keep up with the accelerated pace change in global economy which resulted to distress, acquisition and merger in Nigeria banking industry. Thus, managers realize the need to be more proactive than is reactive posture in order to improve corporate performance. This has called for company-wide strategic planning in all these firms.

However, it has been observed that most organizations are more concerned with the formulation of strategic plan and not how to implement them (Douglass 2003). It has become imperative for the firms in Nigerian banking sectors that desire success both at the micro and macro (i.e global) level to imbibe the culture of implementing their strategic plan. Implementation is the act of putting the chosen strategy in action through a process of allocation of resources, and adapting the organizational structure to suit the strategy and creating an appropriate climate for carrying out the chosen strategy. Therefore, in attempt to evaluate the effect of strategic planning on corporate performance of firms in the Nigerian banking industry, there is need to provide answers to the following questions: What are the strategic planning practice adopted by Nigerian banks and the extents of its implementation? And what factors influence the choice of banks strategic plans adopted by banks? And how does strategic plan affect corporate performance of banks in Nigeria?. Thus, there is dearth of empirical research on strategic planning practices coupled with influencing factors and its effect on corporate performance of banking firms in Nigeria; hence this study.

1.2 Research Questions

In order to establish the impact of strategic planning on corporate performance of firms in the Nigerian banking industry, the following questions guided the study.

1. What are the various strategic planning practices adopted by Nigerian banks
2. What are the factors that affect the choice of strategic plans adopted by banks?
3. How does a strategic plan affect performance of banks in Nigeria?

1.3 Objectives of the Study

The general objective of the study was to investigate the impact of strategic planning on corporate performance of firms in the Nigerian banking industry.

The specific objectives of this research were to:

1. evaluate those strategic planning practices adopted by Nigerian banks; and
2. Examine the impact of strategic planning on performance of banks in Nigeria.

2. Review of Literature

This chapter presents a review of related literature on the present study. The review is conducted under the following major heads, namely conceptual review, theoretical review and empirical review.

2.1 Conceptual Review

A strategy can also be defined as the determination of the basic long term goals and objectives of a firm and the adoption of the courses of action and the allocation of resources necessary for executing the goals (Stevenson 2012). Pitts *et al* (2005) [31] explain that strategy enable an organization to apply its strengths and distinctive competences in such a way that it gain a competitive advantage over its rivals in any given environment. However, an organization should be aware of its weaknesses to position it better ahead of its rivals. Strategy is the framework which guides those choices that determine the nature and direction of the firm (Tregoe, Benjamin and Zimmerman, 1980) [42]. Strategy is a game plan, a pattern in a stream of decisions and actions that intended to outwit competitor which fulfill stakeholder's expectation in line with the organization scope of business. Pearce and Robinson (2013) [29] define strategy as a manager's large-scale, future oriented plan for interacting with the competitive environment to optimize the achievement of organizational objectives. Thompson and Strickland (2005) [37] and Draft (2008) opined that "plan without effective and measureable implementation is no plan at all", and that manager must combine good strategy making with good strategy execution for company performance to approach maximum potential.

Planning is the conscious determination of a course of action and the basis of decision on purpose, knowledge and considered estimate. Planning is one of the management functions which is the process of setting goals and objectives in an organization and also determine how to achieve such goals and objectives (Alaka, Tijani & Abass, 2011) [4]. Hofer and Schendel (1979) asserts that it is an anticipatory decision making process for effective performance. Planning occupies a central position in management and obviously, it is difficult to talk about management without planning. However, a plan is concrete in nature. It does not allow deviation, and is not flexible, but strategic planning is very flexible and open for adaptation and change when needed as a result of real-time strategic issue. The function of planning involves evolving mission statement and objectives as well as designing the actions to achieve them (Oyedijo, 2004). Therefore, planning could be short, medium, and long range planning. An effort to draw line between long range planning and strategic planning confirms that differ in their emphasis on the assumed environment even though many scholars use those terms interchangeably. Long range plan is generally considered to mean the development of plan for accomplish of a goals or set goals over a period of several years with assumption that the current knowledge about the future condition is sufficiently reliable and ensure that the plan's reliability over the duration of its implementation. Strategic planning was developed as a proactive measure to long range planning. Long range plan is based on a projection of historical data into the future using somewhat arbitrary assumptions for projects, therefore, long range planning is data driven and not conscious of change in the environment.

2.1.1 Strategic Planning

Strategic planning has been explained by various writers and scholars in different but complementary ways. Strategic planning is a forward-looking exercise and all managers should be involved with it (Owolabi & Makinde, 2012). In similar view, strategic planning occurs at top level in an organization and involves a long term forecast upon the major goals of an organization. It is a chosen course of action for pursuing and accomplishing objectives (Falilat 2013) [14]. Odanme (2007) defines strategic planning as a "method of formulating and implementing long-term plans in a broad and flexible manner in order to achieve the aspiration of the organization." The main components of strategic planning practices entail asking questions on where business wants to be, the present position of the business, means to get where it wants to be, and what changes will take place in the business environment (Huangi, 2006). Strategic planning is designed to achieve the firms' vision and mission, which consist of four major steps: analysis, formulation; implementation and evaluation (Piffs & Lei, 2003).

According to Dincer, Tatoglu, and Glaister (2006) [13], the key aspect of strategic planning include the formulation of a mission statement of the enterprise, establishing the objectives, crafting and implementing the strategies, and monitoring and controlling the process in strategy implementation. In other words, the enterprise plans for the future by envisioning how and what the future will be like and then making decisions based on those perceptions of the future. O'Regan & Ghobadian (2004) [28] have observed that key aspect of strategic planning include the long term view of an organization, defining the line of business and ensuring a strategic 'fit' or 'balance' between the business and its environment. This notion suggested that a strategic fit helps an organization to capitalize on opportunities that arise and to minimize the threat posed by unstable market environment.

Strategic planning is an organization's process of defining its strategy or direction, and making decisions on allocating its resources to pursue this strategy including its capital and people (Adeleke *et al.*, 2008) [2]. Strategic planning is defined as the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives (Pearce and Robinson, 2003) [29]. Strategic planning therefore becomes a part of contemporary managerial tool kit and a game plan for dealing with the inevitable uncertainties; strengthening organizations position; pleasing customers, but also for stimulating organization performance (Alaka, Abass and Tijiani, 2001; Adegbie and Fakile, 2013) [4, 1]. From these diverse views expressed above, strategic planning in its general and basic understanding can be said to be a process of selecting organizational goals and establishing the methods necessary to ensure that the policies and programs are implemented.

2.1.2 Strategic Planning Process

Almost all the authors and scholars who have contributed to the definitions of strategic planning have argued and concluded that the concept (i.e strategic planning) is a process which comprises of a series of steps aimed at producing a given result (i.e the attainment of organizational goals and objectives). These steps are interrelated. According to Quick MBA/Strategy model, there are five elements that make up strategic planning process. These include:

a. Mission and objectives
b. Environmental scanning
c. Strategy formulation
d. Strategy implementation
e. Evaluation and control

2.1.3 Strategic Decision-Making

Decision-making involve the ability to collect, organize and synthesize information into a useful form of identifying and evaluating alternate options. It is the most important function of any manager. Strategic decision-making is the prominent tasks of the senior management. Most people agree that decision-making is the process of selecting a courses of action or strategic from among many given alternative. In the process of strategic management, the basic thrust of strategic decision-making is to make a choice regarding the courses of action to adopt. Thus most strategy formulation rest on strategic decision-making. The fundamental strategic decision relates to the choice of a mission. In other words, the answer to the questions- what is our business? What will it be? And what should it be? - are the basic concerns in strategic management. With regard to objective-setting, the senior management is faced with alternative regarding the different yardsticks to measure performance. Finally, at the level of choosing a strategy, the senior management chooses from among a number of alternatives in order to adopt one specific course of action which would make the company achieve its objectives and realize its mission.

In other words of Aguilar (2003), making a strategic decision would involve, senior management in conjunction with the board of directors and ensure the following questions:

a. Why do customers buy a company's products/services rather than that of competitors?
b. What value do customers expect from the company?

c. Which of the standard cash flow drivers of value are critical to a company's success sales growth, profit managing or investment?

He further stated that, if a company does not have clear answers to the above questions, it should not attempt to choose a strategic plan test or make a strategic decision because it would easily make a bad choice.

2.1.4 Firm Performance

Every organization is established for one reason or the other; hence, basically there are two forms of organizations which are profit-oriented organization and not-for-profit oriented organization. Performance is the yield or result of activities carried out in relation to the purposes being pursued in order to strengthen the degree to which organizations achieve their purpose (Curristine 2005) [10]. Profit it is the benefit acquires from going into a particular business and is usually calculated as the difference between total revenue and total cost that is excess of revenue over cost. Thus, the purpose for which an organization was established will determines the factors against which its performance will be measured. Therefore, the concept of performance of a business firm is based upon the idea that an organization in the voluntary association of productive assets, including human, physical and capital resources, for the purpose of achieving a shared purpose (Aichian and Demsetzi, 1972; Barney, 1995, Carton, 2004) [3, 9].

2.1.5 Hierarchical Levels of Strategy

Kotelnikov (2007) [22] came up with the three (3) hierarchical levels of enterprise strategy. He said that an enterprise strategy is concerned with the match between one company's internal capabilities and its external environment". He posits that the three levels of strategy comprise:

a. Corporate strategy
b. Business strategy
c. Functional strategy

This can be shown diagrammatically as below

***Source*:** Vadim, (2007)

Fig 1: The Enterprise Strategy

2.1.6 Benefits of Strategic Planning

Organizations that engage in corporate planning are generally believed to grow and make more profits than those without it. To this end, the benefits of strategic planning on organization performance cannot be overemphasized. The benefits of strategic planning can be summarized as follow:

a. Information
b. Awareness
c. Performance
d. Direction and focus
e. Empowering the employees
f. Staff involvement

2.2 Theoretical Review

There are several theories on strategic planning in literature such as Agency theory; Contingency based theory, Resource-based view and dynamic capability approach, Survival-based theory and General system theory.

2.3 Theoretical Framework

This study is anchored on the contingency theory

2.3 1 Contingency Theory

The development of contingency approach which is also referred as situational based theory was stimulated by managers, consultants and researchers who tried to apply the concepts of the major Schools of management to real-life situations. They often found that methods that were highly effective in one situation would not work in other situations. They then sought an explanation for these experiences which brought about the contingence based theory (McWlliams *et al*., 2002). Organizations should not be managed by one-size-fit all approach but should work out unique managerial strategic based on the particular situation or condition they are experiencing. In order word, the contingency theory draws the idea that there is no one or single best way of approach to manage organizations. Contingency theory tries to identify and measure the conditions under which things will likely occur. Since human service practice varies substantially, contingency theory offers a useful approach to model and predict contingence approach practice. Contingency theory allows one to analyze a situation and determine what variables influence the decision with which one is concerned.

2.4 Empirical Review

Many empirical studies have been carried both in the discussed sector and other sectors.

Akinyele and Fasogbon (2007) [5] revealed that strategic planning enhances better organizational performance, which in the long run has impact on its survival and strategic planning intensity as determined by managerial, environmental and organizational factors. However, the study ignored other factors and limit performance to three determinant factors.

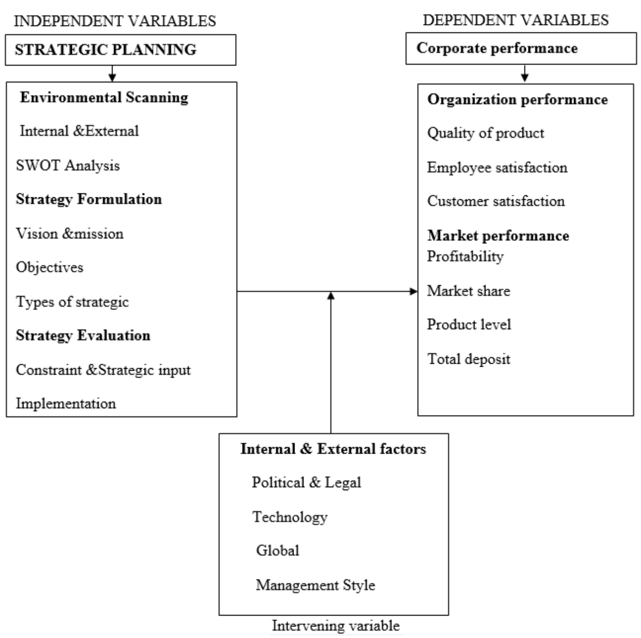
The finding of the study of Veskaisri, Chan and Pollard (2007) conducted in Thailand indicated that the level of strategic planning is positively associated with the growth of the SME. This conclusion is very significant for SMEs because it shows them the usefulness and benefits of practicing strategic planning. Furthermore, their resulted reveal that certain demographic factors, such as age and education level, were significantly and positively related to the decision to use strategic planning. However, neither the gender of the SME decision maker nor the age of the SME business was related to the decision used in strategic planning.

Alaka, Abass and Tijani (2011) [4] showed that strategic planning enhances customer patronage and reduces unethical practices in the Nigerian Insurance Industry. The result further revealed that strategic planning prepared companies irrespective of the sectors for further, establish long-term direction and indicate the company's intent to stake out a particular business position. However, the extent of strategic planning implementation was not properly addressed. Strategic planning alone cannot achieve the stated result unless it is properly implemented.

Falilat (2013) [14] found that marketing department is the main revenue generation department in the banking industry. He concluded that for a bank to successfully achieve its goals and objectives for processing an increase in long-run profitability, it has to develop a good marketing plan and strategy. However, the study ignored other department by focusing on marketing department as revenue generation unit. The result was not in line with system theory of management.

2.5 Conceptual Framework

Having ascertained from review of related works that banks success and failure cum performance may be a function of strategic planning, a conceptual framework is developed to validate the relationship between strategic planning and firm performance.



***Sources*:** Researcher's design 2018.

Fig 2: Relationship between strategic planning and firm corporate performance

3. Research Methodology

This chapter focused on the methodology used in achieving the objectives of this study.

The research design adopted for this study was the survey design. The study adopted survey method in form of administering questionnaires to the senior managers. The study was carried out in Lagos metropolis because 20 out of the twenty one post-consolidation banks in Nigeria have their headquarters based in Lagos. The population of this study comprises 200 senior staff of firms in Nigerian banking industry. Purposive sampling technique was used to select the banking firms and the corresponding number of respondents. The respondents were the senior management staff. The senior managers were drawn from five departments namely: human resource, strategic brand, customer engagement, business re-engineering and risk management since they are involved in strategic planning decisions and coordinate organisation resources. Ten top management members were selected from each bank. Having selected a total number of ten banks, the total number of respondents made up the sample size was one hundred (100) respondents. Data collected were analysed using appropriate descriptive and inferential statistics.

4. Presentation, Analysis and Interpretation of Data

This chapter presents the analysis of the data collected in the course of this research study. The study focused on investigating the impact of strategic planning on corporate performance of firms in the Nigerian banking industry. The sample size utilized in this work was hundred (100) respondents drawn from five departments namely; human resources, strategic brand management, customer engagement; business re-engineering and risk management departments from each of the ten selected banks. A total of one hundred (100) questionnaires were administered; all of them were successfully filled and retrieved. The questionnaire used in this study was grouped into two sections. Section A consists of respondent's personal data, section B consist of information on the strategic planning practices adopted by Nigerian banks; and the effect of strategic plans on corporate performance of banks in Nigeria. All the data were presented in tabular form with simple statistical technique for better interpretation and understanding.

Two objectives were tested in the course of the study

a) 4.1 Strategic Planning Practices Adopted by Nigerian Banks.

In order to aid analysis in Table 4.2 and ensure effective application of statistical tools, the strongly agreed and agreed response were merged together as agreed while the strongly disagreed and disagreed responses were merged together as disagreed. The undecided responses were ignored since it indicated that the respondents had no clear understanding of the phenomenon being addressed,

On issue related to environmental scanning, (70%) agreed and 15% disagreed that banks monitor, evaluate & disseminate information from the external and internal environment to key people within organization. Also, 72% agreed and 19% disagreed that banks analyse their strength, weakness, opportunities and threats and 74% agreed, 28% disagreed on using software to analysis strength, weakness, opportunity & threat. As to whether environmental analysis is vital to create proper strategic plan, 76% agreed, while 16% disagreed. The analysis indicated that majority of the respondents have knowledge that strategic planning helps to monitors, evaluate and disseminate information from the external and internal business environment for proper strategy adoption through effective SWOT analysis to maximize opportunities and minimize threats.

On whether the bank embark on strategic formulation, 92% agreed and 5% disagree that strategic are formulated in line with the company's vision and mission statement, a good number of respondents (87%) agreed and (6%) disagreed that strategic plans are developed toward achieving objective, also (86%) agreed and (10%) disagreed that strategic plans allocate resources to reach the goals of the organization; however, a good number of respondents (76%) agreed and (20%) disagreed affirmed that strategic formulation is based on SWOT analysis, more so, a relatively large number of respondent (75%) agreed and (17%) disagreed affirmed that strategic planning helps the formulation of corporate, business and functional level strategies. It may infer that a good number of the managers affirmed that strategic planning formulation were in line with vision and mission statement, achieving objectives, effective resources allocation, SWOT analysis and it covered corporate, business and functional level strategy.

Furthermore, the respondents indicated their opinions about the application of feedback and evaluation in strategic planning (67%) agreed and (28%) disagreed that strategic plan contain constraints, input and strategic effort in solving problem associated with goal targeting in the Nigerian banks. Also, (65%) agreed and (35%) disagreed that management usually give inputs to evaluate performance & feedback from the unit business. More so, (64%) agreed and (32%) disagreed that business unit make adjustment and implement in the strategic planning process at business unit level. This is in line with the study of Abu-Bakar *et al* (2011) in Malaysia which confirm that most of the firm practicing strategic management had a clear objective, a winning strategy to achieve the objective and a sound mission statement to guide the organization toward success. The result are also consistent with the finding of Ogoila (2001) who noted that most firm had a vision, a mission statement and set objectives which were either written or implied and these governed the day to day business operations of these firms. It is infer that a relatively large number of the respondents agreed that feedback and evaluation is integral ingredient in strategic planning

Table 4: Strategic Planning Practices Adopted by Nigerian Banks.

Strategic Planning Practices	How It is Practiced	Frequency or No	(%)	No of Respondent
Environmental Scanning	Banks monitor, evaluate & disseminate information from the external & internal environment to key people within organization.	70	70	85
	Analyzing the bank's strengths, weakness, opportunities and threats.	72	72	91
	Using software to analysis SWOT	74	74	94
	Environmental analysis is vital to create the proper strategy	76	76	92
Strategic Formulation	Strategies are formulated in line with the company's vision and mission statement.	92	92	97
	Developing a set of strategies to achieve objectives	87	87	93
	Exploring resources allocation to reach the goal of the organization.	86	86	96
	Formulating strategy is based on SWOT	76	76	96
	Formulating corporate strategy, business strategy, and functional strategy.	75	75	92
Feedback and Evaluation	Contain Constraint and input and strategic efforts in solving the problem to achieve target.	67	67	93
	Management gave input to evaluate performance and the feedback from the unit business.	65	65	100
	Business unit made adjustment and implemented in the planning process at business unit level.	64	64	96

***Source*:** Field Survey (2018)

Key: %= Percentage

b) 4.2 Impact of Strategic Planning on Performance

The regression analysis was conducted to determine the contribution of the independent variables to the variance in the dependent variable. Result in Table 4.4 revealed multiple regression of the effect of strategic planning on corporate performance. The result indicated that strategic planning was statistically significant to corporate performance (F= 26.839, $p < 0.05$). The 't' values indicated the influence of each predictor variables on the response variables with an absolute t value > 2 and p value < 0.05 the results were as follows, environmental scanning (t= 4.624, $p < .05$); strategy formulation (t= 3.000, $p < .003$); feedback and evaluation (t= 2.019, $p < .05$). The results revealed that strategic planning has significant effect on corporate performance of banks in the study areas against the null hypothesis of this study. The result showed that the entire variables were found significant. The adjusted R^2 value tells how much of the variance in the dependent variable (corporate performance) is explained by the model (strategic planning). The R Square value indicated that 53.9% of the variance in bank corporate performance in the study area was explained by the contributions of environmental scanning, strategy formulation and feedback & evaluation. This result showed that the model strategic planning is a strong predictor of corporate performance in the Nigerian banking sector. The results were in line with the finding of Suklev & Debarliev (2012) [38] that strategic planning can generally contribute to organizational effectiveness. They linked effective strategic planning and implementation to performance and the result was a positive relationship. The results also agreed with the conclusions of Robbins, Bergman, Stagg & Coulter (2008) and Silverman (2012) [35] they stated that an organization performance is dependent on strategic planning. The findings were also compatible with Arasa & K'Obanyo (2012) [6] who indicates the existence of a strong relationship between strategic planning and firm's performance

Table 2: Regression Analysis on the Effect of Strategic Planning on Corporate Performance

Model	Unstandardized Coefficients		Standardized Coefficient	T	Sig
	B	Std Error	Beta		
(Constant)	1.540	.749		2.057	.043
Environmental scanning	.350	0.76	.614	4.624	.000
Strategy formulation	.184	.061	.295	3.000	.003
Feedback &evaluation	.218	.108	.199	2.019	.046
Model Statistics					
R	.734[a]	Sum Square Regression	13.646		

R^2	.539	Sum Square Residual	11.694
Adjusted R^2	.519	**Total**	25.340
F- Statistics	26.839	Mean Square Regression	3.411
Sig F- Statistics	.000	Mean Square Residual	.127
Standard error of estimate	.356		

Dependent variable: Perceived organization performance and perceived market performance
Significance: Tested 0.05 level of significance

5. Conclusion and Recommendations

In an increasingly borderless and globalised world, organization must be able to adapt and react proactively as well as rapidly to the demands and requirement of the changing environment in order to survive. This study concluded that for organization to remain a float in today's dynamic and competitive business environment, strategic planning should be seamlessly integrated into activities and operations of business concerns. This is considering the fact that customers these days are better informed and more demanding. Only organizations that move with the time can satisfy the ever changing taste and sophistry of customer demands and other stakeholders. This cannot be done effectively without engaging strategic planning in the improvement of service quality and speed of delivery.

From the information on the analysis obtained from the respondents and the interpretation of the tested hypothesis, finding of this study therefore provide insight into strategic planning practices in the banking industry, factors influencing the choice of strategic plan and the determination of the effect of strategic plan on the corporate performance of firm in Nigeria banking Industry. The study revealed that there was a significant relationship between strategic planning and corporate performance of the selected firms in the Nigeria banking industry.

Based on the finding in this study, it is recommended that:

1. The banking sector should consider training of the top management on strategic planning in order to improve competency in respect of environmental scanning, SWOT analysis technique and monitoring of strategic planning result.
2. Banks should take cognizance of technology, global, management style, and political & legal environment during strategic planning.
3. firm (whether small, medium or large- scale) organizations in Nigerian should make it a matter of policy to give strategic planning the top most priority as it is critical success factor in organization.

5.1 Recommendation

Based on the finding in this study, I recommended that firm (whether small, medium or large- scale) organizations in Nigerian should make it a matter of policy to give strategic planning the top most priority as it is critical success factor in organization. In addition, Business school and entrepreneurial institutes in Nigeria should intensify their effort to promote the learning of strategic management. The banking sector should consider training of the top management on strategic planning in order to improve competency in respect of environmental scanning, SWOT analysis technique and monitoring of strategic planning result. Finally, bank should take cognizance of technology, global, management style, and political & legal environment during strategic planning.

5.2 Contribution to knowledge

This study analysed the effect of strategic planning on corporate performance of firms in Nigeria Banking Industry. It also contributed to the existing knowledge and literature pertaining to strategic planning practices, factors influencing the choice of strategic planning and the effect of strategic plan on corporate performance in banking operation in a developing country like Nigeria. The relevance of the present research may be appreciated when considered in the context of developing economy trying to restructure all aspects of its economic and business activities in the global economic meltdown era.

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