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CONTENTS

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EDITORIAL

Human development is a broad and comprehensive concept concerned with economic growth and its distribution, basic human needs and variety of human aspirations, and distress of the rich countries and the human deprivations of the poor. Going beyond economic development, which is concerned with income and growth, human development covers all human capabilities. It is “a process of enlarging people’s choices” created by expanding human capabilities.

Economic growth is essential for all human development because no society has been able to sustain the well being of its people without continuous economic growth. On the other hand, it is healthy and educated people that can contribute to economic growth through productive employment and increase in income. Thus, economic development is a means to human development. Hence, development theoreticians and practitioners must pay equal attention to economic development and human development.

Hitherto, emphasis has been on economic development – not on people’s adequate nutrition, access to safe drinking water, better medical facilities, better schooling for their children, affordable transport, shelter, secure livelihood and productive and satisfying jobs. It is to address this gap that the *Sustainable Human Development Review,* SHDR (Website: shdevr.org) was born January 2009 as an international multidisciplinary academic research journal. Its Volume 1 Number 1 of March 2009, Volume 1 Number 2 of June 2009, Volume 1 Number 3 of September 2009 and Volume 1 Number 4 of December 2009 kept to faith, courtesy of our esteemed contributors across the globe as well as diligence and commitment of our dedicated reviewers and editors.

From *SHDR* Volume 2 Number 1 of March 2010, *Editorial*, which had been hitherto not considered necessary, was introduced, in conformity to the practice of globally acclaimed journals of academic research output. This Volume 9 Number 2 of June 2017 of SHDR presents another set of rich articles touching various topical human development issues.

In the first article, titled *Effects of bank consolidation on commercial borrower welfare in Niger Delta region,* R.S. Dickson of the Niger Delta University, Wilberforce Island, Amassoma, Bayelsa State, Nigeria reported that bank consolidation exercise had significant negative effects on commercial borrower welfare in Nigeria’s Niger Delta region (X_{c2} = 45.56

> X_{t2} = 21.0 at 12 degrees of freedom and 0.05 level of significance) in areas of worker job satisfaction, attractive interest rates among others, contrary to the general view that the larger the size of banks, its ability to lend increases and less interest rates would apply. The study recommended that a conscious attempt should be made by commercial bank managers in the region to lower the cost of borrowing.

In the seccond paper, titled *Effects of Strategic Planning on Organizational Performance of Exxonmobil Producing Unlimited, Akwa Ibom State, Nigeria,* R.S. Dickson of the Niger Delta University, Wilberforce Island, Amassoma, Bayelsa State, Nigeria, Iniobong Duke and G.A. Emerole both of the Department of Business Administration, College of Management Sciences, Michael Okpara University of Agriculture, Umudike, Abia State, Nigeria focused on the effects of strategic planning on organizational performance, using Exxonmobil Producing Unlimited Akwa Ibom State, Nigeria as the study organization. The broad objective was to evaluate the effect of strategic planning on organizational performance. Specific objectives investigated various strategic planning processes and the implication of effective strategic planning on organizational competiveness. A descriptive research method was adopted. Data collected through a questionnaire administered on a sample size of 60 respondents selected from a population of 260 employees of the study organization were analyzed with Karl Pearson's coefficient of correlation computed with SPSS 22 version. The result showed a significant relationship between strategic planning and organization performance. Hence the study recommended that organizations should adopt and inculcate all strategic planning processes involving proper formulation, implementation and control/review of the organization's mission, vision, goals, objectives, environmental scan and channeling employee activities in totality to achieve competiveness and attain organizational performance.

In the third paper, titled *Evaluation of creativity and innovation a strategies for sustaining organisational performance,* Dickson R.S. of the Niger Delta University, Wilberforce Island, Amassoma, Bayelsa State, Nigeria, E.J. Edet and G.A. Emerole both of the Department of Business Administration, College of Management Sciences, Michael Okpara University of Agriculture, Umudike, Abia State, Nigeria submit thst creativity and innovation in any organization are vital to its successful performance. The paper reviewed the rapidly growing body of research in this area with particular attention to organizational participation in terms of employees and management. Conceiving of both creativity and innovation as being integral parts of essentially the same process, a new integrative definition was put in place. Notably, creativity has typically examined the stage of idea generation (Creative Thinking) whereas innovation studies have commonly included the latter phase of idea implementation. After discussions on the concepts, the components of creativity are identified, several ways of overcoming the myths about creativity and innovation are analysed, an application of a comprehensive levels-of-analysis framework to review extant research into individual and workplace creativity and innovation highlighted. In conclusion, the paper proposed a guiding framework for management participation and establishment of creativity and innovation as a key strategy for organizational performance and improvement.

We pray that all those whose papers could not make it in this issue would understand, and try to send better-quality papers in future for our globally competitive review process. We most sincerely congratulate those whose papers made it to this Issue. We heartily thank all our esteemed contributors and enjoin them not to flag in their zeal for research and publishing, which are veritable tools for confronting abounding development challenges in developing countries in efforts to develop the total man. We welcome contributions in all disciplines across the globe (see *Author's Guide*, p.84).

Contributors are also encouraged to take advantage of our sister online journals, *Journal of Applied Sciences and Development,* JASD (Website: jasdevr.org) and *Technoscience Review,* TR (Website: Technosciencereview.org) to stagger their academic outputs in our academic high-quality Journals for visibility and competitive ranking in line with global practice. It is gladdening to report that all our three Journals have joined the globally high impact factor and competitive Journals indexed/archived by GoogleScholar, PKP PLN locks, CiteSeerX, DataCite, JSTOR, Scopus, AJOL, Microsoft Academic, etc.

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EFFECTS OF BANK CONSOLIDATION ON COMMERCIAL BORROWER WELFARE IN NIGER DELTA REGION

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Abstract

Effects of bank consolidation on commercial borrower welfare in in Nigeria's Niger Delta region were studied. Questionnaire and interview instruments were employed to collect data, which were subjected to analysis. Results showed that bank consolidation exercise had significant negative effects on commercial borrower welfare in Nigeria's Niger Delta region (X_{c2} = 45.56 > X_{t2} = 21.0 at 12 degrees of freedom and 0.05 level of significance) in areas of worker job satisfaction, attractive interest rates among others, contrary to the general view that the larger the size of banks, its ability to lend increases and less interest rates would apply. The study recommended conscious attempt by commercial bank managers in the region to lower the cost of borrowing.

Keywords: *Commercial bank, Consolidation exercise, Commercial borrower welfare, Nigeria's Niger Delta region*

Introduction

The banking system consolidation is a global phenomenon, which started in the advanced economies. Two notable examples of countries experiencing a wave of mergers and consolidation in the banking industry in recent times are the United States of America (USA) and Japan (Hall, 1999). According to Kwan (2004), since the enactment of the Riegle-Neal Act, which allows interstate branch banking beginning from 1997, the number of large bank mergers in the USA has increased significantly. Further research on mega mergers in the USA suggests that merged banks experienced higher profit efficiency from increased revenues than did a group of individual banks, due to the fact that they provide customers with high value added products and services (Akhavin et al, 1997). Furthermore, consolidation may allow a mega bank to enjoy a hidden subsidy which Kwan (2004:5) refers to as “too-big-to-fail” subsidy due to the market’s perception of an illusion of government backing of a mega bank in times of crisis. The Japanese experience also shows that the consensus has been that significant economies of scale existed in the banking industry before the onset of the crisis and subsequent reforms in the ‘90s at all levels of output throughout the industry (Fukuyama, 1993; McKillop et al, 1996).

Consolidation in financial services in the USA and other industrialized countries has occurred along three lines, namely: within the banking industry, between banks and other non-bank financial institutions, and across national borders. In the USA, most of the consolidation that took place occurred within the banking sector (McKillop et al, 1996). For instance, in that country, the number of banking organizations fell from about 12,000 in the early ‘80s to about 7,000 in 1999, a decrease of over 40 per cent. In the USA and Canada, there has been a trend towards consolidation of commercial banks and investment or merchant banks, whereas in Europe, where the universal banking model is more prevalent, the trend has been to combine banking and insurance business. While most of the bank consolidations in the developed economies have occurred within the domestic front, there are signs of increased cross-border activities. Such cross-border activities have been facilitated in Europe with the launch of the Euro (Fukuyama, 1993).

A review of the banking system as at June, 2004, reveals that marginal and unsound banks accounted for 19.2% of the total assets, 17.2% of total deposit liabilities, while industry non-performing assets were 19.5% of the total loans and advances. The implication of this unsatisfactory statistics as noted by Lemo (2005) is that there existed threat of a systemic distress judging by the trigger points in the CBN Contingency Planning Framework of December 2002, which stipulated a threshold of 20% of the industry assets, 15% of deposits being held by distressed banks and 35% of industry credits being classified as nonperforming. From the foregoing, it was apparent that a reform of the banking system in Nigeria was inevitable; it was only a question of time (Lemo, 2005).

Consolidation may be an efficient way to eliminate the widely documented excess capacity in the banking markets (Davis and Salo, 1998). In the presence of excess capacity, some banks are below efficient scale, have an inefficient product mix, or may be inside the efficient frontier. Consolidation may help solve these problems more efficiently than outright bankruptcies because they preserve the franchise values of the merging firms.

This study is an attempt to fill the gap by investigating the impact of bank consolidation on the key stakeholders of financial institutions in the Nigerian banking industry. This is especially important given the need to boost the productive base of the Nigerian economy and at the same time empower the Nigerian citizens. The Niger Delta region until recently has witnessed youth restiveness which has necessitated government to introduce several policies aimed at empowering the youths as well as expanding the economy of the region given the region's contribution to the nation's economy. Banks through their intermediation functions are expected to play a significant role in the process. This process cannot be achieved without the banks' ability to give out loans and advances to the deficit units of the region for productive investment.

Kahn et al (2000) estimate the impact of bank merger announcements on borrowers' stock prices for publicly traded Norwegian firms. Borrowers of target banks lose about 0.8% in equity value, while borrowers of acquiring banks earn positive abnormal returns, suggesting that borrower welfare is influenced by a strategic focus favoring acquiring borrowers. Bank mergers lead to higher relationship exit rates among borrowers of target banks. Larger merger-induced increases in relationship termination rates are associated with less negative abnormal returns, suggesting that firms with low switching costs switch banks, while similar firms with high switching costs are locked into their current relationship (Karceski et al, 2005).

Efficiency gains may be largest when a well-run bank acquires a mismanaged institution to improve the operations of the institution. How a bank merger impacts on customer depends on a variety of factors, including the reason for the merger, the source of potential efficiency gains, and the ease with which customers can switch banks if dissatisfied. According to traditional thinking, mergers that result in increased market power should raise prices or diminish service quality, resulting in a decline in customer welfare, while gains to efficiency should reduce prices or raise the quality of services, enhancing customer welfare. The welfare implications are straightforward. Mergers harm customers if increased market power offsets the efficiency gains that are passed on to borrowing firms.

However, there are exceptions to this standard trade-off. For instance, bank market power may actually benefit certain types of borrowers. Pautler (2001) argue that concentrated credit markets are required for financing firms with highly uncertain future cash flows, characteristically small and young firms. Having some market power enables a bank to take losses early in a lending relationship and recoup these losses later on by charging higher prices. A competitive market prevents such intertemporal subsidization by forcing banks to break even every period. Hence, according to Perry (1986:47-57), small and young borrowers can be "competed" out of the loan market. With no alternative form of financing, these customers suffer welfare losses. Likewise, even within a competitive market, merger-related efficiency gains need not lead to welfare enhancement for all types of customers.

For example, in an acquisition in which the target bank is considered undervalued because it is poorly run, target bank borrowers may be receiving mispriced loans at below-cost rates. Part of the reason for the target bank's poor performance is that it makes negative net present value loans. Efforts by new management to improve efficiency could result in higher loan rates to borrowers that had received below-cost loans or denial of credit altogether.

Even when borrowers are profitable to their banks, consolidating banks may exploit efficiencies that negatively impact certain types of borrowers. Berger and Udell (1996:559-627), Peek and Rosengren (1996:12), and Straham and Weston (1996:25) find that as banks grow in size, they tend to focus more on financing larger firms. Stewart et al (1985:293-312) provides a theoretical explanation for this "size effect in lending", that is, where large banks lend to large firms and small banks lend to small firms. Large, hierarchical banks optimally rely on "hard" information, such as audited financial statements, because this type of information is credibly transferred up to the various levels of management of large banks. However, small firms typically do not generate reliable, hard information. On the other hand, the organizational structure of small, decentralized banks is well suited to loan decisions based on "soft" information, such as trust and reputation, which is critical in lending to small firms. If bank consolidation leads to greater organizational complexity, Stein's argument implies that merging banks will seek efficiency gains by shifting their emphasis to large-firm lending. Consequently, without alternative sources of financing, small borrowers of merging banks could be harmed as banks become larger and more complex.

Predicting the welfare impact of a merger becomes more complicated when switching costs vary across different types of customers. For instance, hold-up models imply that high switching costs can result in borrowers being locked into their incumbent bank relationship. The literature typically assumes these borrowers are smaller and younger firms, the same types that are predicted to be squeezed out when banks become too competitive (Pitts, 1977) or too large (Siems, 1996). On the one hand, theories predict that these borrowers will suffer welfare declines when they cannot exit a relationship in which they are unsatisfied because of high switching costs. On the other hand, the same types of borrowers could suffer welfare declines by being forced to exit the relationship because they have no alternative source of financing. This second approach essentially assumes that switching costs are the same for all borrowers.

Methodology

Onwumere (2005) sees research design as a blueprint crafted to address problems of scientific enquiry. The researcher is expected to map out a broad view of the research questions and provide themes and areas for investigation in depth through interview. The survey research design was adopted for this study and oral interview was used to complement results obtained using questionnaire.

Both primary and secondary data were utilized in this study. Primary data, according to Kotler (1997:55), are data gathered for a specific research. They are first-hand information obtained for the purpose of the study. Primary data were obtained through survey using oral interview and questionnaire. Secondary data used for this research were obtained from books, internet, articles and journal literature from corporate bodies, which focus on ideas and cases initiated in the research questions and hypotheses.

The population of this study comprised all consolidated bank branches in the Niger Delta including their commercial borrowers and shareholders. The population of 1569 staff represents Deposit Money Banks in the Niger Delta region (State capitals alone) from which sample of management and non-management staff of these banks was selected. Commercial borrowers and shareholders in Nigeria's Niger Delta region also appear as elements of the population of this study. However, their exact number could not be determined. Table 9.4.1.1 presents a breakdown of the population of the Deposit Money Banks in the Niger Delta region (State capitals only).

Table 9.4.1.1: Distribution of the population of Deposit Money Banks in Niger-Delta region (state capitals only)

S/No	Deposit Money Banks	Managerial Cadre	Non-Managerial Cadre	Total
1.	Access Bank Plc	16	48	64
2.	Diamond Bank Nig Plc	21	65	86
3.	Ecobank Nigeria Plc	25	75	101
4.	Enterprise Bank Plc	28	76	104
5.	Fidelity Bank Plc	18	48	66
6.	First Bank Nigeria Plc	40	68	108
7.	First City Monument Bank Plc	17	47	64
8.	First Inland Bank Plc	17	53	70
9.	Guranty Trust Bank Plc	23	69	92
10.	Keystone Bank	19	56	75
11.	Main Street Bank	19	46	65
12.	Skye Bank	18	49	67
13.	Stanbic-IBTC Bank Plc	14	42	56
14.	Standard Chartered Bank Nig Plc	13	39	52
15.	Sterling Bank	18	41	59
16.	Union Bank of Nigeria Plc	41	89	130
17.	United Bank for Africa	30	91	121
18.	Unity Bank Plc	18	61	79
19.	Zenith Bank Plc	29	81	110
	Total	425	1144	1569

Source: Field Survey, 2012

A pilot survey has been conducted by the researcher, with 30 copies of the questionnaire distributed twice to a random sample of individuals in listed banks in each state of the Niger Delta region, specifically to management and non-management staff of these Commercial Banks' State offices within the Niger Delta Region of Nigeria. The pilot survey was designed to help the researcher determine the sample size to be used in this study and test the reliability of the research instrument. To generate the p and q for the sample size formula, the participants in this pilot study were requested to give their general impression of the post-consolidation era. Twenty-eight (0.933) of the respondents returned positive rating, while only 2 (0.067) gave negative rating. No 'undecided' cases.

The accuracy of statistical inference based on sample depends on the adequacy of sample and sampling method. The problems of estimating the characteristics of a population would be very simple if the data were uniform and having the same pattern as the population. Since it is normally impossible for the researcher to reach the entire population, the Freund and Williams formula as cited in Nwabuokei (2001:76) was used to determine the sample size of both management and non-management staff (managers and non-managers) of these commercial banks.

The Freund and Williams formula as cited in Nwabuokei (2001:77) is given as:

$$n = \frac{Z^2pq}{e^2}$$

Where: n is sample size

P is percentage of positive response

q is percentage of negative response
e is margin of error
Z is level of confidence

From the result of the pilot study, the p (0.933) and the q (0.067) were generated. At a =0.025 (margin of error), Z = 1.96. Thus, we have:

$$n = \frac{(1.96)^2(.933)(.067)}{(.025)^2} \quad 384.22$$

This is considered low for a study at this level (Unyimadu, 2005); "the larger a sample becomes, the more representative of the population it becomes and so more reliable and valid the results based on it will become" (Nwana, 1992:71). To this end, the researcher depending on a suggestion by Israel (1992) decided to add 10% (i.e. 39 copies) to cater for persons that the research may or may not reach; the researcher will also be required to provide for additional 30% (116 copies) to take care of non-respondents in line with Nwana's view (1992). This will ensure that the desired levels of confidence, precision and validity are attained (Israel, 1992:1-7).

Thus the sample size drawn from the key population was arrived at as follows:

Using Freund and Williams formulan = 385
10% to take care of inaccessible respondents = 39
30% to take care of non-responses = 116
Sample size for bank staff = 540

This number, 540, was allocated proportionally to banks' key employees (managers and non-managers), while in view of the researcher's non-accessibility of the population of commercial borrowers and shareholders in the region, about a third of it (190) was judgmentally added to this number and allocated evenly to commercial borrowers and shareholders to reflect their position in this study. The allocation was made as follows:

Commercial Borrowers	95
Bank shareholders	95
	190

Thus, the total sample size for this study was 730, considered good enough to represent the elements of the population of Deposit Money Banks in Niger Delta Region as well as their commercial borrowers and shareholders. In sum, a total of 144 were allocated to bank managers, 397 to non-managers in the banks, 95 to commercial borrowers and 95 to bank shareholders all picked at random.

Table 9.4.1.2 shows the proportional stratification and allocation of the sample 540 to Bank employees (manager and non-managers). One hundred and ninety (190) copies of a questionnaire designed for Bank shareholders and commercial bank borrowers were distributed.

Table 9.4.1.2: Proportional Stratification & Allocation of Sample to Bank Employees

S/No	Deposit Money Banks	Proportion of 'n' & Allocation per bank		Allocation of sample based on Proportion			
				Managerial		Non-Managerial	
1.	Access Bank Plc	.04	.22	.01	5	.03	17
2.	Diamond Bank Nig Plc	.05	30	.01	7	.04	23
3.	Ecobank Nigeria Plc	.06	35	.02	9	.05	26
4.	Enterprise Bank Plc	.07	36	.02	10	.05	26
5.	Fidelity Bank Plc	.04	23	.01	6	.03	17
6.	First Bank Nigeria Plc	.06	37	.02	14	.04	23
7.	First City Monument Bank Plc	.04	22	.01	6	.03	16
8.	First Inland Bank Plc	.04	24	.01	6	.03	18
9.	Guranty Trust Bank Plc	.06	32	.02	8	.04	24
10.	Keystone Bank	.05	26	.01	6	.04	20
11.	Main Street Bank	.04	22	.01	16	.03	16
12.	Skye Bank	.04	23	.01	6	.03	17
13.	Stanbic-IBTC Bank Plc	.04	19	.01	5	.03	14
14.	Standard Chartered Bank Nig Plc	.03	18	.01	4	.02	14
15.	Sterling Bank	.04	20	.01	6	.03	14
16.	Union Bank of Nigeria Plc	.08	45	.03	14	.05	31
17.	United Bank for Africa	.08	42	.02	10	.06	32
18.	Unity Bank Plc	.05	27	.01	6	.04	21J
19.	Zenith Bank Plc	.07	38	.02	10	.05	28
	Total	.98	541	.27	144	.72	397

Source: Field Survey, 2012

For the purpose of this study, the researcher used the questionnaire as the major instrument for collection of primary data. The researcher designed the questionnaire with structured questions. A total number of 29 questions, structured using 5-point Likert scale, provided respondents with possible answers. Seven hundred and thirty copies of the questionnaire were distributed. Interviews to key persons in the field were also conducted to have their impressions of the core issues of this study. The responses were used to complement data generated with questionnaire.

Validity refers to how well a specific research method measures what it is supposed to measure. To increase validity for this research, the researcher decided to interview both junior and senior staff of the commercial banks in the region. The probability sampling method of stratified sampling was used. The questionnaire was vetted by researcher's supervisor in terms of language, relevance and coverage of the topic under study for quick validation. This is in line with the general belief that content validity of an instrument is necessary based on judgement. According to Polit and Hungler (1987), experts in the content area may be called upon to analyse the items to see if they represent adequately the hypothetical content universally in the correct proportions. The same version of the research instrument was administered to all the respondents. This gave the instrument content validity.

This is seen as a major criterion for assessing a measuring instrument's quality and adequacy. We are referring to the degree of consistency with which it measures the attribute it is supposed to measure. Reliability can be equated with the stability, consistency, or dependability of a measuring tool (Polit and Hungler, 1978). Thus, the instrument has reliability if it can be repeated several times and the results turn out to be the same or almost the same. To this end, to test the reliability of the research instrument, it was subjected to test twice and the Spearman's Correlation Coefficient was applied. This is stated as follows:

$$r = 1 - \frac{6\sum di^2}{n(n^2 - 1)}$$

Where
di = difference in responses in the two periods
n = number of respondents.

$$r = 1 - \frac{6(44)}{20(400\text{-}1)}$$

$$1 - \frac{264}{7980}$$

$$1 - 0.0331$$

$$r = 0.9669$$

Entries under Time 1 and 2 represent the scores for the responses ranging from 5 to 1 for each response.

For presentation and data analysis, tables and percentages were used while the Normal Distribution and the Chi-square (X^2) statistic were used to test the hypotheses.

Table 9.4.1.3: Data for Test-Retest of the Questionnaire

S/No	Time 1	Time 2	Di	di^2
1.	86	85	+1	1
2.	82	83	-1	1
3.	92	90	2	4
4.	85	83	2	4
5.	90	88	2	4
6.	78	77	1	1
7.	76	74	2	4
8.	74	72	2	4
9.	82	84	-2	4
10.	81	82	-1	1
11.	80	81	-1	1
12.	79	80	-1	1
13.	75	76	-1	1
14.	68	67	1	1
15.	83	84	-1	1
16.	66	64	2	4
17.	69	68	1	1
18.	78	77	1	1
19.	77	78	-1	1
20.	88	86	2	4
				44

Presentation and analysis of data

From the seven hundred and thirty (730) copies of questionnaire distributed to stakeholders (managers, non-managers, commercial borrowers and bank shareholders) of commercial banks in the Niger

Delta region, a total of six hundred and seventy-three (673) copies of the questionnaire were correctly filled and returned by the stakeholders (managers, non-managers, commercial borrowers and shareholders) of commercial banks in the Niger-Delta region. Table 9.4.1.4 presents the response rate of questionnaire distributed to the groups of stakeholders.

Table 9.4.1.4: Response rates

Stakeholders	Copies of Questionnaire Distributed	Copies of Questionnaire Returned	Percentage Response (%)	Overall Percent
Bank Managers	144	139	97	21
Non-Bank Managers	395	369	93	55
Commercial Borrowers	95	82	86	12
Shareholders	95	83	87	12
Total	730	673	92	100

Source: Field Survey, 2012

From Table 9.4.1.4, it was revealed that six hundred and seventy-three (673) copies of the questionnaire distributed to the various stakeholders of commercial banks in the Niger-Delta Region (managers, non-managers, commercial borrowers and shareholders) were correctly filled and returned representing 92% performance and 21% of total returned questionnaire distributed.

A breakdown of the returned copies of questionnaire revealed that of the one hundred and forty four (144) copies of questionnaire distributed to managers of commercial banks in the region, one hundred and thirty-nine (139) copies of the questionnaire were correctly filled and returned representing 97% performance and 55% of total returned questionnaire. Three hundred and ninety-five (395) copies of questionnaire were distributed to non-managers of commercial banks in the region and three hundred and sixty-nine (369) copies of the questionnaire were correctly filled and returned representing 93% performance and 55% of total returned questionnaire. Ninety-five (95) copies of questionnaire were distributed to commercial borrowers of commercial banks in the region and eighty-two (82) copies of the questionnaire were correctly filled and returned representing 86% performance and 12% of total returned questionnaire. Lastly, ninety-five (95) copies of questionnaire were distributed to shareholders of commercial banks in the region and eighty-three (83) copies of the questionnaire were correctly filled and returned representing 87% performance and 12% of total returned questionnaire. Therefore, based on the number of questionnaire correctly filled and returned, the response rate could be seen as very satisfying.

Objective: To Determine the Effect of Bank Consolidation on Commercial Borrower Welfare in Commercial Banks in the Niger Delta Region of Nigeria

Tables 9.4.1.5-8 analyse the response from stakeholders based on questions related to objective six of this study.

Table 9.4.1.5 reveals that eighty (80) respondents representing 12% of stakeholders strongly agreed that bank consolidation greatly improved commercial borrowers' welfare. A breakdown indicates that twenty-two (22) of the respondents were managers of commercial banks; forty-one (41) respondents were non-managers of commercial banks; twelve (12) respondents were commercial borrowers and five (5) were shareholders of commercial banks in the Niger-Delta region of Nigeria. Ninety-eight (98) respondents representing 15% of stakeholders agreed that bank consolidation greatly improved commercial borrowers' welfare. A breakdown indicates that twenty-one (21) of the respondents were managers of commercial banks; fifty-nine (59) respondents were non-managers of commercial banks; eleven (11) respondents were commercial borrowers and seven (7) were shareholders of commercial banks in the Niger-Delta region of Nigeria. Sixteen (16) respondents representing 2% of stakeholders were undecided that bank consolidation greatly improved commercial borrowers' welfare. A breakdown indicates that one (1) of the respondent was a managers of a commercial bank; twelve (12) of the respondents were non-managers of commercial banks; two (2) respondents were commercial borrowers and one (1) respondent was a shareholder of a commercial bank in the Niger-Delta region of Nigeria.

Table 9.4.1.5: Bank Consolidation has Greatly Improved Commercial Borrowers Welfare

Stakeholders	Managers	Non-Managers	Commercial Borrowers	Shareholders	Tota L	%
Strongly agree	22	41	12	5	80	12
Agree	21	59	11	7	98	15
Undecided	1	12	2	1	16	2
Disagree	59	173	45	56	333	49
Strongly	36	84	12	14	146	22
Total	139	369	82	83	673	100

Source: Field Survey, 2012

Three hundred and thirty-three (333) respondents representing 49% of stakeholders disagreed that bank consolidation greatly improved commercial borrowers' welfare. A breakdown indicates that fifty-nine (59) of the respondents were managers of commercial banks; one hundred and seventy-three (173) respondents were non-managers of commercial banks; forty-five (45) respondents were commercial borrowers and fifty-six (56) respondents were shareholders of commercial banks in the Niger-Delta region of Nigeria. Lastly, one hundred and forty-six (146) respondents representing 22% of stakeholders strongly disagreed that bank consolidation greatly improved commercial borrowers' welfare. A breakdown indicates that thirty-six (36) respondents were managers of commercial banks; eighty-four (84) respondents were non-managers of commercial banks; twelve (12) respondents were commercial borrowers and fourteen (9) were shareholders of commercial banks in the Niger-Delta region of Nigeria.

Table 9.4.1.6: Commercial Borrowers are Dissatisfied with the Post-Consolidation Lending Practices

Stakeholders	Managers	Non-Managers	Commercial Borrowers	Shareholders	Total	%
Strongly agree	9	18	73	45	145	22
Agree	15	72	3	23	113	17
Undecided	0	16	2	2	20	3
Disagree	39	196	4	10	249	37
Strongly	76	67	0	3	146	21
Total	139	369	82	83	673	100

Source: Field Survey, 2012

Table 9.4.1.6 reveals that one hundred and forty-five (145) respondents representing 22% of stakeholders strongly agreed that commercial borrowers are dissatisfied with the post-consolidation lending practices. A breakdown indicates that the nine (9) of the respondents were managers of commercial banks; eighteen (18) respondents were non-managers of commercial banks; seventy-three (73) respondents were commercial borrowers and forty-five (45) were shareholders of commercial banks in the Niger-Delta region of Nigeria. One hundred and thirteen (113) respondents representing 17% of stakeholders agreed that commercial borrowers are dissatisfied with the post-consolidation lending practices. A breakdown indicates that fifteen (15) respondents were managers of commercial banks; seventy-two (72) respondents were non-managers of commercial banks; three (3) respondents were commercial borrowers and twenty-three (3) were shareholders of commercial banks in the Niger-Delta region of Nigeria. Twenty (20) respondents representing 3% of stakeholders were undecided that commercial borrowers are dissatisfied with the post-consolidation lending practices. A breakdown indicates that none of the respondents were managers of commercial banks; sixteen (16) respondents were non-managers of commercial banks; two (2) respondents were commercial borrowers and two (2) were shareholders of commercial banks in the Niger-Delta region of Nigeria.

Two hundred and forty-nine (249) respondents representing 37% of stakeholders disagreed that commercial borrowers are dissatisfied with the post-consolidation lending practices. A breakdown indicates that thirty-nine (39) of the respondents were managers of commercial banks; one hundred and ninety-six (196) respondents were non-managers of commercial banks; four (4) respondents were commercial borrowers and ten (10) respondents were shareholders of commercial banks in the Niger-Delta region of Nigeria. Lastly, one hundred and forty-six (146) respondents representing 21% of stakeholders strongly disagreed that commercial borrowers are dissatisfied with the post-consolidation lending practices. A breakdown indicates that seventy-six (76) respondents were managers of commercial banks; sixty-seven (67) respondents were non-managers of commercial banks; no respondents was a commercial borrowers and three (3) were shareholders of commercial banks in the Niger-Delta region of Nigeria.

Table 9.4.1.7 reveals that one hundred and twenty-seven (127) respondents representing 19% of stakeholders strongly agreed that bank consolidation led to a decline in customers' welfare. A breakdown indicates that three (3) of the respondents were managers of commercial banks; forty-five (45) respondents were non-managers of commercial banks; sixty-seven (67) respondents were commercial borrowers and twelve (12) were shareholders of commercial banks in the Niger-Delta region of Nigeria. One hundred and nine (109) respondents representing 16% of stakeholders agreed that bank consolidation led to a decline in customers' welfare. A breakdown indicates that four (4) of the respondents were managers of commercial banks; fifty-two (52) respondents were non-managers of commercial banks; eight (8) respondents were commercial borrowers and forty-five (45) were shareholders of commercial banks in the Niger-Delta region of Nigeria. Fifteen (15) respondents representing 2% of stakeholders were undecided that bank consolidation led to a decline in customers' welfare. A breakdown indicates that two (2) of the respondents were managers of a commercial bank; nine (9) of the respondents were non-managers of commercial banks; three (3) respondents were commercial borrowers and one (1) respondent was a shareholder of a commercial bank in the Niger-Delta region of Nigeria.

Table 9.4.1.7: Bank Consolidation has Led to a Decline in Customer Welfare

Stakeholders	Managers	Non-Managers	Commercial Borrowers	Shareholders	Total	%
Strongly agree	3	45	67	12	127	19
Agree	4	52	8	45	109	16
Undecided	2	9	3	1	15	2
Disagree	77	128	2	21	228	34
Strongly	53	135	2	4	194	29
Total	139	369	82	83	673	100

Source: Field Survey 2012

Two hundred and twenty-eight (228) respondents representing 34% of stakeholders disagreed that bank consolidation led to a decline in customers' welfare. A breakdown indicates that seventy-seven (77) of the respondents were managers of commercial banks; one hundred and twenty-eight (128) respondents were non-managers of commercial banks; two (2) respondents were commercial borrowers and twenty-one (21) respondents were shareholders of commercial banks in the Niger-Delta region of Nigeria. Lastly, one hundred and ninety-four (194) respondents representing 29% of stakeholders strongly disagreed that bank consolidation led to a decline in customers' welfare. A breakdown indicates that fifty-three (53) respondents were managers of commercial banks; one hundred and thirty-five (135) respondents were non-managers of commercial banks; two (2) respondents was a commercial borrowers and four (4) were shareholders of commercial banks in the Niger-Delta region of Nigeria.

Table 9.4.1.8: Bank Consolidation has Enhanced Customer Welfare

Stakeholders	Managers	Non-Managers	Commercial Borrowers	Shareholders	Total	%
Strongly agree	35	33	2	11	81	12
Agree	22	65	7	15	109	16
Undecided	5	13	1	2	21	3
Disagree	47	194	56	38	335	48
Strongly	30	64	16	17	127	21
Total	139	369	82	83	673	100

Source: Field Survey, 2012

Table 9.4.1.8 reveals that eighty-one (81) respondents representing 12% of stakeholders strongly agreed that bank consolidation enhanced customers' welfare. A breakdown indicates that thirty-five (35) of the respondents were managers of commercial banks; thirty-three (33) respondents were non-managers of commercial banks; two (2) respondents were commercial borrowers and eleven (11) were shareholders of commercial banks in the Niger-Delta region of Nigeria. One hundred and nine (109) respondents representing 16% of stakeholders agreed that bank consolidation enhanced customers' welfare. A breakdown indicates that twenty-two (22) of the respondents were managers of commercial banks; sixty-five (65) respondents were non-managers of commercial banks; seven (7) respondents were commercial borrowers and fifteen (15) were shareholders of commercial banks in the Niger-Delta region of Nigeria. Twenty-one (21) respondents representing 3% of stakeholders were undecided that bank consolidation enhanced customers' welfare. A breakdown indicates that five (5) of the respondents were managers of a commercial bank; thirteen (13) of the respondents were non-managers of commercial banks; one (1) respondent was a commercial borrower and two (2) respondents were shareholders of a commercial bank in the Niger-Delta region of Nigeria.

Three hundred and thirty-five (335) respondents representing 48% of stakeholders disagreed that bank consolidation enhanced customers' welfare. A breakdown indicates that forty-seven (47) of the respondents were managers of commercial banks; one hundred and ninety-four (194) respondents were non-managers of commercial banks; fifty-six (56) respondents were commercial borrowers and thirty-eight (38) respondents were shareholders of commercial banks in the Niger-Delta region of Nigeria. Lastly, one hundred and twenty-seven (127) respondents representing 21% of stakeholders strongly disagreed that bank consolidation enhanced customers' welfare. A breakdown indicates that thirty (30) respondents were managers of commercial banks; sixty-four (64) respondents were non-managers of commercial banks; sixteen (16) respondents was a commercial borrowers and seventeen (17) were shareholders of commercial banks in the Niger-Delta region of Nigeria.

Table 9.4.1.9 depicts the consolidated responses for objective six of this study; it was revealed that four hundred and thirty-three (433) respondents representing 16.08% of stakeholders strongly agreed that the bank consolidation policy of the Central Bank of Nigeria had significant negative effect on commercial borrowers' welfare in the

Niger Delta Region of Nigeria. A breakdown indicates that sixty-nine (69) of the respondents were managers of commercial banks; one hundred and thirty-seven (137) respondents were non-managers of commercial banks; one hundred and fifty-four (154) respondents were commercial borrowers and seventy-three (73) were shareholders of commercial banks in the Niger-Delta region of Nigeria. Four hundred and twenty-nine (429) respondents representing 15.94% of stakeholders agreed that the bank consolidation policy of the Central Bank of Nigeria had significant negative effect on commercial borrowers' welfare in the Niger Delta Region of Nigeria. A breakdown indicates that sixty-two (62) of the respondents were managers of commercial banks; two hundred and forty-eight (248) respondents were non-managers of commercial banks; twenty-nine (29) respondents were commercial borrowers and ninety (90) were shareholders of commercial banks in the Niger-Delta region of Nigeria. Seventy-two (72) respondents, representing 2.67% of stakeholders were undecided that the bank consolidation policy of the Central Bank of Nigeria had significant negative effect on commercial borrowers' welfare in the Niger Delta Region of Nigeria. A breakdown indicates that eight (8) respondents were manager of a commercial bank; fifty (50) respondents were non-managers of commercial banks; eight (8) respondents were commercial borrowers and six (6) were shareholders of commercial banks in the Niger-Delta region of Nigeria.

One thousand, one hundred and forty-five (1145) respondents representing 42.53% of stakeholders disagreed that the bank consolidation policy of the Central Bank of Nigeria had significant negative effect on commercial borrowers' welfare in the Niger Delta Region of Nigeria. A breakdown indicates that two hundred and twenty-two (222) of the respondents were managers of commercial banks; six hundred and ninety-one (691) respondents were non-managers of commercial banks; one hundred and seven (107) respondents were commercial borrowers and one hundred and twenty-five (125) were shareholders of commercial banks in the Niger-Delta region of Nigeria. Lastly, six hundred and thirteen (613) respondents representing 22.77% of stakeholders strongly disagreed that the bank consolidation policy of the Central Bank of Nigeria had significant negative effect on commercial borrowers' welfare in the Niger Delta region of Nigeria. A breakdown indicates that one hundred and ninety-five (195) of the respondents were managers of commercial banks; three hundred and fifty (350) respondents were non-managers of commercial banks; thirty (30) respondents were commercial borrowers and thirty-eight (38) were shareholders of commercial banks in the Niger-Delta region of Nigeria.

Table 9.4.1.9: Consolidated Responses for Objective (Effect of Bank Consolidation on Commercial Borrower Welfare in Commercial Banks in the Niger Delta Region)

Significantly Negative	Managers	Non-Managers	Commercial Borrowers	Shareholders	Total	%
Strongly	69	137	154	73	433	16.08
Agree	62	248	29	90	429	15.94
Undecided	8	50	8	6	72	2.67
Disagree	222	691	107	125	1145	42.53
Strongly	195	350	30	38	613	22.77
Total	556	1476	328	332	2692	100

Source: Field Survey, 2012

Respondents from the personal interview conducted were generally of the opinion that bank consolidation had significant negative effect on commercial borrowers' welfare in the region. Reasons advanced by respondents suggest that this could be attributed to banks inability to leverage on their larger size. It has been argued in literature that size of financial institutions often connotes more fund thus increasing their ability to lend however as opined by respondents, the reverse was the case in the Nigerian banking industry.

Test if Hypotheses

The hypotheses stated were tested using three steps; step one involved the restatement of the hypotheses in null and alternate forms, step two was presentation of table for analysis and analysis of SPSS results while step three involved decision.

Step One: Restatement of Hypothesis in Null and Alternate Forms

H_o: Bank consolidation has no significant negative effect on commercial borrowers' welfare in commercial banks in Nigeria's Niger Delta region

H_a: Bank consolidation does have significant negative effect on commercial borrowers' welfare in commercial banks in Nigeria's Niger Delta region.

Step Two: Presentation of Table and Analysis of SPSS Results

Table 9.4.1.10: Consolidated Responses for Objective Six

Significantly Negative	Managers	Non-Managers	Commercial Borrowers	Shareholders	Total	%
Strongly agree	69	137	154	73	433	16
Agree	62	248	29	90	429	16
Undecided	8	50	8	6	72	3
Disagree	222	691	107	125	1145	43
Strongly	195	350	30	38	613	22
Total	556	1476	328	332	2692	100

Source: Field Survey, 2012

Table 9.4.1.11: SPSS Chi-Square Tests Results for Hypothesis

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	45.560	12	.05
Likelihood Ratio	45.467	12	.05
Linear-by-Linear Association	17.859	1	.05
N of Valid Cases	2692		

Source: SPSS Results.

From Table 9.4.1.11, stakeholders' (managers, non-managers, commercial borrowers and shareholders of commercial banks) perception in Nigeria's Niger Delta region from the results revealed that, bank consolidation has significant negative effect on commercial borrowers' welfare in commercial banks in Nigeria's Niger Delta region (X_{c2} = 45.56 > X_{t2} = 21.0 at 12 degrees of freedom and 0.05 level of significance).

Step Three: Decision

The null hypothesis is rejected while the alternate hypothesis is accepted. Thus, bank consolidation has significant negative effect on commercial borrowers' welfare in commercial banks in Nigeria's Niger Delta region.

Conclusion and recommendations

Karceski, Ongena, and Smith (2005) estimated the impact of bank merger announcements on borrowers' stock prices for publicly traded Norwegian firms. Borrowers of target banks lose about 0.8% in equity value, while borrowers of acquiring banks earn positive abnormal returns, suggesting that borrower welfare is influenced by a strategic focus favoring acquiring borrowers. Bank mergers lead to higher relationship exit rates among borrowers of target banks. Larger merger-induced increases in relationship termination rates are associated with less negative abnormal returns, suggesting that firms with low switching costs switch banks, while similar firms with high switching costs are locked into their current relationship. However one may still ask why publicly traded borrowers, which produce and disclose a large amount of financial data and can raise capital through the equity market, are influenced by a merger involving their bank. The traditional thinking in finance is that firms of adequate size, reputation, or transparency will abandon bank financing in favor of raising cheaper capital in public markets. The findings of this study, thus confirmed that bank consolidation have a significant negative effect on commercial borrowers in Nigeria's Niger Delta region. This is in line with the works of Karceski, Ongena, and Smith (2005), La Porta et al. (2002) and Sapienza (2004).

From the findings of this study, and again in line with the objectives of the study, the following recommendation is made. Lastly, commercial borrowers are interested in interest rates that will attract them to borrow. The recent bank consolidation exercise as observed from this study has a significant negative effects on commercial borrowers' welfare notwithstanding the general view that the larger the size of banks, its ability to lend increases and less interest rates given to borrowers, commercial borrowers are yet to experience this. Thus the study recommends that a conscious attempt should be made by commercial bank managers in the region to lower the cost of borrowing.

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EFFECTS OF STRATEGIC PLANNING ON ORGANIZATIONAL PERFORMANCE OF EXXONMOBIL PRODUCING UNLIMITED AKWA IBOM STATE, NIGERIA

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Abstract

The study focused on the effects of strategic planning on organizational performance, using Exxonmobil Producing Unlimited AkwaIbom as the study organization. The study broad objective evaluated the effect of strategic planning on organizational performance, by investigating various strategic planning processes and the implication of effective strategic planning on organizational competiveness. The methodology adopted was a descriptive research method of data collected *through a questionnaire administered on a sample size of 60 respondents selected from a population of 260 employees of the study organization, the data was analyzed with Karl Pearson's coefficient of correlation computed with SPSS 22 version. The result showed a significant relationship between strategic planning and organization performance. Hence the study recommends that organizations should adopt inculcate all strategic planning processes involving; proper formulation, implementation and control/review of the organization mission, vision, goals, objectives, environmental scan and channeling employee activities in totality to achieve competiveness and attain organizational performance.*

Keywords: *Strategic Planning, Competitiveness, Organizational Performance.*

Introduction

The global business environment is characterized with stiff competition among organizations in the same business industry. Each organization continually remodel their business operations so as to remain in business for an unforeseeable future. Therefore most organizations are adopting newer procedures of creating business models that will enable them achieve their organization's objectives. This newer forms of developing business models has greatly focused on strategic planning. According to Olusanya and Oluwasanya (2014) stated that formal planning process emerged when most organizations began developing annual operating budget in the post war era in the late 1950s and early 1960s. Hence strategic planning cannot be considered to be entirely new in the business management environment, though the rapid increase of detailed strategic planning in most organization started in the late twentieth century, when noble researchers began an empirical examination on the level of organizational performance achieved through formal strategic planning (Thune and House, 1999; Ansoff, Miller and Friesen, 2000) and over the years numerous strategic planning performance studies has emerged since that period.

Interestingly strategic planning is the process of using systematic criteria and rigorous investigation to formulate, implement and control strategy and formally document organizational expectations (Mintzberg, 1994).Gundars, (2015) opine that strategic planning is considered as one of the most complex types of human activity mainly due to the necessity to operate with abstract information and events that have not yet taken place, but in order for an organization to reach these results, however, it is necessary for these events to take place. Thus strategic planning can be best described as a systematic envisagement of an organizations future which requires developing a realistic plan and process of achieving it, adopting it and implementation of the plans. Simply put planning is generally helps to increase the level of efficiency and effectiveness in an organization which, on its turn, discloses and reduces the potential enterprise risks, enables a focused coordination of all processes taking place in an organization (Gundars, 2015).

The upmost focus of every organization is to achieve higher performance after every business year. However Odongo and Datche, (2015) noted that the ultimate goal of most organizations is profit, which is mostly measured by their net profit, revenue, and other financial data are often utilized as "bottom-line" indications of performance or through sales figures, number of employees, physical expansion, or other criteria to judge organizational performance. Performance is a key goal and objective for emerging organizations and management must carefully determine the best way to combine the core competencies within an organization's functional departments to provide the organization with the best opportunity for achieving and sustaining a competitive advantage in its chosen environment (Marks, 2007).

The pathetic scenario is the dwindling world economy has greatly affected the performance of most organizations alongside competitions. Therefore it important to note that businesses in a developing country like Nigeria are also affected. On the other hand, Olusanya and Oluwasanya, (2014) observed that the worldwide recession affects organizations structure and practices while global management has brought organizations face to face with complex cross-cultural issues and competitions. For an organization to circumvent winding up in a dynamic business economy, most organizations embarked on strategic planning using a number of business innovations. On that premises Akinyele and Fasogbon, (2010) stated categorically that strategic planning is a process by which we can envision the future and develop the necessary procedures and operations to influence and achieve that future.Hence strategic planning is a key driver of organizational performance (Odongo and Datche, 2015).

The federal government of Nigeria pays high concentration on the oil sector considering the revenue generated from the sector. As at 2009, oil sector revenue generation share was 78.8% while non-oil sector accounted for just 21.3% (CBN, 2010). Therefore Nigeria government through the regulatory agencies continually remodel operations of organizations operating within the oil sector, ranging from deregulation policy, removal of subsidies, withdrawal of operating licenses of some oil business and also revoking and re-awarding of oil blocks. These happenings strategically raised the competition level in the industry and have made most commercial operators in the oil sector to constantly review their business plan in other to assist them remain in business. Strategic planning consists of a set of underlying processes that are intended to create or manipulate a situation to create a more favourable outcome for an organization (Akinyele and Fasogbon, 2010). Also Olusanya and Oluwasanya, (2014) emphatically stated that any organization that places much emphasis on strategic planning and implement it will have little problem in meeting present, emerging and future business challenges. Exxonmobil Producing Unlimited Akwa Ibom has not being exempted from the various turmoil raising in the oil sector yet they have remained in business, therefore it is against this backdrop that this study will painstakingly evaluate the strategic planning processes of Exxonmobil and how it has enhances the organizational competitiveness and in the long run facilitates their performance.

The broad objective of the study is to assess the effects of strategic planning on organizational performance. While the specific objectives are to;

i. Examine the effects of strategic planning processes on organizational performance.

ii. Determine if effective strategic planning enhances organizational competitiveness.

The null hypothesis that guided the study was: Strategic planning has no significant relationship with organizational performance.

Review of related literature

Concept of Strategic Planning

Strategic planning revolves within and outside an organizational activities, itcarefully selectthe 'Do's and Don'ts' of an organization. Grant, (2014) defined strategic planning as the procedure of creating and upholding consistency between the establishment's goals and possessions and its shifting prospects. Expectedly business environment present lots of dynamic operational platform which requires internal organization changes to fit into the global business field. Grant and Jordan, (2015) noted that the key constituents of strategic planning practices involve probing questions on where the establishment intends to go, the current situation of the organization, how the organization will get there and what alterations or fluctuations will occur in the establishment's environment.

The primary focus of strategic planning is to develop an organizational functional process designed to assist the objectives of the organization to be fully achieved in any economic situation. Every management priority is focused on ensuring that their organization is set on the right track that will produce the desirable expectation of profit maximization for shareholders. Hence the strategic planning process, in general, comprises business objectives, a vision, and a clear design to accomplish the idea and achieve the objectives (Dole, 2013). Therefore strategic planning helps the organization prepare a suitable action based on organizations objectives and business environment (Guerras-Martína, Madhokb and Montoro-Sánchezc 2014).Strategic planning is defined as a management tool that continually and systematically evaluate a business, identify its long-term goals and quantifiable objectives, develops a plan to implement, monitor performance, allocated resources, redefine the plan where need be, to ensure the organizational members work towards the defined goals in changing environment (Thompson and Stickland, 2007). The theoretical evidence is that strategic planning takes an overhauling analysis of an organization with the sole aim of facilitating the competitiveness and sustainability of an organization in the global market.

Strategic Planning undergoes numerous processes, these processes are mostly developed with the aim to model business concepts and ideology that befits the organizations structure and number of the levels of hierarchy, business environment and business clause (Gundars, 2015).

Akinyele and Fasogbon, (2010) noted that strategic planning components includes:

i. Formulating strategy
ii. Implementing strategy
iii. Controlling strategy

Strategy formulation is the most important part of strategic planning. According to Wheelen and Hunger, (2004) Strategy formulation is the development of long-range plans for the effective management environment opportunities and threats, in light of corporate strengths and weaknesses. The strategic formulation involves setting the mission and vision, goals, objectives, programs, budgets, policies and the drivers of these key success factors of strategic planning in an emerging firm, that is, the business owner or management, stakeholders and the employees (Olusanya and Oluwasanya, 2014).

Implementing Strategy is the process by which strategies and policies are put into action through the development of programs, budgets, and procedures Wheelen and Hunger (2004). This process might involve changes within the overall culture, structure, and or management system of the entire organization. Sometimes referred to as operational planning, strategy implementation often involves day-to-day decisions in resource allocation except when such drastic corporate-wide changes are needed, however, the review by top management.

Controlling strategy involves evaluation and control of information consisting of performance data and activity reports from the executed strategy. The process of reviews of strategic plan, and the implementation process are geared to examine how well the plan has either contributed an increase to the wellbeing of the organization or to a decrease it. Olusanya and Oluwasanya, (2014) underpin role of controlling is to identify if obtained undesired performance results because the strategic planning processes were inappropriately used, it is the duty of managers to identify them so as correct the wrongly implemented process or employee activity. The authors added that top management need not be involved. If, however, undesired performance results from the processes themselves, top managers, as well as operational managers, must know about it so that they can develop new implementation programes or procedures. Controlling strategy information must be relevant to what is being monitored.

Interestingly other authors viewed strategic planning process in with different parameters. Dole, (2013) stated that strategic planning process, in general, comprises business objectives, a mission, a vision, and a clear design to accomplish the idea and achieve the objectives. In the same line Torok, (1997) observed that a strategic plan process should encompass, a vision, mission and organizational values. A vision is an insight into the long-term future, which should be short, understood by everyone, describes a static stage. A mission is the route followed to achieve a vision. Appleby, (1994) defined a mission as an organization clear objectives depicting its activities hence a narrow purpose.However, basic strategic planning process includes: Identify the purpose (mission statement).This is the statement(s) that describes why the organization exists, i.e., its basic purpose (Odongo and Datche, 2015).

Therefore, it is important to note that strategic planning process of organizations seek to offer the organization detailed forecasted information with high consideration of two prevalent environmental participants, which includes the internal environment and external environment. Saunders (2015) opined that strategic planning process also entails a scan of the environment, thereby helping the organization prepare a suitable action based on this information (Guerras-Martína *et al,* 2014).Every organization operates within a cosmopolitan business environment, which could be turbulent or favorable. The dynamic nature of business environment requires strategic planning process that x-rays the environmental threats and aligns it with the internal strength that will enable the organization to survive. According to Odongo and Datche (2015), strategies are often what change the most as the organization eventually conducts more robust strategic planning, particularly by more closely examining the external and internal environments of the organization. Identify specific action plans to implement each strategy. A common instruments for environments scanning is the *SWOT* analysis, which aims at studying internal strengths and weaknesses and matching them with the enterprise‘s external opportunities and threats (Andrews, 1987). A SWOT analysis can be used as a basis for developing future strategies as well as for developing the business plan. Another part of the environmental analysis is the *PEST* analysis identified by Analoui and Karami, (2003) the *PEST* analysis tries to identify political and legal (P), economical (E), socio-cultural (S), and technological (T) factors influencing the enterprise. Finally, the *industry analysis* tries to assess the attractiveness of a specific industry for the enterprise.

Strategic planning process could vary according to organizations setting, yet the most obvious scenario is that strategic planning helps organizations to achieve their objectives. According to Thompson and Stickland, (2007) a strategic plan is a process that involves assessment of treats and opportunities of an organization, determining weakness and strengths in changing environment. The planning process of an organization outlines specific activities that each department must undertake to ensure effective implementation of each strategy. Objectives of an organization are clearly stated to the extent each department and employee can assess if the objectives have been achieved or not. The planning process includes monitoring and updating of the plan. Planning process regularly reflect on the extent to which the goals are being met and whether action plans are being implemented (Odongo and Datche, 2015).

Strategic Planning for Organizational Competitiveness

Business environment is characterized with competition, therefore organizations goal to remain or become market leaders demand the development of business competitive approaches that overrides their rivalries. Leaders in governance, captains of industries, entrepreneurs and managers in the private and public sectors of the economy and the entire world over are faced with the dilemma of how to respond to intense competition particularly in a rapidly changing environment (Olusanya and Oluwasanya, 2014). To surmount the competitions, strategic planning enhances organization to improve its product services, ensure prompt service delivery, customer satisfaction, render valued corporate social services etc. Ibraimi (2014) noted that a solid competitive advantage is based on the capacity to create, strengthen, and broaden the firm's core competencies to make new products that will be a success on the market. Prahalad and Hamel (1990) define "core competence" as "the collective learning in the organization, especially how to co-ordinate diverse production skills and integrate multiple streams of technology". Through strategic planning an organization understands fully the business environment in which it operates it ensures that it utilizes its competitive advantage to accumulate the various opportunities that presents itself. For a winning competitionAkinyele and Fasogbon, (2010) opine that strategic planning provides overall direction for specific units such as financial focuses, projects, human resources and marketing.

Strategic Planning and Organizational Performance

Organizational performance is the basic aim of every management while strategic planning acts as a road map to achieve the expected performance of the organization. In the past decades numerous studies have been conducted to establish the relationship between strategic planning and organization performance, (Langat andAuka 2015; Pangarkar 2015). A study by Dubilihla and Sandada (2014) revealed that strong positive relationship exist between strategic planning and the performance of organizations in South Africa. While findings made by Hakimpoor (2014) revealed that organizations that conducted a strategic planning process performed better than those that had no strategy formulation procedures. Akinyele and Fasogbon, (2010) analysis on how strategic planning enhances performance and survival, proved 95% responses of from the respondents agreed strongly that strategic planning enhances better organizational performance.

Olusanya and Oluwasanya, (2014) enumerated activities for successful planning and implementation which includes: Developing budgets that steer resources into those internal activities critical to strategic success, establishing strategy-supportive policies, repeatedly use the planning pyramid as the basis for future decision and monitor progress daily, create a company culture and work climate conducive to successful strategy implementation, install internal support systems that enable company personnel to carry out their strategic roles effectively day to day.Ikoro and Nwosu, (2017) advocated appropriate choosing of strategies by firms and correctly matching every strategic plans and as well adopting and effectively implementing the full tenets of strategic plans for the attainment of organizational performance, while Arasa and K'Obonyo (2012) noted that there is a positive relationship between strategic planning and organizational performance.

Research Method and Material for the Study

The research method is descriptive. According to Udeze (2005) descriptive research method simply calls for a researcher making an observation of his environment and recording events in a particular phenomena or condition. The descriptive nature implies gathering information through a simple and well-structured questions revolving on the subject matter "Strategic planning and organizational performance' from a target population, i.e the employees of Exxonmobil Producing Unlimited AkwaIbom.

For reliable responses on the operational status of the study organization, the study utilized a sample size 60 respondents from a target population of 270 employees. Mugenda and Mugenda, (2003) stated that for any meaningful and representative research, a sample of at least above 10% is representative enough. Hence the representatives was selected from the top managers, heads of departments, middle managers and selected few general staff who have worked for a period of five years and above, this was obtained using 4 strata of a stratified random sampling method.

The study utilized questionnaire as the instrument for data collection, the questionnaire contained two clusters revolving on how strategic planning affects organizational performance of the study organization. The questions was structured in closed-ended format with clarity and brevity, question response was on a 4 scale point where 4 is Strongly Agree, 3 is Agree, 2 is Disagree and 1 is Strongly Disagree. This removed all uncertainties that the respondents may come across. Mean score responses below 2.5 was not accepted for decision making. The hypotheses formulated was tested using

Karl Pearson's coefficient of correlation computed with SPSS 22 version revealing the variables and their effects.

Data analysis, presentation and interpretation

The researcher distributed 60 copies of the questionnaires to the respondents and 51 copies was correctly filled and retrieved. The response rate represented 85% response rate, this implies that the sample was well represented in the questionnaire distributed.

Objective 1: The questions sought to examine the effect strategic planning processes of Exxonmobil Producing Unlimited Akwa Ibom on their organizational performance.

From Table 9.4.2.1, the pool mean of $\bar{x}$ 3.38 and standard deviation of .80 was obtained on the questions which seek to examine the effect of strategic planning processes of Exxonmobil Producing Unlimited AkwaIbom on their organizational performance. The respondent responses revealed a strong acceptance that there is proper formulation and communication of organizations mission and vision statement and adequate implementation of formulated goals and objectives with the mean and standard deviation of $\bar{x}$ 3.52;.81 and $\bar{x}$ 3.15;.98 obtained respectively. However mean of $\bar{x}$ 3.35 and standard deviation of .86 was equally obtained from respondent responses showing strong acceptance that the study organization carries out proper environmental scanning. While statement to ascertain if there strategic planning processes that integrates all departments for one goal and control and review of planning processes revealed a high mean of $\bar{x}$ 3.51; $\bar{x}$ 3.37 and a standard deviation of .85;.69 respectively.

Table 9.4.2.1: The mean and standard deviations of the respondents' response on the effects of strategic planning processes on organizational performance.

	N	Mean $\bar{x}$	SD	Decision
Proper formulation and communication of organizations mission and vision	51	3.52	.81	Accept
Adequate implementation of formulated goals and objectives	51	3.15	.98	Accept
Result oriented environmental scanning	51	3.35	.86	Accept
Strategic planning processes integrates all departments for one goal	51	3.51	.85	Accept
Control and review of planning processes	51	3.37	.69	Accept
Pool mean		**3.38**	**.80**	**Accept**

Objective 2: The questions seek to determine if effective strategic planning enhances Exxonmobil Producing Unlimited Akwa Ibom organizational competitiveness.

Table 9.4.2.2: The mean and standard deviations of the respondents' response on how effective strategic planning enhances organizational competitiveness

	N	**Mean $\bar{x}$**	**SD**	**Decision**
Informed decisions taken to enhances competitiveness	51	3.61	.66	Accept
Adequate utilization of organization human, material and financial resources	51	3.25	.99	Accept
Increased stakeholders and shareholders satisfaction	51	3.45	.87	Accept
Easily adapt to economic and regulatory policy changes	51	3.47	.70	Accept
Employee activities are channeled towards achieving competitiveness	51	3.25	.95	Accept
Pool mean		**3.41**	**.80**	**Accept**

From Table 9.4.2.2, the pool mean of $\bar{x}$ 3.41 and standard deviation of .80 was obtained on the questions which seek to determine if effective strategic planning enables the organizational competitiveness of Exxonmobil Producing Unlimited AkwaIbom. The responses equally revealed that through effective strategic planning informed decisions are taken which enhances competitiveness and there is adequate utilization of organization human, material and financial resources with the mean of $\bar{x}$ 3.61 and $\bar{x}$ 3.25 and standard deviation of .66 and .99. Also there is increased stakeholders and shareholders satisfaction and easy adaptation to economic and regulatory policy changes through effective strategic planning showing mean and standard deviation of $\bar{x}$ 3.45; $\bar{x}$ 3.47 and .87 and .70 respectively. Lastly mean of $\bar{x}$ 3.25 and standard deviation of .95 was obtained on the responses revealing that through strategic planning processes employee activities are channeled towards achieving competitiveness.

Test of Hypotheses

Hypotheses: Strategic planning has no significant relationship with organizational performance.

Table 9.4.2.3: Coefficient of Correlation result showing the significant relationship between organizational performance and strategic planning of Exxonmobil Producing Unlimited AkwaIbom.

Coefficient of Correlation

Table 9.4.2.3 shows the Karl Pearson's coefficient of correlation (r) positive relationship between organizational performance and human, material and capital utilization showing .951 correlation figure; organizational performance and environmental scan revealed .852 correlation figure; organizational performance and mission and vision revealed .907 correlation figure; while organizational performance and

	Org. performance	Human/Material &Capital Utilization	Environmental scan	Mission/Vision	Goals/Objectives	Control/Review	Org. competitiveness
Org. performance	1						
Human/Material &Capital Utilization	.951**	1					
Environmental scan	.852**	.943**	1				
Mission/Vision	.907**	.979**	.917**	1			
Goals/Objectives	.924**	.932**	.789**	.893**	1		
Control/Review	.872**	.960**	.919**	.939**	.847**	1	
Org. competitiveness	.801**	.919**	.973**	.904**	.771**	.907**	1

goal and objectives revealed .924 correlation figure; organizational performance and control and review .872 correlation figure; and lastly organizational performance entails high competiveness achieved through various strategic processes showing correlation figure of .801.

Conclusion

The study showed that strategic planning enables Exxonmobil Producing Unlimited AkwaIbom organizational performance through adequate formulation, implementation and control of various strategic planning processes. The study organization develops appropriate mission and vision for the organization after taking accurate environmental scanning matching internal (strength and weakness) and external (opportunities and threats). Strategic planning enables proper formulation of policies and business strategy that are suitable with the economic changes and regulatory policy changes in the oil sector. The study proved that Exxonmobil Producing Unlimited AkwaIbom utilizes their human, material and capital resources to achieve their set out goals and objectives. The study therefore concludes that effective strategic planning increases organizational competitiveness leading to the attainment organizational performance.

Recommendations

Having carefully analyzed the data obtained from the responses and interpreted the result, the study therefore make the following recommendations:

- Organizations should properly formulate and communicate its mission and vision.
- Environmental scanning should be extensively conducted to increase organizational competitiveness.
- Adequate policies and strategies should be adopted and implemented to enable goals and objectives attainment.
- Organizations should adequately utilize its human, material and capital resources.
- All employee activities should be geared towards achieving organizational performance.

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EVALUATION OF CREATIVITY AND INNOVATION AS A STRATEGY FOR SUSTAINING ORGANIZATIONAL PERFORMANCE

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Abstract

Creativity and Innovation in any organization are vital to its successful performance. The paper reviewed the rapidly growing body of research in this area with particular attentionto organizational participation in terms of employees and management. Conceiving of both creativity and innovation as being integral parts of essentially the same process, a new integrative definition was put in place. Notably, creativity has typically examined the stage of idea generation (Creative Thinking) whereas innovation studies have commonly included *the latter phase of idea implementation. Afterdiscussions on the concepts, the components of creativity are identified, several ways of overcoming the myths about creativity and innovation are analysed, an application of a comprehensive levels-of-analysis framework to review extant research into individual and workplace creativity and innovation highlighted. In conclusion, the paper proposed a guiding framework for management participation and establishment of creativity and innovation as a key strategy for organizational performance and improvement.*

Keywords: *Creativity, Innovation, Strategy, Organisational performance*

Introduction

The need for creativity and innovation began with the need for growth in the socio-economic and cultural affairs of an organization. The cultural activities induce development and advancement in science and technology within an organization. Consequently, the concepts of creativity and innovation have emerged as fait accompli for sustained growth and performance in both private and public sector of the economy.

With diverse definitions of creativity as a concept, Ayla [2005] saw creativity as stemming from suppressed desires. Maslow [1934a,b] considered creativity to be self-actualization and Rogers [1961] believed that creativity is the ability to 'relate to others in non-judgemental ways'. However, authors, industry practitioner and professional bodies have at different times made attempts to define and examine the concept of creativity. May [1994] explained creativity as the process of bringing something new into being from the onset therefore, creativity requires passion and commitment. It brings to our awareness what was previously hidden and points to new life.

After an exhaustive scientific review of literaturecentred on the concept of creativity, Mumford [2013] concluded that 'over the course of the last decade, scholars and practitioners seem to have reached a general agreement that creativity involved the production of novel, useful products. Sternberg [2011] viewed creativity as the production of 'something original and worthwhile'. Anderson [1992] saw creativity as 'nothing more than going beyond the current boundaries, whether those are boundaries of technology, knowledge, current practice, social norms, or beliefs. Creativity is nothing more than seeing and acting on new relationships thereby bringing them to life.

Creativity is not a personality trait available to only a few. Research has shown everyone has some creativity, but it has been stifled by Frend's thinking that artistry and creativity are associated with mental illness and scientific emphasis on materialism and analytical thinking. The above explanations notwithstanding, the diversity on a centrally accepted definition of creativity has persisted and so has divergence of views among authors. However, with the seemingly inconclusive definition of creativity, it is obvious that creativity emanates from the human mind. It is the ability to generate new ideas and new connections between ideas and ways to solve problem in any field or realm of our lives in a dynamic manner.

Being creative is seeing ideas and objects in a different context, either by recognising their inherent potentials to be used in a different way or by putting previously unconnected ideas together to create something completely new. It is therefore the act of turning new and imaginative ideas into reality. Creativity is characterized by the ability to perceive the world in new ways, to find hidden patterns, to make connections between seemingly unrelated phenomena and to generate solutions. It is the application of imaginative ideas to create realities.

There are over a hundred different, special and measurable aspects of creative thinking which particularly distinguish humans from other species. These wide-ranging creative faculties have been and continue to be, critical to mankind's ability to adapt to changing situations, environments and systems. Extension studies of creative thinking have firmly established that individual exhibiting higher than average scores in creative thinking also exhibit higher than average scores in areas of mental, emotional and health course of instructions which is imaginatively applied to produce significant gains in personality traits such as confidence, self-reliance, persuasiveness, initiative and leadership. The challenge is to create an environment that will bring out the creativity of everyone and make those who have demonstrated creativity even more creative.

A study has identified six factors of environmental stimulants to creativity [freedom, positive challenge, supervisory encouragement, work group supports, organisational encouragementand sufficient resources] and two environmental obstacles to creativity [organizational roadblocks and excessive workload pressure].

A creative environment requires more than providing intrinsic rewards. It requires rethinking organisational designs by putting responsibilitiesinto functions and people into roles with boundaries and a secure sense of control.

How does creativity emerge?

- Land and Jarman [1993] reveal that we are naturally creative and as we grow up we learn to be uncreative. Creativity is a skill that can be developed and a process that can be managed.
- Creativity begins with a foundation of knowledge, learning a discipline and mastering a way of thinking. Creativity skills for improved performance can be learned though not from sitting in a lecture room, but by learning and applying creative thinking process based on daily activities or performances.

According to Amabile (1998), creativity arises through the population's confluence of three components as diagrammatised below:

Figure 9.4.3.1: The three components of creativity:
Sources:Amabile (1998)

Expertise: Knowledge, technical, procedural and intellectual: These are recurrent understanding an individual brings to bear on a creative effort.

Creativity Thinking Skills:-How flexibly and imaginatively people approach problems depending on personality and thinking/working style.

Motivation:- Intrinsic reward [influence by work environment] is more than extrinsic [tangible] rewards.

It is therefore expedient to corroborate the widely held view that creativity is a skill that can be developed and a process that can be managed. Creativity begins with a foundation of knowledge, learning a discipline and mastering a way of thinking. We learn to be creative by experimenting, exploring, questioning, assumptions, using imagination and synthetizing information.

Dyer and Christensen [2011] in their study uncovered the existence of what they called ‘the innovators DNA. They argued that a person’s ability to generate creative idea is not merely a function of the mind, but also a function of the five key behaviours that optimise the brain for discovery:

1. Associating: Drawing connections between questions, problems, or ideas from unrelated fields.
2. Questioning: Posing queries that challenge common wisdom.

3. Observing: Scrutinizing the behaviour of customers, suppliers and competitors to identify new ways of doing things.
4. Networking: Meting people with different ideas and perspectives.
5. Experimenting: Constructing interactive experiences and provoking unorthodox responses to see what insight emerges.

Overcoming myths about creativity

Beliefs that only special, talented people are creative and that one have to be born that way diminish our confidence in our creative abilities. The motion that geniuses such as Shakespeare, Picasso and Mozart were born specially gifted is a myth. Researchers examined outstanding performances in many areas of life ascertained that the high levels or ability of a person is not as a result of innate potentials called talent. In their conclusion, the researchers posited that excellence is determined by:

- Opportunities
- Encouragement
- Training
- Motivation, and
- Most of all – practice.

Exploring Creativity and Creative Tendencies

It has been observed that most people are creative in their private lives but tend to be less creative in their places of work or during community service. An individual's conditioned behaviour encourages the person to keep problems secret and find quick fixes that involve as few people as possible. This habit can be broken by spending time to explore new ideas specially relating to persistent problems and involving other people in one's search for solutions. Divergent thinking (also called creative thinking) involves opening up your mind to finding new solutions.

This suggests that quite a number of means and options through which creative thoughts can be generated, are available. These include:

- **The use of your past experiences to find solution**: Moret al., (2002), affirms that solutions to managerial challenges could often though not always, be derived from past experiences. The advice to quickly refer to under this premise is that managers should be encouraged in confronting immediate or future challenges when they draw confidence from unexpected solutions of past challenges. Successful manager must therefore be mindful of muddling up managerial challenges left to chance and those that follow scientific processes.

- **Understanding that logical and creative thinking are integral to eachother**: Many notable authors in management have further buttressed the logical aspects of creativity for effective application to solving socio – economic challenges. This suggests that as soon as the flow of logical processes is distorted, the creator may not achieve the desired result at the end. Creativity therefore does not assume a predetermined end to a problem but left to be determined by valid scientific processes. Creativity is not about experimenting and discovering.

- **Appreciating that solution should be analysed in order to choose the best**: The solutions to socio – economic challenges are explored with limitless possibilities. This assumes that no one solution is absolute. Solutions and processes can always be improved and better managed.

How Do We Become Creative?

It is now clear that we all have the ability to create but the mind-sets of some people are better developed than others. It is therefore important to examine how to overcome the conditioning that blocks your creativity and learn to use your knowledge and experience more productively. Mor et. al., (2002) have outlined six effective ways individual can become creative at workplace:

- **Use your imagination to find different solutions**: imaginative reasoning (The Mind Power) has remained the most important tool available to mankind. Once a solution to a challenge is conceived in the mind, its manifestation therefore becomes inevitable. The imaginative power of the human mind is what recreates the circumstance and situation and therefore creates the new solution. When the human recreative mind falls asleep, all work is dead.

- **Remain Open – minded**: living in the world of limitless scientific and technological possibilities should keep the creative mind constantly searching for solution with optimism.

- **Ask questions and challenge old ideas that yielded limited results**: Legrenzi (2002) posits that the effective creative mind begins with a probe of how well past solutions were delivered. This suggests that the creative mind must be critical of past work, challenges and solutions no matter how well articulated they seemed as at time they were delivered.

- **Be sure to work within safe regions and teams that know better**: No one man can deliver the best results at all times. Effective management solutions are often products of team work. A team may produce effective results even when they are not officially assembled. More often than not, teams working under immense pressure with limited time frame have often been proved to be the most effective in challenging work environment.

- **Aim to look at information in more productive and insightful ways:** information and particularly historical information have remained the platform for generating solutions and new ideas. Care must be taken to analyse relevant information by ensuring their accuracy. The use of inaccurate information could in this circumstance be very catastrophic and have the capacity of even ending the lifespan of an organization.

- **Identify and connect the unconnected**: A problem may occur in an organization because interrelated event are separated and different events fused together. A proper audit of source of any challenge requires the engagement of a person who reasonably understands the working structure of that system.

Innovation

Conceptualized from a generalist perspective, innovation is usually a new idea, and/ or more effective device or process. Innovation can be viewed as the application of better solutions that meet new requirements, unarticulated needs or existing market needs (Maranville 1992). This is accomplished through more effective products, processes, service, technologies, or ideas, that are readily available to markets, governments and as something original and more effective and as a consequence, new, that "breaks into" the market or society (Frankelius 2009).

Social innovation is commonly defined as new ideas (products, services, and models) that simultaneously meet social needs and create new social relationships or collaborations. These innovations are considered both good for the society and capable of enacting greater societal involvement in the provision of social service. Murray,Caulier-Griece and Mulgan (2010).

Social innovations are new strategies, concepts, ideas and organizations that meet the social needs of different elements which can be from working conditions and education to community development and health. They extend and strengthen civil society. Social innovations include the social processes of innovation, such as open sources methods and techniques and also the innovations which have a social purpose.

According to the business Dictionary.com (2015), innovation is the process of translating an idea or invention into a good or service that creates value or for which customers will pay. To be called an innovation, an idea must be replicable at an economical cost and must satisfy a specific need. Innovation involves deliberate applicable of information, imagination and initiative in deriving greater or different values from resources. It includes all processes by which new ideas are generated and converted into useful products.

In business, innovations often result when ideas are applied by the company in order to further satisfy the needs and expectations of the customers. In a social context, innovation helps create new methods for alliance creation of buyer's purchasing power. Innovations are divided onto two broad categories:

1. Evolutionary innovations

(Continuous or dynamic evolutionary innovation that are brought about by many incremental advances in technology or processes, and)

2. Revolutionary innovations

(Discontinuous evolutions) which are often disruptive and new.

A business innovation is the process of translating an idea or invention into a good or service that creates value or for which customers will pay. To be called an innovation, an idea must be replicable at an economical cost and must satisfy a specific need. Innovation involves deliberate application of information, imagination and initiative in deriving greater or different values from resources, and includes all processes by which new ideas are generated and converted into useful products. Consequently a business innovation is often the results of ideas that are applied by the company in order to further satisfy the needs and expectations of the customers. In a social context, innovation helps create new methods for alliance creation, joint venturing, flexible work hours, and creation of buyer's purchasing power.

While a novel device is often describe as an innovation, in economics, management science, and other fields of practice, an analysis innovation is generally considered to be a process that brings together various novel ideas in a way that they have an impact on society.

In business and economics, innovation is the catalyst to growth. With rapid advancement is the in transportation and communications over the past few decades, the old world concepts of factor endowments and comparative advantage which focused on an area's unique inputs are outmoded for today's global economy Schumpter (1943:81-84), a great contributor to the study of innovation economics, argued that industries must incessantly revolutionize the economic structure from within, that is innovate with better or more effective processes and products, as well as market distribution, such as the connection from the craft shop to factory. He famously asserted that "creative destruction is the essential fact about capitalism".

So what do we understand by innovation?

Innovation is the implementation of a new or significantly improved product, service or process that creates value for business, government society.

Types of innovation

Three main types of innovation were identified by Mor et. al, (2002) which include:

1) Process innovation
2) Technical innovation
3) Administrative innovation

Process innovation: Process innovation is achieved through the creation of new means of producing, selling, and/or distributing an existing product or service. Some examples are: Online Banking, e- marketing etc.

Technical innovation: Technical innovation is simply the creation of a new product or service. Some examples include: a new line of televisions or automobiles, the introduction of window phones.

Administrative innovation: Administrative innovation is the creation of a new organization design which better supports the creation, production and delivery of services or products. Example include: virtual Teams: any task-focused group that meets with or without all members being in the same room or even working at the same time.

Strategy

According to Andrews (1980) in Pierce and Robinson defines strategy as the pattern of decisions in an organization that determines and reveals its objectives, purpose and goals, produces the principal policies and plan for achieving those goals and define the range of products and services the organization is to pursue, the kind of organization it is or intends to be and the nature of the contribution it tends to make to its constituencies. Therefore strategy can simply be seen as an action taken by an organization to attain a superior performance.

With the brief definition of strategy, it is therefore deduce that every strategy put in place within an organization to sustain its high performances, creativity which leads to innovation becomes the most veritable tools.

What Strategy Stimulates Creativity and Innovation in the Workplace?

In designing a workplace environment conducive to creativity and innovation, management must consider the same elements that are key to creativity in individuals: Knowledge, creative motivation. Ambile explains that in the workplace, it is easier to influence intrinsic motivation than to influence knowledge or creative thinking styles which are longer term pursuits. She suggests that management can bolster intrinsic motivation through focus on the following six areas:

- **Challenge:** Match people to jobs where challenge/stretch is optimized
- **Freedom:** Give people autonomy concerning the process, not necessarily the end. Infact clearly specified strategic goals often enhance people's creativity, but freedom in process to enhance sense of ownership. Mauzy& Harriman (2001:124)
- **Resources**: Resources in both time and money are important. Under some circumstances time pressure can enhance creativity by increasing urgency and sense of challenge, but fake or impossibly tight deadlines create distrust and cause burnout. People are less creative under

time pressure, despite the fact that they think they are more so. Allowing time for evaluation and playing is the key. Johansson (200:112)

- ❖ **Work-Group Features:** When teams include people of varied perspectives, ideas combine and combust in interesting ways. Teams must share excitement, be team players, and recognize the value that each member brings to the table. Creating such teams requires managers to have excellent knowledge of their people.
- ❖ **Supervisory Encouragement**: Freely and generously recognize creative work even before the commercial impact of that work is known. In general, people react to new ideas with a criticism bias. They think about why not to use it instead of how to explore it further. This creates a climate of negativity and fear and should be consciously overcome. Organizations that tolerate failure and encourage risk-taking are more likely to see successful innovation.
- ❖ **Organizational Support:** Intrinsic motivation increases when people are aware that those around them are excited and where there's information sharing and collaboration. Bad policies are to be avoided and gets in the way.

In addition to motivation approaches, collective knowledge and thinking processes are also paramount. Just as a creative individuals must be capable of breaking down barriers between disciplines and combining knowledge in a new ways and making of new corporate connections. According to Mauzy and Harriman (2001), the key to this process lies in encouraging conflict and risk taking, and in encouraging the flow of information through the organization. Promoting diversity and flexibility among team members involved in such discussion is important.

Information flow is a crucial aspect of promoting creativity throughout the organization, 'creatively healthy organizations have a high volume of diverse information that flows freely throughout the organization, increasing the likelihood of collision among beliefs, presumptions, possibilities and new facts.' Mauzy& Harriman (2001:75)

Complimentary to information flow, management must also build diverse teams and create mechanisms by which individuals with different perspectives can interact productively.

Conclusion and Recommendations

Due to globalization and automation of work processes, manual work has declined and a bigger demand for professional knowledge workers occurred. Knowledge has become a valued form of capital and innovation, the predominant engine for economic growth. Creativity and innovation as a strategy for organizational performance becomes very important as factors for the organization's struggle for survival in today's society. However, the angle is seen from the management's point of view, which has great benefit if organizations are to be engaged in the right direction.

It is however recommended that management should ask for technical innovation through creatively participation of every stakeholder, demand it, encourage it, stimulate it, find it and reward it. Peter andWaterman (1982). Management must truly want and be committed to creativity and be willing to sacrifice short term results for innovation.

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