

The Impact of Information Communication Technologies in the Strategic Management of Financial Institutions

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Abstract

ICTs have contributed a lot in the strategic and operations management of financial institutions all over the world. Today, ICT is employed in all the departments of most financial institutions such as operations, customer services, marketing, administration, human resource, procurement, accounting, financial management, etc. The general consensus among various academicians is that ICTs have improved the processes of operations and management. It has also played significant roles in strategic and operational management and also determined the marketing mix, strategic decisions, ownerships, management and partnerships such as alliances and mergers. This study investigated the role of ICTs in the strategic and operational management of financial institutions using a qualitative research method involving the interview of top managements and operational staffs of four selected banks in the United Kingdom and Nigeria. Findings revealed that ICTs have indeed contributed a lot in improving the functioning of all departments of the selected banks such as marketing, operations, HR, finance, call centers, customer services, etc. The benefits gained by the various banks after the implementation of ICTs include better online and offline support for their customers, ROI justification, profitable sales volume, reduction of queues in the banking halls, and very interactive websites. There are however, many departments and other functional areas where ICTs have not been fully utilized. Moreover, many financial institutions have not fully adopted and applied ICT to all functional areas. The study recommends that these can be resolved through proper training, i.e. the provision of ICT related training to employees with respect to the strategic and operational management of the banks as well as exploration of the importance of the recruitment of external consultants who are specialized in their respective fields to render solid supports.

Key Words: *ICT, Financial Institutions, Customers, ROI, Value Added.*

Introduction

Strategic management is the key process in every organization's efforts to gain and sustain a competitive advantage and it is essential for small, medium and large scale organizations. Analoui and Karami (2003) stressed that strategic management is a field that deals with the intended and emergent initiatives taken by general managers on behalf of owners, involving utilization of resources, to enhance the performance of organizations in their external environments. It involves the specification of an organization's mission, vision and objectives and development of policies and plans (Cooper 1979) and resources are allocated to implement these policies and plans. Furrer, Thomas, and Goussevskaia (2007) further stressed that strategic management is a continuous process which evaluates and controls the business and the industries in which an organization is involved. Information Technology is enabling organizations to take advantage of new opportunities and to build new capabilities. The use of IT in financial institutions gained prominence in the 1970s and 1980s, when various financial institutions in the western world signed up to the super highways with the strategic aim of building a global distribution network for their products (Eriksson, Kerem and Nilsson 2008). With the introduction of the internet, (Chen and Lee 2005), the financial service institutions reinforced their positions at the center of indirect and/or online sales channels, as they used the internet systems to become more efficient for consumers and end-users, thereby offering their customers wider ranges of services in real time online environment. For example; financial institutions were able to deal directly with customers showcasing their various financial products, enabling customers to apply for loans without necessarily visiting the banks' branches and the outcomes of these applications are communicated to various customers without delay.

According to Black et al., (2001) emerging technologies have changed a growing number of financial services functions, from simple face to face marketing to online advertising and the supply of new financial products which have in turn influenced consumers' choices and behaviors, and have led to the construction of new business models. Furthermore, Agarwal et al, (2009) asserts that the financial services institutions have of recent demonstrated a total dependency on technology for their marketing, operational and strategic management functions. Floros (2008) also stated that financial institutions are the adopters of ICTs and they have a long history of technological innovations in comparison to many other organizations in business management. This study involves exploratory discussion with the executives and employees of selected financial institutions in Nigeria and the United Kingdom in order to examine the impact of ICTs in the financial services institutions and exploration of the developments in the strategic management of these typical financial institutions based on the application of ICTs. Electronic banking is an area of strategic importance due mainly to the rapid rate of evolution in ICTs development. Banks have adopted this in varying degrees in line with demands from customers. Unfortunately, not all financial institutions have taken full advantage of the full potentials of ICT. This study therefore sets out to examine the influence of ICTs innovations on the process of strategic management in the financial industries and the study focused on the role played by IT in improving strategic management in the selected financial institutions.

Literature Review

According to Benamati and Serva (2007) ICT is a forms of technology that are used to transmit, store, create, share or exchange information. Laukkanen (2007) views ICT as, a generic term referring to technologies which are used for collecting, storing editing and passing information in various forms. Furthermore, Chen, et al., (2002) stressed that ICT is a combination of manufacturing and services industries that capture, transmit, display data and information electronically. While Gill (2008) asserts that ICTs is a diverse set of technological tools and resources used to communicate and to create, disseminate, store and manage information. Kolodinsky, Hogarth and Shue (2000) defined ICT as the set of activities facilitated by electronic means and these involves the processing, transmission, and display of information. According to Kamel (2006) Information technology (IT) or informatics was defined in 1990s as (i) the aggregation of information-related fields, such as computer hardware and software, telecommunications networks and equipment, and information technology-based industries; and (ii) the application of these

technologies in all economic sectors, publishing, broadcasting, libraries, data banks, and other information services industries.

Strategic Management in Organizations

Pettigrew (1992) argue that strategic management can be used to determine mission, vision, values, goals, objectives, roles and responsibilities, timelines, etc. Strategic Management actually gives the organization a direction, a sense of identity and unity towards the business goals and therein lies the continued importance of strategic management towards the organization's success. Strategic management, according to Schendel and Hofer (1979) is a combination of science and arts which increases an organization's chances of success as it involves detailed planning of each and every variable of the organization that can help in the achievement of goals and objectives. Furthermore, Kraus, et al., (2006) stated that strategic management is an ongoing process that evaluates and controls the business and the industries in which the company is involved; assesses its competitors and sets goals and strategies to meet all existing and potential competitors; and then reassesses each strategy annually or quarterly i.e.; regularly to determine how it has been implemented and whether it has succeeded or needs replacement by a new strategy to meet changed circumstances, new technologies, new competitors, new economic environment or a new social, financial, or political environment (Hitt, et al., 2001).

Application of ICT to Strategic Management

The use of information technology in the strategic management of organizations is nevertheless a new subject on which only few studies have been found. According to Furrer, Thomas, and Goussevskaia (2007), financial institutions identified the internet as a major opportunity to tackle distribution costs and to reengineer the structure of the industry. Furthermore, Law (2009) asserts that in today's globalized economy, information technology has driven fundamental changes in the nature and application of technology in business. Agwu and Carter (2014) also states that the use of information technology plays an important role in the strategic and operation management of financial institutions and facilitates the successful financial services in the future. Ahasanul, et al., (2009) further states that the internet technology and web based commerce have dramatically transformed the financial services industry in the last ten years. Law (2009) argue that it has provided an adequate platform for the financial services practitioners to adequately provide services to its customers. And Agwu and Murray (2014) stressed that information and communication technologies will always play a predominant role in the financial services sector. In addition, Almogbil (2005) opined that ICT can increase the competitive advantage of the financial services institutions. According to Law (2009), ICTs can provide powerful strategic and tactical tools for organizations, which, if properly applied and used, could bring great advantages in promoting and strengthening their competitiveness. On the other hand, Karjaluo, et al., (2009) stated that financial activities supported by ICTs include but not limited to marketing, advertising, information, withdrawal and deposit, services, balance checks, etc. Hence, IT is useful for numerous functions of the financial services organizations. From a business management and control point of view, financial institutions also employ ICTs in most functions, from administrative tasks and accounting to financial management, human resources and procurement (Laukkanen, et al., 2008). Qureshi, (2008) argued that ICTs play a critical role in the strategic and operational management of financial services activities. They not only contribute to the formulation of all elements of the marketing mix, but they also determine the strategic directions, partnerships and ownership of financial organizations. It is therefore wise to forecast that technology will facilitate and support the successful financial services functions of the future. Furthermore, as ICTs are instrumental in re-arranging financial institutions alliances and concentrations, it is also likely that technology may provide a major motivation for merger and collaborations (Palvia 2009).

Chironga, et al., (2011) in their submission, states that information technology acts as an enabling tool in achieving customer service advantages in three ways: clerical effectiveness/automation; operational efficiency; and/or information generation and strategic effectiveness or transformation. In furtherance of

this, Agwu and Carter (2014) found that customer service is being nurtured as a valuable asset in differentiating products in one or more of four forms: distribution, transaction, relationship and/or strategic. The authors further states that there is a direct positive correlation between the exploitation of IT in customer services and the degree of information orientation. Hence, customer service can be greatly improved through IT in financial services industries. According to Chen and Lee (2005), many financial organizations are accelerating planned IT projects, such as e-marketing, websites and customer-service initiatives, to keep profitable customers happy and acquire new ones. Hence, IT can be used in a number of ways to improve customer services. As various financial organizations continue to change from their old approaches, it is believed that ICT will assist them in making viable decisions. Many financial services organizations are also ramping up customer-service and e-marketing projects (Guru, et al., 2003; Law 2009) and IT has assisted them in delivering faster services to their customers. According to Floros (2008) information technology has made life easier for customers and businesses alike and IT has also made it easier to maintain customer records. When the customer requests address changes, that information is retained in the computer systems and can be accessed by anyone from anywhere within the organization and IT has also aided these organizations in offering better products and services to their customers.

Virtually all financial services institutions manages the functions of networking by using different processes, databases and IT systems for planning, execution and decision making. Black, et al., (2001) asserts that most activities in the financial institutions comprises of highly complex business processes which are supported by specialized IT systems that reside in functional silos and lack cross functional integration. According to Chen, et al., (2001) the strategic sourcing of IT services is a proven cost-reduction and capability building function. And this provides an understanding to practitioners on which services to use and for what, where, etc., to drive for value and how to manage the relationships. Kamel (2006) added that successful financial institutions are market-oriented organizations which are well-managed with the top management setting clear, sound and long-term strategies. Mattila and Pento (2002) commenting on the commercial application of the internet, states that most financial organizations primarily use the brick and mortar branches to market their products to potential customers, hence, the buying power of customers is increasing. However, the internet also creates opportunities such that the various financial products are instantly marketed worldwide to individual customers whose details can be stored in a customer database for use by the customer services desks, call centers, management, etc. in furtherance of this, Gill, (2008) argue that quality customer service differentiates one financial institution from the other and helps secure customer loyalty. For this purpose, precise data related to the customers is necessary for customizing services and enhancing the advantage of marketing program and only those financial originations that can become successful are those that can continuously reduce their costs and improve their products by obtaining a convincing existence in the major financial markets.

In another premise, Preece and Laurila (2003) stressed that the exploration of ICT tools and their integration with customer relationship management applications are expected to bring several benefits such as improved product and service quality; customer satisfaction; higher productivity; improved financial performance and creation of barriers to entry; enhanced convenience and customer services through the advent of new products and various delivery/service channels. Furthermore, Benamati and Serva (2007) states that the remote viewing and printing of statements and other financial documents, application for loans, checking of balances, effecting transfers, etc., are part of the invaluable benefits supported by the emerging ICTs. These days, ICTs are employed greatly to support the internet dissemination of banking services. Laukkanen, et al., (2008) also stressed that financial institutions use technology to develop and manage their business models as well as to monitor the external environment and competition, undertake revenue analysis, forecasting, maintain historical data, predict demand, and design desirable products. In the same vein, Eriksson et al., (2008) argue that ICTs are significant for observing and predicting the performance of strategic business units and for determining which markets the respective banks should infiltrate, in most cases, most financial institutions have found safe havens in major towns and cities. ICTs also support key functions such as branch location, planning and types of service and the development of relationships with strategic partners.

In the same way, Chironga, et al., (2011) asserts that strategic pricing and yield management are also supported by running complex algorithms to establish best performance and profitability levels. According to Floros (2008) ICTs are instrumental in re-arranging financial organizational alliances and concentration, and it is also likely that technology may provide a major motivation for merger and collaborations. It has been predicted by various authors such as Hitt, et al., (2001); Laukkanen, et al., (2008); Karjaluoto, et al., (2009); etc. that financial institutions of the future will take advantage of the internet as well as intranets and extranets to communicate with all their stakeholders, to improve their internal efficiency and effectiveness and interact with all their stakeholders productively. Implementing enterprise resource planning can help financial institutions integrate all facets of their businesses and maximize their performances. Developing successful extranets will also allow financial institutions to develop effective collaboration channels with all their partners (Benamati and Serva 2007). Furrer, et al., (2008) further stressed that ICTs can assist financial institutions to create global networks, to serve their Customers better and to correspond with their partners more competently on a global basis; furthermore, they will need to provide the “info-structure” for closer collaboration with all stakeholders available. Hence, the networked institution of the future will take advantage of the internet, intranets, and extranets to strengthen its position, reinforce its brand and contribute to its profitability. This study also assessed the challenges associated with ICTs as a vehicle for future competition among the selected banks.

Methodology and Methods

Qualitative research requires thorough understanding of human behavior and the causes which govern human behaviors (Creswell 2009). It is descriptive and it uses content analysis methods on selected levels of communication content. According to Major and Savin-Baden (2010) the reasoning process used in qualitative research involves perceptually putting pieces together to make wholes and from this process, meaning is produced. However, because perception varies with the individual, many different meanings are possible. Bryman and Bell (2007, 2011) stressed that qualitative research explores attitudes, behaviors and experiences through such methods as interviews or focus groups. It attempts to get an in-depth opinion from participants. Flamand, Lee (2009) argue that as it is attitudes, behavior and experiences which are important, fewer people take part in the research, but the contact with these people tends to last a lot longer. In furtherance of this, Holliday (2007) defined qualitative research as a body of research techniques which seeks insights through loosely structured, mainly verbal data rather than measurements. According to Easterby-Smith et al., (2008), analysis is interpretative, subjective, impressionistic and diagnostic. Creswell (2009) also stated that data is usually gathered by using less structured research instruments; however, the results are more detailed. Bryman and Bell (2011) stressed that qualitative research explores the why and how of decision making and it is a broad and intensive methodology, which probes into the details of complicated and sensitive issues. The authors further asserted that qualitative research provides more details on behaviors, activities, attitudes and motivations. Moreover, it allows the researcher to further explore the details of the research. Major and Savin-Baden (2010) believed that large amounts of qualitative work have usually been prerequisite to fruitful quantification in the physical sciences.

Therefore, qualitative research methodology was chosen for this study due to the fact that it examines the independent variables. The study sets out to identify intangible factors such as influence of the ICTs innovation on the process of strategic management in the financial industry. There is no need for the formulaic analysis of the results which are required in quantitative research methodology. Keeping in view the above definitions, the use of qualitative research for this study is justified. This is because it provides human side of a problem or opportunity, that is; the beliefs, opinions and values of a particular group of population. Qualitative approach has been used in various studies for making logical deductions based upon findings which are derived from historical facts, interviews and case study methods. Review of the current literature from articles, books, web material, journals, etc. encompasses topics such as definitions of Information Communication Technologies and Strategic Management and previous literature on the role of IT in Strategic Management in financial organizations.

Data Collection

As stated above, this study adopted the qualitative research methodology. And both primary and secondary data were utilized. The primary research comprised of semi structured interviews administered to 10 top management staffs and 10 employees of four selected banks in Nigeria and the United Kingdom. The secondary source comprises of review of books, articles, journals, periodicals, web materials and the profitability records of the selected financial institutions.

Case Study Research

According to Creswell (2009), through case studies, researchers can study and analyze the facts presented in the form of narrations. Major and Savin-Baden (2010) asserts that it is an intensive study of a specific individual or specific context. Case study as a research method was used by the researchers for the analysis of four banks (two from the United Kingdom and two from Nigeria). According to Bryman and Bell (2011), the strengths of the case study research method are as follows:

- It involves intensive study of the context. The present study presents a broad view of the impact of ICTs on operational and strategic management of four selected banks
- The data obtained is accurate and in depth. The data in the present study is deemed accurate and in depth as it was obtained through direct discussions.
- It presents a broad view of the subject under study. The present study involves a wide view related to the impact of ICTs on the strategic and operational management of various bank managements.

And the weaknesses are:

- It is time consuming as a lot of time is required for gathering data. In the present research, interviewing the participants of the survey was time consuming as it was difficult to arrange appointments from the managers and staffs for interviews due mainly to their very busy schedules.
- Access to the organizational materials is difficult as organization do not provide confidential data to the researchers.

Furthermore, this is a case study of four selected banks, hence, the selection of different banks staffs in four different banks. According to Creswell (2009) case study is a time-honored, traditional approach to the study of topics in social sciences and management. Major and Savin-Baden (2010) stressed that it has the capability of uncovering causal paths and mechanisms, through richness of detail, identifying causal influences and interaction effects which might not be treated as operationalized variables in a statistical study. While Creswell (2009) stated that it is helpful in generating hypotheses and theories in developing fields of inquiry. Case Study of different banks was selected. This multi-design approach was used in this study in order to provide a more holistic view of the dynamics of the research subject. And the semi structured interview questions was conducted with an open framework which allows for focus on conversational and a two-way communication/dialogue. The unstructured interview questions were used as a guide with freedom on the part of the interviewers and interviewees to interact freely on the topic under discussion.

Ethical issues

According to Creswell (2009) ethical issues are the moral principles, norms or standards of behavior that guide moral choices about our behavior and our relationship with others. Holliday (2007) further stressed that data collected for research project purposes, in the UK; must be stored and controlled in a way which is compatible with the Data Protection Act (1998).” In this study, in order to keep the confidentiality of the participants, the names and designations of the participants were treated with utmost confidentiality with the agreement that their details will not be published. And questions which may lead to conflicts or which exposes the confidentiality of the participants were clearly avoided. Hence, ethical considerations have been strictly adhered to while conducting this research.

Data Analysis

The interview involved 10 top management and 10 employees of four banks (two from the UK and two from Nigeria). These selected managers and staffs are deemed the right people to gather data from based on their positions, length of experiences in the banks, etc. Though the authors requested for more managers and staffs but most were not easily accessible, due mainly to their busy schedules and commitments and as such could not be available as the time of the discussions. The top managements included Directors of IT services, Heads of Operation, Commercial Director, Finance Director, Head of HR, Call Centre Manager, Head of marketing and Head of Administration. The ten staff members cut across several departments as well. The semi structured interviews were used for obtaining the views and opinions of the interviewees. This allowed for conversational, flexible and a two-way communications. The interviews were done in a one-to-one/face-to-face interaction due to the tight schedule of the participants.

Findings

Significance of ICTs for the Strategic and Operational Management

More than eighty percent of the top managers stated that ICT has greatly improved the strategic and operational management of their banks. The views of the managers were captured in the following comments:

The view of the Commercial Director of one of the UK banks was captured thus: *[ICT facilitates the strategic management in my bank as it facilitates long-term decision making and by supplying a platform for cooperation, connections and transactions between departments and partners. ICT also supports the smooth operation of internal processes as well as coordinating activities of and the general public].* Furthermore, the Call Center Manager of one of the Nigerian banks stated that *[call center is a new practice in Nigeria and interaction with customers on issues that would have brought them to the customer services desks, loan queries, account opening issues, etc., are now easily resolved. Therefore, ICT facilitates customer profiling, interaction with the customers and providing services to them. It makes the provision of services easy and noble].* Furthermore, two Heads of Operation from both countries agreed that ICTs supports the general operations of cash and teller services, monitoring of customers' accounts, monitoring of competitions, reporting, and interface with customers over the telephones, emails, chats, etc., with a view to resolution of issues.

In furtherance of this, the Call Center Manager from Nigeria and the Head of Operations from the UK described different applications of ICTs in their duties as follow:

- ICTs are used in the call center environment to support customers that require assistance with their banking activities.
- ICTs empower customer interactions, communication and attention to their financial needs.
- Various financial softwares are used as an interactive web chat application between the customer and our call center agents.
- It facilitates communication with customers worldwide.
- ICTs have also enabled our banks to use latest technologies such as handheld terminals for increasing customer services efficiency and for reducing operational costs.

The Head of HR, Head of Operations and Commercial Director believed that through ICTs the company has constantly improving the processes with latest technology to cope with the advancement in the modern era. The Head of HR gave the following reasons:

- ICTs changes have led to the recruitment of professionals (e.g.; marketing, sales and IT professionals) that are seasoned and in-tune with the trends in ICT as it affects the financial services institutions.
- Management have agreed with the Human Resources Department to ensure that staff especially within the Marketing, Sales and IT departments are regularly sent on training courses, workshops, seminars and webinars to keep up with the trend of the latest technology and the financial market. The training courses are conducted once in a quarter for 10 days. Workshops, seminars and webinars are conducted four times every year.
- Several employees belonging to the several departments, especially the IT department reported that developments like Web 2.0 with social media tools like Facebook and Twitter have changed the strategic views of the senior management team as well as customers. The UK banks have re-designed their websites to make it interactive and more flexible and have also integrated it with the social media functionalities such as Twitter, Facebook, etc.

Recent developments in strategic management and its application in the financial institutions have been tremendous. According to the Head of marketing, the recent developments in strategic management and its application to the banking processes due mainly to ICTs includes restructuring of the marketing department to ensure every member of the team are fully trained and equipped with the relevant ICT tools for their duties. In furtherance of this, the Director of IT stressed that the recent developments undertaken by the bank so far include upgrading the systems and software used in the call centers to ensure customer support processes by various call center staffs are more efficient. Moreover, there is a revamp of the banks website for a better online banking experiences by making it more interactive, flexible and well secured for various banking transactions.

Commenting further, the IT Director, stressed that the call centers management and staff, through ICTs, have improved a lot over the years. And the customers who signed up for electronic banking services are sent electronic newsletters of the bank and are also given information. The call center staff interviewed reported that implementation of ICTs have provided additional facilities such that:

- Customers can engage in an interactive web chat system on the company's website by making enquires about their financial transactions or generally passing a complaint across.
- The bank regularly and proactively sends customers information about the weather forecast, currency exchange rates, ATM locations, etc. The bank also send out emails/survey questions quarterly to assess customers experiences as well as receive feedbacks on how they rate the bank's services and to say thanks for using the services of the bank. It may well be stated that the implementation of ICTs has enabled the customer support system of the bank to be more efficient.

Impact of Social Media to Customer Services

The marketing staffs interviewed reported that through the use of social media, the banks have been able to promote various financial products. The social media sites used for this purpose include Facebook, Twitter, Youtube, electronic newsletters, etc., they further stated that the banks place their advertising banners on popular blogs and various websites. Social media today indeed plays a vital role in how banks and other organizations can expand their online presence. According to RoseMcGrory.co.uk (a leading social media marketing company), "social media is the biggest phenomenon since the arrival of the internet". As at the end of 2011 the United Kingdom has over 30 million unique Facebook users and over 26 million Twitter accounts. The head of marketing stated that through its aggressive social media campaign, the bank in 2013 experienced 15% sales growth compared to 2012. The General Manager, stated that the bank recently reduced its budget on non-online advertisement such as outdoors by 40% as the ROI is not justified compared to what is derived from the social media platform.

Challenges Faced by the Banks during the Implementation of Icts

The Head of Operations, Director of IT and the Commercial Director agreed that their banks faced challenges during the implementation of ICTs. The Head of Operations reported that resistance to change was the major problem faced by them. This is new to the Nigerian systems and most bank employees are not computer literates, hence they find adjusting to the new systems difficult. The head of operations stated that the employees complain all the time to their unit heads about the difficulty in adjusting to the new system – this also had a spillover effect on customers as services were sometimes slow. The Head of IT further stated that during software upgrades or changes in the call centers, the staffs had to adjust to a new system and a new process. However, to overcome this challenge, the bank ensures that the call center staffs are fully informed of the benefits of the new system. Adequate training and time is also provided to them to adjust to the new changes. Quarterly trainings are provided to the staff for 5 days to make them familiarize with the new technology. Furthermore, one of the call center staff stated that delay in implementation is also one of the problems as there is a need to customize the system to be more relevant to the business and operation processes of the bank. However, the Director of IT stressed that the major challenge faced by them was lack of in-house technical know-how or support. Some ICT changes which the bank had tried to implement had been delayed and slowed down due to the lack of enough in-house resources to support and maintain the system. On the other hand, the Commercial Director stated that the major challenge faced by them is financial cost as some of the technologies are quite expensive and there is need to be sure that the return on investment is justified before making such financial commitments. Hence, the major problems faced during the implementation of ICTs was resistance to change, delay in implementation, lack of in-house technical know-how or support and financial cost.

Benefits after the Implementation of ICTs

The Call Center Manager, Commercial Director, and Head of Marketing as well as some of the call center staff agreed that the bank has benefitted after the implementation of ICTs. Furthermore, the call center manager stated that the call center staffs are now better trained and informed on how to support the customers both online and offline. Furthermore, the Commercial Director and the Finance Director reported that the ROI on some of the ICT systems implemented so far have been justified. The IT Director however stated that online fraud has been one of the key issues the bank, like all other financial institutions, have been trying to minimize over the years. Furthermore, the bank has also been able to offer a wider range of card payment options e.g. Visa, Visa Electron, Mastercard, etc. which helps to ensure that the bank can meet the desires of its customers.

The Head of Marketing reported that the feedback process that has been integrated into the website ensures that the bank is constantly in tune with the desires and concerns of their customers. The manager further stressed that the marketing of the bank's products is now better targeted to the customers and potential customers that will benefit from it. Other employees of the marketing department reported that the bank has received more traffic and visits through their active presence via the social media tools and making the site more interactive and user friendly. They have been able to monitor and understand the financial requirements and the desired services of the customers through the implementation of ICTs.

One of the top management staff in Nigeria stated that currently the bank is exploring the engagement of the services of an external consultant to promote the strategic and operational management of the bank. However, the top management in the UK stated that the bank have employed the services of external consultants who regularly the bank with independent views on how they can better maximize the use of or improve on the ICT systems and reposition the bank for effective competitive advantage.

The UK call center manager further stated that the bank regularly goes through the feedbacks and suggestions of the customers to understand the effectiveness of the ICT system as well as assess if it is really meeting the customers' needs or not. In order to be abreast with latest developments, the heads of

marketing, call center managers and the Director of IT in Nigeria all stated that the staffs under their spans of control regularly attend ICT trade shows, workshops and seminars with systems relevant to the financial industry in order to understand how current ICT systems within the banks can be improved. Information is also gathered through websites, online forums and social media on how the banks can improve its services through ICTs.

Relevance of IT to various Departments

On the question of all departments of the banks implementing and benefitting from applications of ICTs, the call center manager, head of sales and marketing, director of IT, head of HR and Finance Director in the UK banks agreed that all the departments of their respective banks are implementing ICTs and benefitting from them. According to the Call Center Manager, the call center staff is now more efficient and effective in supporting and attending to customer needs. Consequently the Head of Sales and Marketing stated that the sales and marketing team are more proactive in the destination promotion and are focusing on the right target customers. The Director of IT reported that the IT team are now better equipped with information and knowledge related to the technologies and are able to recommend the appropriate ones, the banks should adopt with the justifications to go with it. The Finance Director reported that reduction in online fraud have made the finance team more efficient as the payment/ account reconciliation processes now run with less manual efforts. While the Head of HR reported that the staff of the HR department now work more closely with the department heads/managers in identifying the relevant in-house and external trainings that staffs can benefit from in helping them to do their jobs better.

ICTs Issues and future Competitive Challenges

While the Nigerian bank managers and staffs are still getting grips with the importance of ICTs and its application to the financial institutions as well as its future challenges, the UK bank managers and staff are well aware of its importance and futuristic effects. In furtherance of this, UK bank's Director of IT, stated that the major problem that can affect the future competitiveness of respective banks within the banking industry in the world is slow response to changing ICTs. In furtherance of this, the IT Director stated that financial institutions that are slow in adopting new trends in the ICT world might lose their competitive edge to other proactive banks that are fast adopters.

Commenting further, the commercial director argued that the major problem is training and technical-know-how. Financial experts and practitioners that do not invest in their staffs to gain the right knowledge of the ICT systems might end up not maximizing the use of the systems and hence the ROI will not be achieved. The director however stated that while ICT is good, the trend might lead to a point where banks and other players within the financial industry are no longer innovative in designing and launching more value added services but instead are over reliant on ICTs. Over reliance of ICT systems might lead to a dead end and the danger of wanting to keep up with the ever changing trends in ICT systems will lead to introducing too many changes that might not in the long term best interest of their customers. The head of operations in one of the Nigerian banks however, stated that the major issue is the lack of system stability and electricity for smooth operations.

Discussion

The review of related literatures on the above has shown that ICTs can contribute a lot in the strategic and operations management of the financial services institutions. And the internet has facilitated the handling of data and communications within financial organizations. Thus, procedures and processes have become automated and easy to control and monitor. In the last decade, there has been a tremendous development in the field of ICTs and its application in the financial world. The competitive advantage of various financial organizations has greatly increased due to ICTs. It has provided useful strategic and tactic tools for them to increase their competitiveness. This is because; ICT is employed in all the departments of financial

organizations such as Management, Marketing, Credit Administration, Administration, Human Resource, Operations, Procurement, Accounting and Financial Management (Agwu 2014). ICTs have improved the operational procedures from the hitherto long queues in the banking halls, to ATMs, Online banking, mobile-banking, etc. Furthermore, it has also improved the process of credit/loan processing, customer support services, and product promotion among others.

It has played a significant role in the strategic and operational management and also determines the marketing mix, strategic decisions, ownership of banks and partnerships such as alliances and mergers. It improves operational efficiency and automation. And brought about improved customer services, e-marketing and customer service initiatives and better services and products are accessible to the customers through ICTs. Hence, the literature review has shown positive relationship between the usage of ICTs in the customer service and the degree of information orientation. ICT has also assisted in network planning, operations controls, and decision making. The benefits of ICTs to the banking industry includes but not limited to customer satisfaction, higher productivity, cost reduction, improved products and service quality and greater convenience in handling day to day financial operations. While previous researches to the best of the knowledge of the authors, did not deal with the specific case studies especially with respect to ICT and strategic management, this study will investigate the impact of ICTs on the strategic and operations management of selected banks in Nigeria and the United Kingdom.

Specifically, this study will investigate the extent the selected financial organizations have improved their operations, credit administration, management, customer support services, etc through the use of ICTs.

Summary

The findings from this study show that ICTs has greatly improved the functioning of all departments of the financial institutions. And the benefits gained by the banks after the implementation of ICTs include better online and offline support for the customers, ROI justified, profitable volume of sales, reduction of cash frauds, and a functional interactive Website. The banks, especially the Nigerian ones, are better off employing the services of external consultants to assist in conducting seminars, workshops and trade shows. Furthermore, it will be worthwhile to gather information through websites, online forums and social media for strategic and operational decision making purposes. Interview discussion revealed that through the use of social media, the banks have been able to promote various financial products. And the social media sites used for this purpose include Facebook, Twitter, Youtube, etc. Moreover, electronic newsletters, currency exchange rates, local news, etc, are some of the benefits provided to customers through the implementation of ICTs. The banks however reported that the challenges they faced during the implementation of ICTs include resistance to change and delay in implementation, lack of in-house technical know-how or support and financial cost. And ICTs issues and futuristic competitive challenges include slow response to changing ICTs, training and technical know-how, over reliance on ICTs and lack of system stability. Therefore, the study has shown that the banking industry is benefiting a lot after the implementation of ICTs in different departments such as sales and marketing, HR, IT, Finance, Call Center, customer services, etc. In order to keep in pace with the modern era there is a need to provide continuous training to the managers and employees related to the modern technologies.

Conclusions and Recommendations

Conclusion

This study revealed that ICTs have greatly improved the strategic and operations management of financial institutions in both the United Kingdom and Nigeria. Based on the interviews with the participants, the World Wide Web and the internet have played a great role in the management of customer services, operations as well as product promotions in the financial institutions under study. Therefore, procedures and processes have become automated and easy to control and monitor. In the last decade within the

Nigerian financial institutions, there has been a tremendous development in the field of ICTs this is opposed to the United Kingdom that have been in the ICT business for decades. The competitive advantages of the banks in the two divides have greatly increased due to ICTs. Furthermore, ICT is viewed as a useful strategic and tactic tools for financial organizations all over the world and has become a veritable tool to increase their competitiveness. The study shows that ICT is employed in all the departments of the banks such as Marketing, Administration, Human Resource, Procurement, Financial Management and day to day operational management. Within the marketing sub-units, it has played a significant role in the strategic and operational management and also determines the marketing mix, strategic decisions, online advertising product promotion, customer services, etc. emerging facts also revealed that it has improved operational efficiency and automation. It therefore wise to state that there exist a positive relationship between the usage of ICTs in the customer service and the degree of information orientation. ICT has also assisted in network planning, operations, and decision making on customer loan applications. The benefits of ICTs to the financial institutions includes but not limited to customer satisfaction, higher productivity, cost reduction, improved products promotion and service quality and greater convenience in customer management as well as day to day cash operations. The findings from the study has shown that ICTs has contributed a lot in improving the overall functioning of all departments of the banks such as financial product sales and marketing, HR, IT, Finance, Call Centers, Customer Services, etc. Findings also revealed that ICTs improved the strategic banking functions such as product developments, market assessment, branding, branch location strategies, loans and overdraft decisions and monitoring of competitors. Based on the discussions with the top management of the selected banks, the benefits gained by the banks after the implementation of ICTs, especially in the two Nigerian banks, include better online and offline support for their customers, ROI justification, profitable sales volume, reduction of fraud due to excessive cash handlings and interactive websites. According to one of the top managers, strategic and operational management of have been improved due mainly to the use of ICT and the services of external consultants for conducting seminars, workshops and trade shows; as well as gathering of Information through websites, online forums and social media.

Recommendations

Based upon the findings the following suggestions are recommended:

- The resistance by various staff of call center staffs during the introduction of new software and machines shows that there is low awareness of the related importance of ICTs in the strategic and operational managements of various banks. The employees of the banks should be exposed to adequate training and equipment required for the implementation. This will allow for the appreciation of the significance of ICTs in the strategic and operational management of the banks. By doing so, resistance to the change or new system can be reduced and may be eliminated.
- Staffs especially within the marketing and IT departments should be regularly sent on refresher training courses, workshops, seminars and webinars to keep up with the trend of the latest technology in the banking industry. In this way, the staff will be become familiar with the new technologies and the introduction of any new technology or system would easily be accommodated in the organization.
- In the course of the study, it was discovered that the employees had low awareness about the recent developments in the Strategic Management of the banks due to ICTs. In the same vein, workshops and seminars should be arranged to keep the employees updated. This it is believed will make them better adapt to the news changes and serve the customers in the best possible ways.
- As there is need for continuous improvements, it is important that continuous research and development are sustained in the banks for the Promotion of ICTs as the internal processes will be greatly improved and this will ensure the delivery of services to the customers in the most convenient manner.
- Implementation of changes should only be done after a detailed training of the managers and staffs concerned have been done so that they can easily cope with the technological changes.

- As stated by one of the managers, in-house technical know-how and total top management support was one of the major challenges faced, the banks can mitigate this with the employment of the services of consultants on a temporary to short-term basis with specialization in the specific areas to help train existing staffs to acquire the required skills and knowledge.
- Continuous on-the-job training can be seen as a solution to any form of knowledge gap, while the cost of this exercise might be high, it will assist in eliminating the problem.

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