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FAMILY FIRMS AND STRATEGIC MANAGEMENT PRACTICES: A STUDY OF FORMER DIAMOND BANK NIGERIA

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ABSTRACT

Strategic management practices are crucial for an organization because strategy formulation activities improve the firm's ability to avert issues. Family businesses have been an essential part of the commercial landscape for generations and continue to be so today. The Nigerian family business community is optimistic about the future. This study examines family businesses and strategic management practices while evaluating Diamond Bank Nigeria. Two elements of strategic management practices were discussed: strategy formulation and strategy implementation. The study is descriptive, and the data was gathered from secondary sources. The research discovered that, while Diamond Bank had solid strategies, the implementation process created certain hazards to the firm, which finally led to its merger with Access Bank. This study lays the groundwork for future research on strategic management practices in family businesses. It also provides a foundation for a comparative examination of strategic management practices within family businesses. Having the correct strategies in place is beneficial, but the efficacy of the strategies is obvious when the strategies are well implemented.

Keywords: *Family firms, Strategic Management Practice, Diamond Bank, Strategy Formulation, Strategy Implementation*

1.0 INTRODUCTION

The development of a strategy implies a managerial duty to follow a certain set of activities in order to expand the business, attract and please consumers, compete successfully, conduct operations, and improve the company's financial and market performance. The strategy of a company is thus how management wants the company to grow, how it builds loyal customers, how it competitions its opponents, how each business component includes research and development, supply chain operations, production, sales and marketing, distribution, finance and human resources and how it boosts performance. (Meresa, 2019). Strategic management practices are important for an organization since strategic formulation activities enhance the company's ability to prevent problems since managers who promote subordinate planning attention are helped by subordinates who know the needs of strategic planning to monitor and forecast their responsibilities. Group-based strategic decisions are also likely to be based on the best alternatives available.

Family companies have for decades been and remain essential aspects of the commercial environment. Family companies are the main kind of businesses in many parts of the world estimated to vary from 60 to 98% (Miller & Le-Breton Miller, 2005). These companies are among the smallest, largest, youngest and oldest companies in developing and developing economies (Chua et al., 2004; Fernandez-Araoz et al., 2015). They play a vital part in the production of jobs, revenue, and accumulation of wealth. This makes it incredibly difficult to characterize them as multi-dimensional and there is no one description of their fundamental diversity. However, a wide definition of a family firm is where a family has sufficient stock to exercise influence over the strategy and takes part in senior management roles. With its omnipresent worldwide presence, it is unusual that the family business study has grabbed the interests of researchers from many disciplines (Melin et al., 2014). A family firm is a family business if a person is the controlling stakeholder (Onuoha, 2016).

Family enterprises are described as companies run and/or managed to create and follow a corporate vision held by a dominating coalition owned by members of the same family or by a small number of families, in a way that is theoretically sustainable through all generations of family or families (Chua et al., 1999). Onuoha (2016) describes family businesses as businesses where members of the nuclear or extended family have majority shares. The engagement of the family in the firm and the specific aims of the family are what makethe family business special in 2012, according to Yu, Lumpkin, Sorenson and Brigham (2012). (Daspit , Chrisman, Sharma, Pearson & Long, 2017). Family companies are made of a family system regulated, at least partly, by emotional ties and a commercial system according to market economic logic. Complexity develops when both systems are overlapped, which leads to significant heterogeneity (Cohen & Sharma, 2016). Due to its complexity and heterogeneity, many of the reasons and effects of family firm behavior continue to be investigated (Gagne et al, 2014). It is very important to understand how the family contributes to family firm success (Basco, 2013).

The Nigerian family business community continues to feel hopeful about the future according to KPMG (2017) report: 75% of respondents said they feel confident or extremely confident about their economic prospects. Almost one-fifth (18%) of the firms polled in Nigeria are unsure of their future prospects and just 7% are gloomy. Family companies continue to exhibit sustained development and excellent performance thanks to their confidence. 28% of firms polled in Nigeria reported an increase in turnover, 38% had a stable turnover and 34% had a drop in the past year. Careful about their expansion plans mention their aim to stay a market leader in their area and their emphasis on growing profit as the major reason for steady turnover (KPMG report, 2017).

Diamond Bank's aim to become Nigeria's largest retail bank led it loan money to companies that could not repay. It attracted not enough business borrowers that are a significant banker and lent more to the oil and gas sector than the central bank believed was wise (52% versus 20%). Thus, the bank was adversely hit by the fall in oil prices in 2015 and 2016. Diamond Bank fell from earnings of N28.5 billion in 2013 to losses of around N9 billion in 2017. The now-used bank amalgamated in March 2019 with Access Bank following a significant rise in its non-performing loans. The rapid decline by the retail banking behemoth in total assets of N1.55 trillion in September 2018, and its loss of share price value at N1.37, compared to N7 in approximately five years earlier with its offshore activities, certainly attests to the failure of corporate governance decisions and repercussions. The shareholder who identified himself as Augustine Nweze and who is also connected to a member of the board said the end product of the bad governance at Diamond Bank shows how flawed the clear divisions between family and business are ignored, as well as skill and mediocrity. Could it be as a result of their strategic management practices?

Many theoretical frameworks were utilized to study family businesses (Madison et al., 2016; Verbeke and Kano, 2012; Leaptrott, 2005; Daspit et al., 2016; Goel et al., 2014). Although studies were done at several analytical levels, including individuals and groups (Sharma 2004), the focus of this work is on strategic management practices for including families in family businesses..

1.1 OBJECTIVES OF THE STUDY

The purpose of this study is to examine the interrelationship between family firms and strategic management practices. Consequently with emphasis on former Diamond Bank Nigeria.

2.0 LITERATURE REVIEW

Agency theory serves as the foundation for this study. The agency theory research focuses on strategies used by family owners to the detriment of minority shareholders (Bertrand & Schoar, 2006; Morck, Wolfenzon, & Bernard, 2005). According to scholars, family owners aim to preserve control of the firm in order to meet family goals of money, employment security, prestige, and power for current and future generations (Claessens, Djankov, Fan, & Lang, 2002). Due to family risk aversion, these strategies might have a detrimental impact on firm performance (Gómez-Meja et al., 2007). Agency issues between family and non-family proprietors are at the root of such outcomes (Le Breton-Miller & Miller, 2009). The stakeholder method helps explain the strategic behavior of family companies in this agency relationship by treating the family as one of the key interest groups in the family firm (Zellweger & Nason, 2008). Empirical data supports the significance of family engagement in the intensity of innovation and growth of the family firm (Casillas, Moreno, & Barbero, 2010). Similarly, Lindow et al. (2010) identified family as an important factor in strategic alignment, which leads to higher performance. Family is the most important resource influencing strategic management, and agency conflicts in the strategic management of family companies are mostly ascribed to non-economic aims imposed by the family in strategic decision-making (Barros, Hernangómez, & Martin-Cruz, 2016).

Family Firms

According to Onuoha (2016), family enterprises are businesses in which members of a nuclear or extended family own the majority of the stock. They are also those whose boards and management teams are controlled by nuclear or extended family siblings (Onuoha, 2016). A family firm is one in which a family holds enough stock to exert control over strategy and is involved in senior management roles (Colli & Rose, 2009). A family firm's uniqueness stems from the family's shared history, identity, and common language. Two or more members of the management team in a family firm are selected from the owning family.

Although the majority of family companies are small or medium-sized, and many are doomed to fail, a substantial number are huge, long-established multinational enterprises, but inclusion in the list is dependent on the criteria used (Colli & Rose, 2009). A third of the companies on the Fortune 500 list of the top American corporations are family-owned, including Ford, Bechtel, Mars, Estee Lauder, Wal-Mart, W. 1. Gore, and Levi Strauss. Michelin, the Wallenberg group, IKEA, Lego, Fiat, Benetton, Armani, Ferrero Barilla, C&A, and Heineken are among the notable names in Europe. The remarkable importance of huge family companies may be observed in a variety of industries, but it is most evident in retailing and international banking (Colli & Rose, 2009). Family and business are culturally intertwined in South and East Asia. Alternatives to Western hierarchical organizations have been identified as networks of frequently tiny family businesses. Tata (India) and Kikkomann (Japan) are two examples of huge family businesses (Colli & Rose, 2009).

The following are some of the features of family businesses. (1) A group of persons from one or more families manage a single firm. (2) Position in a family company is impacted by the relationship that family members have with one another. (3) The family exerts influence over the business through ownership or management of the firm where family members hold significant roles. (4) In the joint interest of family and company, the family exerts influence on the firm's policy orientation. (5) The family company is passed down to the next generation.

Many people believe that the major benefits of a family business are connected to trust, control, and staff motivation. Gregg Roth, a second generation family company owner, stated in a recent article: "The advantage of being in a family business is that there is a personal link with employees and suppliers that fosters confidence and collaboration" (Fielder, 1999). Family ties and beliefs are frequently stated to foster a strong corporate identity and a high level of internal closeness, which may result in improved firm performance in terms of internal trust and control. As a result, companies with a strong family orientation tend to outperform firms with a poor family orientation in terms of trust, control, and motivation (Wale-Oshinowo, 2017).

According to Wale-Oshinowo (2017), the challenges that family businesses face can be divided into three categories: those that apply to all businesses (family and nonfamily), those that apply to all businesses but are of particular concern to family businesses, and challenges that only family businesses face. The difficulties can be classified based on their origin:

Challenges posed by the environment in which businesses function; (1) Policymakers' lack of understanding of the unique characteristics of family companies and their economic and social contributions; and (2) Financial concerns (e.g. gift and inheritance tax, access to finance without losing control of the firm, favourable tax treatment of reinvested profits).

Challenges that arise as a result of internal family business issues; (1) formalized paraphrase Family businesses are unaware of the necessity of arranging company transitions early; (2) Maintaining a balance between the family, ownership, and commercial elements of the firm; and (3) Difficulties attracting and keeping skilled labour.

Challenges connected to educational issues, which have an influence on both the corporate environment and the internal affairs of the family company; Lack of entrepreneurial education, family-business-specific management training, and family-business-specific research, as well as efficient collaboration with education systems to guarantee adequate follow-up.

Strategic Management Practices

A strategy is a pattern or plan that integrates an organization's primary goals, policies, and action sequence into a cohesive whole that states how the organization will achieve its long-term goals (Burnes, 2004). Strategic management is long-term in nature, geared on future development potentials, significant, comprehensive, and primarily associated with the top management level, which sets the enterprise's vision, purpose, and culture (Pillania, 2008). It is a method of establishing the organization's objectives, developing a plan and policy to accomplish those objectives, allocating resources, and evaluating the strategy. Strategic management is regarded as one of the most important instruments for business success. It is the methodical upkeep and structuring of an enterprise's success potentials. Strategic management aligns the external and internal forces that influence a business. Internal variables contribute to an enterprise's strengths and weaknesses, whilst external factors contribute to the enterprise's opportunities and dangers (Hitt & Duane, 2017). Scanning the environment, strategy formulation, strategy implementation, and strategy assessment are all aspects of strategic management (Ramadan & Borgonovi, 2016).

Strategic management is defined as a process that results in managerial decisions and activities that may be used to achieve high levels of efficiency, effectiveness, and overall performance. Strategic management, according to David (2003), is the mix of strategy formulation, implementation, and assessment. Strategic management is essentially a series of managerial decisions and actions that result in the formulation and implementation of a strategy to accomplish the goals of the business (David & David, 2003). Strategic management is defined by Thompson, Strickland, and Gamble (2007) as a process in which managers establish an organization's long-term direction, set performance objectives, develop strategies to achieve those objectives in light of relevant internal and external circumstances, and execute chosen action plans (Thompson, Strickland, & Gamble, 2007). Strategic management consists of analysis, choices, and actions that organizations take in order to achieve long-term advantages (Dess, Lumpkin, & Eisner, 2003).

Family Firms and Strategic Management Practices

Sharma et al. (1997) highlighted in an early evaluation of the family business literature that much more work is needed to understand how many elements may impact firm performance, recommending a strategic management approach as a good method to develop the area. Some studies recognized this need and noted that, while the strategic management process for both family and non-family businesses is similar, in order to move forward, it is necessary to articulate the distinguishing characteristics of family firms and understand how such characteristics affect competitive advantage (Cabrera-Suarez et al., 2001). Chrisman et al.

(2005) offer evidence that family participation and influence can effect firm performance in a subsequent review of the strategic management approach in family enterprises. A more recent review of the literature by De Massis et al. (2012) confirms this pattern, indicating that corporate governance, succession, and competitive advantage were the most often addressed themes.

Former Diamond Bank Nigeria

Diamond Bank Plc. was a Nigerian international financial services business that was established in 1990. The bank began operations on March 21, 1991, when Dr. Pascal Gabriel Dozie and his wife Chinyere envisioned the bank as a financial organization that would provide competence to Nigeria, the rest of Africa, and the globe as a whole (Benedict, 2005). Lending and Equipment Lease Services, Electronic and Internet Banking products, Western Union money transfers, Investment Banking Products & Services, Money Markets goods, and Foreign Exchange products were among the businesses of the bank (Bloomber, 2021). Diamond Bank became a public limited company in January 2005, and the bank was listed on the Nigerian Stock Exchange in May 2005. Diamond Bank wass one of Nigeria's top banks, known for its exceptional service delivery, which is driven by innovation and operates on the most sophisticated financial technology platform. Access Bank Plc merged with it. Diamond Bank went from generating N28.5 billion in profits in 2013 to losing about N9 billion in 2017. After experiencing a significant growth in the amount of its non-performing loans, the bank amalgamated with Access Bank on April 1, 2019, led by its CEO, Uzoma Dozie (a qualified Chemist and MBA holder, and the first son of Dr. Pascal Dozie). The abrupt decline of the retail banking behemoth, which had N1.55 trillion in total assets as of September 2018 and a share price of N1.37, down from N7 approximately five years ago, along with its offshore activities, attests to failed judgments and the repercussions of bad corporate governance.

2.1 CONCEPTUAL FRAMEWORK

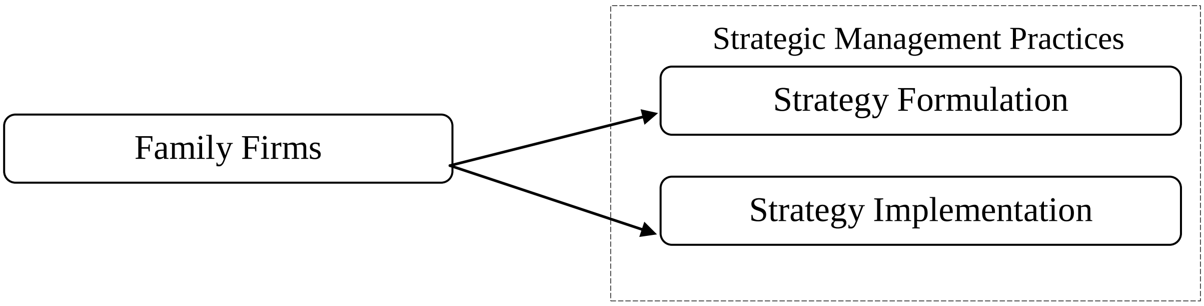

Figure1: Conceptual Framework on the relationship between family firms and strategic management practices

Family Firms and Strategy Formulation

Strategy formulation is frequently linked to the firm's decision and action processes, notably the decision making process. Following the scenario assessment, the firm should be able to enhance its situation awareness and formulate choices and action suggestions. As a result, how to direct or base the action of selecting in the face of several alternatives becomes a critical question. Such a decision is frequently based on top management's perspective, expertise, and experience, and is thus a highly subjective activity. Strategies are frequently defined as a set of choices. As a result, a formulation process seldom ends with a single strategy but rather with a selection process. Of course, decision-making is a subjective and complicated process in which managers frequently depend on personal experience or instinct. Decisions inside family businesses and their potential for growth are determined in part by the market process, but also by a set of official and informal rules of the game': The legal system's formal regulations include property rights, corporate law, taxes, inheritance tax, and bankruptcy law. These do not emerge from a legal vacuum; rather, they are the result of interactions between governments, businesses, and other interested parties. Because the evolution of legislation is affected by historical events and hence route dependent, significant worldwide disparities in the privileges and constraints experienced by family companies can arise (Colli & Rose, 2009).

According to family firm theorists, there is a substantial variation in the substance and direction of vision between family and non-family companies (Barnette et al., 2012). This is because a family vision is enforced by its members through their authority and ownership of the firm, which is referred to as Familiness of the business (Frank et al, 2016). Miller and Le Breton-Miller (2005) found that cultural and religious values, win-win policies with other stakeholders, and being a good citizen are always priorities for a family company. Family companies seek sustainability through policies that prioritize healthy relationships with all direct and indirect stakeholders, as well as society at large (Laszlo & Zhexembayeva, 2011). As Arregle et al. (2007) highlighted, as part of their strategies, families in business have a clear aim to develop social capital and engage in longer-term relationships with their stakeholders. The parameters for deciding between shareholder wealth and family emotional wealth are determined by the business's familiarity. As a result, the portfolio family strategy takes into account two factors: non-financial family objectives and financial objectives (Binladen & Al-Ashaab, 2017).

Family Firm and Strategy Implementation

It is time to put the chosen strategy into practice once we have determined which strategy best suits our aims at the conclusion of the formulation stage. The process of implementing a strategy in an organization is known as strategy execution. Even the most brilliantly devised strategy is rendered ineffective if it is not properly implemented. Implementation is a factor of success or failure that is inextricably linked to the formulation process, as well as the organization's functioning and structure. According to the literature, implementation might be a key factor of organizational effectiveness (Hitt, Freeman & Harrison, 2006). We may demonstrate this by stating that if two businesses implement the identical strategy, the resulting performance is likely to differ. This may be described once again in terms of resources and capabilities, as well as the distinctiveness that results from their distinctive usage and development over time.

2.2 EMPIRICAL REVIEW

According to Barros, Hernangómez, and Martin-Cruz (2016), determining the elements that are unique to family businesses is a critical problem in family firm strategic management. They offered a framework for comprehending strategic management theory in family businesses. The dynamic capabilities method was applied to family companies by constructing a theoretical model that sought to serve as a foundation for assisting family firms in strategic decision making. The model is founded on the notion of familiness and family learning processes (knowledge acquisition, integration, codification, and socioemotional wealth preservation), implying that the interaction of the two has an influence on the efficient strategic management of family businesses.

Heras-Rosas and Herrera (2020) addressed the sustainability of family companies in a variety of ways and from a variety of professions. Using bibliometric approaches and SciMAT software, this publication examines patterns in scientific production connected to family companies and their sustainability. Between 2003 and 2019, 286 publications from journals indexed in Web of Science were examined (WoS). The findings indicate that, while there is a rising interest in the study of family business sustainability, there is volatility in the centrality of the issues, indicating the presence of a large margin of development. The most influential and trend-setting themes emerge primarily in three categories: those that investigate factors that drive sustainability, such as socio-emotional wealth and stakeholders; those interested in learning about methods or practices that promote sustainability, such as CSR, performance, management, or innovation; and those that investigate factors that endanger survival, primarily intergeopolitics. The importance of this study is that it throws light on the groupings of subjects that condition the sustainability of family companies using bibliometric approaches, which will aid the scientific community in the guidance of future work in this field of research.

Anderson et al. (2018) proposed a method for detecting domiciled family companies using registration data; this method outperforms prior methods in terms of accuracy. They use their technique to Swedish data from 2004 to 2010 on firm ownership, governance, and kinship. They discover that the family firm is a substantial organizational structure, accounting for more than one-third of all employment and GDP (GDP). Family businesses of various sizes are widespread in most sectors. Furthermore, they discover that, as compared to private non-family companies, family firms have lower total assets, employment, and sales, as well as higher solidity, while being more lucrative. These distinctions become less pronounced as the size of the firm increases. They conclude that the phrase "family firm" encompasses a wide range of businesses and advocate for more attention to their diversity.

Meresa (2019) investigated the impact of strategic management practices on 128 selected Dedebit credit and saving institutions from a population of 346 in eastern Tigray. This survey's respondents were drawn from a random sample. Both quantitative and qualitative techniques were used by the writers. The information was gathered via surveys and internal credit institution records. The study's methodology used descriptive statistics approaches and various regression models. The data was analyzed using data analysis software for social sciences (SPSS). According to an empirical study, implementing strategic management is more difficult than designing it. The majority of respondents verified their capacity to put strategic plans into practice and create a complete strategic plan. According to the study's findings, the majority of DECSI clients attempt to manage strategically by aligning initiatives with the strategy, fully engaging staff in strategy implementation, constantly informing staff about strategic corporate governance, and monitoring strategy and implementation to adapt to the challenges and realities of the time. Strategic management was also found to have a substantial beneficial influence on organizational performance, according to the study. Furthermore, the study discovered that the most significant issue with strategic management is businesses' failure to translate strategy into a corporate objective.

3.0 METHODOLOGY

Method of Writing

The researcher has endeavoured to use an analytical and exploratory methodology. The strategy adopted is analytical in so far as it tries to comprehend the significance and fundamental working of family firms and strategic management practices.

Sources of Data

The present study is descriptive in view of secondary information gathered predominantly through different authority sites, books, distributed research papers, journals, Government notes and different reports of research studies.

4.0 DISCUSSION

This section gives an analytical and exploratory layout of Diamond Bank Plc (a family firm) and its Strategic Management Practices.

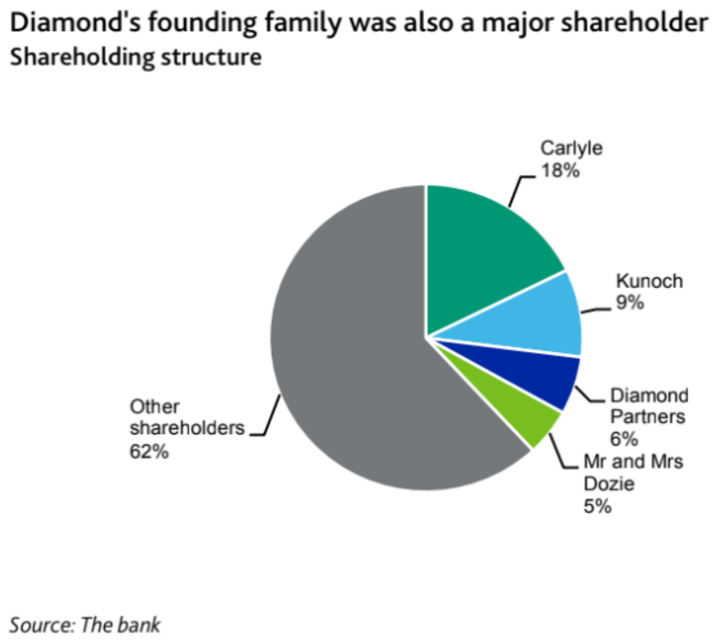

Figure 1: Shareholder Structure

Diamond Bank and Strategy Formulation

Devex (2021) outlined the vision, mission and shared values of Diamond Bank as thus:

Vision: "To be a leading financial institution, with the best people, providing unequalled customer experience and delivering superior shareholder value".

Mission: "To consistently exceed customer expectation by providing value-adding solutions through professional and highly motivated people, delivering excellent financial performance in all markets where they operate".

Shared Values: "customer-oriented service institution; people, community and physical environment are the core constituents of their value system; seek to carve the image of a strong stakeholder and player in the national and global wealth creation process; to build a culture of excellence in collaboration with like-minded institutions and organizations in Nigeria and around the world".

The bank's goal and vision statement focused on increasing client happiness through outstanding value-added products and highly competent and motivated personnel (i.e. employees, management and external partners). On the other side, the bank's goal and vision indicate that it aspires to be the top financial institution while providing value to its stockholders. Integrity, Competence, Leadership, Accountability, and Passion were the bank's fundamental principles. The bank's ideology was in its view of the future for retail banking, with a large focus on a wide variety of client segments, which provide numerous products and propositions to satisfy each segment; youth and school banking, mass market, wealthy, privilege, and MSME (micro, small and medium scale enterprises). After a merger with Lion Bank in 2005, it began aggressively concentrating on two key strategic objectives to differentiate itself from competitors: I growing physical presence and reaching out to the unbanked; and (ii) expanding customer service channels by utilizing the same physical footprint (The Document Co, 2020).

By all accounts, Diamond Bank had a well-thought-out strategy that took into account the environment, customers, and stakeholders. The strategies were in accordance with societal requirements, as well as a rise in the bottom line, or earnings, as well as customer satisfaction. Diamond Bank Plc had a distinct and strong retail-led strategic objective that set it apart from competitors by utilizing sophisticated technical solutions (Ayo et al., 2007).

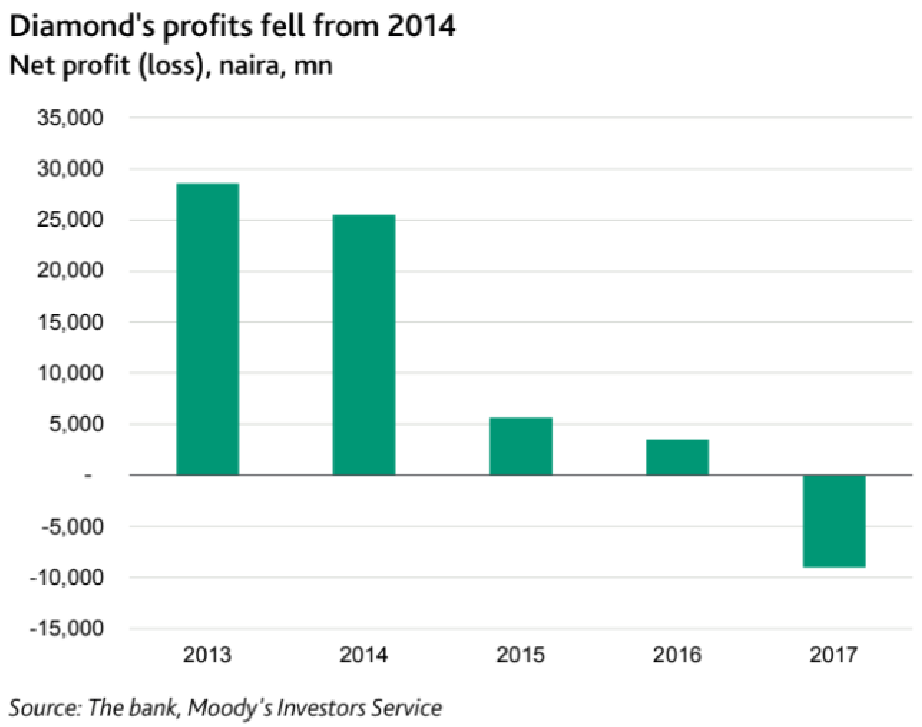

Figure 2: Net Profits from 2014-2017

Diamond Bank and Strategy Implementation

With a pioneering strategic purpose toward financial inclusion, the bank sought to bank the unbanked Nigerian people with products such as the Diamond Yello Account and the BETA Savings (Han & Melecky, 2013). Access to bank deposits and deposit growth during the global financial crisis are examples of financial inclusion for financial stability. The majority of the new products introduced by the bank are aimed at certain market segments. The BETA account, for example, was created to suit the requirements of low-income unbanked women. The account has cheap fees, may be established with no balance, requires no verification, and gives a decent rate of return on savings. Following its introduction in 2014, the product was able to bank over 415,000 women.

In 2016, 83% of bank transactions were conducted through electronic channels by consumers. Furthermore, the bank engaged in a number of CSR programs to promote community participation and growth. The Bank's Building Entrepreneurs Today- BET project (in cooperation with Enterprise Development Centre) was a CSR flagship program through which the bank assisted over 200 emerging micro-entrepreneurs with business and management capacity building as well as financial support grants. The bank's dedication and competence to facilitate financial inclusion was also a key component of its CSR strategy. According to Abiola (2014), such shifts can have a multiplier effect on the economy. As a result, the bank's own financial stability was critical to its customers and stakeholders.

The bank was recognized for its daring efforts, since it offered a wide range of banking products that went beyond the boundaries of traditional banking. In 2013, the bank's customer base increased by 33% while its physical presence increased by 10%. While other banks concentrated on branch network development, Diamond Bank's management established its primary functional orientation as IT-based and mobile banking (Muhammad et al, 2013). The online banking concept was put on hold due to a lack of internet infrastructure. Spreading its ATM network (through CR2 technology) and providing convenient cash access locations enabled the bank to penetrate new markets while increasing customer satisfaction (The Document Co, 2020). In accordance with its strategic aim, the bank is eagerly adding additional services, such as remittances, payments, and the purchase of movie tickets, to its mobile and ATM banking services. It did, at some point, introduce touch screen ATMs.

The bank has made a commitment to its vision. In roughly three years, the bank hoped to triple its retail victory. In addition, the firm completed a two-year reorganization to allow its retail development strategy. Remodeling was deemed necessary in order to be more responsive to the expanding diverse client base. In 2016, the bank earned accolades for best mobile banking app and youth banking products, among other things, as a testament to its mission.

The bank's strategic plan called for it to continue developing value-added services via ATMs, mobile phones, and online banking. The lack of ownership and commitment by the bank's external partners and vendors throughout the strategy implementation phase had a significant strategic impact. As a result of the bad service, the bank faced a loss. Another risk the bank faced was losses due to fraudulent activity, as mobile banking instruments are designed to be flexible in terms of verifications (The Document Co, 2020).

The Merger with Access Bank

Concerning the problems confronting family-owned firms in Nigeria, the businesses are plagued with restricted capacity, expertise organized by ownership mindset structure, and massive corporate governance breaches. Control is also jeopardized since evident mistakes are frequently overlooked. Most modern countries thrive because of their culture, which separates business from feeling; for them, business is business, and those in authority ask questions without fear and receive answers.

Adeleke (2019) provided a Moody's report on Diamond Bank's failure. Moody's, a worldwide consulting services firm, published an in-depth analysis that examined the circumstances that contributed to Diamond Bank's demise. Moody's cited inadequate leadership, poor risk management, the board's lack of independence, and the excessive number of board rotations.

Ineffective leadership and risk management: According to Moody's, Diamond Bank's poor governance structure hampered the board's capacity to identify the bank's risk appetite and thoroughly question management on strategy. As a result, Moody's feels the board did not place enough focus on risk management, resulting in the bank biting off more than it could chew. The bank's leadership made many poor judgments that resulted in a drop in earnings and an eventual loss in 2017. After generating less than N5 billion in profits in 2016, the bank plunged to N9 billion in losses the following year. Many members of the board had lost faith in the former CEO, Uzoma Dozie.

The board lacked independence: Because there were not enough independent directors on the Diamond Bank board, effective board supervision was lacking. According to Moody's, at the end of 2017, just one of Diamond's 13 board members fulfilled the Nigerian SEC's criteria of independence (another having retired in August). The Dozie family was the bank's second largest stakeholder, owning 5% directly and another 9% indirectly through its investment firm, Kunoch Ltd. (14% in total). Carlyle Fund, the largest stakeholder, held 18% of the stock. Between November 2014 until March 2019, when it merged with Access Bank, a member of the founding family served as CEO. Profits decreased by 78% in 2015, while bank deposits fell by 22% between the end of 2014 and the end of 2017.

High turnover on the board: The high rate of turnover not only eroded the board's independence, but it also produced instability. Diamond Bank had three different CEOs and three different board chairman between 2009 and 2019, when it merged with Access. According to the Moody's assessment, while new board members can improve a bank's governance by providing fresh perspectives and expertise, the new appointments at Diamond tended to lack adequate knowledge about the bank. As a result of the board's rapid membership turnover, its supervisory role was hampered.

On 19th December 2018, Access and Diamond Banks announced that both parties had signed a Memorandum of Agreement in respect of a potential merger between both banks.The merger involved Access Bank acquiring the entire issued share capital of Diamond Bank in exchange for a combination of cash and shares in Access Bank via a Scheme of Merger. The merger was concluded on in April, 2019.

5.0 CONCLUSION

Most notable multinationals began as family firms. The presence of family firms in any nation’s economy cannot be over emphasised. Common SMEs in Nigeria are majorly family enterprises and only but a few end up being large firms and a narrow number as multinationals. This study has assessed the interrelationship between family firms and strategic management practices, with an assessment of Diamond Bank, now merged into Access Bank. It was observed from the exploratory analysis that Diamond Bank had in place good strategies formulated. Its strategy was centred around the customers, society and the organisation. However, the issues arose at the implementation of the strategies. Its quest to be leading financial firm especially in the area of technology, made the board take risks that affected the innovative firm. Diamond Bank may have been absorbed into Access Bank, but that does not detract the fact that they have been one of the most tech-savvy banks of 2018. After the merger, the former CEO, Uzoma Dozie, went ahead to launch his Digital Bank, Sparkle, and has since then released several products and services, effectively silencing his detractors.

This study creates a foundation for studies to be carried out in family firms with respect to the strategic management practices. It also creates a platform for a comparative analysis to be carried out within family enterprises with regard to strategic management practices. Having the right strategies in place is good, but the effectiveness of the strategies is evident when the strategies are properly implemented. Technology is good, but it takes an industry grounded personality to utilise the technology in line with the vision and mission of the firm.

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