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Full Length Research Paper

The effect of information management on the financial performance of banks in Nigeria (2006-2010)

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Abstract

Corporate information management appears not to have been a core tenet of most organizations in Nigeria. This position is rapidly changing as organizations are confronted with compliance and regulatory demands and/or e-government targets all demanding for more effective and efficient access to information and its management. This study aims at assessing the effect of information management on the performance of banks in the Nigeria banking industry. To empirically examine the relationship between information management and bank performance, the study employs the use of secondary data where relevant information from the published annual reports of money deposit banks in Nigeria were used, covering period of five (5) years (2006-2010). A sample of five banks was drawn from the population. A trend analysis and time series analysis were used in analyzing and testing the hypothesis. Judgmental sampling technique is used in selecting the five banks. The study concludes that for a bank to continue to remain financially viable and managerially performing, it must give high priority to information management, especially in terms of financial analysis. The study, therefore, recommends that there should be in place policies for managing the information life cycle for integrating the information flows into the business plan of Nigerian banks. Adopting new computer technology only raises potential information processing capacity while having adequate infrastructure improves access to needed data. Banks should ensure that mechanisms exist to identify the costs of information technology as an intangible asset to the banks and its contribution to the value added of the banks should be appreciated.

Keywords: Information management, performance, banking industry, financial analysis.

INTRODUCTION

Information management serves managers, professionals, database administrators and senior executives of organizations which design, implement and manage information system. According to March and Simon (2008), information management is the collection and management of information from one or more sources and the distribution of that information to one or more audiences. This sometimes involves those who have a stake in, or a right to, that information. Management means the organization of and control over the structure, process and delivery of information.

Throughout the 1970s, information was largely limited to files, file maintenance and the life cycle management of paper-based files, other media and records. With the proliferation of information technology starting in the 1970s, the job of information management took on a new light, and also began to include the field of data Maintenance. No longer was information management a simple job that could be performed by almost anyone. An understanding of the technology involved, and the theory behind it became necessary. As information storage shifted to electronic means, this became more and more difficult. By the late 1990s, when information was regularly disseminated across computer networks and by other electronic means, network managers, in an increasingly complex tasks, hardware and software. With the latest tools available, information management has become a powerful resource and a cause of large expense for many organizations.

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Corporate information management has not been core tenet of most organizations. This position is rapidly changing as organization are confronted with compliance and regulatory demands and/or e-government targets all demanding more effective and efficient access to information. The result is organization have been jolted into reviewing their information practices realizing that they are suffering from information paralysis as information bases continue to grow unchecked resulting in information overload and poor quality of data of which banking industry is not an exemption (Keary, 1996).

Banks are under more pressure now than ever before. Constantly evolving regulatory requirements, rising costs, economic pressures, and increased competition from non-traditional entrants in the banking industry have created a challenging business environment for banks of all sizes. In addition, businessmen and consumers alike have come to expect a level of service unachievable using traditional product-centric systems that many banks still employ.

Jones (2012) had helped to highlight the need for banks to manage their information by noting a number of factors. As service providers, financial institutions understand that their business; however, operationally, customers are often treated as conglomerates of several account numbers, rather than unique individuals with particular histories and specific needs. To achieve true customer-centricity, organizations must address key operational channels to understand and service their customers better. Among the goals of an aspiring customer-centric organizations are: effective customer information management, integrated and coordinated customer-facing channels, and improved efficiency of core process.

As tales of piracy breaches spread through the media, customers are increasingly concern about the security of their private information. As the guardians of more personal customer information than any other business, in the interest of their reputation and continued viability, financial services organizations must keep this information safe. It is based on this that banks are acknowledging the need to put in corporate information policies and practices. Information managers are being appointed at senior level in the organization and not reporting through information technology but the corporate head. Record management has become a core competence and not a basement function and applied across the organization.

This study aims at assessing the effect of information management on the performance of banks in Nigeria, with a view to examining how the return on capital employed, return on investment and return on equity relates to the evaluation of bank performance in Nigeria.

Information management is not a technology problem. Rather, it is about organizational, cultural and strategic factors that must be considered to improve the management of information within organization. Organizations are confronted with many information management problems and issues. In many ways, the growth of electronic information has only worsened these issues over the last decade or two. In fact, the practice of generating, processing, storing and retrieving of information at maximum security level become almost impossible.

There is a growing movement within business and the public sector to treat information as a key shared asset in the same way as Property or Finance. It is based on these reasons that this paper identifies the following key issues on information management and banks performance which need to be addressed: (i) limited resources provide by banks for deploying, managing or improving information system; (ii) poor banks financial record and subsequent unworthy publicize (audited) financial information; (iii) lack of shareholder's confidence and trust in competence and integrity of bank management in safeguarding their invested fund through proper information management; and (iv) difficulties in changing working practices and process of staff.

The main objective of this research work is to assess the effect of information management on the performance of banks in the Nigerian banking industry. Specifically the study aims at achieving the following objectives: (i) to ascertain the impact of relationship between return on capital employed and information management on banks performance; (ii) to ascertain the impact of relationship between Return on Investment and information management on bank performance; and (iii) to ascertain the impact of relationship between Return on Equity and information management on bank performance.

To guide the achievement of the set objectives, the following research questions were tested: (i) to what extent does return on capital employed influence information management in assessing bank performance? (ii) To what extent does return on investment influence information management in assessing bank performance? (iii) To what extent does return on equity influence information management in assessing bank performance?

The study was limited to five (5) Banks namely First Bank plc, Zenith Bank plc, United Bank for Africa plc, Sterling Bank plc and Unity Bank and cover a period of five years, from (2006-2010). It seeks to evaluate and test the use of financial ratio analysis in assessing the effect of information management on the bank performance. In this study, return on capital employed, return on investment and return on equity are adequately examined.

Conceptual framework and literature review

Conceptual Explanations

According to Hayward and Broady (1995) it can be argued that information and knowledge play an important role in the political and economic landscape. Over the last few decades, it has been shown that the information revolution has begun to change the very source of wealth for given countries (Bowes, 1995). Wealth is no longer material based. It is now perceived as knowledge to create value. The pursuit for wealth is now the pursuit for information and its application in business.

The new information economy changes the definition of an asset and nature of wealth. Competition is no longer for the best piece of land but for the best information. The nations and enterprises that process the best information are the ones that lead in the global economies. Business and institutions that capitalize on information will be vastly different from those ones that competed mainly for material resources.

Information is essential for the continued existence and prosperity of enterprises as well as any country's economic wealth (Terblanche and Due Toit, 1996). Hayward and Broady (1999) perceive many of the difficulties associated with basic economic activity such as production and consumption to be concerned with acquiring and assessing information. They further note that economic models are often based upon a world where information is ready and easily available. It has been recognized that information is an important resource for business and public enterprises as well as being important for decision-making, marketing and production. Information as a resource contributes a lot to development in the sense that it increases the worker's efficiency which in turn influences and even determines the performance of the enterprise as a whole.

In enterprises, sophisticated managerial decisions are made daily, planning and projections for the future are undertaken, research is done and marketing decisions and strategies are applied. It is interesting to note that these and other related activities can only be performed successfully if relevant and accurate information is available. Relevant information seems to be an indispensable component of the enterprise if managers wish to stay abreast of the latest developments. Keary (1996) maintains that understanding the value of information is a critical element in the overall process of managing information. He further alleges that it is obvious but not always evident that information must be managed to give advantage to the enterprise. In the past, data was collected for the production of inventory and logistic purpose and was used to monitor and control these processes.

Boon (1990) defines information management as management of information as a resource, such that information functions as well as the information cycle are able to function optimally. He goes on to say that information management deals with the management of resources such as information media, people, information systems and physical facilities that are required if information is to play a role in the corporate, strategic, operational and personal level. Roets and Boon, (1992) perceive information management as a process of planning, organizing, staffing, directing, coordinating and controlling diver's information activities including the formulation of information services, systems and formats for the purpose of achieving organizational objectives.

Fairer-Wessels, (1997) believe that information management should be seen as the economic, efficient and effective coordination of the production, control, storage, retrieval and dissemination of information from external and internal sources in order to improve the performance of the banks. In short, information management entails organizing, retrieving and maintaining information. It is closely related to and overlapping with the practice of Data Management.

Theoretical framework

This study hinges on Grounded Theory which is a way of analyzing data, by firstly coding the information. The codes are some sought of labels that make qualitative data easy to separate, compile and organize (Hussey and Hussey, 1997). Some of the codes include axial, open and selective coding. The grounded theory, according to Hussey (1997), requires the discovery and creation of codes from interpretation of data. Selective coding which is a process of selecting the core category and systematically relating it to other categories and validating their relationships.

Information management principles

Information management can be understood within the context of the importance of information as an economic resource. According to Du Toit and de Villiers (1996), without information, decisions are impossible. Managers are constantly seeking more and better information to support their decision making which has led to, in most cases, the growth of information systems. They further assert that to survive, every enterprise should have and information management strategy.

Broadbent (1984) made the observation that information management assumes a wide range of meanings, most of which are oriented towards information management in large enterprises, where the challenge for effective management is acute. She goes on to say that effective information management must be perceived to produce outcomes of value to the enterprise; to contribute to the competitive positioning of the enterprise if in the private sector, or contribute towards the value of the enterprise to the community in the case of the public sector.

The basic goal of information management is to harness the information resource and information capabilities of the enterprise in order to enable it to learn and adapt to its charging environment (Choo, 1995). Fairer-Wessels (1997) and Boon (1990) believe that to understand the concept of information management it should be looked at from different perspectives and they also believe that it can be applied at different levels as discussed below.

Strategic level

Information management is often seen as the corporate strategic management of information as a resource in an enterprise in order to place it in a more advantageous position than of its competitors (Boon 1990). Balcome in Fairer-Wessels (1997) further asserts that as the over-riding aim of information management is to manage information for the strategic and competitive advantage of the enterprise, often on a global level, information management is seen largely as a strategic function of management.

The operational level

Fairer-Wessels (1997) maintains that on the operational level the implementation of information management to enhance the actual production of goods and services is also imperatives as this is the life-integrates both the functions of an enterprise and its various component parts.

Organizational level

The objective of information management at this level is to enhance the productivity and economic validity of the enterprise so that it can remain competitively placed in the global arena. In this regard, the purpose of information management is seen as to promote the company's effectiveness by enhancing the capabilities of the enterprise to cope with changes in its internal and external environment.

Personal level

Personal information management refers to the information which individuals need to manage their lives both within and outside the job situation. Here information is used to promote individual effectiveness by enhancing the capabilities of the individual to cope with the demands of their environment (Boon, 1990). Information management has always meant different things to different people and its definition and discussion has not been easy, judging from the various approaches from which it is addressed, information management is unfortunately mistaken for acquisition of the latest IT hardware in developing countries.

Horten in Fairer-Wessels, (1997) regards managing information as a business issue. He argues that information management is not about on-line database searching or library card catalogue, nor is it about designing and managing information systems, but about managing information according to business principles.

From all the attempts by different scholars to define information management, one can deduce that it is concerned with the life-cycle management of information, from its birth to its death, that is, from its creation throughout it use, storage, retention, communication up to its disposal. Information management ensures that all information resources, services and systems in the enterprise are used efficiently, effectively and economically.

Reasons for managing information

Information as a resource should be managed. If at all it is a resource it should be administered like all the resources in an enterprise. It should be managed in its own way just as traditional resources, with their varied characteristics are each managed in their own appropriate fashion. It should be noted that whichever way these resources are each managed, it is done under the broad framework of resource management. What should be noted is that information, because of its singular qualities, should be treated as a unique entity. Eaton and Bawden (1991), regard information as a valuable asset or resource that deserves and needs the same kind of management discipline given to other resources. He further asserts that information must be managed to give advantage to the enterprise. The corporations which will excel in future are those that manage information as a major resource. Information management according to Keary (1996) can be used to help enterprises identify their own core business activities and the resources of information that are needed to support such activities. It is business activities and the resources of information that are needed to support such activities. It is important to manage information to understand the way it is used so as to discern a pattern of important to manage information to understand the way it is used so as to discern a pattern of enterprises are able to coordinate the information that they collect and create in their daily activities to improve products and services to customers, its real value will not be realized. Willard (1993) noted that information management seeks to make individual information resources manageable, efficient and effective so that their provision and upkeep may be consistent with enterprise policies and strategies for information generation, maintenance and development. Information management should enable information from all sources, of all types and in all forms to meet the requirements of the enterprise.

Enterprises should manage their information in order to create value from it rather than collecting it for its own sake.

Information as a resource

Information has very often been said to fulfill the role of a primary resource in a n information society. According to Eaton and Bawden (1991), the change of status of information from a comparatively marginal intellectual level to a resource or commodity central to modern society has occurred in the last forty years. This they maintain has largely resulted from the work of economists such as Machiup, Porat and Bell who pioneered the ideas of the information economy with information as the transforming resource for the post industrial society.

The Colliers dictionary defines a resource as something that lies ready for use or that can be drawn upon for aid or to take care of a need. Information seems to fit well into this definition. If information is something used to generate output, then it should be regarded as a resource, considering the fact that managers use it together with other tangible resources to generate output

Information as a resource (Willard 1993)

Information is not only one of the resources but a very vital one in business enterprises. Information is essential for innovation and for turning goods and services into profit. In the public sector it may be used for meeting customer needs to target specific market sectors, for packaging, distributing and selling published product (Keary 1996). In conceptualizing information as an economic resource it is advisable to consider the role it plays in enterprises and not so much its similarities to the other resources. It is not so much what information looks like or feels like but what good it can be to the enterprise.

According to Burk and Horton in Eaton and Bawden (1991), it is the role that information plays which distinguishes it as an organizational resource, not its similarities to the other resources. One then observes that information is a resource in the sense that it is of vital importance to individuals within enterprises. It is qualitatively different from other resources.

Information Management Techniques

Enterprises have to adapt to the turbulent environment in which competition, market, technology and social conditions are constantly changing. Certain information management techniques should be employed to ensure proper management of information and as such to create value and place the enterprise at an advantage.

Environmental scanning

The past twenty years have seen accelerating rates of change in both the internal and external environments within which enterprises operate (Newsome and McInerney 1990). There is a lot of uncertainty in the business environment which seems, according to Duncan, in Auster and Choo (1993) to increase with complexity and rate of change in the environment. Managers today are faced with a continuous changing decision making environment. Du Toit (1993) affirms that the central problem for managers today is management of change and complexity arising from the enterprise’s interaction with an increasing turbulent external environment.

Environmental scanning is about how these managers acquire information about their external and internal business environment. It involves researching the trends, events and emerging issues, internal and external to the enterprise, which might impact significantly on the ability to meet the company’s mandate and achieve strategic goals over a period of time (Auster and Choo, 1993). It is said to be acquiring strategic information that is useful for making decisions about company strategy and long term plans. According to Newsome and MacInerney (1990) the economic, social, political and technological issues may be difficult to observe or predict but cannot be ignored and will not go away. Because of the uncertainty and instability in the environment in which business enterprises function, management cannot make appropriate decisions unless it monitors the environment constantly. This process of managing information about the environment will assist to identify potential threats which are likely to befall the enterprises if not observed and avoided or acted upon in good time. The environment is the source of information. Enterprises keep on getting indications and messages concerning changes that are taking place. In the process the environment is monitored in order to plan strategically.

A strategic plan can be formulated by evaluating and interpreting the future systematically by gaining full understanding of the forces in the environment that are responsible for shaping that future (Newsome and McInerney, 1991). In response to anticipating the hazards, Newsome and McInerney, (1991) allege that alternative strategies could be formulated. Drucker in Zentner, (1982) advocates long range planning. He believes that long range (10- 15 years) planning would prevent managers from uncritically extending present trends into the future by assuming that today’s products, services, markets and technologies will be those of the future. Managers are advised to avoid forecasting at all cost as the future is not necessarily an extension of the present. The amount of scanning done depends on how the executive managers would like to keep abreast of trends.

The executives tend to scan more when there is a lot of uncertainty in the environment. Environmental scanning then becomes an on-going process. It is worth noting that creating a winning strategy is not a onetime event because the world does not stand still (Du Toit, 1993). No matter how good the strategy may be today, it will not necessarily be good in the future. Enterprises change, markets change and competitors try new approaches. An enterprise may appoint an environmental scanning team of people from different levels throughout the enterprise who are trained to watch out for trends, events and emerging issues of significance to the enterprise.

The team could have a leader or a coordinator. The purpose of the team would not be to solve a crisis but to anticipate it. They do so by asking questions and developing problems and not solutions. Scanners look for events that are early warning signals of changes to come and for trends that are just beginning (Du Toit, 1993). Their interest is emerging issues which if detected early enough may be influenced in a positive direction to benefit the enterprise. Du Toit (1993) suggests that information managers should be part of the scanning team because they are not tied to one way of doing things as they are used to acting in interdisciplinary manner. Their professional training in information management teaches them to be objective. The most common technique used by scanners is that of systematic watching for emerging issues or trends in publications, from colleagues, competitors and other sources.

To be successful a scanning program should use a variety of printed materials. They may include magazines that explore the future and magazines in a particular area of interest. According to Auster and Choo (1993) there are different categories of sources from which information can be acquired and these are said to be external and internal sources further divided into personal sources and impersonal sources.

Personal sources include communicating information personally to the executives and with the impersonal, a large audience is addressed or information is transmitted through group communication activities. Impersonal sources would include newspapers, conference, trade associations and company information services.

Managers use both internal and external sources as well as personal and impersonal sources to scan the environment (Auster and Choo 1993). Personal sources are among the most important they believe. They further allege that the most frequently used sources are subordinate managers, subordinate staff, customers and business associates.

Past studies indicate that scanners prefer information sources that are easily accessible, those that are physically in close proximity and those with which one does not spend much time and effort to access.

The benefit of environment scanning

Any enterprise that wants to ensure its ongoing viability should undertake some form of environmental scanning from time to time. Morrison and Held (1989), maintain that scanning the environment for trends that affect the enterprises mission is essential for developing an effective strategic plan, bearing in mind that the future could be quickly altered if some critical but low probability events occurred.

The analysis of these trends, events and emerging issues will enable one identify the external threats and opportunities and identify internal strengths and weaknesses. Considering that we are living in an age of future shock where change in the external environment is ever increasing and where mangers are faced with a future that will most likely be different from the present, it becomes apparent that frequent scanning of the environment should be done.

Scanning for information about the enterprise’s external environment helps managers to decide the enterprise’s future courses of action. Scanning is not only done to answer or find solutions to specific questions but also for the purpose of finding opportunities.

Information Audit

The concept of information audit is borrowed from the commercial world. The idea that information represents a resource which needs effective management has raised interest in the use of information audits (Buchanan and Gibb, 1998). The role of information audit is to provide a method for identifying, evaluating and managing information resources in order to fully exploit the strategic potential of information (Buchanan and Gibb, 1998). It is a process of monitoring and evaluating an Enterprise’s information flows and resources in order to implement, maintain or improve the enterprise’s management of information. Robertson (1994) noted that in its simplest form, an information audit acts as a routine process of information gathering, sometimes limited to creating an inventory of information resources. In more sophisticated forms, he maintains, the audit provides a mechanism for tracing and exploring information channels within enterprises. In this case, it facilitates identifying duplications and gaps and information and communication flows both within the enterprise and with the outside world.

Information auditing is usually carried out where there is a need to address issues particularly of change in the enterprise like when new technologies are introduced and when companies merge or, it may be carried out to evaluate the way an enterprise uses its information resources. Information audits are designed specifically for each individual enterprise and they may be focused on particular tasks or service areas. Before carrying out the audit, one ought to understand the nature of the business of an enterprise, its internal environment, its structure and how it handles and uses information. The objective of the audit must be clearly defined and understood. Proper planning specifying time and staff resources is essential for the audit to be done effectively. It is also important to

Table1a. Groups' returns on capital employed

Year/banks	First Bank	Zenith Bank	UBA Bank	Sterling Bank	Unity Bank
2006	2.4060	2.1457	1.3472	0.8768	1.0459
2007	2.6146	1.8810	1.7989	0.4251	0.3546
2008	2.1034	1.9807	2.6315	2.7581	-3.6371
2009	0.0719	2.7692	0.4737	-3.238	-6.1744
2010	1.3762	1.1673	0.2246	1.6097	4.06768

Source: Researcher's computation on ratio from (2006-2010) annual reports of five (5) selected banks

investigate possible constraints such as money and time.

Buchanin and Gibb (1998) define the role of an information audit as looking at the managerial aspects of information flow by evaluating the key processes, their interactions and the information resources needed to service them. They outline the purposes of the audit as: (i) to identify the enterprise's information resources; and (ii) to identify information requirements. An information audit's purpose they further allege may include: (i) identifying costs and benefits of information resources; (ii) identifying information flows and processes; (iii) identifying opportunities to use information resources for strategic competitive advantage; and (iv) evaluating performance with information standards, legislation and policy guidelines.

Information audits are carried out at a particular point in time to provide a picture of the enterprise's information activities.

Information professionals have not yet come to a point where they use information audits as a standard information management process on a regular basis the same way as their counterparts in the commercial world do for the other resources. This might be for the reason forwarded by Barclay and Oppenheim (1994) that although the value of information has been recognized, it is still not perceived as important as other resources. They urge the information professionals to ensure that information resources are seen as important and are controlled and managed in such a way as to maximize their potential value.

RESEARCH METHODOLOGY

The study employs the use of secondary data where relevant information from the published annual reports of money deposit banks in Nigeria were used for a period of five(5) years (2006-2010) and for the purpose of generalization to the whole population. The population of the study is entire twenty one (21) money deposit banks in Nigeria with a capitalization base of 25 billion.

Sample size of five (5) banks was drawn from the population which was used for the study. A trend analysis and time series analysis are used in analyzing the data and testing the hypothesis. Judgmental or purposive method of sampling techniques is used in selecting the five banks such as First Bank, Zenith Bank, United Bank for Africa, Sterling Bank and Unity Bank under study as representative samples.

To empirically examine the relationship between information management and bank performance, three ratios are used as proxies for bank performance: return on capital employed, return on investment and return on equity.

DISCUSSION OF RESULTS

Return on capital employed (ROCE)

The return on capital employed indicates how well management has used the funds supplied by creditors and owners. The higher the ratio, the more efficient the firms is using fund entrusted to it.

$$\text{Return on capital employed} = \frac{\text{Net profit after tax} \times 100}{\text{Capital employed}}$$

Table1A shows the groups' result of return on capital employed of the five banks under study. The result shows that First Bank plc Group result of return on capital employed fluctuates but not much significantly to affect profit earned before tax and interest to the amount of long-term capital invested. The result of Zenith Bank, UBA and Sterling Bank also fluctuate but still show that the banks are able to earn desired profit and makes effective use of capital under their dispensation. Unity Bank has a bad return on capital employed in the year 2006 and 2007 which shows the bank inability to use the capital under its dispensation. This could either attributed to inability of the bank to get business-aiding information to react appropriate to economic changes or poor management and reaction to such information. However, this seems to have been correct in the following years (2008-2010).

Form the analysis of results in table 1A and 1B, the implication on the overall results of the banks shows that return on capital employed for the five banks were not too bad to affect the profit earned before tax and interest to the amount of long-term capital invested.

The data on return on capital employed have served

Table1B: banks' returns on capital employed

Year	First bank	Zenith bank	UBA	Sterling bank	Unity Bank
2006	0.2653	0.09914	0.12175	0.02772	0
2007	0.14744	0.07554	0.1191	0.07854	0
2008	0.10644	0.08425	0.18340	0.18739	0.2809
2009	0.02949	0.10109	0.02692	0.3259	0.4965
2010	0.08652	0.07955	0.01430	0.09670	0.16205

Source: Researcher's computation on ratio from (2006-2010) annual reports of five (5) selected banks

Table 2a. groups return on investment of 5 banks over 5years

	First Bank	Zenith Bank	UBA Bank	Stirling Bank	Unity Bank
2006	4.50568	2.16449	1.30635	0.96100	-
2007	4.7842	1.87602	1.80018	1.23648	-
2008	0.62535	1.93012	2.43974	2.63516	-3.52468
2009	0.22543	2.90951	0.15339	-4.0754	-6.24684
2010	1.44933	1.24136	0.03696	1.82437	4.091301

as an information system that will explain to the management areas of weakness on the management of capital employed in achieving the earned profit in the banks. It can therefore be seem that the analysis has accepted the alternative hypothesis thereby rejecting the null hypothesis. We can conclude that return on capital employed has effect on information management on assessing banks performance in Nigeria.

From table 1B above shows the bank result of return on capital employed of the five banks under study which provides management and all stakeholders with information on the profit earned before tax and interest to the amount of long term capital invested in the business. the result shows that First Bank return on capital employed fluctuate but not bad to affect profit earned before tax and interest to the amount of long term capital invested, Zenith Bank fluctuates but still high which shows the bank ability to earn desired profit and making effective use of capital under its dispensation. UBA Bank also has the same higher result and the same applied to Sterling Bank which shows the ability to earn profit on the capital under its control. Unity Bank return on capital employed in the years also fluctuates but still at the level of making return s on the capital invested.

Return on investment

The ratios relates the profit earned, after tax and interest to the total of the financial structure (total assets) of the business. It is the resources of the business. It is used as the best test of the efficiency of management in the use of the resources of the business. It is sometimes called Earning Power Ratio. The higher the earning power, the more profitable the business is.

Return on investment (ROI) = $\frac{\text{Net Profit after tax}}{\text{Total Assets}}$ x 100

Table 4. 2B shows the banks result of return on investment for the five banks over five years. It provides management and all stakeholders with information on the performance of the banks regarding the profit earned after tax and interest to the total of the financial structure (total assets) of the business. This shows that First Bank plc, Zenith Bank plc fluctuates but still at a very high ratio meaning that the banks are effective in the management of their resources thereby having a higher earning power that makes the bank more profitable. UBA Bank has also show higher ratio on return on investment, except in 2009 and 2010 which the ratios dropped but not bad, showing that the management policies on resource management were becoming weak. Sterling Bank also fluctuates but yet not too bad except in 2009 where the bank ratio was negative, showing inefficient management of resource and consequently has a bad signal on the earning power of the bank. Unity Bank has poor result in 2008 to 2009 while in 2006, 2007 and 2010 the results were not too bad.

The above analysis in table 4.2A and 4.2b provides information about inefficiency of management policies to effectively manage the banks resources that will increase earning powers thereby increasing the chances of making more profit for the banks in those areas where the ratios on return on investment are weak or low.

Table 2B. Banks return on investment of 5 banks over 5years

Year	First bank	Zenith bank	UBA	Sterling bank	Unity Bank
2006	0.1592	0.0972	0.1370	0.7344	0.0468
2007	0.0894	0.0761	0.1143	0.0196	0.0259
2008	0.0972	0.0819	0.2023	0.1998	0.2999
2009	0.0186	0.1037	0.0714	0.2563	0.5032
2010	0.0710	0.0755	0.01683	0.0708	0.1620

Source: Researcher's computation on ratio from (2006-2010) annual reports of five (5) selected banks

Table 3A. Groups return on equity of 5 banks over 5years

Year/banks	First Bank	Zenith Bank	UBA Bank	Sterling Bank	Unity Bank
2006	55.3457	2.7200	26.395	2.7880	-
2007	23.9704	4.4977	15.122	10.566	-
2008	15.9449	22.048	39.156	37.230	-65.893
2009	4.27185	55.750	3.6564	-41.210	-294.99
2010	12.1244	83.337	1.8234	18.923	30.281

Source: Researcher's computation on ratio from (2006-2010) annual reports of five (5) selected banks

Table 3B. Banks Return on Equity of 5 Banks over 5years

Year/banks	First Bank	Zenith Bank	UBA Bank	Sterling Bank	Unity Bank
2006	28.567	24.252	26.278	0.9474	7.7242
2007	11.187	15.093	13.849	2.2584	4.5682
2008	13.134	20.640	24.368	25.760	-69.989
2009	2.4218	14.458	8.5042	40.976	-291.91
2010	9.2420	9.6695	1.9671	14.0128	30.1557

Source: Researcher's computation on ratio from (2006-2010) annual reports of five (5) selected banks

It can therefore be seen that the analysis has accepted the alternative hypothesis and rejecting the null hypothesis. We concluded that the return on investment has effect on information management in assessing bank performance in Nigeria.

Return on equity

This ratio shows the actual return to the shareholders only, as the payment of interest to long term lenders, and, of course, taxes to government have been deducted. Comparison should be made with the returns in other investment. E.g. bank deposit interest, for a better assessment of a business, that is apart from the inter-firm comparison and comparison over time.

Return On Equity (ROE) = $\frac{\text{Net Profit before tax and interest}}{\text{Capital Employed}} \times 100$

The above table 4.3A shows the Group results of return on equity. The results provide management and all stakeholders with information on the performance of the banks regarding equity returns. This shows that First Bank plc fluctuates yearly particularly in 2009 when the returns is low showing there is inefficiency of management functions so as to fully maximize the wealth of the shareholders and affect its earnings. Zenith Bank was low in 2006 and 2007 but not too bad to affect maximization of shareholders wealth. However, there was improvement from 2008-2010. UBA bank return on equity declined in 2009 and 2010 showing the inability of the management functions to fully maximize the wealth of shareholders. Sterling Bank has low ratio in 2006 and 2007 while Unity bank has no return on equity in 2006 and 2007 and negative in 2008 and 2009 which is very bad information to the shareholders.

Table3B shows that First Bank ratios fluctuates yearly particularly in 2009 showing inefficiency in the management function to maximize the owners wealth. Zenith Bank's performance declines in 2010, but not too bad to affect maximization of shareholders' wealth.

UBA Bank declined in 2009 and 2010 showing the inefficiency of management functions as to fully maximize the wealth of shareholders. In Sterling Bank there is low performance in 2006 and 2007. Unity Bank has low ratios in 2006 to 2007 and negative ratios in 2008 to 2009 showing a bad performance in terms of maximizing shareholders wealth.

The implication in tables 3A and 3B is that, if the management does not improve the earnings power in terms of owner's equity multiplier effect and returns, it will affect the performance of the bank negatively. The analysis also provides information about management inefficiency in its management functions to fully maximize the shareholders wealth. Therefore it can be seen that this has accepted the alternative hypothesis and rejecting the null hypothesis. We conclude that the return on equity has effect on information management in assessing banks' performance in Nigeria.

SUMMARY OF FINDINGS AND RECOMMENDATIONS

Summary of the Work

Based on the review of related literature, analysis and interpretation of data and general observations, the following are the major highlights of the study:

Information management as a concept should be fully understood so that it can be formalized and institutionalized by Nigerian banks. Management of this resource should be carried out by fully qualified information managers with the necessary skills for the job. The benefits of information management to banks were examined. It attempts to demonstrate how information, if well managed, can give banks a certain informed level of control over its performance.

Information management proves to be very crucial for the existence of viable and healthy banks in this dynamic economic environment of today. Only those banks that are aware of the changes (various performance indicators) in their environment and who manage information and use it strategically to respond appropriately to these changes are likely to learn and survive.

The methodology dwells on the empirical structure of the study. It deals with the information management situation in Money deposit banks in Nigeria and these include five (5) commercial banks. Five-year annual financial statements were studied in terms of performance both on Groups and Banks.

The data obtained from the study were analyzed according to grounded theory, using financial performance ratio. This immediately allow the researcher to see through time series and trend analysis to see the nature and direction the data moves toward. This suggests that we reject the null hypothesis and accept alternative hypothesis that good information management significantly influence improved performance of banks, except the return on equity which suggests that we accept the null hypothesis.

CONCLUSIONS/FINDINGS

Based on the highlights above, the following conclusions/findings are hereby reached:

Information management as a formalized concept has no common understanding amongst banks. It is however evident that all banks understand its importance to the sustainability of business. Therefore, information should be given a high attention because it is very critical to the survival of banks for staying competitive.

If Nigerian banks want to continue to remain financially viable and managerially performing they must give high priority to information management especially in terms of financial analysis. This could help the banks as economic entities to evaluate and re-evaluate their performance and take strategically informed decisions to correct any commitment of resources and service in unworthy direction.

The use of various performance ratios have helped to identify the areas where improvement is required despite the considerable level of profit declared by Nigerian banks since such information is relatively vital for the investors in the secondary market and various other stakeholders for a well informed decision.

RECOMMENDATIONS

Based on the findings/conclusion of the study, the following recommendations are hereby made:

1. Unity Bank should encourage proactive attitude towards information management as it could be seen from the computation that although both Unity and Sterling banks suffered negative return on investment and equity for year 2009, both at group and bank levels, due to Global Financial Crisis of 2009, Sterling Bank was able to make up this deficiency as a result of availability of information and good management of such information while Unity Bank was still lagging.
2. Sterling Bank and UBA Bank did not earn enough return on investment to justify the volume of committed resources and this could be due to poor evaluation of investment opportunity which fund was committed on for year 2008-2010. The study therefore recommends that there should be proper information management policy for evaluation and re-evaluation of any investment opportunity that will maximize the bank performance and avoid any unworthy commitment of investible resources.
3. Banks in Nigeria have corporate strategy which defines what they want to achieve and how they intend to do it. It is of uttermost importance for these banks to

determine what information will be needed to actualize the strategy and how to manage this information. Whatever way is chosen to manage this information should be aligned to the general strategy chosen to manage the banks.

4 Information availability is inadequate without the right altitude. Adopting new computer technology only raises potential information processing capacity while having adequate infrastructure improves access to needed data.

5. Nigerian banks should ensure that mechanisms exist to identify the costs of information assets and their contribution to the value added to the banks.

6. Nigerian banks should put in place policies for managing the information life cycle for integrating the information flows into the business plan of banks; they should ensure information accuracy, relevance and up to date review.

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