STRATEGIC MANAGEMENT EFFICIENT TOOL FOR MANAGING THE PERFORMANCE OF FINANCIAL INSTITUTIONS IN DRC: THE CASE OF TMB

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ABSTRACT

The analysis of performance indicators remains an ideal for any good manager in a financial institution makes it possible to see if the management policy that is applied can necessarily balance the entity or lead it to growth. As of December 31, 2011, its market shares amounted to between 13 and 14% depending on the criteria analyzed, in a market with 20 active banks. In a country where the population's banking rate is less than 2%, TMB manages some 596,919 Accounts at the end of 2014. This number has increased and continues to grow normally.

At the end of 2014, the bank had 74 branches, the TMB covers all the provinces of the DRC given its growth rate. With such a network, the bank employed 1219 people (full-time equivalents) as of December 31, 2014. This number is constantly increasing to support the development of the bank in a growing economy, TMB works alongside its customers, individuals, Micro companies, SMEs, large companies and institutions, responding qualitatively to their needs is at the heart of the concerns of each member of the staff devoted by the desire to maintain his balance. The cost / income ratio of TMB increased very rapidly in 2010 by 110%, 99% in 2012, 88% in 2011, 69% in 2013 and 64% in 2014, which show the costs linked to the operation of TMB compared to net banking income; which explains why TMB must use the managerial policy that can allow this financial institution to fully maintain its performance. The profitability coefficient is therefore increasing at the TMB 0.6% in 2010, 2% in 2011, 3% in 2012, 15% in 2013 and 18% in 2014, a good performance of this indicator justifies the efficient management of the TMB during the period of our study.

Keywords: Financial institution, commercial bank, strategic management and performance institutional

1. INTRODUCTION

Financial institutions are faced with an increase in the number of competitors, the number of products and services and the demands of customers who always expect more quality, services and this as soon as possible and at the lowest cost. The management of financial institutions poses a big problem which in our opinion represents a capital interest in the societal life of the Congolese. On this, our problem lies in the analysis of performance indicators for an efficient management of the TMB from a strategic management such as working capital, working capital requirements, net cash…. As well as certain managerial indicators such as the cost / income ratio, profitability, net banking income, performance of shares without forgetting to take a managerial look at the seven benchmarks below: total balance sheet, deposits collected, credit by disbursement, the number of branches and counters, the number of jobs, the number of accounts , net investments. Our study is intended to be explanatory, because it seeks to re-establish the link between Strategic management and the performance management of financial companies.

Considering the way in which the Trust Marchand Bank carries out its activities in relation to its operating structure and of keeping its performance in relation to the market, a series of questions deserve to be asked around which we propose answers.

How to strategically manage an efficient performance management tool at the Trust Merchant Bank? This is the question which constitutes the problematic of our research.

For nature observation to be profitable, the researcher needs to ask the right questions. These questions call for a supposed answer, that is to say a provisional answer, the validity of which is verified by research. This answer is indeed the hypothesis

Strategic management can provide efficient management of TMB performance, efficiency in productivity, and efficiency in relation to the analysis of basic indicators. This being the case, TMB must make a diagnosis of the financial statements (balance sheet and income statement) while taking into account the performance indicators selected within this bank and the application of managerial theories that can help this financial institution to achieve its performance.

2. METHODS

According to TIMOTHE KAZADI KIMBU and BIENVENU KALUNGA MAWAZO, The method is defined today as being a path, a path, an intellectual process that the researcher takes in the grasp, the analysis and the explanation of his object of study (Timothée Kazadi Kimbu and Bienvenu Kalunga Mawazo, 2013)

Regarding our research, we used:

#### - THE ANALYTICAL METHOD

Consists of a decomposition of the subject in order to analyze the components which are essential for the best understanding of the subject of a scientific work. This method was used to analyze all of our data and process it.

#### - THE SYSTEMS METHOD

From the Greek system which means coherent whole.

This method is in fact based on the notion of system which it defines as being a set of interconnected elements, dependent on each other and which maintain relationships such as the modification of the other elements and of the whole system. This method thus emphasizes the links of interdependence that exist between the different elements of the system.

#### -THE STRUCTURAL APPROVALS METHOD

The method of structural homologies consists in bringing together two things, two facts, two ideas in order to detect their dissimilarities.

However, we used the following techniques:

#### Literature review

Consists of studying and analyzing documents to obtain information on the facts or phenomena that we are studying ”. There are two categories of documents: written documents and our written documents (Mulumbati Ngasha, 2001).

#### The interview questionnaire (the direct interview) defined as:

"A technique which aims to organize a verbal communication report between two peope, the investigator and the interviewee in order to allow the investigator to collect certain information from the investigation concerning a specific object"

In this study we will have as operational concepts: financial institution, commercial bank, strategic management and performance.

## 1.Financial institution

Financial institutions participate in the financing of the economy by granting loans. The various institutions in the DRC (central bank of Congo, commercial banks… ..etc.)

## 2. The commercial bank

These are all credit institutions authorized to carry out all banking operations (receipt of funds from the public, credit operation, management of means of payment, etc.). They can create scriptural money by granting credits. They can act as borrower and lender in the capital markets.

## 3. Strategic management

The objectives of the company, often abstract, must be concretized by medium and long-term objectives measured and by actions intended to achieve its objectives. This approach is at the heart of business management (Hamel and Prahalat, 1990 and Mongomery, 1997).

Management is the set of techniques for organizing resources that are implemented for the administration of an entity. Strategic management: guiding the future of the company.

## 4. Performance

Performance is a "connoted" term: its definition varies a priori for each of us and depending on the context. Several definitions were thus collected during our research. The performance can be among others (FNEP: Mission-2004, pangloss N ° 35,2005):

* Achievement of objectives on time;
* Obtaining the best costs :
* The increase in profit and turnover;
* Profitability today and tomorrow;
* Profitable growth;

3. DISCUSSION

The primary objective, the vision of the major University Institutions in Management and various results of researchers used in this work would be to provide for the training of managers (Manager) with integrity for the transformation of the management of organizations. It is advisable to propose strategies which can help as a model to any manager who needs to mark his time.

Our goal is to have managers in the DRC capable of providing strategies that can keep financial institutions in balance for a long time and manage risks. This is why our research subject is entitled: "Strategic management, an efficient tool for managing the performance of financial institutions in the Democratic Republic of Congo" case of the TMB / General Directorate of Lubumbashi.

4. RESULTS

Using the GRAPHIC ANALYSIS below we will cover the Performance achieved by TMB

Source: Our analysis based on the 2010-2014 financial statements

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Source: Our analysis based on the 2010-2014 financial statement

5. NUMBER OF ACCOUNTS

Source: Our analysis based on the 2010-2014 financial statements

6. NUMBER OF JOBS

Source: Our analysis based on the 2010-2014 financial statements

7. NET INVESTMENTS

Source: Our analysis based on the 2010-2014 financial statements

8. NET BANKING INCOME

Source: Our analysis based on the 2010-2014 financial statements

9. NET INCOME

Source: Our analysis based on the 2010-2014 financial statements

5. CONCLUSION

In view of the summary and graphs presented above, we note that TMB has increased a stable performance because of a very good managerial policy applied throughout the period of our study and respecting the standards of the Central Bank of Congo which is the bank of banks in the Democratic Republic of Congo.

Starting from the economic indicators of the Democratic Republic of the Congo which are normally towards growth, TMB remains a private commercial bank where performance indicators meet national and international standards; this is why when processing data from this financial institution, we recommend that the manager, manager and executives of this company apply all the managerial theories mentioned in this research to allow the latter to maintain the monopoly of a bank private reference in the Democratic Republic of Congo.

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