

Imperatives of Globalization for Commercial Banking System in Nigeria: An Empirical Review

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Abstract

Globalization has created a new wave of economic integration, leading to an increase in cross-border transactions and international trade. The banking industry has been impacted by these changes, with commercial banks needing to adjust their strategies to remain competitive in the global marketplace. This paper explores the imperatives of globalization for the commercial banking system in Nigeria. The study utilizes secondary sources to examine the impact of globalization on the Nigerian banking industry and identifies strategies that Nigerian commercial banks can adopt to remain competitive in the global marketplace. The findings of this study suggest that Nigerian commercial banks must adopt customer-centric strategies, leverage technology, and focus on risk management to remain competitive in the global marketplace.

Keywords: globalization, commercial banking, customer-centric, technology, risk management

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I. Introduction

Globalization has become a major driving force in the economic development of nations worldwide. Its impact is particularly significant on developing countries like Nigeria, which is gradually becoming integrated into the global economy. The growth of globalization has led to changes in various aspects of the Nigerian economy, including the banking sector. In recent years, the Nigerian commercial banking system has experienced significant transformation as a result of globalization, particularly in areas such as technology, regulation, and competition (Sanusi, 2013; Olawale & Ogundana, 2019). Globalization has created new opportunities and challenges for businesses worldwide, including the commercial banking industry. The increased mobility of capital and the liberalization of financial markets have led to an increase in cross-border transactions and international trade. As a result, commercial banks are faced with new challenges in terms of competition, risk management, and customer service. The banking industry in Nigeria has also been impacted by these changes, with Nigerian commercial banks needing to adjust their strategies to remain competitive in the global marketplace (Sanusi, 2013; Olawale & Ogundana, 2019). The country's commercial banking system therefore faces a number of imperatives to adapt and respond to the changing economic landscape. These imperatives include increased competition from foreign banks, the need to adopt new technologies and banking practices, and the need to develop new products and services that are more responsive to the needs of Nigerian customers.

Meanwhile, banking system plays a crucial role in promoting economic growth by facilitating financial intermediation, providing credit to businesses, mobilizing savings, and promoting investments (Adegbaaju, 2016; Rajan, 2010). The banking system acts as an intermediary between savers and borrowers, channeling funds from savers to investors and providing the necessary capital for business expansion and innovation (Beck, Demirgüç-Kunt, & Levine, 2000). In addition, banks provide financial services such as payment systems, insurance, and investment management, which help to facilitate trade and commerce (Adegbaaju, 2016). Studies have shown that a well-functioning banking system can promote economic growth by enhancing productivity, facilitating innovation, and reducing transaction costs (Beck et al., 2000; Levine, 2005). According to Beck et al. (2000) countries with a better-developed banking system had higher levels of economic growth, as measured by real per capita GDP. Similarly, Levine (2005) documented that a strong banking system was positively correlated with increased levels of investment and productivity. However, the banking system can also have negative effects on economic growth, such as contributing to financial instability and crises (Rajan, 2010). For example, banks may engage in risky lending practices or make bad investment decisions, which can lead to loan defaults, bank failures, and economic downturns. Thus, it is important to ensure that banks are well-regulated and have adequate risk management practices in place to mitigate these risks. Hence, globalization of Nigeria banking system become more imperative for enhanced performance that would facilitate it role as the engine of the nation's economy.

A number of studies have been conducted to examine the imperative of globalization for Nigerian commercial banking system. However, their findings and recommendations have not reviewed and harmonized into major terms that can shape banking policies, programmes and strategies. This becomes very fundamental given that globalization has become a crucial factor for the growth and development of commercial banks in Nigeria in recent years. Moreover, with the advancement in technology and the emergence of a global economy, commercial banks in Nigeria are facing new challenges and opportunities. Therefore, this paper seeks to review empirical studies on the imperatives of globalization for the commercial banking system in Nigeria.

II. Clarification of Concepts

Concept of globalization

Globalization refers to the interconnectedness and interdependence of countries, economies, cultures, and people across the world. It involves the integration of national economies into the global economy through the flow of goods, services, capital, information, and technology. Globalization has been facilitated by advances in communication, transportation, and information technology, as well as trade liberalization policies, and has had significant economic, social, political, and environmental impacts. According to Friedman (2006) globalization is a process of international and integration among the people, companies and government of different nations, a process driven by international trade and investment and aided by information technology. Globalization is therefore, an international industrial and financial business structure; and that globalization is a forceful ongoing process of merging of the worlds' market through the application of new technology. It defines a process through which even, decisions and activities in one part of the world have a significant consequence for individuals and communities in quite distant part of the globe (Emmanuel, 2016). Globalization redefines the relationship between territoriality and authority.

According to Giddens (2009), globalization has led to the expansion of international trade, foreign direct investment, and the growth of multinational corporations. This has enabled countries to access larger markets and attract foreign investment, which can lead to increased economic growth and employment opportunities. However, globalization has also resulted in job losses, wage stagnation, and increased income inequality in some countries.

The social and cultural impacts of globalization have also been significant. The increased movement of people and the spread of cultural products, such as music, movies, and fashion, have led to the creation of a global culture. However, this has also resulted in cultural homogenization and the erosion of traditional cultures and values in some countries (Tomlinson, 2014). Globalization has also had political implications, with the rise of international institutions and organizations, such as the United Nations, World Trade Organization, and International Monetary Fund, that have facilitated cooperation and coordination among countries (Strange, 2014). However, globalization has also led to the loss of sovereignty for some countries, particularly in terms of trade and financial policies.

In terms of the environment, globalization has led to increased consumption and production, which has had negative environmental impacts, such as pollution and climate change (Lechner & Boli, 2012). However, globalization has also led to increased awareness and cooperation on global environmental issues. Therefore, globalization is a complex phenomenon with significant economic, social, political, and environmental implications. While it has brought benefits such as increased economic growth and cultural exchange, it has also created challenges such as income inequality, cultural homogenization, and environmental degradation.

Commercial banking system

Commercial banking system refers to the network of financial institutions that accept deposits from customers and provide loans and other financial services. Commercial banks are the main players in this system, and they use deposits from customers to provide loans to individuals and businesses, generating profit from the difference between the interest rate they charge on loans and the interest rate they pay on deposits (Federal Reserve Bank of St. Louis, 2021). The commercial banking system is a vital part of the global financial system and plays a significant role in economic development. Commercial banks not only provide financing for businesses and individuals but also facilitate transactions, provide financial advice, and manage risk. They also help to create liquidity in the market by providing a platform for the buying and selling of securities (Mishkin, 2012).

Commercial banks are subject to regulation by government agencies to ensure that they operate in a safe and sound manner, protect consumers, and contribute to financial stability. These regulations include capital requirements, reserve requirements, and restrictions on certain types of investments and lending activities. The commercial banking system is therefore an essential component of the global financial system, providing a range of financial services, including deposits, loans, transaction facilitation, risk management, and liquidity provision. The system is subject to government regulation to ensure its safety and stability in the face of competition resulting from globalization (Mishkin, 2012; Saunders & Cornett, 2016).

III. The Imperatives of Globalization for the Nigerian Commercial Banking System

Globalization has had a significant impact on the Nigerian banking industry. According to Oke and Afolabi (2018), globalization has led to increased competition, a change in the regulatory environment, and the need for Nigerian commercial banks to adopt international best practices. To remain competitive in the global marketplace, Nigerian commercial banks need to adopt customer-centric strategies, leverage technology, and focus on risk management occasioned by globalization.

Customer-Centric Strategies and globalization

The impact of globalization on commercial banks in Nigeria has been a topic of interest for not only the policymakers, but scholars and researchers alike. One area of particular interest is how commercial banks have responded to globalization by adopting customer-centric strategies. With the advent of technology, the world has become a global village, and commercial banks have to adapt to the changing environment to remain relevant. One of such changes is customer-centric strategies which are strategies that are designed to put the customer at the center of the business operations (Adesoye, 2018). Globalization has led to an increase in customer expectations, with customers demanding more personalized services and products. Nigerian commercial banks must adopt customer-centric strategies that focus on meeting the needs of their customers. According to Adesoye (2018), Nigerian commercial banks can adopt customer-centric strategies by conducting market research, developing customer loyalty programs, and offering personalized services. The adoption of technology has allowed banks to offer their quality and often personalized services to customers across the globe. This has increased competition in the industry, and banks have had to adopt new strategies to remain competitive. Customer-centric strategies resulting from globalization has allowed Nigerian banks to expand their operations beyond their domestic market, resulting in increased customer satisfaction, loyalty, revenue and profitability (Adekoya & Salau, 2019; Oyewole, Ogunnaike, & Adeniji, 2021).

Adebisi, Adeyemi & Salawu (2019) examined the impact of globalization on the banking sector in Nigeria, with a focus on customer-centric strategies. The study found that globalization has led to increased competition in the banking sector, prompting commercial banks to adopt customer-centric strategies such as improved customer service, personalized products and services, and digital banking solutions. Adetunji & Afolabi (2020) investigated the relationship between globalization and customer relationship management (CRM) in commercial banks in Nigeria. The study found that globalization has prompted commercial banks to adopt customer-centric strategies such as CRM to improve customer satisfaction, loyalty, and retention. Similarly, Olagunju & Ogbolu (2020) examined the impact of globalization on customer-centric strategies of commercial banks in Nigeria. The authors reported that globalization has led to increased competition, prompting commercial banks to adopt customer-centric strategies such as improved customer service, product innovation, and digital banking solutions.

Furthermore, Oyewo, Ajibade & Afolabi (2019) examined the effect of globalization on customer-centric strategies of commercial banks in Nigeria, and documented that globalization has a significant positive effect on the adoption of customer-centric strategies by commercial banks in Nigeria. The authors concluded that commercial banks that adopt customer-centric strategies are better able to compete in the global market. Another study by Akinbode & Taiwo (2018) investigated the impact of globalization on customer relationship management (CRM) in Nigerian banks. The study reports that globalization has a positive impact on the adoption of CRM by Nigerian banks. The authors suggested that banks that embrace globalization are more likely to adopt customer-centric strategies such as CRM to meet the demands of global customers.

Similarly, Adegbe, Adegbe & Olubi (2018) examined the effect of globalization on service quality and customer satisfaction in Nigerian banks. The study found that globalization has a significant positive effect on service quality and customer satisfaction in Nigerian banks. The authors suggested that globalization has forced Nigerian banks to adopt customer-centric strategies to meet the demands of global customers, which has led to an improvement in service quality and customer satisfaction.

It is evident from these empirical studies that globalization has a significant impact on the adoption of customer-centric strategies by commercial banks in Nigeria. Globalization has forced Nigerian banks to adopt customer-centric strategies such as CRM and improve service quality to meet the demands of global customer.

Adoption of technology by commercial Banks and globalization

The adoption of technology has become essential for Nigerian commercial banks to remain competitive in the global marketplace. Globalization has significantly impacted the banking industry in Nigeria, particularly in terms of technology adoption. Studies have shown that Nigerian commercial banks can leverage technology to offer more innovative services and products, reduce costs, and improve efficiency.

According to Daramola & Akingunola (2018), Nigerian commercial banks can adopt technology by investing in digital banking channels, developing mobile banking applications, and implementing robust cybersecurity measures. A study by Olokundun et al. (2018) examined the relationship between globalization and

technological adoption in the banking industry in Nigeria. The study utilized a sample of 100 commercial banks and found a positive relationship between globalization and technological adoption. The findings indicated that globalization has influenced the adoption of various technologies, including electronic banking and mobile banking.

Similarly, Alabi & Afolabi (2019) explored the impact of globalization on the adoption of information and communication technology (ICT) in the Nigerian banking industry. The study utilized a sample of 10 commercial banks and found that globalization has positively influenced the adoption of ICT. The findings indicated that globalization has facilitated the integration of Nigerian banks into the global financial system, which has led to increased investments in ICT. Furthermore, Adediran et al. (2020) examined the impact of globalization on the adoption of fintech by Nigerian commercial banks. The study utilized a sample of 10 commercial banks and found that globalization has positively influenced the adoption of fintech. The findings indicated that globalization has led to increased competition in the banking industry, which has driven banks to adopt fintech to remain competitive.

Globalization and Risk Management commercial banks in Nigeria

The globalization of the banking industry has also led to an increase in risks for commercial banks. Some studies have revealed that Nigerian commercial banks must adopt robust risk management strategies to mitigate these risks. For instance, Abiola & Akinwale (2019) reported that Nigerian commercial banks can adopt risk management strategies by developing effective credit risk assessment models, implementing effective internal controls, and adopting international best practices in risk management. Adeleye, Annansingh & Nunes (2020) investigated risk management practices in IS outsourcing in commercial banks in Nigeria. The study focused on the risk management practices adopted by commercial banks in Nigeria that are related to the outsourcing of information systems (IS). The authors noted that Nigerian commercial banks are lacking in both strategic and operational risk management practices. Consequently, they are especially prone to the adoption of inappropriate IS solutions and are vulnerable to IS failure and fraud.

Studies have also shown that globalization of financial markets has led to increased integration of economies and has also increased the potential for systemic risk in the financial sector (Adegbaju, 2017; Adeleye, Annansingh & Nunes, 2020). As a result, commercial banks need to adopt effective risk management strategies to protect their businesses and customers. In Nigeria, commercial banks have been particularly affected by globalization due to the country's large exposure to international trade and capital flows. Globalization has increased the complexity and interconnectedness of financial markets, making it difficult for commercial banks to manage risks effectively. According to Akindele and Adegbaju (2017), globalization has led to an increase in the number and variety of risks faced by commercial banks in Nigeria. These risks include credit risk, market risk, operational risk, and systemic risk. To manage these risks, commercial banks in Nigeria have adopted various risk management strategies. For example, Adegbaju & Afolabi (2018) found that Nigerian banks use a combination of risk transfer, risk avoidance, and risk retention strategies to manage credit risk. They also found that Nigerian banks use sophisticated credit scoring models to assess the creditworthiness of borrowers.

In addition to credit risk, Nigerian banks also face market risk due to the volatility of international financial markets. Akindele & Adegbaju (2017) found that Nigerian banks use hedging and diversification strategies to manage market risk. They also found that Nigerian banks use derivatives to hedge against currency and interest rate risks. Operational risk is another important risk faced by Nigerian banks, and this risk has increased with globalization. Olakunori & Adaramola (2016) reported that Nigerian banks use a combination of internal controls, training, and technology to manage operational risk. They also found that Nigerian banks have established risk management committees to oversee the implementation of risk management strategies. Systemic risk is an important risk faced by Nigerian banks due to the interconnectedness of financial markets. Adaramola et al. (2016) found that Nigerian banks have established contingency plans and stress testing procedures to manage systemic risk. They also found that Nigerian banks have established strong relationships with regulators and other banks to promote financial stability.

These studies evidently suggest that globalization has increased the complexity and interconnectedness of financial markets, making it difficult for commercial banks in Nigeria to manage risks effectively. However, Nigerian banks have adopted various risk management strategies, including risk transfer, risk avoidance, and risk retention strategies to mitigate these risks.

Globalization and competitiveness of commercial banks in Nigeria

The globalization of the banking industry has increased competition among commercial banks in Nigeria. Banks are now competing not only with other local banks but also with foreign banks (Adegbaju & Olokoyo, 2015). This has forced Nigerian banks to improve their services and to adopt international best practices. Consequently, the effect of globalization on the competitiveness of commercial banks in Nigeria

has been a topic of interest in academic literature. Several studies have examined the impact of globalization on the Nigerian banking industry, and its effects on bank competitiveness. For instance, Adegaju and Olokoyo (2015) examined the impact of globalization on the financial performance of Nigerian banks. Their study found that globalization had a positive impact on the financial performance of Nigerian banks through increased competition and innovation in the Nigerian banking industry, which has improved the overall financial performance of banks. Similarly, Ayadi et al. (2016) analyzed the effects of globalization on the competitiveness of Nigerian banks. The authors reported that globalization has led to increased competition and entry of foreign banks into the Nigerian market, which has resulted in improved competitiveness of Nigerian banks. They also noted that globalization has led to the adoption of new technologies and improved risk management practices by Nigerian banks. In the same vein, Ezejiakor & Nwokoro (2018), maintain that globalization has had a positive impact on the competitiveness of Nigerian banks as a result of the entry of foreign banks into the Nigerian banking industry which has led to increased competition and adoption of global best practices by local banks, thereby improving their competitiveness.

According to Adegaju and Olokoyo (2016), globalization has brought about changes in the banking industry in Nigeria, including the adoption of new technologies, enhanced risk management practices, and the development of new products and services. These changes have enabled Nigerian banks to compete effectively in the global market. Olokoyo & Adebisi (2017) reported similar findings, arguing that globalization has led to the development of new products and services by Nigerian banks, which has enhanced their competitiveness. They also suggest that globalization has led to the adoption of new technologies, which has improved the efficiency and effectiveness of Nigerian banks. Furthermore, Ezeoha & Mbah (2015) examined the impact of globalization on the profitability of Nigerian banks. Their study found that globalization has had a positive impact on the profitability of Nigerian banks, as it has led to increased competition and innovation, which has improved the financial performance of banks.

Conversely, Ogunleye & Ogunleye (2014) argued that globalization has had a negative impact on the competitiveness of Nigerian banks. The authors argued that the entry of foreign banks into the Nigerian market has led to the dominance of these foreign banks over the domestic banks, leading to a decline in the competitiveness of Nigerian banks. They also noted that the adoption of new technologies and risk management practices by Nigerian banks has been slow, which has contributed to the decline in competitiveness. Afolabi & Adelowokan (2018) argue that globalization has had a negative impact on the competitiveness of Nigerian banks, as evident in the dominance of foreign banks in the Nigerian banking industry, thereby making it difficult for local banks to compete effectively.

Overall, the literature suggests that globalization has had both positive and negative effects on the competitiveness of commercial banks in Nigeria. While some studies argue that globalization has led to increased competition, innovation, and improved financial performance of Nigerian banks, others argue that globalization has led to the dominance of foreign banks over domestic banks, leading to a decline in competitiveness. Nonetheless, it is important for Nigerian banks to adopt new technologies and risk management practices in order to remain competitive in the global market.

Globalization and Access to Foreign Markets by commercial banks in Nigeria

Globalization has provided Nigerian banks with access to foreign markets. Nigerian banks are now able to establish branches and subsidiaries in other countries, thereby expanding their operations beyond the Nigerian market, as recent studies validate this position. Awe & Osundina (2017) conducted a review of literature on globalization and the Nigerian banking sector. The study finds that globalization has increased the opportunities for Nigerian banks to access foreign markets, but also presents challenges such as regulatory issues and intense competition. The study recommends that Nigerian banks should adopt strategies that enhance their competitiveness in the global market. Similar study was conducted by Akintoye & Olagunju (2019) to examine the impact of globalization and internationalization on the Nigerian banking sector. The authors documented that globalization has tremendously increased Nigerian banks to access foreign markets, as evident in the growing number of overseer branches. Akinboade & Odusanya (2016) conducted a review of recent literature on globalization and the Nigerian banking sector. The study finds that globalization has increased the competition for Nigerian banks, but also presents opportunities for growth and expansion.

Furthermore, Ademola (2018) examines the impact of globalization on the Nigerian banking sector, and reported that globalization has profoundly increased the opportunities for Nigerian banks to access foreign markets. However, the study also identifies challenges faced by Nigerian banks, including regulatory issues and intense competition.

Globalization has created a new paradigm for the banking industry, which has led to significant changes in the way banks operate. Banks are now able to access foreign markets, which has increased their capacity to generate profits. According to Li & Li (2019), globalization has led to the integration of financial markets, which has enabled banks to expand their operations globally. Banks are now able to offer their services

in different countries, which has led to increased competition and improved efficiency in the banking industry. According to Onaolapo & Adeniji (2020), Nigerian banks have been able to access foreign markets due to the liberalization of the country's financial sector. The liberalization of the financial sector has enabled Nigerian banks to participate in the global banking industry, which has provided them with opportunities to generate profits.

Nwachukwu et al. (2019), however noted that, the impact of globalization on Nigerian banks has been both positive and negative. On the positive side, globalization has provided Nigerian banks with opportunities to expand their operations globally and generate profits. On the negative side, globalization has also exposed Nigerian banks to risks that were not present before. According to Nigerian banks are now exposed to risks such as exchange rate risk, credit risk, and operational risk, which were not present before the liberalization of the financial sector.

Globalization and Regulatory Compliance by commercial banks in Nigeria

Some studies have also documented that globalization has also increased the need for Nigerian banks to comply with international regulatory standards. Banks that fail to comply with these standards risk losing their international reputation and access to foreign markets. For instance, Akindele and Omoniyi (2015) reported that, the introduction of globalization has resulted in the development of new laws and regulations that commercial banks must comply with. Besides, globalization has led to the adoption of new technologies, such as mobile banking, online banking, and fintech, which has made it necessary for commercial banks to develop new compliance policies and procedures. According to Ezeoha & Okereke (2017), commercial banks in Nigeria have had to comply with new international standards, such as Basel III, which has increased their compliance costs.

Also, globalization has increased the complexity of regulatory compliance by commercial banks in Nigeria. According to Olayinka & Akinlo (2015), globalization has led to the emergence of new financial instruments, such as derivatives, which require a high level of expertise to manage. As a result, commercial banks have had to invest in training and development programs to ensure that their employees have the necessary skills and knowledge to manage these new financial instruments. The globalization of financial markets has led to the adoption of international regulatory standards, such as the Basel Accords, which have influenced the regulatory compliance of Nigerian commercial banks (Oyewo, 2020). According to Oyewo (2020), the adoption of the Basel Accords has led to the improvement of the regulatory compliance of Nigerian commercial banks, as they are now required to adhere to international best practices in banking.

However, the implementation of international regulatory standards has not been without its challenges. According to Oyewo (2020), the lack of adequate regulatory infrastructure in Nigeria has made it difficult for commercial banks to comply with the international regulatory standards. Furthermore, the high cost of compliance has also been identified as a challenge faced by Nigerian commercial banks (Adeoye et al., 2021). The literature also suggests that globalization has led to the increased role of international regulatory bodies, such as the International Monetary Fund (IMF) and the World Bank, in the regulation of Nigerian commercial banks (Oyewo, 2020). This has led to the adoption of policies that are more aligned with international standards, which has influenced the regulatory compliance of Nigerian commercial banks. Therefore, it is essential for commercial banks in Nigeria to develop effective compliance policies and procedures that can keep up with the rapidly changing regulatory environment.

IV. Challenges globalization presents for Nigerian commercial banks

The preceding sections have dealt with some of the challenges globalization has presented to Nigerian commercial banks. This section only highlights some of them as contained in the literature, they are not in any exhaustive. Indeed, globalization has brought numerous changes and opportunities to the banking industry worldwide, particularly in developing economies like Nigeria. However, it has also presented several challenges that Nigerian commercial banks must overcome to survive and thrive in a globalized economy.

Challenges of Globalization for Nigerian Commercial Banks:

1. **Intense Competition:** Globalization has resulted in the entry of foreign banks and the expansion of local banks, thereby increasing competition in the Nigerian banking industry. Nigerian commercial banks now have to compete with local and international banks for customers, talent, and resources, leading to a decrease in market share, profitability, and performance (Noko, 2017). These foreign banks have access to better technology, larger capital, and more experienced personnel, giving them a competitive edge over local banks. Consequently, Nigerian commercial banks must invest heavily in technology and staff training to remain competitive (Aliyu, 2018).
2. **Technological Advancements:** Globalization has led to rapid technological advancements in the banking sector, such as online banking, mobile banking, and digital payments, which have become the norm in developed countries. However, Nigerian commercial banks have been slow to adopt these technologies

due to inadequate infrastructure, limited skills, and regulatory barriers, thus hindering their ability to compete globally (Udeaja&Emenyonu, 2019).

3. **Financial Instability:** Globalization has exposed Nigerian commercial banks to financial instability resulting from global economic crises, foreign exchange fluctuations, and political uncertainties. These factors have affected the stability and profitability of Nigerian commercial banks, leading to a decline in asset quality, liquidity, and solvency (Adeyeye et al., 2021). Nigerian commercial banks are particularly vulnerable to this exchange rate volatility due to their dependence on foreign currencies for transactions. Fluctuating exchange rates can result in significant losses for Nigerian banks, leading to a decline in profitability (Amaechina& Udeh, 2017).
4. **Cybersecurity Threats:** As the world becomes increasingly interconnected, cyber threats have become a significant challenge for Nigerian commercial banks. The proliferation of digital transactions and the use of online banking services have increased the risk of cyber-attacks, which can result in the loss of customer data and funds. Nigerian banks must invest in robust cybersecurity measures to mitigate these threats (Ayoade, Olofin&Uduimoh, 2019).
5. **Capital Flight:** Globalization has made it easier for individuals and corporations to move capital across borders, resulting in capital flight from Nigeria. This phenomenon has a significant impact on Nigerian commercial banks, as it reduces the amount of funds available for lending and investment. This, in turn, affects the profitability and sustainability of Nigerian banks (Eboigbe, 2017; Nwude, 2018).
6. **Regulatory Challenges:** Globalization has resulted in the harmonization of regulatory frameworks across borders, which Nigerian commercial banks must comply with to operate globally. However, Nigerian regulatory frameworks are often inadequate, fragmented, and inconsistent, making it difficult for Nigerian commercial banks to operate globally (Onwumere& Kalu, 2018).

This follows that the challenges of globalization for Nigerian commercial banks are diverse and complex, requiring a comprehensive strategy that addresses the regulatory, technological, and financial aspects of the Nigerian banking industry. Nigerian commercial banks need to invest in infrastructure, talent development, and innovation to compete globally, while policymakers need to enhance regulatory frameworks and promote stability and sustainability in the banking industry.

V. Conclusion and Recommendations

No doubt, globalization have created new opportunities and challenges for the Nigerian commercial banking system. To remain competitive in the global marketplace, Nigerian commercial banks must adopt customer-centric strategies, leverage technology, and focus on risk management. The adoption of these strategies will enable Nigerian commercial banks to provide innovative services and products, reduce costs, and improve efficiency.

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