EFFECT OF STRATEGIC LEADERSHIP PRACTICE ON EMPLOYEE PERFORMANCE OF DEPOSIT MONEY BANKS IN NASARAWA STATE, NIGERIA

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Abstract
This study investigates the effect of strategic leadership practices, specifically innovation and resource allocation on employee performance in deposit money banks in Nasarawa State, Nigeria. Grounded in the Strategic Leadership Theory, the research adopted a survey design and employed Partial Least Squares Structural Equation Modeling (PLS-SEM) to analyze data collected from 313 respondents across selected banks. The findings revealed that innovation has a significant positive effect on employee performance, highlighting its role as a vital component of effective strategic leadership. Conversely, resource allocation did not exhibit a statistically significant impact on performance, suggesting that resources must be strategically aligned and complemented by other leadership practices to yield optimal results. The study concludes that fostering innovation and integrating resource allocation with supportive leadership behaviors are essential for enhancing employee productivity. It recommends that bank management prioritize innovation and adopt a holistic approach to strategic leadership for improved organizational outcomes.
Keywords: *Strategic Leadership Practices, Innovation, Resource Allocation, Employee Performance, Deposit Money Banks, Nasarawa State, Nigeria*

INTRODUCTION

Performance is a fundamental concept crucial to any organization. It is a common denominator of the attention of the different firms, including the banking sector, and a central component of all administrative knowledge fields, as it is the most important dimension of the banking sector. The performance of the employees is very important in administrative elements, production processes, and services. It reflects the efforts of the employees to achieve the objectives of the institutions.

Employee job performance is an attempt to analyze the performance of the workers and all the related psychological and physical characteristics, technical skills, and behaviours to identify the strengths and weaknesses. It tries to strengthen the strengths and address the weaknesses to achieve the effectiveness of the institution now and in the future. Employees are a primary source of competitive advantage in service-oriented organizations. In other words, employees are resources or assets to organizations. The performance of employees plays an important role in organizational performance. It is originally what an employee does or does not do. The performance of employees could include the quantity of output, quality of output, timeliness of output, presence at work, and cooperativeness. Individual employees' job performance could improve organizational performance as well as legal (Akpa et al., 2019). The success of organizations is linked to the efficiency of the workers. Thus, organizations are always seeking to improve the performance of their employees through effective strategic leadership practices to attain or gain predetermined goals. In other words, employees make a corporation. Thus, a corporation must manage all processes and provide a suitable working environment for the employee to influence their performance level; this could be achieved through effective strategic leadership practices (Zia-ud-Din et al., 2017).

Effective strategic leadership practice is considered a major ingredient for the successful performance of any organization operating in the ever-dynamic and complex environment of the 21st century. In the context of information uncertainty and resource scarcity, strategic leadership is required to confront the reality of environmental turbulence and a continuous need for appropriate organizational change to achieve performance goals. Strategic leadership in terms of the ability to foresee what the environment is likely to present or be like in the future, envisage the upcoming opportunities and threats, change according to the demands of different situations and enable employees to adapt to strategic changes

essential in the organizational development. Strategic leaders have a panoramic view of where the organization is coming from, where it is, and where it is going (Setiawan & Yuniarsih, 2018).
Furthermore, innovation and change management are intertwined with employee performance in DMBs. Innovation can directly impact employee performance by enhancing processes, improving customer service, and expanding employees' skill sets. Effective change management, on the other hand, ensures that these innovations are embraced, reducing resistance and facilitating a smooth transition. Furthermore, measuring performance and fostering a culture of continuous improvement are key elements that connect innovation, change management, and employee performance in the context of deposit money banks (Kaguru et al., 2020).

More so, resource allocation in the context of Deposit Money Banks (DMBs) refers to the process of distributing and allocating the organization's various resources, such as financial, human, technological, and physical resources, among different activities and departments to achieve the bank's strategic goals. Effective resource allocation is vital for optimizing operational efficiency, ensuring the delivery of high-quality financial services, and achieving long-term financial success (Justry & Lumumba, 2021).

Therefore, strategic leadership practices may influence employee performance in Deposit Money Banks. The relationship between strategic leadership practices and employee performance in DMBs is characterized by the alignment of organizational goals, effective communication, motivation, resource allocation, adaptability, and the fostering of a culture of innovation. It is against this background that this study seeks to examine the effect of strategic leadership practice on employee performance of deposit money banks in Nasarawa State, Nigeria.

Statement of the problem

Over the years employees' job performance in the banking sector in Nigeria specifically Nasarawa State has become a subject of concern as they remain key to the management of the banks and other stakeholders, as a result the management of the banking sector always look forward for best strategic leadership practices with hope to keep improving employees job performance to achieve the targeted goal of their organization. Yet, the job performance of most of the employees in the deposit money banks in Nasarawa State, Nigeria, is still below expectation.

However, it was discovered that various research has been done on strategic leadership, although most of the studies were conducted with an emphasis on different sectors. For instance, Aboramadan and Borgonovi's (2016) study focused on strategic leadership practices and the performance of nongovernmental organizations. Kihara (2017) studied strategic leadership practices and the performance of an Agricultural Non-Governmental organization in Nairobi; however, there is a paucity of studies focusing on charitable Ambulance Service organizations in Nairobi City County, Kenya. Subsequently, the study aimed at finding out how strategic leaders impact the performance of charitable Ambulance service organizations.

Further, despite these studies, there are limited studies carried out with a specific focus on deposit money banks in Nasarawa State, Nigeria. This study, therefore is intends to examine the effect of strategic leadership practices on employee performance of deposit money banks in Nasarawa State, Nigeria.

Objectives of the Study

The main objective of this paper is to examine the effect of strategic leadership practice on employee performance of deposit money banks in Nasarawa State, Nigeria. Specifically, the paper is designed to:

i. Examine the effect innovation on employee performance of deposit money banks in Nasarawa State, Nigeria.
ii. Assess the effect of resource allocation on the employee performance of deposit money banks in Nasarawa State, Nigeria.

LITERATURE REVIEW

Strategic Leadership Practice

Strategic leadership practice is concerned with capabilities of creating a sense of purpose and direction, critical enablers that allow interaction with key internal and external stakeholders in pursuit of high performance (House & Aditya 2017). Carter and Greer's (2023) view of strategic leadership practice is anchored on the thinking and visionary capabilities of strategic leadership, whose aim is to create an organization that is transformative. Shoemaker and Krupp (2020) argue that strategic leadership is not only concerned with the possession of unique abilities that allow for the absorption and learning of new information and ideas but having the adaptive capacity to appropriately respond to the dynamism and complexity of the external environment. They further posit that such abilities allow strategic leaders to continuously and tactically adjust the organization in response to the uncertain environment.

The core responsibility of high-performing leaders is to provide strategic direction to the organization, various departments and divisions within the organization, and to the people who ultimately implement strategic leadership. According to Daniel et al. (2016), strategic leaders shape the formation of strategic intent and strategic mission and influence successful strategic actions for the formulation of strategies and implementation of strategies, which yields strategic competitiveness above above-average returns. Leadership is and always has been about winning the hearts and minds of people to achieve a common purpose. The top-level executives within an organization have the duty to control the strategic process. They create policies, make decisions, and inform the human resources reporting to them about the tasks and objectives that must be fulfilled. Hence, they are the drivers to get things done. Strategic Leadership is the ability to anticipate, envision, sustain flexibility, and empower others to make strategic changes where necessary (Hitt et al., 2019). believe that the most crucial issue facing organizations is strategic leadership. Strategic leadership has led to the implementation of crucial competencies, strategies, and capabilities for their organization operations in achieving business success, competitive advantage, and the organization's goals.

Strategic leadership is a practice in which executives develop a vision for their organization that enables it to adapt to or remain competitive in a changing economic and technological climate. This is in respect of the development of the strategy, both in its formulation and its implementation and realization in everyday life. Strategic leaders are able to use this vision to motivate employees and departments, fostering among them a sense of unity and direction, in order to implement change within their organization or streamline its processes. Strategic leadership practice typically manages, motivates, and persuades staff to share that same vision and can be an important tool for implementing change or creating organizational structure within a business. It, therefore, focuses on strategies and the organization's future (Abdow and Abdikarim, 2015).

Montgomery (2018) argues that few leaders allow themselves to think about strategy and the future. Leaders should give direction to every part of the organization – from the corporate office to the loading dock. According to Otwori and Muturi (2019), strategic leadership practice encompasses innovation and change management, resource allocation, risk management, communication skills and empowerment and development, and the ability to anticipate, envision, maintain flexibility, and empower others to create strategic change as necessary. This study, therefore, adapts the definition of strategic leadership practice offered by Otwori and Muturi (2019) and uses innovation and change management, resource allocation, risk management, communication skills, and empowerment and development as the proxies for strategic leadership practice.

Innovation

Innovation is defined from various perspectives related to the contexts of every community segment, but basically in the organizational contexts, it is the implementation of new organizational methods in practices, workplaces, and external relationships of organizations (Organization for Economic Co-operation and Development, Camison & Villar-Lopez 2020). In this matter, innovation entails generating new concepts into practices in an organization. Referring to process theory, environmental factors, such as technology for innovation, would influence the employees' motivation to be equipped with the knowledge and skills needed to perform tasks and provide organizations with chances to reinforce values, attitudes, and behaviors (Mustafa et al., 2015). This process can lead to the desired outcomes when public-sector employees dedicate their capacities to serve the community. Innovation, then, is triggered by a sustainable competitive advantage, which determines the capability of the organization to constantly renew its valuable resources (Camison & Villar-Lopez, 2020). Camison & Villar-Lopez (2020) stated that technological innovation included process and product innovation, while non-technological innovation involved marketing and organizational innovation. Therefore, this study contributes to the aspect of organizational innovation in the public sector.

Damanpour and Aravind (2022) argued that organizational innovation is a fundamental strategic investment for the development of a sustainable competitive advantage (Camison & Villar-Lopez 2014). Similarly, Peters and Waterman (2018) said that it is a means for organizations to respond to dynamic environmental changes. Vigoda-Gadot et al. (2015) noted that innovation becomes a multidimensional trait of organizations and includes creativity, risk-taking, openness to change, future orientation, and pro-activeness (Ho, 2021). Even though innovation scholars have stressed the importance of organizational innovation for performance, there is still a lack of investigations regarding these relationships through a provision of the available organizational work resources.

Resources Allocation

Resources, as defined by Barney Jay (2019), include all assets, capabilities, organizational processes, firms' attributes, information, and knowledge controlled by the firm (Luján, 2017). These resources further comprise organizational assets/capabilities. They include shared knowledge, employee competency, capital equipment, employer brand, and organizational reputation and are great sources of competitive advantage and, hence, enhance organizational performance (Ahmed & Othman, 2017). Firms have a collection of assets, competencies, processes, skills, and knowledge that are valuable, rare, and difficult to copy and substitute that provides them a competitive advantage (Ande et al., 2018). Therefore, firms use their unique resources and capabilities to execute activities in order to ensure value maximization. The firm has resources and capabilities that it can translate into a strategic advantage (Mwikya & Khamah, 2020). Understanding the resources available to an organization and how they can be leveraged to enhance goal attainment is key to better performance (Karama et al., 2019).

Karama et al. (2019 affirmed that managers must generate and secure strategic resources that are valued, uncommon, non-imitable, and not substitutable to gain competitive advantage. However, the resource-based perspective does not explain how managers may accomplish this. In addition, the value creation idea that has been proposed based on this theory regarding valuable resources implies that the theory is self-verifying and is not empirically testable (Utami & Alamanos, 2022). The applicability of the resource-based paradigm is also limited, according to the authors. This is because the concept itself cannot be used in facing market challenges that are rapidly changing or dynamic due to the static nature of the theory and requires a long process of building the resources needed (Widjaja & Yuga, 2020). Hence, smaller enterprises are excluded from the resource-based paradigm since sustained competitive advantage cannot be built on static resources and thus fall outside of its scope. The theory displays elements of strategy implementation that influence service delivery, especially resource allocation.

Employee Performance

Employee performance distinct financial or non-financial result of the employee, which is directly related to the administration's performance and its achievement. Many earlier lessons stated important ways to increase employee performance and work engagement. Christian et al. (2021) recommends that the reality of high levels of work engagement improves the JP, TP, organization residency behavior, productivity, optional effort, continuance commitment, customer services, and affective commitment.

Employee performance is the attitude towards work-related conditions or aspects of the job. Senge (2019) was of the view that employee performance is more of a response to a specific job. Employee performance is an important element from an organizational perspective, as it leads to higher organizational commitment of employees, and high commitment leads to overall organizational success and development (Senge, 2019). Employee performance is associated with organizational trust and helps increase employee performance (Arnett et al., 2022). Employee performance also serves as a significant predictor in organizational commitment and retention (Kim et al., 2014). When employees are satisfied with their jobs, they are more willing to provide service that exceeds customers' expectations and positively influence customers' attitudes towards their service. In contrast, employees who are dissatisfied with their jobs are likely to have more occupational stress and be less productive (Skinner & Champion, 2018).

Employee performance affects leader- follower relationships (Sa'adah & Rijanti, 2022). Work performance is how well someone accomplishes their job (Kuswati, 2020). Job performance covers all actions, behaviors, and outcomes that support organizational goals (Abdi Mohamud, Ibrahim, and Hussein, 2017). Employee performance impacts business performance. Success depends on employees (Diamantidis & Chatzoglou, 2019). Thus, a company's success depends on its workforce's excellence. Organizations must improve task-completion procedures and identify human capital as a competitive advantage to achieve their goals (Ramli, 2019). An employee's behavior and performance (Abdi Mohamud et al., 2017). Performance goes beyond getting a bonus or raise (Ramli, 2019). Continuously enhances individual and organizational performance (Ramli, 2019). Most firms use employee performance to evaluate talent and productivity. Employees set goals and work hard to achieve, monitor, and improve their skills (Narayanamurthy and Tortorella, 2021).

According to Wibowo (2021), performance is the result of work, and work has a close relationship with the organization's strategic goals, customer satisfaction, and the economy. Meanwhile, according to (Bangun (2022), performance is the result of work achieved by someone based on job requirements (Job Requirements). Mangkunegara, 2020) suggests that employee performance (job performance) refers to the quality and quantity of work performed by an employee when carrying out tasks by the responsibilities assigned to him. Robbins (2001) shows that performance is the result or level of overall success of a person completing a task within a certain period. It can be concluded that employee performance is the work carried out by individuals or employees by their responsibilities within the organization by the agreed regulations within the organization. In other words, performance is the task assigned by the organization or company, and employees provide the final result.

Innovation and Employee Performance

Supriyanto and Soehari (2022) determined the effect of competence and innovation on employee performance. The study was conducted using primary data obtained from a survey of 160 employees of Bank Indonesia Department of Money Management (DPU). The data analysis method used is SEM with Lisrel 8.80 statistical software. The study found that competency and innovation had a positive and significant effect on the employee performance of Bank Indonesia. Department of Money Management (DPU). Data processing proves that competence and innovation simultaneously affect the performance of Bank Indonesia employees (DPU). It shows that the performance of Bank Indonesia employees (DPU) prioritizes the system. The results of competencies and innovations show a positive and significant impression, they show that the achievement performance of DPU employees, which is driven by competence and innovation possessed by DPU employees is more dominant and also encourages the birth of breakthroughs that can make the work process more effective and efficient.

Akunne and Ibrahim (2021) examined the extent to which innovation impacts employees' performance in the Nigerian Electricity Regulatory Commission Sector. The study adopted a research design based on data collected through questionnaire survey distributed to the staff of the Commission. Questionnaires were distributed electronically to 80 employees, and 60 completed questionnaires were returned for a response rate of 75%. Non-probability sampling techniques were used. Using descriptive and inferential statistics methods, this study found that a positive relationship existed between change management and employee performance in the Nigerian Electricity Regulatory Commission Sector. The sample size used for the study was too small.

Resource Allocation and Employee Performance

Wanjiku and Anyieni (2022) assessed the effect that resource allocation has on the performance of the Nyandarua County Assembly. The study was anchored on the resource-based view theory and applied the descriptive research design. Data was collected from the management team and members of the Nyandarua County assembly and thereafter entered into SPSS v.25.0 for analysis. The descriptive and inferential analysis with regression and correlation analysis was conducted. The findings from the regression analysis showed that 0.721 (72.1%) of the performance of the Nyandarua County assembly was associated with resource allocation. The Pearson correlation analysis results indicate that resource allocation had a positive and strong effect on performance with an R-value of 0.698 and p-values of 0.000. The study then concluded that resource allocation had positively affected the performance of the Nyandarua County assembly.

Ali et al. (2022) evaluated the effect of resource allocation on the organizational performance of Kenyan cement manufacturing firms. The target population was 209 staff members in five leading cement manufacturing companies in Kenya. The sampling method was stratified random sampling to obtain a sample of 137 respondents. The researcher used questionnaires to collect data. Data was analyzed through both descriptive and correlation analyses. The study concluded that resource allocation positively and significantly influences the organizational performance of cement manufacturing companies in Kenya. The study recommended that different departments of cement manufacturing companies have adequate human resources to avoid workforce shortfall by utilizing the best recruitment and selection policies.

Gitau et al. (2020) examined organizational resource allocation, strategy communication, senior management support, monitoring and control of strategies, and how they affect the organizational performance of selected supermarkets in Nairobi County. The resource-based view theory, agency theory, and institutional theory were used. The study adopted a descriptive research design, and it targeted 27 supermarkets operating in Nairobi County and their management staff, which included the operations and human resource managers. The target respondents were 54, two from each of the supermarkets. A census was used; thus, all of the 54 respondents were included in the study. Hence, the unit of analysis was the 27 supermarkets in Nairobi County, while the accessible population was the operations and human resource managers. The researcher collected information using structured questionnaires. A description of patterns in the collected data was done using mean, standard deviation, frequencies, and percentages. Regression analysis was used to establish the relationship between strategy implementation and its effect on the performance of the selected supermarkets in Nairobi County so that relevant conclusions could be made. The findings were presented in the form of tables, figures, charts, and discussions. The study established that monitoring and control of strategies had the largest effect on organizational performance, followed by strategy communication, organizational resource allocation, and lastly senior management support. This study concluded that strategy implementation had a positive and significant effect on organizational performance.

Strategic Leadership Theory

This study is anchored on the Strategic Leadership Theory, Strategic leadership theory was developed by House and Baetz in 1979. The theory holds that strategic leaders are allowed to establish and re-create explanations for their organizations' continued existence (Blackburn, 2019). In addition, the theory indicates that strategic leaders shape the formation of mission and purpose and influence successful strategic actions for the creation and execution of strategies, which generate competitiveness in their organizations. Also, the theory indicates that leaders can influence their followers to effectively aid towards the attainment of pre-established goals as well as objectives (Kriger & Zhovtobryukh, 2013). Leaders at strategic level must develop knowledge and awareness, the ability to think creatively and should be capable of creating and connecting ideas (Kriger & Zhovtobryukh, 2013). Therefore, leaders in organizations play a major role in enhancing strategic thinking in terms of creativity and innovativeness. Bhattacharyya and Jha (2018) support this argument by indicating that strategic leaders must make choices in the context of the future, taking into account the current as well as the likely future. They must ensure that the tactics they employ allow for the anticipated market environment's dynamism. Strategic leaders shape the formation of strategic intent and strategic mission and influence successful strategic actions for the formulation of strategies and implementation of strategies, which yields strategic competitiveness and above average returns. A number of scholars have observed substantial interest in strategic leadership, such as reflected in works by Vera and Crossan (2004), Colbert et al. (2008), and de Luque et al. (2008). This interest was highlighted in the comprehensive treatment of strategic leadership by Finkelstein et al. (2009). Further, Ireland and Hitt (1999) observed that strategic leaders create meaning and purpose for the organization with a powerful vision and mission. It is evident from the literature that organizations are set up to achieve certain strategic goals. It is the leader who can influence organizational members to contribute effectively towards the accomplishment of pre-determined goals and objectives (Obiwuru et al., 2011).

METHODOLOGY

This study adopted a survey research design to obtain primary data from staff of eleven selected deposit money banks in Nasarawa State, Nigeria, namely: Access Bank Plc, Eco Bank Plc, Fidelity Bank Plc, First Bank Plc, GTBank Plc, Keystone Bank Plc, Polaris Bank Plc, UBA Plc, Union Bank Plc, Unity Bank Plc, and Zenith Bank Plc. The study population was 609 staff across bank branches in Lafia, Keffi, Nasarawa, and Karu. Using Yamane's (1967) formula, a sample size of 241 was determined and increased by 30% to 313 to account for non-responses. The sample was proportionally distributed among the banks and selected using a convenience sampling technique, focusing on senior staff due to their insights into leadership practices and employee performance. Data was collected using a structured questionnaire adapted from established studies and measured on a five-point Likert scale. The instrument covered demographic details, independent variables (innovation and resource allocation), and the dependent variable (employee performance). Validity was ensured through expert reviews, and reliability was confirmed using Cronbach's alpha, with all constructs exceeding the threshold of 0.7. Data analysis employed Partial Least Squares Structural Equation Modeling (PLS-SEM) using SmartPLS to assess both measurement and structural models.

Results And Discussion

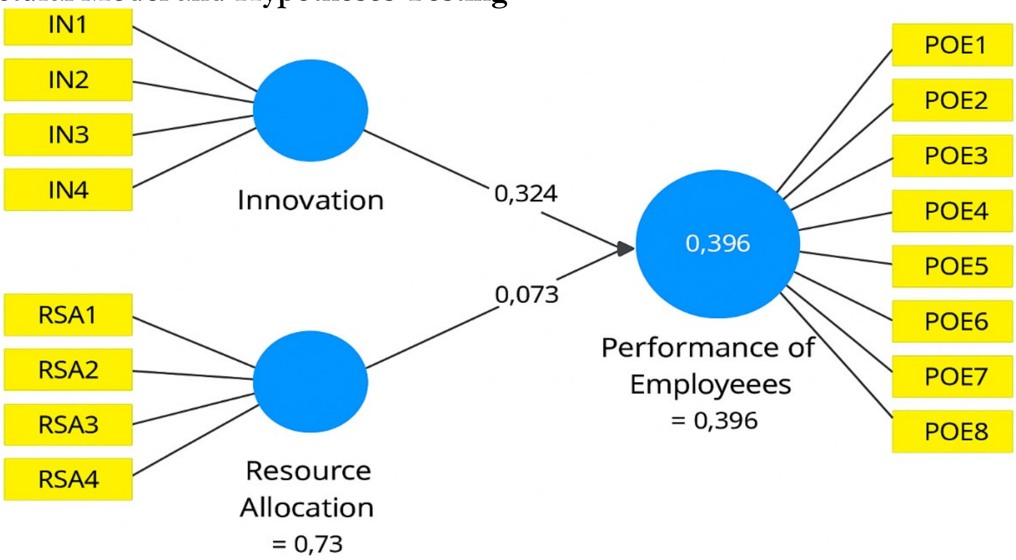
Table 1 Descriptive Statistics of Dependent and Independent Variables

Variables	*Min.*	*Max.*	*Mean*	*Standard Deviation*	*Kurtosis*	*Skewness*
Employee Performance	*1*	*5*	*2.763*	*1.508*	*-1.393*	*0.205*
Innovation and Change Management	*1*	*5*	*2.890*	*1.437*	*-1.292*	*0.075*
Resources Allocation	*1*	*5*	*1.796*	*0.484*	*-1.354*	*0.165*

Source: author's computation SmartPLS, 2025

Table 1 presents the descriptive statistics for the dependent variable (Employee Performance) and the independent variables (Innovation and Change Management and Resource Allocation). Employee performance had a mean score of 2.76 (SD = 1.51), with scores ranging from 1 to 5, indicating a moderate level of perceived performance among the respondents. The distribution was slightly positively skewed (skewness = 0.21) and exhibited light-tailed characteristics (kurtosis = -1.39). Innovation and change management recorded a mean of 2.89 (SD = 1.44), suggesting a slightly above-average perception among respondents. Its distribution was also slightly positively skewed (skewness = 0.08) and platykurtic (kurtosis = -1.29), indicating a relatively flat distribution compared to a normal curve. Resource allocation had the lowest mean of 1.80 (SD = 0.48), pointing to a low perception of adequate resource allocation within the studied banks. This variable also showed a light-tailed distribution (kurtosis = -1.35) and slight positive skewness (skewness = 0.17), suggesting a concentration of responses on the lower end of the scale. These results indicate that respondents perceived moderate employee performance, moderate innovation efforts, and low levels of resource allocation in the selected deposit money banks in Nasarawa State.

Structural Model and Hypotheses Testing



Source: Author's Computation Via SmartPLS, 2025

Table 2: Results of the Structural Model Analysis (Hypotheses Testing)

Hypotheses	Relationship	Path Coefficient Beta (β)	Standard Error	T Statistics	P value	Decision	R^2	Adj. R^2
H_{O1}	INV->POE	0.324	0.064	5.025	0.000	Rejected	0.396	0.385
H_{O2}	RSA->POE	0.073	0.050	1.574	0.116	Accepted		

Discussion of Findings

The structural model analysis revealed a significant positive effect of innovation on employee performance in deposit money banks in Nasarawa State (β = 0.324, p = 0.000). This finding implies that strategic leadership practices that promote innovation contribute meaningfully to enhancing employee performance in the banking sector. This aligns with the empirical findings of Supriyanto and Soehari (2022), who found that innovation, alongside competence, significantly influences employee performance in Bank Indonesia. Similarly, Akunne and Ibrahim (2021) confirmed a positive relationship between change management (a proxy for innovation) and employee performance in the Nigerian Electricity Regulatory Commission. These studies support the notion that fostering a culture of innovation through strategic leadership practices can lead to improved efficiency, creativity, and effectiveness among employees. Furthermore, this finding is consistent with the Strategic Leadership Theory, which emphasizes the importance of visionary leadership and the ability to foresee future trends and adapt accordingly. Leaders who encourage innovative practices help employees respond to dynamic environmental changes, enabling organizations to maintain competitive advantage and achieve performance objectives.

The second hypothesis, which tested the effect of resource allocation on employee performance, was not statistically significant (β = 0.073, p = 0.116). This suggests that in the context of deposit money banks in Nasarawa State, resource allocation alone may not significantly enhance employee performance without being coupled with other strategic leadership factors such as communication, empowerment, and innovation. This finding partially contrasts with the empirical studies of Wanjiku and Anyieni (2022), Ali et al. (2022), and Gitau et al. (2020), who found a significant positive relationship between resource allocation and organizational performance. However, the divergence could be attributed to contextual differences, while those studies were conducted in legislative, manufacturing, and retail sectors, this current study focuses on the banking sector, which might have unique performance determinants. From the theoretical perspective, although the Strategic Leadership Theory underscores the importance of aligning resources to strategic objectives, it also stresses that leadership's ability to motivate, empower, and innovate is equally crucial. Therefore, the non-significance of resource allocation in this study suggests that strategic allocation must be complemented by other leadership practices to influence employee performance effectively.

CONCLUSION AND RECOMMENDATIONS

This study examined the effect of strategic leadership practices, specifically innovation and resource allocation on employee performance in deposit money banks in Nasarawa State, Nigeria. The findings revealed that innovation has a statistically significant positive effect on employee performance, suggesting that strategic leadership practices that promote innovative thinking and adaptability play a vital role in enhancing employee productivity and organizational effectiveness. This underscores the importance of innovation as a key component of strategic leadership in the ever-evolving banking sector. Conversely, the study found that resource allocation did not have a statistically significant effect on employee performance. While resource allocation is essential for operational success, this finding indicates that it may not independently drive performance outcomes in the absence of other complementary strategic practices. In line with the Strategic Leadership Theory, the study affirms that strategic leaders must not only allocate resources but also inspire, innovate, and guide their teams toward achieving organizational goals. Therefore, for deposit money banks in Nasarawa State to optimize employee performance, they must prioritize strategic leadership practices that foster a culture of innovation, adaptability, and proactive engagement. The paper recommends the following:

i. Deposit money banks should prioritize innovation-driven leadership by fostering a culture that supports creativity, continuous learning, and adaptive change. Management should invest in training programs, digital tools, and systems that encourage employees to generate new ideas and improve service delivery. By embedding innovation into their strategic leadership practices, banks can boost employee motivation, enhance performance, and remain competitive in a dynamic banking environment.

ii. Deposit money banks should integrate resource allocation with complementary strategic leadership practices such as effective communication, employee empowerment, and performance evaluation. Allocating resources alone is not sufficient; leaders must also ensure that these resources are aligned with organizational goals and are effectively utilized. By combining resource provision with supportive leadership behaviors, banks can better leverage their investments to improve staff productivity and organizational outcomes.

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