

# Leadership Training at First Bank of Nigeria: A Case Study

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## Abstract

The purpose of this qualitative exploratory case study was to identify components of an exemplary leadership development program that might serve as a framework for training leaders for banking organizations in Nigeria. We recruited 30 managers, supervisors, and officers with at least 10 years of banking experience to explore leadership development at First Bank of Nigeria's headquarters in Lagos, Nigeria. Face-to-face interviews focused on exploring what type of corporate leadership training strategies worked for First Bank of Nigeria. Four major leadership development strategies that worked best for First Bank emerged from analysis of the qualitative data obtained: (a) classroom, online, and on-the-job training; (b) mentoring; (c) coaching by a shadow manager; and (d) personal development and work-life balance. First Academy, the training arm at First Bank of Nigeria, has made valuable contributions to developing leaders in the fast-paced Nigerian banking industry. Other banking organizations in Nigeria may want to incorporate leadership training strategies used by First Bank of Nigeria.

**Keywords:** bank, mentoring, nigeria, leadership, shadow, training, coaching, First Bank of Nigeria, work balance

## 1. Introduction

The availability of leaders has been a major problem for many years in most developing nations, particularly in the continent of Africa, where nepotism, tribalism, fraud, and gender/race discrimination have been prevalent in both private and governmental sectors of the global economy. Organizations in developing countries require an infallible system to nurture the talent needed for immediate and growing high-profile leadership positions in the fast-paced, technology driven 21st century. Modern successful corporations in Africa need to attract and develop leaders for global corporate survival, to stimulate economic growth, and to improve public welfare.

Leadership development training represents an important key for unlocking the idle creative potential of employees and helps to equip them with the necessary skills and knowledge to meet current and future needs of an organization. The increasing interest in leadership development results from the belief that leadership training makes a difference to an organization. Leadership development is a process of expanding the capacity of individuals to adopt leadership roles and efficiently participate in the leadership process (Van Velsor, 2010). The development of leadership involves the process of identification, recruitment, training, and engagement of individuals to assume leadership roles in any organizational structure. As stated by Allen and Roberts (2011), "Leadership development is a continuous, systemic process designed to expand the capacities and awareness of individuals, groups, and organizations in an effort to meet shared goals and objectives" (p. 67).

The need for programs of leadership development in the banking industry became apparent in the mid-1990s when colonially trained leaders began to retire and positions became available to a new generation of African nationals. Rather than using expatriate personnel, the Nigerian government chose to develop indigenous employees; however, the focus on semi-skilled training programs created a short supply of skilled and executive leaders (Olarere & Adetunji, 2013). Because of the shortage of skilled nationals, the Federal Government of Nigeria established leadership development programs along with professional organizations such as the Chartered Institute of Bankers in Nigeria. In addition, large-scale in-house leadership training programs emerged, including First Academy at First Bank of Nigeria (Olarere & Adetunji, 2013).

### *1.1 Background of Host Organization*

First Bank of Nigeria Ltd. (First Bank) is a leading century old global financial institution headquartered in Lagos, Nigeria that operates in the continents of Africa, Europe, and Asia with international presence in London, United Kingdom; Paris, France; Johannesburg, South Africa; Beijing, China; Abu Dhabi, United Arab Emirates; and Kinshasa, Democratic Republic of Congo. The origin of First Bank dates back to 1984 with the founding of Bank of British West Africa, which in turn became Bank of West Africa in 1957. In the 1960s, the bank emerged as the Bank of West Africa and then became the Standard Bank of Nigeria. In 1979, the Standard Bank of Nigeria became the First Bank of Nigeria. In 2009, First Bank achieved the status of the largest bank in Nigeria. First Bank employs more than 10,000 culturally diverse staff in 12 subsidiaries consisting of asset management, investment banking, capital markets, insurance, microfinance, private equity, mortgage, and pension custodian services.

First Bank has been able to keep up with operating in a global environment and responding to the needs of investors, customers, employees, regulatory authorities, and other stakeholders. The widespread customer base cuts through all components of the economy from manufacturing, agriculture, commercial, oil, and gas to financial services sector. First Bank produces good returns on investments and is an attractive choice for shareholders. In 2014, the Bank's earnings increased by 21.3% to close at N480.6 billion, profit after tax rose by 17%, shareholders' funds increased by 11% to close at N522.9 billion, and total assets rose by 12% to close at N4.34 trillion (First Bank, 2014). First Bank seeks to advance from second to first place as Sub-Saharan Africa's leading diversified financial services group by expanding operations and services in diversified businesses and geographic presence both within Nigeria and elsewhere in the world market (First Bank, 2011).

First Bank deliberately recruits from all tribes in Nigeria to balance intertribal relationships that helps with checks and balances of a culturally diverse organization and a culturally diverse customer base. Although English is the official national language, some 500 languages are spoken throughout the country that illustrates the need for a diversified staff. Because staffs are from different cultural and educational backgrounds, First Bank strives to provide training that contributes to a conducive work environment by investing heavily in in-house strategies. For example, in 2010, 7,626 (98%) staff received 421,000 training hours (First Bank, 2010). Training begins on the first day of employment and is a continuous process, thereafter.

## **2. Method**

The purpose of this qualitative exploratory case study was to identify effective components of a leadership development training program that might serve as a framework for building future leaders for banking organizations in Nigeria. We solicited the voluntary participation of 30 managers, supervisors, and officers to explore leadership development at First Bank's headquarters in Lagos, Nigeria. With the assistance of the Human Capital Department of First Bank, we identified and conducted face-to-face interviews with executives who had at least 10 years' experience in the banking industry. Seven females and 23 males volunteered to participate. All of the participants were college graduates and 21 of the 30 held a master's degree. Twenty-four participants had 10-20 years of experience and six had between 21 and 30 years of banking experience.

## **3. Data Collection**

Individual interviews were conducted that were recorded, professionally transcribed, and reviewed by an external reviewer. Focus of the interviews was driven by one major research question: What type of corporate leadership strategies work best for First Bank of Nigeria?

## **4. Data Analysis**

Audio recording of participant responses to open-ended interview questions and the use of NVivo 10 software ensured accuracy in data collection and qualitative data analysis to generate themes and patterns of leadership development. Four major leadership strategies that work best for First Bank emerged from the analysis of the data obtained: (a) classroom, online, and on-the-job training, (b) mentoring, (c) coaching with a shadow manager, and (d) personal development and work-life balance.

## **5. Results**

### *5.1 Classroom, On-The-Job, and Online Training*

The study participants expressed that classroom, on-the-job, and online training were the most important components of leadership development. Talent development is key to success and First Bank in response for the need for recruiting, training, managing, and retaining of a pool of talented leaders established First Academy Foundation School in 2011 in recognition of the lack of business leadership programs in the banking industry.

First Academy is affiliated with the Global Association of Corporate Universities and Academies and the World Institute of Action Learning.

First Academy is well organized and recruits top consultants from anywhere in the world to facilitate leadership development programs. As noted by participants,

First Academy is our training school, it anchors our training, and the academy trains employees based on their current job roles and future job opportunities. The Academy trains employees to be the best; the academy is very successful and effective. The academy is a major citadel for leadership development in First Bank. Since the establishment of First Academy, it has helped the leadership both from lower and upper levels tremendously with positive reports on the bank performance. First Academy is one of the best centers in the country run by a team of highly professional instructors.

First Academy builds professionals and equips employees with skills required to become successful leaders. First Academy is very effective and efficient in producing talented leaders. Every employee must attend one or more programs in the Academy annually. First Academy's learning centers are scattered around the country in Abuja, Lagos, Kano and Ibadan with access to an electronic library of several thousand holdings. The academy has invested in e-learning, physical classrooms, and virtual libraries to allow all employees with an opportunity to equip themselves with latest information for the benefit of both the employees and the bank. The Academy has full time managers who follow-up on the trainees to ensure that the training impacts on them and their work. First Academy recently introduced training for retiring members *for life after First Bank*.

### 5.2 Mentoring

First Bank assigns every new employee to a mentor who guides them during the first 2 to 3 years of employment. The mentor may or may not be the employee's direct manager or supervisor. The mentors guide mentees in formulating a 5-year career plan and meets with employees at regular intervals to discuss their employment at First Bank, progress on goal achievement, future aspirations, and so forth. At the end of the formal mentor program employees can select anyone as their mentor and personal development coach. The formal mentor program began in 2001. The participants expressed the following about their experience with mentoring.

Mentorship is an integral part of First Bank. The mentorship program has taught me a lot of things ranging from people management skill, interpersonal relationship, to business building skills. My mentor taught me what is needed to be done and those things I should do early in my career. The mentors are so compassionate, they go beyond work, and they can even take it at a personal level. Mentorship is a leadership development strategy that works best for First Bank.

New employees spend the first three months in an orientation program before deployment to their work assignment and at that point, they are assigned a mentor. Supervisors provide regular on-the-job training and coaching and in addition, employees attend First Academy for short-term courses and engage in on-line training to ensure they are up-to-date with expected knowledge and skills. Selected employees are subsequently attached to a manager or supervisor in the role of a shadow manager to prepare them for a leadership role in First Bank.

### 5.3 Shadow Manager

Every supervisor and manager has an understudy (i.e., a shadow manager) who is available that can step-in immediately if a manager or supervisor vacates the position or goes on vacation, for example. The shadow manager initiative is an effective strategy for leadership development adopted by First Bank. The current leaders in key positions assume responsibility for teaching and coaching shadow managers. The shadow manager is given responsibilities from the onset with respect to the potential future job role. The shadow manager may act on behalf of the manager but cannot take decisions without obtaining approval from the manager. The following participant comments provide a good overall assessment of the shadow manager leadership strategy.

This [shadow manager] in essence works when a prospective leader needs to occupy a position. We will have to place someone working in the shadow of the present manager such that when the manager leaves the position, the shadow manager will occupy such position; the practical essence of this is that the shadow manager already knows more about the job position and job roles. This works at various levels of leadership in First Bank. It is a way in which a junior colleague will also know or act on behalf of the manager who can delegate the job role to the shadow manager, to train the person and to act in shadow and if there is need for change in leadership, we already have someone on ground to occupy the position.

#### 5.4 Personal Development and Work-Life Balance

First Bank's leadership training strategy not only focuses on personal development but also on the balance of work and life. As one participant said, "Bank training comprises of managing yourself, managing your boss, and managing your subordinate as well as life work balance." Personal development is an integral part of First Bank's leadership training especially in the area of information technology. Two-thirds of the participants expressed that teamwork and team synergy contributed to work-life balance. One participant explained.

My mentor contributed to my personal development and leadership skills by teaching me the skills and confidence to take a decision to influence business strategy, and motivate my ability to think strategically about our bank and others on the way forward in boosting Nigeria economy via banking mechanism.

### 6. Discussion

Leadership development nurtures the creative potential of employees and enhances organizational effectiveness (Amagoh, 2009; Houghton & DiLiello, 2010; Mabey & Finch-Lees, 2008; Obisil, 2013). Corporations that have a commitment for recruitment and selection of employees with leadership potential can create leadership development programs to ensure a steady flow of successful leaders who can achieve significant accomplishments (Ross, 2008). Dalakoura (2010) posited that leadership development involves a structured series of training activities for developing employees to assume key organizational positions.

Leadership is the driving force behind the success of an organization (Banyai, 2009) and starts with top executives in assessing the ability of lower level employees who have potential leadership abilities (Boyatzis, 2008). Global organizations require leadership development initiatives to be an integral part of the strategy of a corporation (Mu & Anjani, 2011). CEO Bisi Onasanya's 2012 interview with *The Punch* newspaper can best describe First Bank's commitment to human capital development:

As a service organization, our [First Bank] reliance on knowledge workers cannot be overemphasized. Indeed, I daresay that the attraction and retention of the best human capital available in our market represents one of our greatest challenges. Furthermore, honing the skills, knowledge and capabilities of our workforce for competitive advantage is a never-ending pursuit. First Bank shall continually invest in its people, in order to uphold superior performance, sustain shareholder value, and assure the bank's future successes in a sustainable manner.

First Bank, like other high performing companies, exhibits a commitment to employee training and development. The 30 managers, supervisors, and officers that we interviewed reported that First Bank takes employee training seriously and invests huge resources and personnel. Training is a Key Performance Indicator and mandatory for everyone at First Bank to attend a minimum of 20 hours of training annually. First Academy provides well equipped learning centers that offers training for every level of staff. The Academy offers both off-line and online learning opportunities and recruits professionals from within and outside the country to provide top quality training that enhances employees' effectiveness. The Academy's training program for new recruits is recognized for exemption by the Chartered Institute of Bankers of Nigeria, the umbrella professional body for bankers in Nigeria. At First Bank, leadership development training programs provides employees with leadership skills, instills confidence, and encourages career progression on the organization's ladder. As noted by one participant, "First Academy is really the heart beat of First Bank as it continually equips employees with relevant skills to excel in the market place."

Mentoring at First Bank involves pairing junior level individuals with senior level executives. According to Bass (1990), effective mentoring enables mentees to increase self-esteem, gain visibility, and build friendship with senior management colleagues. A positive impact on both mentee and mentor is a reflection of the mentoring process on an organization's effectiveness (Bass, 1990). Mentoring helps in facilitating exposure, sponsorship, and challenging assignments for the mentee (Yukl, 2006).

Organizations that have implemented quality-mentoring programs benefit from experienced leaders who pass knowledge on to less experienced leaders (Yukl, 2006). Mentoring offers self-development and networking opportunities for both mentor and mentee who has an opportunity to build a relationship with senior managers (Bass, 1990). Coaching is a way of mentoring employees to assume top leadership positions (Thomas & Pirtle, 2010). Executive coaching can increase performance of potential leaders, as well as the effectiveness of an organization. Mentoring helps in facilitating exposure, sponsorship, and challenging assignments for the mentee (Yukl, 2006).

The First Bank business continuity plan is anchored on the use of a shadow manager strategy to ensure that the bank does not suffer a set back in the event of non-availability of a substantive manager. The shadow manager is equipped with the necessary skills to take over the mantle of leadership. Although the shadow manager concept duplicates roles, it ensures smooth succession and guarantee business continuity. To be competitive in the global business environment, First Bank recognizes the need to develop and expand a highly skilled workforce and build a leadership program for effective leadership succession.

Work life balance entails the management of work commitments with personal responsibilities. Lockwood (2003) revealed work life balance is a predominant issue in the workplace due to numerous responsibilities and commitments. Global competition, family values, renewed interest in personal lives, and an aging workforce all contribute to the interest of a work life balance. Research literature suggests that in order for an organization to obtain a competitive advantage, corporations must provide training programs that fulfill work life balance challenges that meet needs of both employees and the organization (Bird, 2006). First Bank's leadership development program does not just focus on skills necessary to carry out the job functions but also extends to personal and social life to achieve a work-life balance. For example, First Bank's leadership program includes socials such as cocktail and dinner events with executives of the bank to prepare for a social life as a professional.

As an equal opportunity employer, First Bank seeks to develop and retain a highly knowledgeable and skilled workforce with a variety of approaches to leadership development. A major commitment to training and initiatives like job shadowing, mentoring, coaching, and succession planning are key to personal and professional development of employees at all levels of First Bank. First Academy, the first corporate academy of its kind in Nigeria, maintains learning centers throughout the country that provides classroom training and e-learning with virtual libraries that allows all employees with an opportunity to prepare for future roles. First Bank has a culture of continuous learning that mutually benefits both employees and the organization.

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