

▶ Coaching Culture for Business Case Study

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**DEVELOPING A COACHING CULTURE FOR BUSINESS IMPACT
COMMERCIAL BANK OF AFRICA LIMITED (CBA)**

WRITTEN BY CREATIVE METIER ON BEHALF OF FSD AFRICA AS PART OF THE 'BUILDING THE MARKET
FOR EXECUTIVE COACHING IN THE FINANCIAL SECTOR IN SUB-SAHARAN AFRICA' INITIATIVE



About FSD Africa

Based in Nairobi, FSDA is a non-profit company, funded by the UK's DFID, which promotes financial sector development across sub-Saharan Africa.

FSD Africa sees itself as a catalyst for change, working with partners to build financial markets that are robust, efficient and, above all, inclusive. It uses funding, research and technical expertise to identify market failures and strengthen the capacity of its partners to improve access to financial services and drive economic growth.

FSD Africa is also a regional platform. It fosters collaboration, best practice transfer, economies of scale and coherence between development agencies, donors, financial institutions, practitioners and government entities with a role in financial market development in sub-Saharan Africa. In particular, FSD Africa provides strategic and operational support to the FSD Network.¹

FSD Africa believes strong and responsive financial markets will be central to Africa's emerging growth story and the prosperity of its people.

About Creative Metier

Creative Metier is a consultancy specialising in Executive Coaching and Mentoring, Senior Leadership Development, Strategic HR and Organisational Development. We support senior leaders and their organisations, often operating in highly complex environments, to develop the capacity to deliver on their strategic objectives, and to resolve the most challenging issues they face.

Creative Metier delivers executive coaching for senior leaders committed to delivering institutional results and challenging objectives. Creative Metier's international team of professional executive coaches have coached 246 leaders in 41 countries worldwide, with over 100 of these CEOs and senior leaders working in the financial services sector globally.

Executive coaching is carefully customised to meet individual leaders' needs and schedules, supporting them to implement or respond to discontinuous change, resolve complex problems and address serious strategic issues. Creative Metier coaches provide structured support to cover all aspects of change management including stakeholder management, institutional structure, team capacity, organisational culture and performance. An executive coaching programme is framed by specific goals and aims to support the identification and building of wide and sustainable support networks for the future.

¹Creative Metier's business coaching is designed to specifically address the needs of the business and its leaders, and incorporates a range of consulting expertise in addition to coaching support to ensure the development of the business.



TABLE OF CONTENTS

1.0	INTRODUCTION	5
2.0	CBA GROUP	6
3.0	BUSINESS CHALLENGE	7
4.0	THE SOLUTION: Coaching, Career and Leadership Development, Engagement Training	7
4.1	How the Leaders Coach	8
4.2	Getting Staff Buy-In	10
5.0	IMPACT	11
5.1	Reactions	11
5.2	Learning	11
5.3	On-the-Job Application	12
5.4	Business Results	12
6.0	WHAT THE FUTURE LOOKS LIKE FOR CBA	13

1.1 INTRODUCTION

Leaders in the financial sector are under constant pressure and scrutiny to ensure the sustainability and profitability of their institutions. Executive coaching is fast becoming a critical tool globally to support them to achieve impact on business performance.

Executive coaching is the delivery of structured one-to-one support, usually by conversation, by professional executive coaches to enable leaders to achieve specific organisational or leadership objectives over a defined period; and it closes the gap between potential and performance and enables the individual to optimise their contribution to the organisation.

This publication presents the case of a leading African financial services firm – Commercial Bank of Africa Limited (CBA) – that has made the strategic decision to invest intentionally in the development of a coaching culture. CBA's leadership is determined that a culture of employee engagement, empowerment and the use of coaching in leadership and management will enhance employee productivity and contribute to business performance.

FSD Africa's Investment to Stimulate the Executive Coaching Market in Africa

FSD Africa has partnered with Creative Metier and Strathmore Business School in an initiative aimed at stimulating the growth of the executive coaching market across the financial sector in sub-Saharan Africa and at raising awareness of the business case for executive coaching for senior leaders in the sector. As part of this initiative, several executive coaching related activities have been hosted in Kenya, Uganda, Zambia and Nigeria including:

- Promotional events to make the business case for executive coaching to leaders in the financial sector in Kenya, Zambia and Uganda
- Roundtable discussions with key representatives of the coaching community in Kenya and Zambia to address how coaches can extend their reach to the financial sector
- An advanced coach programme workshop for accredited Executive Coaches to orient them to the needs of the financial sector in the region
- A workshop for leaders in the financial sector on how to build a coaching culture within their institutions
- Six months of executive coaching from professional, accredited coaches from across the region for 10 selected CEOs in East Africa

FSD Africa and Creative Metier have produced case studies featuring African financial institutions that have invested in developing a coaching culture and can demonstrate early-stage impact. These studies illustrate the business case for coaching in the dynamic financial sector in Africa, and will arm those seeking to make a case for this type of investment with evidence of impact on the bottom line.

2.0 CBA GROUP

CBA is the largest privately-owned bank in East Africa, with representation in Kenya, Tanzania and Uganda. In addition to providing services to the Corporate and Personal Banking market segments there is now also strong focus on targeting the Small and Medium Enterprise (SME) segment.

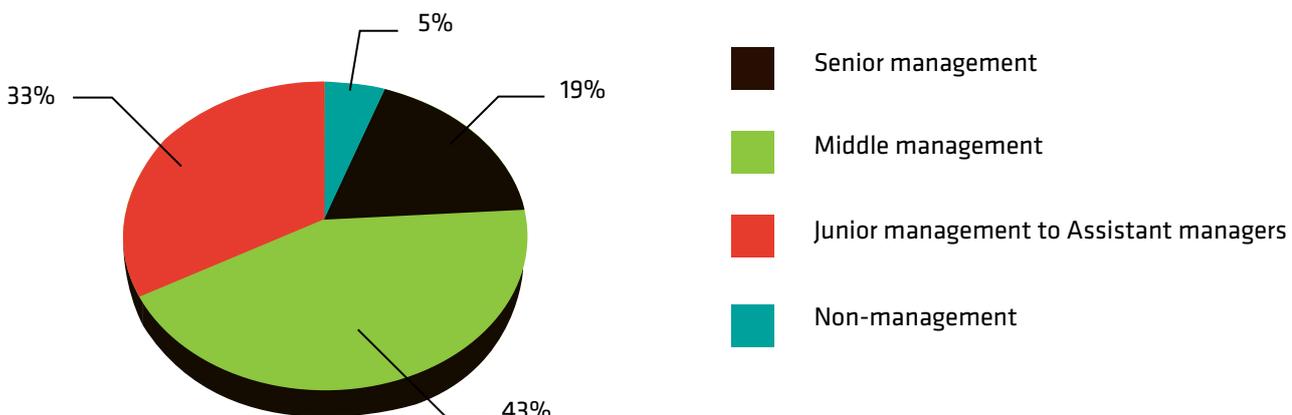
CBA is one of the leaders in innovation in the banking space, being the first to offer fully digital banking channels, M-pesa¹ and M-shwari² products, 105% mortgage financing and foreign currency based mortgages and credit cards. It has gained a good reputation for being one of the financial service providers to offer banking solutions tailored to the local market.

CBA Profile

Founded	• 1962
Leadership	<ul style="list-style-type: none"> • Board of Directors, Chaired by Mr.Desterio A. Oyatsi • Group Managing Director: Mr. Isaac Awuondo • CEO Kenya: Mr. Jeremy Ngunze
Organisation size	• Over 1000 employees
Geographical coverage	• Kenya, Tanzania and Uganda
Products	• Loans, credit cards, savings, investments, mortgages

Description	Kes. Billions		
	2013	2014	Growth
Total assets	146	197	35%
Net customer loans/ advances	69	100	45%
Customer deposits	104	139	34%
Number of customers (millions)	5.6	10.6	89%
Number of M-Shwari customers		9.2	

CBA Kenya: Staff Distribution



¹ A mobile phone-based money transfer service, launched in 2007 by Vodafone for Safaricom and

² A banking product for M-PESA customers that allows them to save and borrow money through their mobile phone while earning interest on money saved Vodacom

3.0 BUSINESS CHALLENGE

CBA was “prompted to use coaching because the organisation is growing fast - different skills sets are coming in.” Jeremy Ngunze, CEO Kenya

CBA began to give some serious thought to building and embedding a coaching culture in 2013. At the time, the financial sector was developing and deepening faster than the overall economy, fuelled by Kenya’s advancement in mobile banking and other delivery channels that were enabling financial inclusion. Banks were diversifying their products and services to capture a larger share of the market, agency banking was on the rise, as were Deposit Taking Microfinance Institutions (DTMs) which then accounted for 1.6 million deposit accounts (CBK, 2012). The financial landscape was changing rapidly.

In addition, a new generation of professionals were entering the labour market whose expectations of their employers and approach to employee engagement marked a cultural shift. In order to survive the competitive environment, banks sought to innovate their products and services, embrace new technology and adapt their cultures to the changing landscape.

CBA was well aware of the changing landscape, and particularly the shifting demographics of its workforce. A total of 65% of its staff are Generation Y. The HR department understood the need to do something radical to be able to compete, innovate and inspire younger employees to high performance.

“Driven by the pressures to get more achieved with the same resources, and to respond to the needs of generation Y, we identified leadership development as a key means to motivating staff and ultimately improving performance and productivity levels.” Irene Kamau, Group Head of Human Resources

Introducing coaching skills as a core component of leadership and management was envisioned by HR as one strategic way to support a new way of working that would benefit all staff. According to the Group Managing Director of CBA Group, “coaching (is what) creates a big culture change.”

“[A] combination of building capacity and culture change and responding to a changing demographic, changing demands and feeling the need to adapt and equip managers to adapt to the changes, necessitated the need for a coaching intervention”. Isaac Awuondo, CBA Group Managing Director

In the context of a larger rebranding exercise that engaged staff to refresh the bank’s values and define the accompanying behaviours, CBA launched several initiatives, key among them, programmes for equipping managers to have effective career conversations with their team members. Two programmes were rolled out to address this: Career Development and the Managers as Mentors programme.

4.0 THE SOLUTION: COACHING, CAREER AND LEADERSHIP DEVELOPMENT, ENGAGEMENT TRAINING

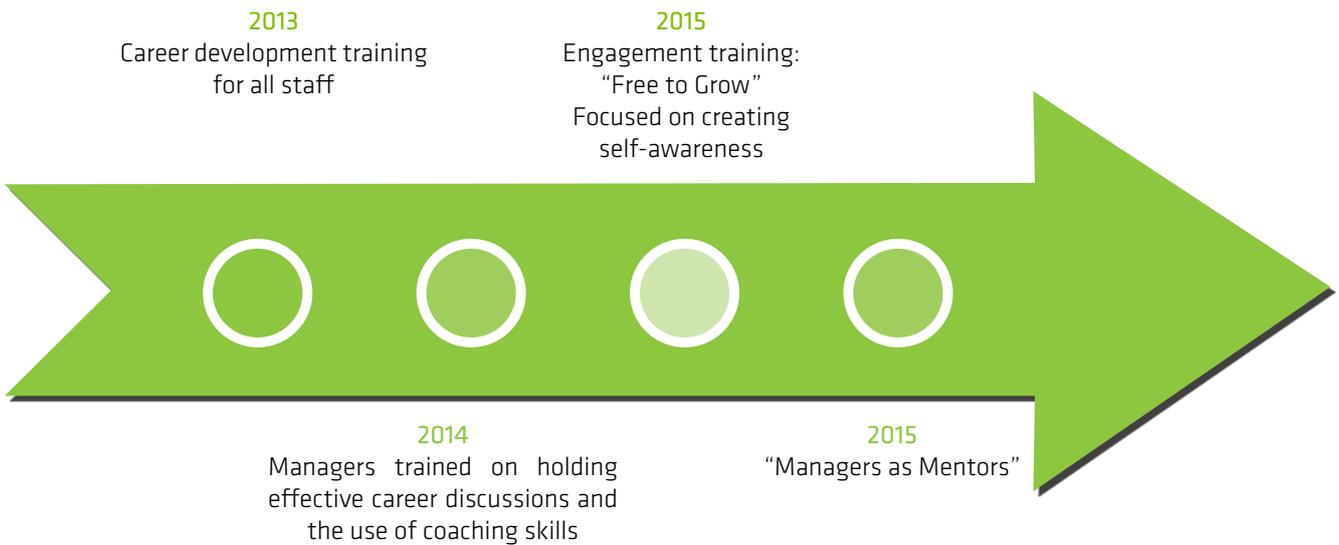
“Coaching is the only way an organisation can move forward. It creates a big culture change” Isaac Awuondo, Group Managing Director, CBA Group

In an industry where training budgets are often lean, CBA remains committed to investing significantly in its people. A generous proportion of its budget is set aside annually for training, signalling the commitment to the development of talent.

In 2013, CBA’s leadership recognised that the bank would need to update its approach to professional development support for staff in order to address the expectations of the growing number of younger employees who formed the majority of CBA’s workforce. That year the bank launched a career development programme for all staff.

In addition to a formal career development programme, the HR team began to consider how managers, in their daily interactions with their team, could support staff members to think proactively about their career growth and their capacity to contribute to the performance of the bank. In 2014, the HR team trained 85 managers across the institution in coaching skills to support them to hold more effective career conversations with their teams and support staff to achieve strong performance.

CBA then contracted an external party to design and deliver an engagement training dubbed “Free to Grow” for staff at all levels, focused on getting leaders to understand themselves and the need to effectively lead self before leading others; and on getting staff to develop self-purpose and belief. This was aimed at creating the foundation for the “Managers as Mentors” programme that would introduce a coaching style of leadership that would enable individuals to more effectively realise their potential and contribute more to institutional performance.



“We wanted to create true mentorship in the organisation...to create capacity of managers to be mentors. Mentorship needs to be at all levels. We started with a good middle management programme for a good foundation”. Jeremy Ngunze, CEO Kenya

Coaching in institutions

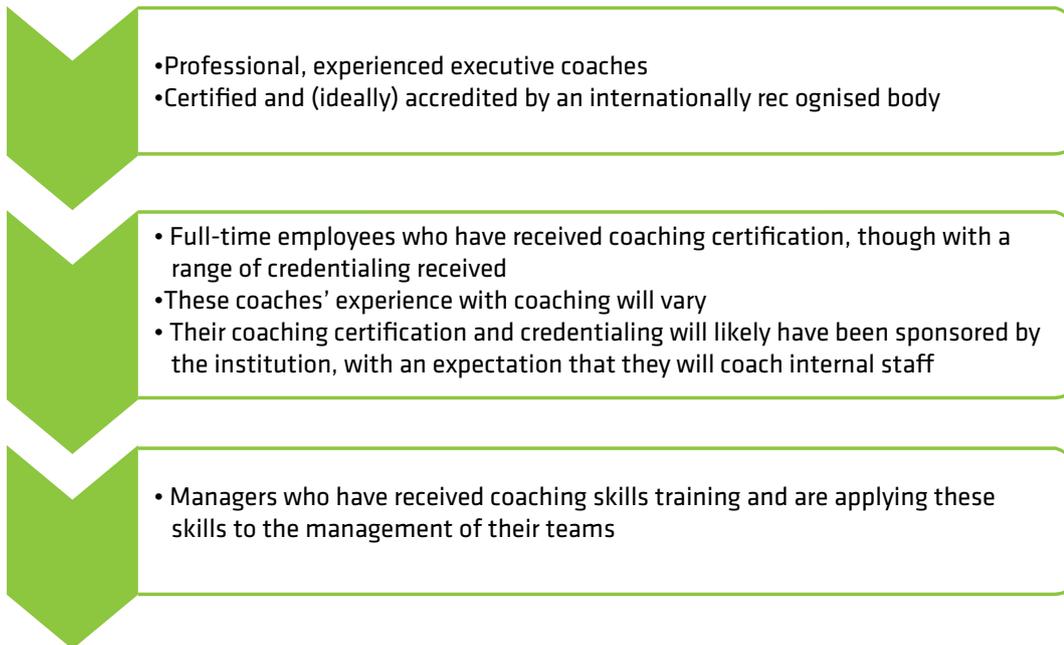
For CEOs and senior managers, it is most common for institutions to seek coaching from external, professional coaches. These senior leaders often need coaching support to tackle strategic challenges and require a high level of confidentiality, needs best met by an external provider. In Creative Metier’s experience with coaching senior executives across the world, if leaders experience first-hand the effectiveness of coaching, they are more likely to advocate for further investment in external coaching as well as development of internal coaching capabilities.



Different levels of coaching development – from professional coaches to managers who coach

In addition to sourcing external coaches for senior executives and potentially other distinct groups (i.e. high potential managers), institutions also look to develop internal coaching capabilities in order to provide a sustainable solution.

This internal investment can range from sponsoring select individuals to be trained and credentialed as coaches to developing coaching skills training for managers at all levels.



Managers as Mentors

In mid-2015, 15 managers that exhibited natural coaching skills or had past exposure to coaching, were selected and taken through professional coach training. They were then awarded the Executive Certificate in Coaching for Managers by the Academy of Executive Coaches (AoEC) to serve as an internal resource of coaches available to all staff.

They were immediately tasked with supporting staff members to understand individual results from an institution-wide 360° feedback process that had just concluded. Each internal coach facilitated group coaching discussions to help individuals analyse and absorb their reports and plan for their individual development.



Figure 4 – CBA 'Managers and Mentors Programme' process

Having the 15 managers, now trained as coaches, support the 360° process made a significant difference. Managers facilitated groups outside of their own teams and were able to take individuals through some of the stages of accepting the feedback, what one manager describes as similar to the stages of grief: denial, anger, reflection and finally acceptance and a positive future outlook.

Coaches reported an influx of requests for coaching soon after the feedback sessions, reinforcing the power of coaching in supporting staff through their challenges and getting them to a place of focusing on solutions and way forward

CBA is now training approximately 200 line managers in coaching skills to ensure sustainability and to meet this demand for coaching from staff at all levels.

Kenya has been the focus for these initiatives and it is within CBA's plans to replicate this initiative in other regions.

4.1 How the Leaders Coach

The certified coaches have their profiles uploaded onto an all-staff portal; all staff members have been encouraged to access this internal resource and request one-on-one coaching. In addition to the cadre of newly trained internal coaches, the most senior leadership of CBA are coaching staff members and have made themselves available to any member of staff at any level who may be interested in receiving coaching from them.

"I am a good product of being coached. I am constantly being coached and I like leading by example. There's no other way of advancing in life." James Mugo, Group CFO

The internal coaches follow a professional coaching process with their internal clients. They begin by setting up a contract with their coachee: agreeing frequency of meetings; setting goals; establishing timelines for follow-up and feedback; helping them analyse their current reality by using questioning and listening skills and discussing available options and letting them choose their own course of action.

Some managers admit finding this a challenge as they have to make the deliberate effort to shift from "being the boss that provides solutions" to the coach that listens and guides. Additionally, it is not always easy for them to find the time to coach in the context of their work.

"It's a real challenge breaking the ice and making them see me as a coach and not as a Head of Department. The training helped me to handle the situation as a coach and not a boss. I am now able to let staff work through the process and find solutions rather than give them solutions." Coach

Aside from the formalised coaching arrangements, managers are also adopting a coaching style of leadership with their direct and indirect teams.

"The certificate programme helped to professionalise what I thought I knew. Now I know how to manage different scenarios. Because I've been coaching, after training, it naturally continued. With my direct team, for the one-on-ones, I now leave it up to them to initiate their own session and schedule it. They set their own agenda." Coach

4.2 Getting Staff Buy-In

Multiple avenues of communication and engagement have been used to engage staff in embracing the changes including:

- Focus groups with a cross section of staff
- 360° workshop briefing sessions
- Endorsement from CEO and email communication
- One-on-one engagements with key influencers
- Reference materials in information files
- Training of managers

Getting staff to embrace the change that is happening within CBA and proactively seek out opportunities for coaching that have been created is an on-going process.

5.0 IMPACT

In this case study series, Creative Metier profiles the impact of coaching interventions using Donald Kirkpatrick's model of the four levels of learning evaluation³. The model captures how an individual's experience in any learning programme can translate ultimately into business results.

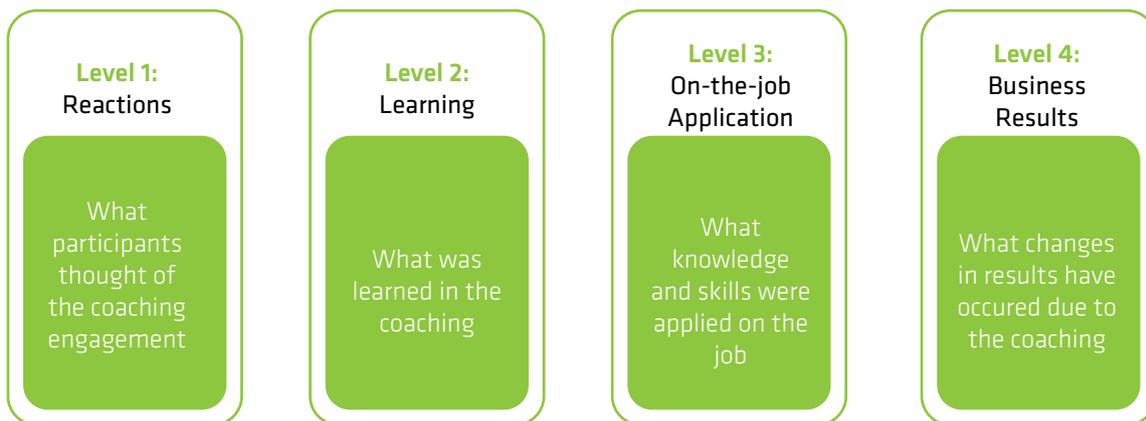


Figure 5 – Donald Kirkpatrick's four levels of learning model

Though the programme is still in its early stages, it is evidently having a positive impact within CBA in as far as a Return on Experience (ROX) is concerned. Creative Metier conducted interviews with eight managers out of the fifteen that were trained as coaches to understand the initial indications of institutional impact.

5.1 Reactions

Four out of eight respondents observed that people are becoming more open. Managers feel that they are more effectively developing people, increasing their levels of self-awareness and having more open conversations about how to support them to further develop their skills.

The managers interviewed, who have also been trained as coaches, demonstrated strong endorsement for the potential of this investment to effect culture change. One manager interviewed, explained the need for a significant cultural shift away from waiting for things to happen, to proactively seeking out opportunities. This manager observed many staff expressing the need for coaching and mentoring skills and/or the need to be coached/mentored but not taking the initiative to actively seek these out. Additionally, two respondents out of the eight commented that their teams both appreciate and are initially frustrated by the coaching style of leadership which is moving away from providing solutions, to the teams themselves finding solutions to their own issues.

After the programme, the managers interviewed felt they were beginning to give their team more stretch opportunities and working with them to develop their potential.

5.2 Learning

The biggest "take home" for most managers has been differentiating between coaching and mentoring and being able to use a listening approach as opposed to being the resource for answers. Some managers talk of being more patient, giving poor performers a chance to change and allowing their team members to reflect, helping them "move from being a problem originator to finding solutions".

³ Kirkpatrick, D.L. (2006) *Evaluating Training Programs: The Four Levels* (3rd edition)

5.3 On-the-Job Application

Even at this early stage of the programme's implementation, there has been a shift in culture in some teams. Managers interviewed reported that team leaders are more aware of adopting customised strategies for different personalities and applying their coaching skills. Through informal feedback, staff have observed changes such as:

- Team members spending more time together
- Greater empowerment in making decisions; sense of power and capability to move things forward
- Deeper sense of responsibility; teams are not feeling the need to delegate upwards
- Greater satisfaction with work-life balance

5.4 Business Results

CBA expects to see real business returns from their investment in this programme, though leaders appreciate that it may be some time before the impact on the bottom line is seen.

"Now that we invested last year, people will have to go through a learning curve, then acceptance gradually. I would imagine I'd be seeing tangible long term benefits three years from now. But what I'd expect this year alone is that people are being more comfortable with each other; being able to have awkward discussions." James Mugo, Group CFO

CBA has an objective for enhanced performance culture and has set performance measures for productivity with interventions around them; a coaching culture within the institution is one such initiative.

At the institutional level, managers see the following potential changes as indicators of impact on the business performance:

- Increased productivity - a better bottom line
- Improved processes
- Reduced weight on management
- Improved accountability
- Visible improved performance through performance appraisal
- Staff development and career growth
- Improved client relations
- Improved conflict management
- More solution-focused staff
- Improved inter-relations
- Staff feeling valued
- More collaboration
- Better communication
- Engaged staff
- Staff being more present
- Staff taking ownership of strategy and having confidence in where they stand
- Better traction on project delivery, soft issues on management, feedback to staff etc.



6.0 WHAT THE FUTURE LOOKS LIKE FOR CBA

CBA envisions an institution where every leader adopts a coaching style of management. By 2018, 40% of their staff will be trained as coaches to serve as an internal resource for the institution and provide a critical mass of coaches that ensures a sustainable coaching culture.

Immediate plans are to take all line managers through a coaches training programme and provide coachee orientation training to help them prepare for and get the optimal benefit from coaching. CBA will sponsor at least two high potential coaches from the first batch of trained coaches for a more advanced coaches programme.

The anticipated impact of this investment in culture will be closely monitored with an anticipated impact on the bottom line expected in the next 1-2 years and a coaching culture embedded in 2-3 years.

