Training as Strategy for Effective Leadership Development in Business Organisations: Evidence from the Nigerian Banking Industry

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Training and Development (T&D) is one of the panaceas for developing sustainable leadership in both private and public enterprises. Such a disposition within the banking industry in Nigeria is akin to being pro-active for responsible managers in future. There is however some paucity of information on functional succession planning process in this sector of the economy which has to be documented. This study therefore examined the disposition of Training and Development (T&D) on the capacity for leadership enhancement in the banking industry of Nigeria. A descriptive survey research design was adopted. The population of study was 4,345 which were all employees in selected three commercial banks in Nigeria. A stratified random sampling technique was used while the sampling size was 165 employees. The findings revealed that there was a significant (P<0.05) relationship between coaching and Leadership Development (LD) with an r value of 0.74. A weak but significant relationship existed between Job Rotation (JR) and LD with an r value of 0.33 (P<0.05). There was a high and positive relationship between On-The-Job Training (OTJT) and LD. It was concluded that on-the-job training should be practiced as a deliberate policy in the Nigerian banking industry in order to enhance productivity and leadership development. The study recommended that deliberate efforts should be made to implement & practice Training & Development in the banking industry as it enhance productivity among employees as well as LD The study also recommended that coaching as a variant of on-the –job training should be encouraged within the Nigerian banking industry as it addresses employees specific skill gaps required to enhance capacity building of future leaders within the industry.

Key words: Training and Development, Leadership Quality, Banking Industry, Managerial Efficiency

INTRODUCTION

Employee training is a vital necessity because it enables employees to develop and rise within the organization, increase their market value, earning power and job security. Training helps to mould employees’ attitudes and help them to contribute meaningfully to the organization (Mamoria, 1995). Employee training and development research is important because today’s knowledge worker must exhibit judgment, creativity, technical expertise and interpersonal skills. Training will have greater positive impact if it is bundled collectively with other human resource management practices (Amin, Saeed & Tehreem, 2013.) They further note that training would be more effective
as trainees would communicate with ease if the trainer is from within the organization. Training evaluation system should also be in place to measure training effectiveness (Sultana et al, 2012).

Leadership development has been described as a process of developing the leadership abilities and attitudes of individual or organization (Avolio & Gardner, 2005). Leadership development focuses on any activity that enhances the quality of leadership within the individual or organization (Avolio & Gardner, 2005). Leadership is influence. Leadership is power and Leadership is intimacy. There are lots of leadership styles and it should be noted that there is no one right way to lead or manage all situations especially in a very complex situations (Clinebell, Skudienne, Trijonyte & Reardon, 2013). It is therefore common to see managers switching instinctively between different leadership styles going by the people, work and circumstances they are dealing with. This is called ‘situational leadership’. Therefore, as leaders, apart from the skill transfer which the various heads of departments and boards in various banks within the Industry are expected to implement in the younger employees, there are also issues of moral, attitudes and cultural behaviors which these leaders are also expected to inculcate in their trainees for them to have a robust On-the-Job training that can adequately prepare them for future leadership positions in the Industry (CIBN & CBN Code of Conduct Publication, 2014). Banking has to do with people and their money or their lack of it, either temporarily or permanently. It is clear from the number of accounts, loans and investment products provided by banks to their customers that banking is important for many millions of customers and has a very important role to play in the Nigerian economy. Successful banking operations require the ability to provide consistent high quality services. This largely depends on the professional working in the banks, as the employee is the number one resource with greatest input contributing to the output of the organization. Based on this, the professional banker must be well equipped to meet today’s challenges in the banking industry and be on the cutting edge. However, for the purpose of this research work, the concept of ‘Leadership Development’ which the researcher intends to examine within the Nigerian Banking Industry refers to what is generally regarded in the Industry as ‘Responsibility Managers’.

STATEMENT OF THE PROBLEM
Effective training within the Nigerian banking industry should produce sound leadership skills in the process if well implemented. This is because training in the banking industry is usually delivered in a systematic manner embedded in a well-coordinated process-flow to aid thorough understanding of the employees. In addition, there are carefully written and articulated manuals which define the various processes and procedures to be followed by all trainees for performing each task (Olagunju, 2014).

Therefore, on-the-job training in the industry if properly delivered should be seamless resulting in the development of future successive leaders as an outcome (Olagunju, 2014). These emerging leaders are expected to also carry out another round of on-the-job training to produce another set of future leaders within the organization and this process goes on throughout the life of the organization (Gilpin-Jackson & Bushe, 2007).

The emerging products from this process are expected to fill the various leadership positions within the organization as a direct return on investment for the huge capital outlay incurred on such training. This process is also expected to reduce the cost incurred on external recruitment as fewer or no personnel should be recruited outside the banks as heads of departments to man these key positions within the industry (Breaugh, 2009).

In recent times the researcher discovered that some banks have engaged in few ‘strategic recruitments’ with some of these new hires involving ‘expatriates’ and ‘foreign’ nationals.
These strategic new hires were recruited to man key positions within the various banks either as a result of inadequate training of in-house resources, absence of capable hands to head those functions or unwillingness of the supervisors to transfer the required training to the younger employees that can man these positions (Adeleye, 2011). Arising from the above, it is evident that the required outcome and impact of producing effective leaders as heads of departments and key responsibility managers who are supposed to be responsible for job rotation, coaching and mentoring of younger employees for a smooth succession planning to strategic leadership positions within the industry have not been felt and in most cases non-existent. This has further re-enforced the researchers’ decision to examine the two variables of training tested in this work. In addition, the ‘organic growth’ expected in the area of human resource development arising from ‘local content’ input within the industry has been absent and this has further increased the cost of recruitment within the industry. The reason for this gap can be attributed to issues like hoarding of knowledge by the respective leaders saddled with the responsibility of implementing this training programme.

OBJECTIVES OF THE STUDY

The main objective of this study is to investigate the relationship between training and leadership development in the Nigerian banking industry, while the specific objectives are to:

- Determine the contribution of coaching as a form of training to leadership development within the Nigerian banking industry.
- Evaluate how job rotation of bank employees help facilitate effective leadership development

Research Hypotheses

- \( H_01 \): Coaching of employees will not significantly enhance leadership development within the Nigerian banking industry.
- \( H_02 \): There is no significant relationship between job rotation of employees and leadership development within the Nigerian banking industry.

REVIEW OF LITERATURE

Training is a systematic development of knowledge, skills and attributes required by employees to perform adequately on a given task or job. Employee training and development is considered to be one of the ways in which organizations can achieve their goals. Therefore, there have been a lot of studies on employee training and development and how they impact employees and the organization in general. These empirical studies motivate further research to gain a better understanding of sundry issues on training and development. The theory of human capital has been subjected to test by various researchers over the years.

One fundamental change in the study of managing in today’s environment is the concept of “coaching” rather than “managing”. Many businesses have rightly redesigned their work flow around processes. These processes enable the creation of process or group as responsible for an entire business process. Riley (2012), stated that coaching is a more intensive method of training that involves a close working relationship between an experienced employee and the trainee. Team supervision commonly referred to as coaching demands more education than training. The difference is in execution than training.
Training generally implies learning the skills necessary to perform a particular function. Training someone in the art of collections for instance becomes very focused on that function. However, education expands the scope of the collection function to understand “the role of cash flow to the business”, “the impact on sales and marketing” and “the relationship of collection to the credit extension philosophy”. Training teaches skills, education teaches the job.

Coaching is seen in some commercial quarters as a way of releasing individual potential to effect changes in the workplace through empowering and motivating employees (Turner, 2012). Organizational coaching could be viewed as a corporate strategy designed to maximize the potential of a workforce. Coaching, in the modern sense of the word, is often perceived to occupy a position within the participative area of the leadership behavior spectrum (Whitmore, 1999; Clutterbuck and Megginson, 2005). Coaching has been utilized as a means of increasing employee performance and productivity by organizations and managers who wish to move from predominantly authoritarian “command and control” management approach to a participative management style to reflect the changing environment and socio-demographic changes (Downey, 2003).

Albers (1974) defines coaching as a conscious creation of an environment within which subordinates can learn to become better executives. He conceptualized coaching from the point of view of executives in organizations. Oladunni (1998) describes coaching in organizational context as managerial actions and behaviors specifically focusing on developing an employee so that he or she can perform at maximum capability. He stresses that coaching maximizes the contribution of both the trainer and the trainee simultaneously and enables the coach (including management) to concentrate on other management functions.

Costa and Garmston (1994) define coaching as a cyclical process that uses focused, specified skill development or problem-solving for developing instructional expertise and change. The theoretical base of coaching is linked to other personal development interventions and comparative research has helped to define coaching both specifically and contextually (Walker, 2004).

Another area that has been well researched is training effectiveness and specifically the effectiveness of on-the-job training. Researchers that have worked on on-the-job training and wage related issues include Evertsson (2005); Renaud & Morin (2009); Haelermans & Borghans (2011); Khan et al. (2012). Evertsson (2005) examined formal on-the-job training, gender and wage related advantage in Sweden. Findings showed that men are more likely to participate in general training and training that increases promotion opportunities, whereas women are more likely to participate in industry-specific training. The two former forms of training significantly raise a man’s annual earnings but not a woman’s. Renaud & Morin (2009) investigated whether voluntary training impact workers’ wages in Canada. Findings showed that the wages of workers who participate in voluntary training are lower than those of workers who do not participate. This suggest that workers who enrolled into the voluntary training programme must have been those who had skills needing improvement or that participation in voluntary training signals to firms that these workers do not possess an optimal human capital.

Haelermans & Borghans (2011) used meta-analysis to examine the wage effects of OJT in Sweden. Results showed that the wage effect of OJT is 2.6%. Comparing the average wage of hours spent on OJT with the average number of hours spent on schooling gives a wage increase of 30% for OJT compared with 8% on schooling. Solely based on this aspect of the study, it might seem that OJT is more worthwhile than investment in regular schooling. This meta-
analysis was carried out using relatively few studies because these studies are scarce, therefore the finding that OJT seems to be more profitable than regular schooling should be nuanced until this can be proved based on more research.

An important prediction of basic human capital theory is that workers pay for their entire general and part of their specific on-the-job training in the form of lower starting wage and realize a return to this investment in the form of higher wage growth over time. According to the theory of human capital, investments in training lead to increases in workers’ productivity (Mincer, 1974). There is a direct link between OJT and the employees; wages (Lillard & Tan 1986; Holzer 1990; Mincer 1998; Lynch 1992; Bartel & Silverman 1994). That is, a firm that develops people internally may be able to enjoy productivity returns that do not require making investments in human strategic factors in open competitive markets (Barney, 1986).

Theoretical work about OJT has focused on the division of the cost and return to training. The main issue is that OJT can be firm-specific. That means that skills obtained only have added value for the worker in the firm concerned. Therefore, an increase in the worker’s productivity does not necessarily lead to an increase in wages. Empirical evidence for this theoretical distinction between general and firm-specific training. Unfortunately, most studies on returns to training do not report whether the training was general or firm-specific. As a consequence in empirical work about the effects of OJT the distinction between productivity and wage effect is relevant. Empirically, this distinction is hard to make, because productivity is difficult to measure.

CONCEPTUAL FRAMEWORK

Training: The word ‘training’ has been defined in different ways. For instance, the Manpower Services Commission (MSC), UK. (1981) defined training as a planned process to modify attitude, knowledge or skill behaviour through a learning experience to achieve effective performance in any activity or range of activities. They added that it serves the purpose, in the work situation, and it is to develop the abilities of the individual and to satisfy current and future manpower needs. Also, Training as an endeavours to impart knowledge, skills and attitudes necessary to perform job-related tasks, and it aims to improve job performance in a direct way’

On – The – Job Training: Needham & Dransfield (1990) defined on-the-job training as an approach that offers the opportunity for learning of skills through experience at work. Training has a positive effect on employees performance if well implemented (Elanga & Imran, 2013). Sultana et al, 2012) note that organizations should have clear training policies, objectives and methods. Employees must also have training opportunities and the training must be relevant to the job (Nassazi, 2013). Training should be done with complimentary communication for it to be more effective.

According to Ubong (2007) formal or informal training is very essential to job performance. Shah, Shah & Abbas (2014) also note that organizations cannot ignore the importance of on-the-job training for the improvement of employee performance because it has a great significance in improved employees performance. According to Walters (2005), the assumption of on-the-job training is that if the training is good, it must necessarily change the trainee’s attitude and subsequent behaviour on the job. On-the-job training is believed to be generally more cost effective than theory-based training and it ensures that employees are still generating benefits to the organization even during the period of training. Ubong (2007) noted that the banking boom of the 1980s in Nigeria was evidently plagued among other things by an insufficiency of
personnel with the cognate experience to man in particular, professional banking positions in the
new banks. Chibuzor (2002) also corroborated this as he posited that the field was available for
everybody. Consequently, in some cases, sons, daughters or wives of chief promoters of such
banks entered the organizations at top management positions or even board levels without
requisite cognate experience or adequate training to function effectively at such levels.

LEADERSHIP DEVELOPMENT

According to Peretomode (2012), leadership as a concept is dynamic, fluid and complex hence
in spite of its popularity, wide use and over 40,000 studies and writings on the subject, there is
yet to emerge a universally accepted definition.

Powell & Gifford (2015) argue that leadership development should be seen as part of as
transformation process for the firm as a whole. They noted that if things didn’t change, we
wouldn’t need leadership. Taylor and Rosenbach (2006) also opined that leadership is all about
getting people to work together to make things happen that might not otherwise occur or to
prevent things from happening that would ordinarily take place. Maxwell (2011) defines
leadership as a process, not a position. Leadership and management are two terms that were used
interchangeably in the past. But most people how recognize that there is a significant difference
between the two, Management is at best when things stay the same. Leadership deals with
people and their dynamics, which are continually changing. They are never static. The challenge
of leadership is to create change and facilitate growth.

Peretomode (2012) identifies some features of leadership which include the fact that leadership
involves people. This is to say that without followers, there can be no leader. Leadership entails
influence rather than authority, focuses on achieving set goals, is an on-going activity: a process,
involves an unequal distribution of influence between the leader and followers/subordinates and
leadership produces positive change/improvement and not concerned with maintaining the status
quo.

Leadership development refers to any activity that enhances the quality of leadership within an
individual or organization. Leadership is influence. If people can increase their influence with
others, they can lead more effectively (Maxwell, 2011). Explaining and understanding the nature
of good leadership is probably easier than practicing it. Good leadership requires deep human
qualities, beyond conventional notions of authority. The traditional concept of a leader being the
directing chief at the top of the hierarchy is nowadays a very incomplete appreciation of what
true leadership must be. In the modern age, good leaders are an enabling force, helping people
and organization to perform and develop, which implies that a sophisticated alignment be
achieved of people’s needs, and the aims of the organization. Effective leadership does not
necessarily require great technical or intellectual capacity. These attributes might help, but they
are not pivotal (Chapman, 2012).

METHODOLOGY

The descriptive survey research design was employed in carrying out this study. The population
of the study consists of employees of selected five commercial banks in Nigeria. The method of
data collection used was direct administration of the questionnaires on the bank employees within
the sample frame. The researcher ensured that only permanent bank employees were surveyed
since they are the target of the study and the categories of the respondents covered junior
management, middle management, senior management and executive management employees
within the sampled banks. A drop – off and pick procedure of data collection was applied for questionnaire administration. Descriptive statistics was used to summarize respondents’ profile. Cross tabulation, Factor analysis and Pearson’s Product Moment Correlation coefficient were used to analyse the constructs of the study.

Data Analysis and Discussion of Findings

The responses to the question whether coaching has impacted them positively and helped in learning more on the job, the results showed that majority of them agreed (73.6%) that coaching has helped them learn more on the job in their respective banks. Another (26.4%) disagreed to the assertions. This result further confirmed that greater proportion of the respondents agrees to the effectiveness of coaching in enhancing learning on the job especially in the Nigerian banking Industry. The result also validated and largely answered the research question on the possible contribution of coaching to leadership development within the Nigerian banking industry in the affirmative. As regards the performance enhancing function of coaching, majority of the respondents (73.9%) agreed that coaching has enhanced their job performance. The majority of the respondents (74.8%) also agreed that coaching is a more intensive method of on-the-job training while only (25.2%) respondents disagreed. Moreover, majority of the respondents (71.8%) maintained that coaching has exposed them to knowledge, while a total of (28.2%) respondents disagreed to this.

The contribution of coaching to leadership development within the Nigerian banking industry, the study relied on the cross-tabulation of the dependent variable (leadership) and independent variable (coaching) with each other. The result showed that more of those in leadership position agree to the role of coaching in enhancing leadership position than those in non-leadership position. For instance, 43.5% of those in leadership position agreed that coaching has exposed them to leadership positions within the Nigerian Banking Industry. For employees outside the leadership cadre, (non-leaders) majority of them 39.3.0% disagreed that coaching has enhanced the performance of their responsibilities.

Hypothesis Testing

Table 1: Correlation between Leadership Development and Coaching

<table>
<thead>
<tr>
<th></th>
<th>Leadership Development</th>
<th>Training</th>
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</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>0.744(***), 0.001</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>791</td>
<td>791</td>
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<tr>
<td>N</td>
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</table>


DISCUSSION

The findings shows that there is a significant relationship between coaching as a form of training and leadership development with an r value of 0.744 with a significant level of P<0.05 using the Pearson’s Product Moment Correlation Coefficient (PPMC). By implication, this result depicts that there is a high and positive relationship between coaching as a variable of on- the -job training and leadership development within the Nigerian banking industry. Based on this result,
Training has a positive and significant impact on leadership status of the bank employees in Nigeria. The positive significant impact indicate that coaching increase the chances of the employees to become leaders within the banking Industry. Therefore, the null hypothesis \( (H_0_1) \) which states that "coaching of employees will not significantly enhance leadership development within the Nigerian banking industry" is hereby rejected.

Job rotation is another method of on-the-job training in the banking sector. The respondents stand point on the effectiveness of this method. Majority of the respondents (69.2%) agreed that they have benefited from job rotation in the course of their career. Respondents that disagreed to have benefited from job rotation were (30.8%). In another manner, majority of the respondents agreed that job rotation has enhanced their knowledge (70.6%) while another (29.4%) respondents disagreed that job rotation has enhanced their knowledge. It is considered very important in this study to know whether job rotation has helped the respondents to attain managerial positions in the Nigerian Banking Industry. While most of them agreed, only a few (23.3%) disagreed. Above analysis shows that majority of employees that have attained leadership positions within the Nigerian Banking Industry, made up of 83.6% agreed that job rotation has helped them attain managerial positions in their career over the years. On the other hand, (58.5%) of employees outside the leadership cadre (non-leaders) agreed while (41.5%) of them disagreed. This result shows that job rotation has an impact on leadership development among employees within the Industry.

**Hypothesis Testing**

<table>
<thead>
<tr>
<th>Table 2: Correlation between Leadership Status and Job Rotation</th>
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<tbody>
<tr>
<td><strong>Leadership Status</strong></td>
</tr>
<tr>
<td>Pearson Correlation</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
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<tr>
<td>N</td>
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<tr>
<td>Job rotation.</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
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<tr>
<td>N</td>
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</tbody>
</table>

**Source:** Field survey, 2016.

**DISCUSSION**

From the above table, it is observed that the \( r \) value of correlation coefficient is (0.338**) between leadership status and job rotation using the Pearson’s Product Moment Correlation Coefficient (PPMC). This result shows that the correlation coefficient is 0.338 which indicated that there is a weak but significant relationship between job rotation leadership status within the industry.

Therefore, the null hypothesis \( (H_0_2) \) which states that "there is no significant relationship between job rotation of employees and leadership development within the Nigerian Banking Industry" is hereby accepted while the alternate hypothesis is rejected.

**CONCLUSION**

The relationship between training and leadership development in the Nigerian banking industry was analyzed. This was done by considering the impact of training, coaching and job rotation on leadership development in the banking industry. This study found that coaching significantly enhances leadership development in the Nigerian banking industry. However job rotation does
not have appreciable impact on leadership development in the industry going by the correlation coefficient of 0.338 obtained from the analysis. Even though the cross tabulation results obtained gave 83.6% of respondents confirming that job rotation has contributed positively to the attainment of leadership positions within the industry, the correlation coefficient says otherwise.

Above result may be justified considering the multi-dimensional delivery of job rotation within the industry as it can be delivered between employees of the same level/grade, between a junior employee and a senior employee or between senior employee and a junior employee. The study also concludes that a carefully planned on-the-job training should be put in place for all employees to engender a smooth succession planning for future management of banks. This is referred to as ‘organic growth’ which will promote local content within the industry in the human resource space.

RECOMMENDATIONS

Arising from the findings of this study, the following recommendations are suggested:

i. Training especially on-the-job training should be practiced as a deliberate policy in the Nigerian banking industry in order to enhance productivity among employees and also leadership development.

ii. The study found that coaching has significant relationship with leadership development in the banking industry. The research therefore recommended that coaching should be encouraged within the Nigerian banking industry as it addresses employees specific skill gaps which is required to enhance capacity building of future leaders within the industry. For instance, the industry will become more healthy and productive, if there is strong leadership. Moreover, coaching will assist individual employee to become more effective on the job, build a stronger workplace relationships and promote a more positive work environment.

REFERENCES


