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ESTABLISHING A PAN-AFRICAN BANK

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By Professor Leif Sjöblom and Executive Director Hischam El-Agamy – September 2013

IMD

Chemin de Bellerive 23
PO Box 915,
CH-1001 Lausanne
Switzerland

Tel: +41 21 618 01 11
Fax: +41 21 618 07 07
info@imd.org
www.imd.org

The story

Ecobank Transnational was set up in 1985 under the aegis of the Federation of West African Chambers of Commerce by 1,200 shareholders. These mostly consisted of individuals from 14 West African countries but the main one was the Ecowas (Economic Community of West African States) Fund. Its ambition was to create a pan-African bank that would help to develop and integrate African economies at a time when there were very few commercial banks in west Africa owned and managed by local private investors. The bank is headquartered in Togo, a country of just 6m people.

The challenge

One of the biggest challenges Ecobank faced was attracting and retaining the right people for its pioneering project. There were two main issues. First, it knew multinational companies were struggling to find enough local African recruits with the right skills. Second, Africans with high-paid jobs in global financial centres such as London would probably be reluctant to return to Africa, where poor infrastructure, corruption and political instability were still big problems.

The strategy

From the start, Ecobank positioned itself as a bank with a mission to build a new Africa. This gave employees the sense that they were doing something beyond just banking and making money. The bank sought hires who fitted in with its culture and were passionate about making a difference in Africa, since they were more likely to stay. It called them “Ecobankers” to indicate that working at Ecobank was special.

The bank also emphasised its “stateless” nature. Although headquartered in Togo, it does not belong to any single country. No employee would feel like an outsider because of their nationality, and this promoted a sense of equal opportunity.

Ecobank was quick to give opportunities to talented young people, exposing them to different countries and business units to see where their strengths lay. A 32-year-old woman became its managing director in Mali – an opportunity that would probably not have been available at a big global bank. Although salary was not its main attraction, Ecobank paid employees well and regularly benchmarked salaries with other banks, across Africa and globally. The bank paid performance bonuses and reserved 10 per cent of its stock for employees.

Ecobank appraised each employee’s performance every six months against both quantitative targets and softer skills, such as managing a team. High-potential employees had access to executive education programmes, mentoring and the chance to work with other African development organisations. Underperformers were asked to leave.

In June 2012 the Ecobank Academy was launched to develop senior and mid-level managers for the bank and to raise skills in Africa’s banking sector as a whole.

The results

Ecobank has expanded rapidly, with revenues rising from \$544m in 2007 to \$1.75bn last year. It now operates in 33 African countries, more than any other bank in the world, and has more than 18,000 employees representing 40 nationalities – a much more diverse workforce than in most African companies.

The bank has been successful in attracting and developing local talent. Its senior managers include several who left jobs in European and US financial centres to return to Africa. They include Arnold Ekpe, Ecobank’s chief executive until December 2012, who joined from Citibank in 1996.

The lessons

An African organisation can attract and retain talented employees by providing them with a compelling story and a strong sense of purpose. This distinctive ethos also helped Ecobank to address the cultural challenge of unifying a diverse workforce from many nationalities.

The bank encouraged loyalty by promoting talented young managers quickly, by paying attractive salaries and benefits, and by offering training and development opportunities.

Leif Sjöblom is a professor of financial management at IMD where he co-directs Foundations for Business Leadership (FBL), a program for experienced functional managers aspiring to move into business leadership positions. Hisham El-Agamy is Executive Director at IMD.

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