IMPACT OF LEADERSHIP STYLES OF MANAGERS ON IMPLEMENTATION OF LEARNING ORGANIZATION CONCEPT AT POSTBANK

BY

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DECLARATION

This project is my original work and has never been presented for a degree in any other university.

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ABSTRACT

The study was set to analyze impact of manager's leadership style on implementation of learning organization concept at Postbank. The objective of the study was to determine the Leadership styles that would be most appropriate for implementing a successful and sustainable Learning Organization. The study adopted a case study research design. This method was most appropriate because it examined strategies already in place, the study units were also be able to provide more information. Primary data was collected using an interview guide. The interview guide used to collect primary data consisted of two sets of questions, A Learning Organization assessment (LOA), developed by Peter Kline and Bernard Saunders. For determining the degree to which the respondent believes in his or her organization possesses the characteristics of a Learning Organization and a Leadership Profile Assessment (LPA) developed by Marshal Sashkin and William E Rosenbach were used for determining leadership behaviour and characteristics. The data was analyzed using content analysis.

The study found that there is a distinct relationship between the department head leadership profile and the ability of the department head to lead and create a learning organization. The results indicate that the best leaders at creating a learning organization are balanced in transactional leadership, transformational behaviors, and transformational characteristics. However, while maintaining a balance in all three areas, the most successful leaders at creating a learning organization seemed to excel in the transformational leadership characteristic style.

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LIST OF ABBREVIATIONS

LO   -   Learning Organization

TLB   -   Transformational Leadership Behaviour

TLC   -   Transformational Leadership Characteristics

TL   -   Transactional Leader

LPA   -   Leadership profile assessment

LOA   -   Learning Organization Assessment

BAU   -   Business As Usual

SACCO   -   Saving and credit co-operatives societies

ASCA   -   Accumulating savings and credit associations

ROSCA   -   Accumulating and rotating savings and credit associations

CHAPTER ONE: INTRODUCTION

1.1   Background of the Study

The essence of organizational learning is the organization's ability to use the amazing mental capacity of all its members to create the kind of processes that will improve its own (Dikens, 1994).The Learning Organization approach is not just about improving productivity and work satisfaction, however, It is also about the fundamental ethics of the workplace and the marketplace itself. Whereas, under the old paradigm, it seemed that we could only have economic success at the expense of humane values, it now seems that we can only have them both together.

Organizations do not originally develop into learning organizations; there are factors prompting their change. As organizations grow, they lose their capacity to learn as company structures and individual thinking becomes rigid. When problems arise, the proposed solutions often turn out to be only short term single loop learning and re-emerge in future. To remain competitive, many organizations have restructured, with fewer people in the company. This means those who remain need to work more effectively. To create a competitive advantage, companies need to learn faster than their competitors and to develop a customer responsive culture. The learning Organization is a concept that is becoming an increasingly widespread philosophy in modern companies, from the largest multinationals to the smallest ventures. Organizational learning, like individual learning, involves the development of new and diverse interpretations of events and situations (Senge, 1990).

Effective organizations are configurations of management practices that facilitate the development of the knowledge that becomes the basis for competitive advantage. A market orientation, complemented by an entrepreneurial drive, provides the cultural foundation for organizational learning. However, as important as market orientation and entrepreneurship are, they must be complemented by an appropriate climate to produce a learning organization.

Why should organizations care about learning? Because, the level of performance and improvement needed in today's ever-changing environment requires learning, lots of learning. Many consultants and organizations have recognized the commercial significance of organizational learning and the notion of the learning organization has been a central orienting point in this. Writers have sought to identify templates, or ideal forms, which real organizations could attempt to emulate (Easterby, Smith and Araujo, 1999). In this sense the learning organization is an ideal, towards which organizations have to evolve in order to be able to respond to the various pressures they face (Finger and Brand, 1999). It is characterized by recognition that individual and collective learning are key. Two important things result from this. First, while there has been a lot of talk about learning organizations it is very difficult to identify real life examples. This might be because the vision is too ideal or because it isn't relevant to the requirements and dynamics of organizations. Second, the focus on creating a template and upon the need to present it in a form that is commercially attractive to the consultants and writers has led to a significant under-powering of the theoretical framework for the learning organization.

1.1.1 Learning Organization

The Learning Organization is a concept that is becoming an increasingly widespread philosophy in modern companies, from the largest multinationals to the smallest ventures. What is achieved by this philosophy depends considerably on one's interpretation of it and commitment to it. According to Senge (1990), Learning Organizations are organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together. It emphasizes process over structure, and contains several components. It advocates vision of better organizational life, a body of management practice guidelines and a network of experts and advocates, a set of mental models regarding individual and social psychology, the sociology of organizations and change and a concern for values of wholeness in preference to fragmentation and respect for people (Wheatley , 1992).New efforts by management to elicit employees' full ability should expect initial resistance due to mistrust and barriers resulting from years of bureaucracy (resentment and other feeling plus informal norms of work groups) (Chawla & Renesch, 1995; Senge, 1990; Senge et al., 1994).

Bureaucratic organizations and the Bureaucratic paradigm on the other hand are defined by these main features they exhibit which are hierarchy of control that is decisions are made one or more levels above where the work is done ,specialization of function resulting in some efficiencies but also in non-communicating sub-cultures results in centralization of information and control further resulting in under-utilizing the knowledge and creativity of most workers and managers ,formal rules, policies and

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procedures govern behaviour resulting in greater consistency but creating structures that are very hard to change when it becomes necessary ,strict separation of the private life from official role of all employees.

1.1.2   The Art and Science of Leadership.

Leadership is both an art and a science; effective leadership requires that we embrace both dimensions. Ambler (2006) in the science of leadership concerns the observation, study and classification of leadership practices, resulting in a reliable explanation of what makes leaders effective. Volumes of research, opinions and books have been written on scientific leadership methods and practices. The art is about developing practical experience in the application of the leadership practices and methods resulting from the science of leadership, the art of leadership is about practice. It's about practicing the leadership science until you develop intuition. Artists learn everything they can about the medium with which they work, what they can expect from it and where it will fall short.

It's all about developing a relationship with Leadership, spending time to understand leadership, learning to know its properties and how it will interact with learning. The practice of adaptive leadership requires the same awareness of working within a dynamic field of relationships in which the effect of any single action is not entirely controllable because in a systemic, interdependent reality, every action affects the whole. On the other hand, if one learns to understand the nature of the system that needs to be mobilized, the underlying structure and patterns of motion, then one can become artfully adept at intervening in ways that are more rather than less likely to have a positive affect in helping the group to move to a new place, creating a new reality. Leadership is defined

both by its complexities, as well as its simplicities, in how one guides others toward a common goal. Leadership is something requiring more the precision and accuracy of science and the intangibles that art tends (Nahavandi, 2003).

1.1.3 Kenya Banking Industry

The Banking Industry in Kenya comprises various types of institutions registered and regulated and/or supervised under different legislations, including commercial banks; development and financial institutions such as the Agricultural Finance Corporation (AFC) and Postbank; deposit-taking microfinance institutions and several non deposit-taking microfinance institutions. The non-deposit taking institutions are different institutional forms such as companies, trusts and NGOs; saving and credit co-operatives societies (SACCOs); accumulating and rotating savings and credit associations (ASCAs and ROSCAs) and money lenders, among others (Banking survey, 2010).

According to the (CBK Annual Report, 2010), it was estimated that commercial banks, finance institutions, microfinance institutions, SACCOs and Kenya Post Office Savings Bank had over ten million accounts, there are a total of 45 licensed commercial banks in the country and one mortgage finance company. Out of the 45 institutions, 32 are locally owned and 13 are foreign owned. The locally owned financial institution comprise 3 banks with significant shareholding by government and state corporations, 28 commercial banks and 1 mortgage finance institution. However out of all the banks only 10 of them are listed in the Nairobi stock exchange having met the conditions of listing and applied for the same.

Since early 1990s, banks in Kenya have been operating in an environment characterized by dynamic changes. The changes include privatization and commercialization of public

sector, rapid technological changes, increase in competition, economic conditions, introduction of Multi-party politics and clamor for new constitution which was enacted in August 2010. The financial sector has undergone significant reforms since 1990. The 1990s saw emergence of indigenous banks and non-bank financial. However these banks were plagued with various problems including weak capitalization, poorly performing portfolio and weak management structures.

Banks do not operate in a vacuum. They faced with continuous stream of ever changing events in the environment that present opportunities as well as pose threats such as changes in regulation and competition from other banks and financial intuitions. In a rapid changing environment business environment, managers are faced with the challenge of meeting growing strategic needs. Both threats and opportunities exist in such environment. In assessing the business environment (Thompson and Stickland, 1998) look at the remote environment and operating environment. They view the environment as the set of forces that originate beyond and usually irrespective of any single firm's operating situation i.e. political, economic, social and technological factors. As the environment changes, banks must change their strategies so as to survive.

1.1.4 Postbank

Postbank was established in 1910 to offer saving services across the East Africa region. After the breakup of the East Africa Community in 1977, Kenya Post Office Saving bank was established on January 1st, 1978 through Cap 493B, laws of Kenya. The mandate was mobilization of savings for national development (Postbank Annual Report, 2010).

Postbank is 100% owned by the Government Kenya. The bank does not give loans as it is purely a savings bank unless its act is amended to allow capitalization and to offer credit facilities. In the year 2008 Postbank moved from manual account administration (Passbook) to a new automated delivery system by introducing a new business model using Automated teller machines (ATMs), Point of Sale (POS) terminals which offer paperless banking solution, debit cards and mobile phones banking services. It has a wide branch network of 97 branches and growing Agent locations country wide It targets to rollout 1000 agents by mid 2012. It has also entered into strategic alliances and business partnerships with local and international enterprises in remittances and payment systems leveraging on wide-spread footprints and automation. One of these partnerships is with the World Savings Bank Institute (WSBI) and Bill and Melinda Gates Foundation to expand access to financial services mainly in the marginalized rural areas through the use of Agents. Through this project, Postbank will contribute toward the realization of Vision 2030 by providing access to financial services (Postbank Annual Report, 2010).

There are several challenges that Postbank currently faces which are as a result of changes in the business environment. These changes in the business environment include legal changes, political changes, and economic conditions such as recession, social factors, technological advancements and unprecedented competition brought about by the local incorporated banks that have set a foothold in a market and also entry of several players from the rest of the continent who produce similar products or services and sell their products similar customers. These changes warrant appropriate responses for survival in this turbulent environment. Postbank operates in a volatile environment and is affected by forces outside its control which include the political anxiety, competition

from new entrants, legal and technological advancement and there is therefore need to adopt some response strategies which will enable it to compete effectively in the market.

1.2 Research Problem

Organization learning is a long term activity expected to build competitive advantage over time and requires sustained management attention. A learning organization should be skilled at creating acquiring, transforming knowledge and at modifying its behaviour to reflect new knowledge and insight (Garvin, 1993). A premise of this approach is that all organizations can learn, some learn better than others and survive, while the more *successful* /earners thrive, *those that fail to learn eventually disappear (Nevis, Dibella & Gold 1995).*The role of leaders in an organization is to set the necessary conditions for the organization *to develop an effective capability, managers need to take strategic action* and make specific interventions *to* ensure learning can occur. Current research shows that identifiable bundles of Human resource management practices are directly linked to exemplary organizational performance (Pfeffer, 1994). Most organizations today are under severe pressure to proceed with needed organizational transformation in order to cope with the increasing rate of environmental change and turbulence. These new organizations must be responsive, flexible, adaptive and value adding to all stakeholders (Dervitsiotis, 1998).

It is therefore critical that leaders and their employees continually seek learning experiences and to share that information in an atmosphere where employees work together to resolve issues. Past efforts at improving organizational performance at Postbank focused on Restructuring, Downsizing of staff and Business Process

Reengineering (BPR) without considering how Managers leadership style affected the performance of organization units which in turn had a direct bearing on overall organization performance (Dervitsiotis, 1998).

Locally a number of studies have been carried out on the concept of Learning Organizations; Kihara (2007) conducted a study on The Learning Organization Concept, A study of the NGO's in Nairobi. The finding of the study indicated that the majority of the NGO's in Kenya practice Organization Learning. Kiguru (2010) conducted a study entitled on Adoption of the Learning Organization concept in the Hotel Industry .The findings of the study was that Learning is carried out in the Hotel Industry. Kibet (2007) conducted a study on: Application of the Learning Organization at NSSF, the findings of the study was that organization learning is practiced at NSSF, Kirimi (2006) conducted a survey of Learning Organizations in private recruitment Agencies, the findings of the study showed that such agencies use the learning concept, Muganda (2008) also did a survey on the influence of Learning Organization on job satisfaction, the findings of the study confirmed the use of the Learning Organization Concept. Wandera (2006) conducted a study on the Relationship of organizational Learning and Performance and the findings of the study was that performance is enhanced in learning organizations.

Based on the above observation it is clear that the concept though in use has not been formally adopted and entrenched as part of the organization culture in all the above institutions. As observed above non of the studies was conducted in the same context and to the best of the researcher's knowledge there is no known study that has been carried

out on learning organizations which attempts to evaluate the impact of the managers Leadership style on implementation of Learning Organizations. This study therefore sought to fill the knowledge gap and attempted to answer the following questions is there a relationship between leadership style of the department head and their success in promoting and maintaining a Learning Organization?

1.3   Objectives of the Study

The objective of the study was to determine the Leadership styles that would be most appropriate for implementing a successful and sustainable Learning Organization.

1.4   Value of the Study

This study would form the foundation upon which other related and replicated studies could be based on. The study would further improve the understanding of the concepts of the learning organization, it would also raise curiosity about what organizations are currently doing and seek to identify templates, or ideal forms, Which real organizations could attempt to emulate.

The study would also assist the management of Kenya Post Office Savings Bank and the banking fraternity to become more responsive and adaptive to an increasingly unpredictable and dynamic business environment and continually enhancing their capabilities to change and to adapt. This could be done by developing collective as well as individual learning and by using the results of learning in order to achieve better results. Banks are, and always would be, as good as their knowledge, and their ability to transform that knowledge into valuable and successful competencies, products and services. This knowledge might take the form of new and revolutionary ideas, or it could

be knowledge of competitors and the banking industry. It could be process knowledge and best practice knowledge. It could be knowledge of a change in the environment, or knowledge that demands a change in the environment. The Research was conducted on leadership style and organizational learning would attempt to identify the leadership elements most likely to produce a learning organization.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents previous research done on Learning Organizations and Leadership styles, it is organized into two phases; first it reviews Literature on learning organizations and then the leadership styles. Organizations have recognized the commercial significance of organizational learning and the notion of the learning organization has been a central orienting point in this. The learning organization is an ideal, towards which organizations have to evolve in order to be able to respond to the various pressures they face (Finger and Brand 1999). It is characterized by recognition that 'individual and collective learning are key.

2.2 Learning Organization Concept

Learning is becoming a complex phenomenon and the concept of Learning within the organization has numerous dimensions making it even more complex than individual learning. Where did the concept of a learning organization originate? Who helped create and disseminate this concept? What are the Landmark publications that changed our thinking in the 1990's? There have been several Key figures that have propelled this concept. Senge is Considered the Father of organizational learning (Dumaine, 1994).A director at innovation associates who advices government and educational leaders and has an established research centre for organizational learning founded in 1990.He published a best selling book, The fifth Discipline. Anyone who wants to be part of a learning organization must first go thru a personal change (Senge, Klienner et al., 1994). (Argvris,1999) is Famous for double loop learning for solving difficult problems.Double looping learning is about solving difficult problems according to Argvris. We discover

and establish truth when we subject people's claims to rigorous tests. It allows us to see more clearly the causal processes embedded in the claims, it advocates Transparency and depends on stewardship. Schon Co authored the Theory in practice and Organizational Learning with Argyris. Schons deep integration of knowing and doing can be seen as pioneer work.

Wheatley (1990) in Her book on Leadership and new science suggests that Learning about organization from an orderly universe is recognized as introducing a new paradigm for Organizational Development that the chaos and complexity have emerged as serious branches of science and advocates working together in harmony.

2.3   Phases of Learning Organization

A company that chooses the learning organization approach must first go through a phase of preparing top and middle management in the basic disciplines of system thinking shared mental models, personal mastery, shared vision and team building. Building a foundation for those important skills is a slow and demanding process. In the first phase the initial rate of improvement is modest (Dervitsiotis, 1998). In the second phase there is moderate rate of improvement as most people learn to practice the art of these disciplines with greater skill, creativity and effectiveness and crafting a shared vision of the organization. In the third phase of the learning organization path the rate of improvement begins to accelerate with more and more people pursuing a shared vision and operating at their fullest potential. Here we observe maximum strategic alignment of all parts of the organization.

Learning how to do your job within an organization means two things, understanding the technical aspects of doing your job, and understanding the dynamic interplay of the people around you. The first does not work without the second, which is why many technicians make lousy managers and why many successful managers spend more time networking and playing politics than they do managing.

2.4   Characteristics of Learning Organization

A learning organization is one that is able to change its behaviour and mindset as a result of experience. Unfortunately many organizations refuse to acknowledge certain truths or facts and repeat dysfunctional behaviours over again. Examples include the number of times restructuring and downsizing initiatives are repeated because the previous attempts did not achieve the desired outcomes.

According to Senge (1990), Learning organizations are organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together. The basic rationale for such organizations is that in situations of rapid change only those that are flexible, adaptive and productive will excel. For this to happen, it is argued, organizations need to discover how to tap people's commitment and capacity to learn at all levels. Senge identified five concepts of Learning which includes System Thinking, Personal Mastery, Mental models, Building shared vision and Team Learning.

System thinking is the cornerstone of learning of learning organization .A great virtue of Senge (1990) work is the way in which he puts systems theory to work. *The Fifth*

Discipline provides a good introduction to the basics and uses of such theory and the way in which it can be brought together with other theoretical devices in order to make sense of organizational questions and issues. Systemic thinking is the conceptual cornerstone of his approach. It is the discipline that integrates the others, fusing them into a coherent body of theory and practice. Systems theory's ability to comprehend and address the whole and to examine the interrelationship between the parts provides, for Senge (1990) both the incentive and the short time span advocates the use of systems maps, these are diagrams that show the key elements of systems and how they connect. However, people often have a problem seeing systems, and it takes work to acquire the basic building blocks of systems theory, and to apply them to your organization. Alongside systems thinking, there stand four other disciplines. A Discipline is viewed by Senge (1990) as a series of principles and practices that we study, master and integrate into our lives. Each discipline provides a vital dimension. Each is necessary to the others if organizations are to learn.

Personal Mastery means organizations learn only through individuals who learn. Individual learning does not guarantee organizational learning but without it again no organizational learning occurs (Senge, 1990). Personal mastery is the discipline of continually clarifying and deepening our personal vision, of focusing our energies, of developing patience, and of seeing reality objectively. It goes beyond competence and skills, although it involves them. It goes beyond spiritual opening, although it involves spiritual growth (Senge, 1990). Mastery is seen as a special kind of proficiency. It is not about dominance, but rather about a calling. Vision is vocation rather than simply just a good idea. People with a high level of personal mastery live in a continual learning mode.

Mental models are deeply ingrained assumptions, generalizations, or even pictures and images that influence how we understand the world and how we take action (Senge, 1990). We are often not that aware of the impact of such assumptions on our behaviour and, thus, a fundamental part of our task is to develop the ability to self reflect The discipline of mental models starts with turning the mirror inward; learning to unearth our internal pictures of the world, to bring them to the surface and hold them rigorously to scrutiny. It also includes the ability to carry on meaningful conversations that balance inquiry and advocacy, where people expose their own thinking effectively and make that thinking open to the influence of others (Senge, 1990).

Building shared vision starts from the position that if any one idea about leadership has inspired organizations for thousands of years, it's the capacity to hold a share picture of the future we seek to create'. Such a vision has the power to be uplifting and to encourage experimentation and innovation. Crucially, it is argued, it can also foster a sense of the long-term, something that is fundamental to the Fifth discipline .When there is a genuine vision as opposed to the all too familiar vision statement, people excel and learn, not because they are told to, but because they want to. The practice of shared vision involves the skills of unearthing shared 'pictures of the future' that foster genuine commitment and enrolment rather than compliance. In mastering this discipline, leaders learn the counter-productiveness of trying to dictate a vision, no matter how heartfelt. (Senge, 1990).Visions spread because of a reinforcing process. Increased clarity, enthusiasm and commitment rub off on others in the organization.

Team learning is viewed as the process of aligning and developing the capacities of a team to create the results its members truly desire (Senge, 1990). It builds on personal mastery and shared vision but these are not enough. People need to be able to act together. When teams learn together, not only can there be good results for the organization, members will grow more rapidly than could have occurred. The discipline of team learning starts with dialogue, the capacity of members of a team to suspend assumptions and enter into a genuine thinking together (Senge, 1990).

2.5   Leadership

Leadership is a process by which a person influences others to accomplish an objective and direct the organization in a way that makes it more cohesive and coherent. Leadership is also a process whereby an individual influences a group of individuals to achieve a common goal(Northhouse, 2007).Good leaders are made not born, with the desire and willpower anybody can become an effective leader.Good leaders develop thru a never ending process of self study, education, training and experience (Jago, 1982). To inspire workers into higher levels of teamwork skills should be acquired through continuous work and study. While leadership is learnt the skills and knowledge processed by the leader can be influenced by his or her attributes or traits such as beliefs, values, ethics and character. Knowledge and skills contribute directly to the process leadership while the other attributes give the leader certain characteristics that make the leader unique however there are four major factors to leadership namely Leader, Follower, communication and situation. As a leader one must understand who they are, their knowledge, their capability a leader must be worthy of being followed.

Different followers require different styles of leadership. A leader must know the type of followers .The fundamental starting point is to have a good understanding of human nature **.It** is essential that Communication is two way ,effective communication is key to success in leadership. All situations are not the same. What works in one situation may not work in the next. Situations have greater effect on leader's actions those traits this is because while traits may have stability over a period of time it has little consistency across situations (Mischel, 1968).This is why Process Theory of Leadership is more accurate than Trait Theory of Leadership. **It** is important to note that various forces will affect these four factors such as relationships with superiors, skills of followers, informal leaders within the organization and how the organization is organized.

2.6   Leadership styles

What makes a person want to follow a leader? People want to be guided by those they respect and who have a clear sense of direction but to gain this respect they must be seen to be ethical in all their undertakings. A sense of direction is achieved by conveying a strong vision for the future. There are different leadership styles which are the characteristics that critically define the leaders in our organizations today. They are a mix and mat of various traits and will in some way influence the organizational culture. Respected leaders concentrate on what they are, what they know and what they do (Marshal, 1983).

Leadership can be broadly views as consisting of three distinct styles Authoritarian leaders, Participative leadership and Delegative leadership. Authoritarian leaders, also known as Autocratic, provide clear expectations for what needs to be done, when it

should be done, and how it should be done. There is also a clear division between the leader and the followers. Authoritarian leaders make decisions independently with little or no input from the rest of the group. Researchers found that decision-making was less creative under authoritarian leadership. Lewin (1935) also found that it is more difficult

to move from an authoritarian style to a democratic style than vice versa. Abuse of this style is usually viewed as controlling, bossy, and dictatorial. Authoritarian leadership is best applied to situations where there is little time for group decision-making or where the leader is the most knowledgeable member of the group.

Participative leadership, also known as democratic leadership, is generally the most effective leadership style. Democratic leaders offer guidance to group members, but they also participate in the group and allow input from other group members. Participative leaders encourage group members to participate, but retain the final say over the decision-making process. Group members feel engaged in the process and are more motivated and creative.

Delegative leadership, also known as laissez fair leadership, is the least productive of all three groups. Delegative leaders offer little or no guidance to group members and leave decision-making up to group members. While this style can be effective in situations where group members are highly qualified in an area of expertise, it often leads to poorly defined roles and a lack of motivation.

Leadership styles can also be categorized into two Transactional and Transformational. According to Cox (2001), there are only two basic categories of leadership: *transactional* and transformational. The distinction between transactional and transformational

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leadership was first made by Downton (1973), but the idea gained little currency until Burns (1978) work on political leaders was published. This style of leadership starts with the idea that team members agree to obey their leader totally when they accept a job. The transaction is usually the organization paying the team members in return for their effort and compliance. Team members can do little to improve their job satisfaction under transactional leadership. The leader could give team members some control of their income/reward by using incentives that encourage even higher standards or greater productivity. Alternatively, a transactional leader could practice management by exception - rather than rewarding better work, the leader could take corrective action if the required standards are not met. Transactional leadership is really a type of management, not a true leadership style, because the focus is on short-term tasks. It has serious limitations for knowledge-based or creative work, however it can be effective in other situations.

Transformational leadership fosters capacity development and brings higher levels of personal commitment amongst followers to organizational objectives. Transformational leadership occurs when leaders broaden and elevate the interests of their employees, when they generate awareness and acceptance of the purposes and mission of the group, and when they stir employees to look beyond their own self-interest for the good of the group.

Transformational leaders elevate people from low levels of need, *focussed on* survival. They may also motivate followers to transcend their own interests for some other collective purpose but typically help followers satisfy as many of their individual human

needs as possible, appealing notably to higher order needs. Transformational leaders are said to engender trust, admiration, loyalty and respect amongst their followers. This form of leadership requires that leaders engage with followers as whole people, rather than simply as an employee for example. In effect, transformational leaders emphasize the actualization of followers (Rice, 1993).

Leadership can further be determined by situations. Different situations require different leadership styles. The fundamental underpinning of the situational leadership theory is there is no single best style of leadership. Effective leadership is task-relevant and that the most successful leaders are those that adapt their leadership style to the capacity to set high but attainable goals, willingness and ability to take responsibility for the task, and relevant education and/or experience of an individual or a group for the task of the individual or group they are attempting to lead/influence. That effective leadership varies, not only with the person or group that is being influenced, but it will also depend on the task, job or function that needs to be accomplished. Leaders should be able to move back and forth between styles, based on the needs of the follower and the situation itself. Telling or directing; leader makes decisions and communication is primarily one-way. Selling or coaching; leader involves followers in offering ideas but leader still makes decisions. Participating or supporting; leader allows followers to have an increasing say in decisions but provides coordination and guidance. Delegating; leader allows capable others to perform largely on their own and make their own decisions. All of these styles are appropriate and necessary under particular conditions. A good leader uses all these styles and at the correct times.

Other common Leadership styles are Charismatic Leadership, Bureaucratic Leadership, Relation-oriented Leadership, Servant Leadership and Task-oriented Leadership. In charismatic leadership, the leader puts in energy and enthusiasm into the project of the team, motivates and helps employees. A bureaucratic leader is one who makes sure that the standard procedures of the process are followed by the team members. This style rules out the scope for trying out new problem solving methods and enhancing the project performance. Relation-oriented Leadership: also referred to as people-oriented style. In this corporate leadership style, the leader tries his best to support and mentor the team members, which in turn turns out to be beneficial for the project. Servant leadership, the leader is not officially intended to act as a leader. The leader is just an informal leader who takes one step forward on behalf of his team members. The leader takes decisions collectively by consulting with his colleagues. A task-oriented leader is usually known for only focusing on what his team has to achieve. Though, unlike in autocratic leadership, he might understand the needs and welfare of the team members.

2.7   Leading the Learning Organizations

Learning organizations require a new view of leadership. The traditional view of leaders as special people who set the direction, make key decisions and energize the troops as deriving from a deeply individualistic and non systemic worldview (Senge, 1990). At its centre the traditional view of leadership, is based on assumptions of people's powerlessness, their lack of personal vision and inability to master the forces of change, deficits which can be remedied only by a few great leaders. In a learning organization, leaders are designers, stewards and teachers. They are responsible for building organizations were people continually expand their capabilities to understand complexity,

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clarify vision, and improve shared mental models that is they are responsible for learning. Learning organizations will remain a good idea until people take a stand for building such organizations. Taking this stand is the first leadership act for the vision of the learning organization (Senge, 1990).

Leaders as Designers is viewed from the functions of design, Senge (1990) argues, yet no one has a more sweeping influence than the designer. The organization's policies, strategies and systems are key area of design, but leadership goes beyond this. Integrating the five component technologies is fundamental. However, the first task entails designing the governing ideas the purpose, vision and core values by which people should live. Building a shared vision is crucial early on as it 'fosters a long-term orientation and an imperative for learning (Senge, 1990). Other disciplines also need to be attended to, but just how they are to be approached is dependent upon the situation faced. In essence, the leaders task is designing the learning processes whereby people throughout the organization can deal productively with the critical issue they face, and develop their mastery in the learning disciplines.

The starting point is the purpose stories that the managers tell about their organization. It is   realized that the managers are doing more than telling stories, they ere relating the story, the overarching explanation of why they do what they do, how their organization needs to evolve, and how that evolution is part of something larger (Senge, 1990). Such purpose stories provide a single set of integrating ideas that give meaning to all aspects of the leader's work and not unexpectedly the leader develops a unique relationship to his or her own personal vision. He or she becomes a steward of the vision. One of the

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important things to grasp here is that stewardship involves a commitment to, and responsibility for the vision, but it does not mean that the leader owns it. It is not their possession. Leaders are stewards of the vision, their task is to manage it for the benefit of others hence the subtitle of Block's book choosing service over self interest.

Leader as Teacher draws a lot of debate, Senge (1990) starts here with De Pree's (1990) injunction that the first responsibility of a leader is to define reality. While leaders may draw inspiration and spiritual reserves from their sense of stewardship, much of the leverage leaders can actually exert lies in helping people achieve more accurate, more insightful and more empowering views of reality (Senge, 1990). Building on an existing hierarchy of explanation leaders, Peter Senge argues, can influence people's view of reality at four levels: events, patterns of behaviour, systemic structures and the purpose story. By and large most managers and leaders tend to focus on the first two of these levels and under their influence organizations do likewise.

Strategic Leadership is closely related to Organizational Learning Vera and Crossan, (2004) and there is a broad consensus on the notion that leader characteristics and leadership style are essential to encouraging Organizational Learning. Hence, literature on exploring how leadership affects Organizational Learning is found to be growing. For example, Garavan, Morley, Gunnigle and McGuire (2002) highlight some studies on how leadership practices can facilitate change and renew organizations through learning. In the library environment, Castiglione (2006) provides an in-depth review of transformational leadership and its relation to Organization Learning and adaptation. A review of the literature on leadership reveals that there are many studies on measurement of leadership but the association of leadership and Organization Learning has seldom

been studied. Yet, it is generally suggested that Bass's transformational leaders tend to create learning opportunities for their followers (Morales and Montes, 2006; Gronn, 1997; Vera and Crossan, (2004). The presence of transformational leadership seems to be a prerequisite for Organizational Learning. Learning Organizations hence requires a leader who brings out the best in followers, Leadership that is adaptive and flexible.

2.8   Role of Transformational Leadership in Learning Organization

Leadership takes a different role in learning organization. To achieve the vision of Learning Organization, leadership capabilities must be developed. As identified by various authors' leaders in learning organizations need to communicate a clear and compelling vision of the future organization to obtain commitment from the members, encourage followers to respond to environment uncertainty through creativity and innovativeness, change their mental models and encourage them to seek learning oriented behaviors and embrace continous learning. These roles are suitable to a transformational leader as they are champions of technological innovations (Howell and Higgins, 1990).

The present day environmental pressure necessitates the transformation to a Learning Organization. Changing from a Traditional Organization to a Learning Organization aims to transform a traditional organization to a more responsive and effective organization that is able to withstand and survive the environmental pressure and improve its performance in the face of turbulent environment. The idealized vision articulated by the leader provides a challenge and motivating force for change to the followers as it represents a perspective shared by all the followers and promises to meet their hopes and aspirations (Conger and Kanungo, 1997: Waldman et al 2001). The age of rapid change calls for a new kind of leadership to enable organizations to transform and cope with the

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changes. This new brand of leaders must have the ability to help organization develop a vision of what it can be, to mobilize the organization to accept and work towards achieving a new vision and to institutionalize the changes that must last over time. These leaders are called transformational leaders and learning organizations require the leadership of the transformational leader who enables the members to make sense of the uncertainly by continuous learning thru mechanism of organizational learning.

2.9   Sustaining Momentum in Learning Organizations

How do we go beyond the first steps of corporate change, how do we Sustain Momentum (Senge, Kleiner, et al,1999).There are several challenges to sustaining momentum in Learning Organization as discussed in The Dance of Change .Using nature as a metaphor it illustrates how organizations also have a life cycle like any other organism. When organizations succeed in developing and nurturing their organizational learning they create a form of intellectual capital that is difficult for competitors to imitate. Since learning enhances organizational ability to adapt and respond rapidly, it conveys competitive advantage on the organization. Learning organisations are a special form of organization where enhancing learning is a strategy to increase intellectual capital. Developing learning organisations has become an imperative for many managers, since an organization's learning methods and rate may be the only source of sustainable competitive advantage. However, learning organization theory tends to be prescriptive and rhetorical, with empirical research still relatively new (Senge, 1990).

2.10 Summary of Literature Review

This chapter has attempted to exhaustively review Literature on Leadership Styles and Learning Organization concepts. There are several leadership styles as there are several types of followers and organizations. A good leader uses all these styles but at the correct time and situation. Effective leadership is task oriented and most effective leaders adapt depending on the task at hand. A learning organization is one that is capable of changing its behaviours and mind set as a result of experience.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1   Introduction

This chapter presented the approach that was followed in completing the study. It involved the research design, data collection method, respondents, collection procedures measurement and analysis of data.

3.2   Research Design

The research Design used was a case study. A case study is an in-depth investigation of an individual, institution or phenomenon (Mugenda and Mugenda, 2003). The case study method has a value of enabling the authors to explore the content under study and, as argued by Yin (1984), retain the holistic characteristics of real-life events in fields such as organizational and managerial processes. The primary purpose of the case study is to determine factors and relationships among the factors that have resulted in the behavior under study. The case study approach is very appropriate for individual researcher because it gives them the opportunity to research in depth one particular aspect of a problem. Since this study was to establish the managers best leadership style that would be most appropriate in implementing a successful learning organization at Postbank, a case study was considered the best design approach to fulfil the objectives of the study.

3.3   Data Collection

The study used both primary and secondary data. The primary data was collected using an interview guide (see appendix 2), while secondary data was collected by use of desk search techniques from published reports and other documents. The interview guide used to collect primary data consisted of two sets of questions, A Learning Organization

assessment (LOA) (Kline & Saunders, 1998). For determining the degree to which the respondent believes in his or her organization possesses the characteristics of a Learning Organization and a Leadership Profile Assessment (LPA).Rosenbach, Sashkin & Hamburg. F (1996) were used for determining leadership behaviour and characteristics.

The respondents were drawn from the middle level managers in charge of Finance, Planning, Risk management, Information technology and Operations, Human resources, Marketing & Research division, and Public affairs and Communication division. These were considered to be key informants for this research. In addition the departments in which the intended respondents work in were the key developers and implementers of the banks strategies. There were a total of 8 respondents who participated in the study.

3.4 Data Analysis

Before processing the responses, the completed interview guides were edited for completeness and consistency. The data collected was analyzed using content analysis Carley, K. (1990) and qualitative analysis. Qualitative data analysis makes general statements on how categories or themes of data are related (Mugenda and Mugenda, 2003). Descriptive statistics such as frequency distribution, percentages, tables and bar graphs were used to represent data.

The length in employment of the respondent was considered to determine the level of awareness on operational procedures and work experience. The two sets of detailed responses were obtained from the same respondent .The assessment result spreadsheets were also designed to allow individual responses to be analysed. The (LOA) contained thirty six statements that represented a partial description of the Learning Organization

and related to one or more of the ten characteristics of learning organization as suggested by (Kline & Sunders, 1998).The (LPA) contained fifty questions that measured transactional leadership, transformational leadership behaviour and transactional leadership characteristics necessary if transformational leaders are to have a positive impact on their organization (Rosenbach, Saskin & Harburg, 1996).

CHAPTER FOUR: DATA, RESULTS AND DISCUSSION

4.1   Introduction

This chapter presents the results of the analysis of the data collected. It provides information about a summary of the general information and to determine the Leadership styles that would be most appropriate for implementing a successful and sustainable Learning Organization

4.2   General Information

A total of 8 completed and useable interview guides were obtained from the members for the bank. The general information considered in the study was number of years of service in the bank and number of employees.

4.2.1   Response rate

As shown above all the 8 departments participated in the study. This represents 100% response rate.

Table 4.2.1: Assessment Return Rate

Department	Surveys sent	Surveys returned	Percentage returned
Department 1	**1**	1	100%
Department 2	1	**1**	100%
Department 3	**1**	1	100%
Department 4	1	**1**	100%
Department 5	1	1	100%
Department 6	1	**1**	100%
Department 7	1	1	100%
Department 8	**1**	**1**	100%
Totals	**8**	**8**	**100%**

The response rale indicated that the participants showed a high degree of interest and willingness in embracing the concept of learning organization.

4.2.2   Length of service with the bank

The respondents were asked to state the length of service with the bank. The results are given in table 4.2.2

Table 4.2.2: Number of years the employee has been in the bank

	Frequency	Percent	Cumulative Percent
Less than 10 years	2	25.0	25.0
10-15 years	2	25.0	50.0
Over 20 years	4	50.0	100.0
Total	8	100.0	

The table above was diagrammatically represented as shown below.

Figure 4.2.2: Number of years the employee has been in the bank
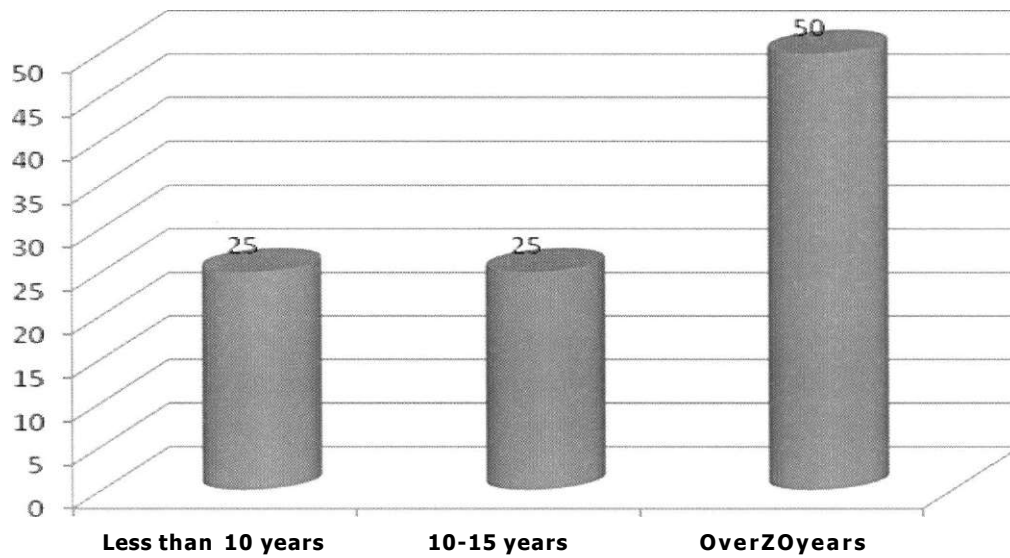
As shown in table 4.2.2 and figure 4.2.2 , most of the respondent's (50.0%) had been in the bank for over 20 years, 25.0% had been in the bank for less than 10 years and 10 to 15 years respectively. This shows that the respondents have wealth of experience in the operations and leadership styles in the bank for a long period of time hence the information obtained from them could be relied on.

4.2.3   Number of employees in the department

The respondents were asked to state number of employees in their respective departments. The results are given in table 4.2.3

Table 4.2.3: How many employees does your department currently have?

Number of employees	Frequency	Percent	Cumulative Percent
21-50	2	25.0	25.0
51-100	1	12.5	37.5
101-200	5	62.5	100.0
Total	8	100.0	

The table above was diagrammatically represented as shown below.

Figure 4.2.3: How many employees does your department currently have?
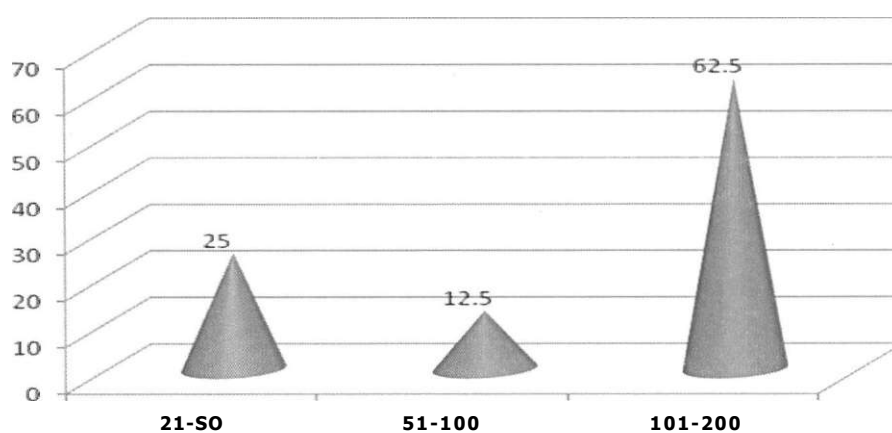
The findings presented in table 4.2.3 and figure 4.2.3 show that, 12.5% of the respondent's departments had 51 to 100 employees, 25% had 21 to 50 employees and 62.5% had 101 to 2001 employees respectively.

4.3   Leadership Profile Assessment

This section covers the question posed to the respondents on leadership profile assessment. The aim of this section was to find out the type of leadership being practised

by managers at various departments in Postbank. Tables were used to present the findings.

Table 4.3.1: Leadership Profile assessment score

Style	Department							
	1	2	3	4	5	6	7	8
TL	Yes	Moderate	No	Yes	No	No	No	Yes
TLB	No	No	Yes	No	No	Moderate	Yes	No
TLC	No	Yes	No	moderate	Yes	Yes	No	Moderate
Form of leadership	TL	TLC	TLB	TL	TLC	TLC	TLB	TL

The Leadership Profile assessment scored each department head in three categories, Transactional Leadership (TL), Transformational Leadership Behaviors (TLB), and Transformational Leadership Characteristics (TLC). The findings in table 4.2.3 indicated the leaders of departments 1, 4, and 8 were transactional leadership (measurement of managerial leadership activities), Leaders of departments 3 and 7 were Transformational Leadership Behaviors (measurement of interpersonal skills as they apply to leadership), while the leaders of departments 2, 5 and 6 were Transformational Leadership Characteristics (pertaining to the measurement of the leader's ability to manage organizational activities).

4.4   Learning Organization Assessment

This section covers the question posed to the respondents learning organization assessment.

4.4.1: Is there a relationship between the leadership style of the department head and their success at promoting and maintaining a learning organization? Leadership styles have a relationship with the promotion and maintenance of learning organization, that is, each leadership style has specific variables of learning organization. The respondents rating of leadership styles were cross tabulated with the learning organization assessments in order to find out whether there exist a relationship between the leadership style of the department head and their success at promoting and maintaining a learning organization. The results are as shown in appendices v, vi and vii.

As shown in appendix v, the managers practicing Transactional Leadership indicated that learning organization could be promoted and maintained through; People feeling free to speak their minds about what they have learned, there a general feeling that it is always possible to find a better way to do something, experimentation endorsed and championed, and is a way of doing business, willingness to break old patterns in order to experiment, Management practices are innovative, creative, and periodically risk-taking, Are there formal and informal structures designed to encourage people to share what they learn with their peers, Organization perceived as designed for problem-solving and learning, Learning expected and encouraged across all levels of the organization, Lessons learned sessions conducted so as to produce clear, specific & permanent structural changes, Continuous improvement expected and treated receptively.

Workers at all levels specifically directed towards relevant and valuable training and learning opportunities, Middle managers seen as having the primary role in keeping the learning process running smoothly, is the unexpected viewed as an opportunity for learning, Do People look forward to improving their own competencies as well as those of the whole organization, There is a healthy, manageable level of stress that assists in promoting Learning, There is Continuous improvement practiced as well as preached, Is the difference between training, education and learning clearly understood, People are encouraged and provided the resources to become self-directed learners, Individual learning style and those of co-workers used to improve communication, There is direction and resource allocation planned to bring about meaningful and lasting learning, Teams recognized and rewarded for their innovative and paradigm breaking solutions to problems, Managers have considerable skills for gathering information and developing their abilities to cope with demands, Managers enable their staffs to become self-developers, and learn how to improve their performance and There is fear, threat or repercussion for disagreeing or dissenting.

The results in appendix vii shows that Transformational Leadership Characteristics managers promote and maintain learning organization through (yes rating); People feel free to speak their minds about what they have learned, Mistakes made by individuals or departments are turned into constructive learning experiences, There a general feeling that it is always possible to find a better way to do something, Multiple viewpoints and open productive debates are encouraged and cultivated, Experimentation endorsed and championed, and is a way of doing business, Mistakes clearly viewed as positive growth

opportunities throughout the system, There is a willingness to break old patterns in order to experiment.

Management practices are also innovative, creative, and periodically risk-taking, quality of work life in our organization seen as improving, Are there formal and informal structures designed to encourage people to share what they learn with their peers, Organization perceived as designed for problem-solving and learning, Learning expected and encouraged across all levels of the organization, People have an overview of the organization beyond their specialty and function, Lessons learned sessions conducted so as to produce clear, specific & permanent structural changes, Continuous improvement expected and treated receptively, there clear and specific expectations of each employee to receive a specified number of hours of training.

Workers at all levels specifically directed towards relevant and valuable training and learning opportunities, Cross-functional learning opportunities expected and organized on a regular basis, Middle managers seen as having the primary role in keeping the learning process running smoothly, there is unexpected viewed as an opportunity for learning, People look forward to improving their own competencies as well as those of the whole organization, The systems, structures, policies and procedures adaptive, flexible, and responsive to all stimuli, There is a healthy, manageable level of stress that assists in promoting Learning, There is Continuous improvement practiced as well as preached, the difference between training/education and learning clearly understood, People are encouraged and provided the resources to become self-directed learners, There is a formal, on-going education program to prepare middle managers in their new roles, Individual learning style and those of co-workers used to improve communication,

Management is sensitive to learning and development differences in their employees, Time scheduled into people's professional calendars to step back from BAU to reflect on what is happening, The results from Appendix vii further shows that there is direction and resource allocation planned to bring about meaningful and lasting learning, Teams recognized and rewarded for their innovative and paradigm breaking solutions to problems, Managers have considerable skills for gathering information and developing their abilities to cope with demands, Managers enable their staffs to become self-developers, and learn how to improve their performance and There is fear, threat or repercussion for disagreeing or dissenting.

Transformational Leadership Behaviors managers were of the opinion that learning organization would be best promoted and maintained through (yes rating);According to Appendix vii There a general feeling that it is always possible to find a better way to do something, Multiple viewpoints and open productive debates are encouraged and cultivated, Experimentation endorsed and championed, and is a way of doing business, There is a willingness to break old patterns in order to experiment, Management practices are innovative, creative, and periodically risk-taking, Is the quality of work life in our organization seen as improving, Organization perceived as designed for problem-solving and learning, Learning expected and encouraged across all levels of the organization, People have an overview of the organization beyond their specialty and function, Lessons learned sessions conducted so as to produce clear, specific & permanent structural changes, Middle managers seen as having the primary role in keeping the learning process running smoothly, Is the unexpected viewed as an opportunity for learning,

People look forward to improving their own competencies as well as those of the whole organization, There is Continuous improvement practiced as well as preached, Individual learning style and those of co-workers used to improve communication and Time scheduled into people's professional calendars to step back from BAU to reflect on what is happening.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1   Introduction

This chapter gives the Summary, conclusions and recommendations arising from the study to determine the Leadership styles that would be most appropriate for implementing a successful and sustainable Learning Organization.

5.2   Summary

The objective of the study was to determine the Leadership styles that would be most appropriate for implementing a successful and sustainable Learning Organization. The results of this research indicate that there is a distinct relationship between the department head leadership profile and the ability of the department head to lead and create a learning organization. The results indicate that the best leaders at creating a learning organization are balanced in transactional leadership, transformational behaviors, and transformational characteristics. However, while maintaining a balance in all three areas, the most successful leaders at creating a learning organization seemed to excel in the transformational leadership characteristic style. The transformational leadership characteristic style pertains to organizational functions, as opposed to transactional leadership, which pertains to managerial abilities, or transformational leadership behavior, which pertains to the interpersonal skills of the leader. Marquardt (1999) seems to support these findings in his research by advocating; there are many attributes that make up a learning organization, however many of them are organizational focused. He

further states, Learning is best conducted by the organization as a whole using a systems thinking philosophy (Marquardt, 1999).

Of the three types of leadership assessed in this research, managerial, interpersonal, and organizational, it is the organizational approach as determined by transformational leadership characteristics that has the best opportunity to create a learning organization. Senge supports the notion that learning organizations are created using transformational leadership. Systems thinking is the framework for seeing interrelationships rather than just snapshots. It is the cornerstone of how learning organizations think about their world (Senge, 1994). Dervitsiotis suggests that leaders prepare their organization for learning by creating systems thinking, shared mental models, shared vision, and strategic alignment (Dervitsiotis, 1999). The results of this research support this view because these concepts clearly align with transformational leadership.

In summary, the results would suggest that certain leadership characteristics drive certain types of follower behavior. With respect to our current fast paced working environment, it would seem that the characteristics of a learning organization are more clearly aligned with the behavior of the transformational leader. Understanding the components of a successful learning organization will help Postbank's departments realize success in producing efficient outcomes for the internal and external stakeholders. Lastly, the learning organization approach to leadership in postbank will establish an environment where department heads work effectively with each other to solve customers' problems and offer the highest quality service.

5.3 Conclusion

The results would suggest that certain leadership characteristics drive certain types of follower behaviour. With respect to our current dynamic working environment it is clear that characteristics of a learning organization are more clearly aligned to the behaviour of the leader. The implication of the study for Postbank can be profounded because learning organizations are about fast paced continuous improvement where all employees understand the system and participate in achieving outcomes. For further success in the Banking industry Postbank should create more systems where all employees learn and quickly share the learnt information. Full understanding of the components of a learning organization will also help the bank and its operating departments realize success in producing efficient outcomes for internal and external stakeholders

A Second implication is competition for knowledge workers cuts across private and public sectors. Most successful workers want to be identified with successful organizations so to be a continuously successful organization and attract and retain top caliber employees, the bank should continuously improve to compete with the other industry players. Being a successful learning organization will provide a conducive environment where change is welcomed and anticipated. A learning organization approach will establish an environment for the collaboration between the department heads at Postbank.

5.4   Recommendations

The results of this study support the fact that learning organizations are effective and that the leadership style of a department head does play an important role in creating a learning organization. Based on this study, and the results, it is recommended that

1. Postbank establish a baseline for all department levels by conducting an organizational wide Learning Organization Assessment for the bank to determine if there are any deficiencies in middle management leadership training that would impact learning organization outcomes.

2. Postbank shift the focus of leadership training for mid-management employees from mostly interpersonal leadership skills training, and place a greater emphasis on managerial and organizational leadership training.

5.5   Suggestions for Further Research

Further study and research is recommended to understand if the Leadership style of leaders have any effect on creating successful learning organization.

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APPENDICES

Appendix I (a) : Letter of authorization from University of Nairobi

ONWERSity o f niubOBI
SCHOOL OF BUSINESS
MBA PROGRAMME

Telephone: 020-2059162
Telegrams: -Varsity",　　　fcsirobi　　<
Telex:　　22095 Varsity

PO Sax 30'97
Najrobl" ^a

DATE. **q/ji(£)jaoj**

TO WHOM IT MAY CONCERN

The bearer of this letter . W . t r s ' M   .   ..   . P . !

Registration

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

^　of

J S - ^ J F L -

ry**JUSTINE MAGUTU**
' **ASSISTANT REGISTRAR**
MBA OFFICE, AMBANK HOUSE

Appendix I (b) :   **Letter of Authorization from Post Wank**

KPSB/HR/5/2011
1   October. 2011

Winnie Omondi
PF:1940

Thro[1]

Senior Manager/ICT
K.P.O.S.BANK

RE: **REQUEST TO CARRY OUT RESEARCH**

Your letter dated 17th October 2011 on the above subject refers.

This is to inform you that authority has been granted for you to carry out a research on
"Impact of Managers leadership style on implementation of learning organization concept
at Kenya Post Office Savings Bank'\

Kindly note that you will be required to submit a copy of the final report to the
undersigned.

   <SEU

J.M.ABUYA
FOR: HEAD/HUMAN RESOURCE

Appendix II: Questionnaire

Questionnaire No

Section A: Company profile

1. Name of
    respondent

2. Designation of
    respondent

3.   Which is your Bank department

4. Number of years of service in the bank (Please tick one of the following)
    a   Less than 5 years
    b.   Less than 10 years
    c.   Less than 15 years
    d.   Less than 20 years
    e.   Over 20 years

5. Please tick the category that best describes your bank
    a.   Foreign owned and not locally incorporated
    b.   Foreign owned but locally incorporated   [
    c.   Partially government owned   [
    d.   Wholly locally owned   [
6. How many employees does your department currently have
    a   Less than 20   [
    b.   21-50   [
    c.   51-100   [
    d.   101-200   [
    e.   Greater than 200

Section B

The Leadership Profile Assessment

1. Please provide a response to the following questions about your head of Department.

	THE LEADERSHIP PROFILE ASSESSMENT	
	DESCRIPTION OF TEST-THE HEAD OF DEPARTMENT ASSESSMENT	
1	Manager Make's sure people have the resources they need to do a job.	
2	Manager Rewards people fairly for their efforts.	
3	Manager Pays close attention to what others say	
4	Manager can be relied on	
5	Manager Respects people's differences.	
6	Manager Creates opportunities for people to succeed.	
7	Manager acts in ways that have impact.	
8	Manager Enjoys making others obey her or his orders.	
9	Manager Considers how a specific plan of action might be extended to benefit others.	
10	Manager Encourages others to act according to the values and beliefs we share.	
11	Manager Provides information people need to effectively plan and do their work.	
12	Manager Recognizes good performance with rewards people value.	
13	Manager Communicates a clear sense of priorities.	
14	Manager Follows through on commitments.	
15	Manager Shows he or she cares about others.	
16	Manager designs situations that permit people to achieve their goals,	
17	Manager sees the results of her or his actions	

18   Manager expects others to obey without question,

Manager concentrates on short-term goals at expense of long range, strategic

19   goals.

20   Manager demonstrates that group goals are her or his own.

21   Manager help people get the training they need to perform their jobs effectively

22   Manager expresses appreciation when people perform well.

23   Manager grabs people's attention, focusing on the important Issue in a discussion

24   Manager keeps promises

25   Manager shows concern for the feelings of others

26   Manager involves others in new ideas and projects.

27   Manager makes a difference

28   Manager uses power and influence to benefit others.

29   Manager explains long-range plans and goals clearly

30   Manager supports effective coordination by working cooperatively with others

31   Manager supports and encourages people to get the job done well.

32   Manager knows the rewards people value.

33   Manager listens for feelings as well as Ideas

34   Does the Manager acts in ways consistent with her or his words

35   Manager treats others with respect, regardless of position

36   Manager helps others learn from mistakes.

37   Manager is confident in her or his own abilities

38   Manager seeks power and influence to attain goals people agree on.

39   Manager expresses a vision that engages people

Does the Manager encourage people to support their views and positions with

40   concrete evidence

41   Does the Manager make sure people have clear and challenging goals,

42   Does the Manager make sure that people know what to expect in return for

	accomplishing goals.	
43	Is the Manager able to get complicated ideas across clearly	
44	Can the Manager be trusted	
45	Does the Manager make others feel a real part of the group organization	
46	Does the Manager give people the authority they need to fulfill their responsibilities	
47	Is the Manager in control of his or her life	
48	Does your Manager share power and influence with others	
49	Has your Manager plans that extend over a period of several years or longer.	
50	Does your Manager value action over maintaining the status quo.	

Section C

Learning Organization Assessment

1. Please indicate how you feel about or perceive your Department.

	Section C Learning Organization Assessment
1	People feel free to speak their minds about what they have learned
2	Mistakes made by individuals or departments are turned into constructive learning experiences
3	There a general feeling that it is always possible to find a better way to do something.
4	Multiple viewpoints and open productive debates are encouraged and cultivated
5	Experimentation endorsed and championed, and is a way of doing business.
6	Mistakes clearly viewed as positive growth opportunities throughout the system
7	There is a willingness to break old patterns in order to experiment
8	Management practices are innovative, creative, and periodically risk-taking.
9	Is the quality of work life in our organization seen as improving?
10	Are there formal and informal structures designed to encourage people to share what they learn with their peers.
11	Organization perceived as designed for problem-solving and learning?
12	Learning expected and encouraged across all levels of the organization:
13	People have an overview of the organization beyond their specialty and function,
14	"Lessons learned" sessions conducted so as to produce clear, specific & permanent structural changes.
16	Continuous improvement expected and treated receptively.
17	Are there clear and specific expectations of each employee to receive a specified number of hours of training?
18	Workers at all levels specifically directed towards relevant and valuable training and learning opportunities
19	Cross-functional learning opportunities expected and organized on a regular basis
20	Middle managers seen as having the primary role in keeping the learning process running smoothly
21	Is the unexpected viewed as an opportunity for learning?
22	Do People look forward to improving their own competencies as well as those of the whole organization?

>

rhe systems, structures, policies and procedures adaptive, flexible, and responsive to all stimuli

There is a healthy, manageable level of stress that assists in promoting Learning

There is Continuous improvement practiced as well as preached.

Is the difference between training/education and learning clearly understood

People are encouraged and provided the resources to become self-directed learners

There is a formal, on-going education program to prepare middle managers in their new roles.

Individual learning style and those of co-workers used to improve communication

Management is sensitive to learning and development differences in their employees,

Time scheduled into people's professional calendars to step back from BAU to reflect on what is happening

There is direction and resource allocation planned to bring about meaningful and lasting learning.

Teams recognized and rewarded for their innovative and paradigm breaking solutions to problems.

Managers have considerable skills for gathering information and developing their abilities to cope with demands

Managers enable their staffs to become self-developers, and learn how to improve their performance?

There is fear, threat or repercussion for disagreeing or dissenting

Appendix III: Postbank Organization Structure 2011

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                          ┌─────────────┐
                          │  Managing   │
              ┌───────────┤  Director   ├───────────┐
              │           └──────┬──────┘           │
              ▼                  ▼                   ▼
        ┌──────────┐       ┌──────────┐       ┌──────────┐
        │ Director │       │ Director │       │ Director │
        │ HR       │       │ Finance  │       │Operations│
        └────┬─────┘       └──────────┘       └──────────┘
             │
             ▼
   ┌─────────────────────────┐
   │  • Senior managers      │
   │  • Managers             │
   │  • Assistant managers   │
   │  • Senior Officers      │
   │  • Junior Officers      │
   └─────────────────────────┘
```
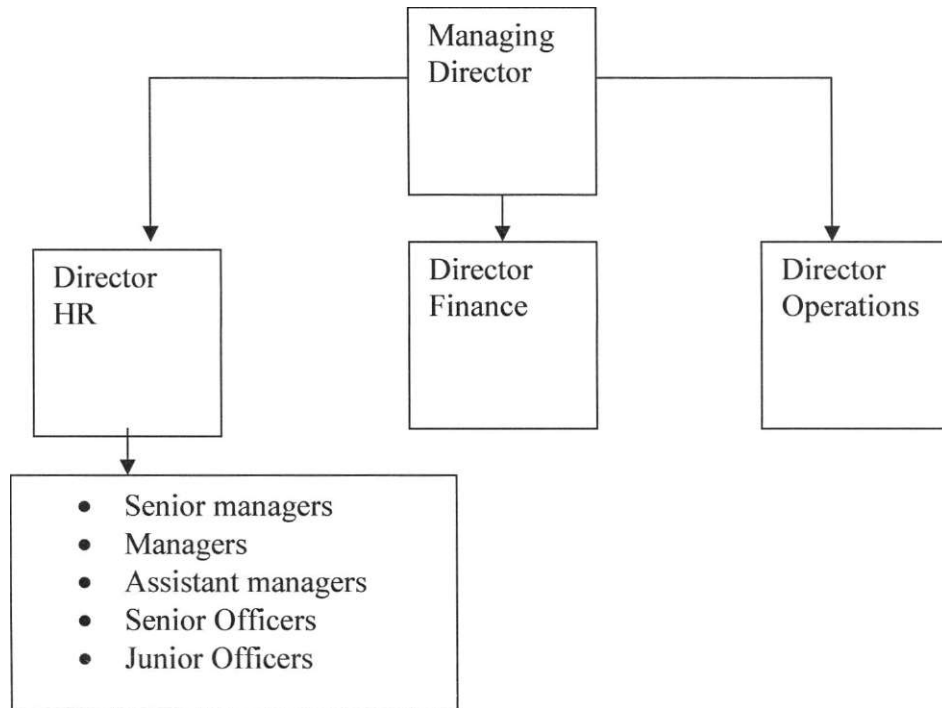
Appendix IV: Leadership Profile assessment Results Leadership

Leadership Style	Sub Style	Departments							
		1	2	3	4	5	6	7	8
Transactional Leadership	Capable Management	Yes	No	No	Yes	Moderate	No		Yes
	Reward Equity	Yes	No	No	Yes	No	No		Yes
Transformational Leadership Behaviours'	Leadership Communication	Moderate	No	Yes	No	Moderate		Yes	No
	Credible Leadership	Moderate	No	Yes	No	Moderate		Yes	No
	Caring Leadership	No	No	Yes	No	No		Yes	No
	Creative Leadership	No	No	Yes	No	No		Yes	No
Transformational Leadership Characteristics	Confident Leadership	No	Yes	No	Moderate	Yes	Yes	No	Moderate
	Follower Centered Leadership	No	Yes	No	Moderate	Yes	Yes	No	Moderate
	Visionary Leadership	Moderate	Yes	Moderate	No	Yes	Yes	No	No
	Principled Leadership	Moderate	Yes	Moderate	No	Yes	Yes	No	No

Appendix V: Transactional Leadership and Promotion and Maintenance of Learning Organization Comparison

	Departments		
	1	**4**	**8**
People feel free to speak their minds about what they have learned	Yes	Yes	Yes
Mistakes made by individuals or departments are turned into constructive learning experiences	No	Yes	No
There a general feeling that it is always possible to find a better way to do something.	Yes	Yes	Yes
Multiple viewpoints and open productive debates are encouraged and cultivated	No	No	Yes
Experimentation endorsed and championed, and is a way of doing business.	Yes	Yes	Yes
Mistakes clearly viewed as positive growth opportunities throughout the system	No	No	No
There is a willingness to break old patterns in order to experiment	Yes	Yes	Yes
Management practices are innovative, creative, and periodically risk-taking.	Yes	Yes	Yes
Is the quality of work life in our organization seen as improving?	No	No	No
Are there formal and informal structures designed to encourage people to share what they learn with their peers.	Yes	Yes	Yes
Organization perceived as designed for problem-solving and learning?	Yes	Yes	Yes
Learning expected and encouraged across all levels of the organization:	Yes	Yes	Yes
People have an overview of the organization beyond their specialty and function,	No	No	No

"Lessons learned" sessions conducted so as to produce clear, specific & permanent structural changes.	Yes	Yes	Yes
Continuous improvement expected and treated receptively.	Yes	Yes	Yes
Are there clear and specific expectations of each employee to receive a specified number of hours of training?	No	No	No
Workers at all levels specifically directed towards relevant and valuable training and learning opportunities	Yes	Yes	Yes
Cross-functional learning opportunities expected and organized on a regular basis	No	No	No
Middle managers seen as having the primary role in keeping the learning process running smoothly	Yes	Yes	Yes
Is the unexpected viewed as an opportunity for learning?	Yes	Yes	Yes
Do People look forward to improving their own competencies as well as those of the whole organization?	Yes	Yes	Yes
The systems, structures, policies and procedures adaptive, flexible, and responsive to all stimuli	No	No	No
There is a healthy, manageable level of stress that assists in promoting Learning	Yes	Yes	Yes
There is Continuous improvement practiced as well as preached.	Yes	Yes	Yes
Is the difference between training/education and learning clearly understood	Yes	No	No
People are encouraged and provided the resources to become self-directed learners	Yes	Yes	Yes
There is a formal, on-going education program to prepare middle managers in their new roles.	No	No	No
Individual learning style and those of co-workers used to improve communication	Yes	Yes	Yes

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Management is sensitive to learning and development differences in their employees,	No	No	No
Time scheduled into people's professional calendars to step back from BAU to reflect on what is happening	No	No	No
There is direction and resource allocation planned to bring about meaningful and lasting learning.	Yes	Yes	Yes
Teams recognized and rewarded for their innovative and paradigm breaking solutions to problems.	Yes	Yes	Yes
Managers have considerable skills for gathering information and developing their abilities to cope with demands	Yes	Yes	Yes
Managers enable their staffs to become self-developers, and learn how to improve their performance?	Yes	Yes	Yes
There is fear, threat or repercussion for disagreeing or dissenting	Yes	Yes	Yes

Appendix VI: Transformational Leadership Behaviors and Promotion and Maintenance of Learning Organization Comparison

	Departments	
	3	7
People feel free to speak their minds about what they have learned	Yes	Yes
Mistakes made by individuals or departments are turned into constructive learning experiences	Yes	Yes
There a general feeling that it is always possible to find a better way to do something.	Yes	Yes
Multiple viewpoints and open productive debates are encouraged and cultivated	Yes	Yes
Experimentation endorsed and championed, and is a way of doing business.	Yes	Yes
Mistakes clearly viewed as positive growth opportunities throughout the system	Yes	Yes
There is a willingness to break old patterns in order to experiment	Yes	Yes
Management practices are innovative, creative, and periodically risk-taking.	Yes	Yes
Is the quality of work life in our organization seen as improving?	Yes	Yes
Are there formal and informal structures designed to encourage people to share what they learn with their peers.	Yes	Yes
Organization perceived as designed for problem-solving and learning?	Yes	Yes
Learning expected and encouraged across all levels of the organization:	Yes	Yes
People have an overview of the organization beyond their specialty and function,	Yes	Yes
"Lessons learned" sessions conducted so as to produce clear, specific & permanent structural changes.	Yes	Yes
Continuous improvement expected and treated receptively.	Yes	Yes
Are there clear and specific expectations of each employee to receive a	Yes	Yes

specified number of hours of training?		
Workers at all levels specifically directed towards relevant and valuable training and learning opportunities	Yes	Yes
Cross-functional learning opportunities expected and organized on a regular basis	Yes	Yes
Middle managers seen as having the primary role in keeping the learning process running smoothly	Yes	Yes
Is the unexpected viewed as an opportunity for learning?	Yes	No
Do People look forward to improving their own competencies as well as those of the whole organization?	Yes	Yes
The systems, structures, policies and procedures adaptive, flexible, and responsive to all stimuli	Yes	Yes
There is a healthy, manageable level of stress that assists in promoting Learning	Yes	Yes
There is Continuous improvement practiced as well as preached.	Yes	Yes
Is the difference between training/education and learning clearly understood	Yes	Yes
People are encouraged and provided the resources to become self-directed learners	Yes	Yes
There is a formal, on-going education program to prepare middle managers in their new roles.	Yes	Yes
Individual learning style and those of co-workers used to improve communication	Yes	Yes
Management is sensitive to learning and development differences in their employees,	Yes	Yes
Time scheduled into people's professional calendars to step back from BAU to reflect on what is happening	Yes	Yes
There is direction and resource allocation planned to bring about meaningful	Yes	Yes

and lasting learning.		
Teams recognized and rewarded for their innovative and paradigm breaking solutions to problems.	Yes	Yes
Managers have considerable skills for gathering information and developing their abilities to cope with demands	Yes	Yes
Managers enable their staffs to become self-developers, and learn how to improve their performance?	Yes	Yes
There is fear, threat or repercussion for disagreeing or dissenting	Yes	Yes

Appendix VII: Transformational Leadership Characteristics and Promotion and Maintenance of Learning Organization Comparison

	Departments		
	1	2	3
People feel free to speak their minds about what they have learned	No	No	No
Mistakes made by individuals or departments are turned into constructive learning experiences	No	No	No
There a general feeling that it is always possible to find a better way to do something.	YES	YES	YES
Multiple viewpoints and open productive debates are encouraged and cultivated	YES	YES	YES
Experimentation endorsed and championed, and is a way of doing business.	YES	YES	YES
Mistakes clearly viewed as positive growth opportunities throughout the system	NO	NO	NO
There is a willingness to break old patterns in order to experiment	YES	YES	YES
Management practices are innovative, creative, and periodically risk-taking.	YES	YES	YES
Is the quality of work life in our organization seen as improving?	YES	YES	YES
Are there formal and informal structures designed to encourage people to share what they learn with their peers.	NO	Yes	NO
Organization perceived as designed for problem-solving and learning?	YES	YES	YES
Learning expected and encouraged across all levels of the organization:	YES	YES	YES
People have an overview of the organization beyond their specialty and function.	YES	YES	YES

"Lessons learned" sessions conducted so as to produce clear, specific & permanent structural changes.	YES	YES	YES
Continuous improvement expected and treated receptively.	NO	NO	Yes
Are there clear and specific expectations of each employee to receive a specified number of hours of training?	NO	NO	NO
Workers at all levels specifically directed towards relevant and valuable training and learning opportunities	NO	NO	NO
Cross-functional learning opportunities expected and organized on a regular basis	NO	NO	NO
Middle managers seen as having the primary role in keeping the learning process running smoothly	YES	YES	YES
Is the unexpected viewed as an opportunity for learning?	YES	YES	YES
Do People look forward to improving their own competencies as well as those of the whole organization?	YES	YES	YES
The systems, structures, policies and procedures adaptive, flexible, and responsive to all stimuli	Yes	NO	NO
There is a healthy, manageable level of stress that assists in promoting Learning	NO	NO	NO
There is Continuous improvement practiced as well as preached.	YES	YES	YES
Is the difference between training/education and learning clearly understood	NO	NO	NO
People are encouraged and provided the resources to become self-directed learners	NO	NO	NO
There is a formal, on-going education program to prepare middle managers in their new roles.	NO	NO	NO
Individual learning style and those of co-workers used to improve communication	YES	YES	YES

Management is sensitive to learning and development differences in their employees,	NO	NO	NO
Time scheduled into people's professional calendars to step back from BAU to reflect on what is happening	YES	YES	YES
There is direction and resource allocation planned to bring about meaningful and lasting learning.	YES	YES	YES
Teams recognized and rewarded for their innovative and paradigm breaking solutions to problems.	NO	NO	NO
Managers have considerable skills for gathering information and developing their abilities to cope with demands	NO	NO	NO
Managers enable their staffs to become self-developers, and learn how to improve their performance?	NO	NO	NO
There is fear, threat or repercussion for disagreeing or dissenting	YES	YES	YES