

**ORGANIZATIONAL LEARNING AND CONTINUOUS IMPROVEMENT AMONG
COMMERCIAL BANKS IN KENYA**

BY

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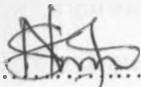
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DECLARATION

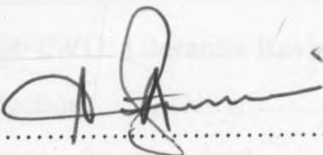
I declare that this is my own original work and to the best of my knowledge it has not been submitted for a degree award in any other University or institution of higher learning.

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Date.....08/11/2012.....

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DEDICATION

This Research Paper is dedicated to my dear parents who have been my constant source of inspiration. They have given me the drive and discipline to tackle any task with enthusiasm and determination. Without their love and support this project would not have been made possible.

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Lastly, i offer my regards and blessings to all of those who supported me in any respect during the completion of the project.

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ABSTRACT

The purpose of this research is to determine the factors that influence organizational learning and the impact of organizational learning on continuous improvement among commercial banks in Kenya. The research addresses the immediate need to explore ways to design organizations so that they fulfill their function effectively and encourage people to reach their full potential. Extensive research was conducted among 44 commercial banks operating in Kenya by administering questionnaires to one person from each bank. This research will provide valuable information regarding how organizations are coming up with systems thinking, team learning, shared visions, personal mastery and organizational corporate culture. The analysis shows that organizational learning influences continuous improvement. Further research can be conducted to find out what influences continuous improvement.

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Organizations today aim at offering excellent services, being intelligent, flexible and responsive to change, which happens both to public and private organizations. Factors such as technology in society today have brought about rapid changes in the organizations environment and they have to keep pace and cope up with the challenges exposed to them, so as to accommodate the rapid dynamism in their environment. The challenge facing managers today is to make the effort needed to learn some of the new skills and techniques, and to put in processes that engage their work force in programmes of continuous capability development. Learning should be integrated as part and parcel of everyday work with the aim of getting the best out of everybody to meet challenges ahead (Farago, 1995).

Organizations as living entities with a given life span, are expected to learn and as much as possible make it a continuous process. This is because business environment is very dynamic and for an organization to survive the turbulence, then it must keep itself abreast with the changes and adapt to them. There is a never ending quest to improve existing products and services and the need to continuously improve. Innovation within organizations is best achieved through human factors, such as skills, attitudes and appropriate organizational culture. There is a stiff competition in the environment and organizations appreciate that they must strive to learn and cope with the changing environment or die (Karash, 1995).

Organizational learning and continuous improvement are both linked to organizational change which is currently one of the most widely discussed and studied organizational phenomenon in

fact, the enigma of the 21st century organizations Struckman (2003). Organizational learning and continuous improvement have been linked in studies increasingly in the past five years. The implementation of organizational change, the practices of continuous improvement requires supportive structures of organizational learning. Banks have not been left behind trying their best to accommodate these changes. This is to say that to improve continuously requires commitment to learning. It is not well known, however, how organizational learning and continuous improvement work dynamically and mutually (Yang, 2009).

1.1.1 Organizational Learning

Learning is defined as the acquisition of knowledge or skill, through study, experience or being taught. Nonaka, (1991) argues that human knowledge is created and expanded through social interaction between tacit knowledge and explicit knowledge and the reason why people search for knowledge is to increase their ability to produce results in whichever area they choose. According to Karash, (1995) tacit knowledge is one that an individual possesses and he can use it, but he cannot describe or transfer it to another. Explicit knowledge on the other hand, is the “how to” information that one can put into tangible formal language. The combination of tacit and explicit knowledge then means that one can do what is necessary and can also convey or pass on the knowledge to someone else who in turn internalizes the same. All this knowledge is gained through learning.

Karash, (1995) noted that the possibility of achieving extraordinary performance with satisfaction is anchored in the knowledge that learning to do something worthwhile is enormously rewarding and personally satisfying to those involved. Organizations including banks have over the years been providing training programmes to their employees with the

intention of equipping them as best as possible to perform their duties effectively. According to Argyris & Schon (1978) However, entrepreneurs and managers today realize that changes in the environment are very fast and what was new in the previous year, is quickly overtaken by others in the market, therefore, the need to institute continuous improvement and acquisition of knowledge and concepts in order to be profitable and competitive.

While most organizations could argue that they are already learning organizations owing to the fact that they run a variety of training programmes for the staff; and others even have staff development activities linked to the appraisal processes, this might not be true.

There is a significant difference between a learning organization and an organization that simply pays attention to training, even though the latter is still an important part of every learning organization. This traditional approach leads to the training activities being seen as punitive of rewards to the employees by the supervisor or employer depending on the relationship or ensuing circumstances. This in effect erodes the expected gains and appreciation of the programme objectives, thereby failing to achieve the desired results (Berry, 2000). Training which is loosely defined as any enhancement to an employee's skills is delivered in a classroom seating by an instructor. This method of acquiring knowledge and building skills is normally not systematic but rather ad hoc, and as a result there is little correlation between who needs the training and who gets trained, (Clark, 2005). Due to its ad hoc nature, traditional training is seen as one which perpetuates in some cases, bad habits, (Berry, 2000).

It gives the impression that there is only one way to achieve a given result and the trainee is restricted within the given path. This reduces his participation and possible creativity as all he has to do is follow the prescribed path or steps (Brenda, 1998). Training to a large extent is

reactive in the sense that it is a response by the management to bridge a recognized performance gap in the employees' skills or abilities. When an employee has been hired, it is assumed that he has the prerequisite skills to perform the given function, and training is then offered only if, if the performance is not up to the expected level. The ultimate aim of training is to enable the employee to perform his job as the employer desires.

Employees within a learning organization are likely to have some degree of self-determination of their own development rather than simply having the training imposed on them. A learning Organization is seen as one in which people at all levels, individually and collectively are continually increasing their capacity to produce results they really care about (Karash, 1995). This definition gives two different sides: one that organizations have to increase their performance significantly and therefore, they need to capture and encourage the development of knowledge at all levels in order to keep with the pace. The learning organization is one which achieves remarkable levels of performance while also making it rewarding and satisfying for the people involved.

1.1.2 Continuous Improvement

Continuous improvement includes a broad array of knowledge and tools needed to develop the efficiency of business operations. The education of new innovation carries the greatest impact when shared throughout the company. In order to progress, an organization has to grasp new practices. Continuous improvement requires a commitment to meaningful learning, which must be understood in preparation for change. The core element of understanding any process within an organization begins with education.

Providing training to employees does not constitute change readiness. One of the most critical aspects in the success of improvement initiatives is the shift in mindset. Readiness involves preparing personnel to perform in a new environment (Struckman, 2003). Organizational willingness for change is a shared determination to implement new processes that add value to existing business practices. Continuous improvement describes a culture where companies and individuals proactively plan to improve processes. New initiatives are at the core of continuous improvement. Establishing a baseline for progress by identifying best practices in desired states are key features for implementing change. Currently, stiff competition is one of the major challenges facing banks hence they seek to revise their proposals and embody the principals of fresh ideas, processes and innovation. Learning new initiatives is an important enabler, reinforcing what was trained, driven by the determination to thrive.

1.1.3 Commercial banks in Kenya

Banking industry in Kenya was liberalized in 1995 after the exchange controls were lifted. Central Bank of Kenya is tasked with formulating and implementation of monetary and fiscal policies. Central bank is the lender of last resort in Kenya and is the banker to all other banks. The CBK ensures the proper functioning of the Kenyan financial system, the liquidity in the country and the solvency of the Kenya shilling. The Ministry of finance is where CBK falls. To address issues that affect the Banking industry in Kenya, banks have come together and formed a forum under the Kenya Bankers Association, (CBK prudential guideline).

Commercial banks in Kenya have realized tremendous growth in the last five years and have expanded to the east African region. It is undergoing a major transformation due to changes in economic condition and continuous deregulation. These multiple changes happening one after the other has a ripple effect on a bank trying to graduate from completely regulated sellers'

market to completed deregulated customers market but they have been faced by the following challenges.

Continuous deregulation has made the banking market extremely competitive with greater autonomy, operational flexibility, and decontrolled interest rate and liberalized norms for foreign exchange. The deregulation of the industry coupled with decontrol in interest rates has led to entry of a number of players in the banking industry. At the same time reduced corporate credit off thanks to sluggish economy has resulted in large number of competitors battling for the same pie.

Due to new rules of the game the market place has been redefined. Banks are transforming to universal banking, adding new channels with lucrative pricing and freebees to offer. Natural fall out of this new players, new channels squeezed spreads, demanding customers better service, marketing skills heightened competition, new rules of the game pressure on efficiency missed opportunities. Need for new orientation diffused customer loyalty. Bank has led to a series of innovative product offerings catering to various customer segments, specifically retail credit.

Bank need to access low cost funds and simultaneously improve the efficiency. The banks are facing pricing pressure, squeeze on spread and have to give thrust on retail assets. Diffused customer loyalty will definitely impact customer preferences, as they are bound to react to the value added offerings. Customers have become demanding and the loyalties are diffused. Given the relatively low switching costs; customer retention calls for customized service and hassle free, flawless service delivery.

Misaligned mindset changes are creating challenges, as employees are made to adapt to changing conditions. There is resistance to change from employees and the seller market mindset is yet to be changed coupled with fear of uncertainty and control orientation. Acceptance of technology in but the utilization is not maximized. Placing the right skill at the right place will determine success. The competency gap needs to be addressed simultaneously otherwise there will be missed opportunities. The focus of people will be doing work but not providing solutions, on escalating problems rather than solving them and on disposing customers instead of using the opportunity to cross sell.

1.2 Statement of the Problem

The need to remain competitive, productive and open to the challenges of the future in the face of a constantly dynamic environment is becoming important more than ever. The demand for more and more innovative products and services continue to increase each year. In appreciation of these key environmental challenges banks have embraced organizational learning and continuous improvement to achieve the required performance (Shu 2005).

In the first phase of this century, the range of tasks and associated skills asked of employees were generally limited and often accompanied by high levels of supervision and control. From the early 1980s there has been an increasing recognition that higher levels of skills are required to cope with new technology, new forms of work organization and the demands of quality and customer service that by the late 1990s have become common place. In the last decade, what began as a trickle of interest in the learning organization concept has turned into a wave of theoretical research and practical implementation.

Commercial banks in Kenya are becoming aware of the need for continuous improvement and this is progressively being seen as an essential balance to a more radical process within a rapidly changing environment. In essence it involves a bank-wide practice of enabling a continuing stream of focused incremental innovation to overcome the aforementioned challenges. Understanding that transformation can be extremely poignant, change has a tendency of removing the comfort zone. Having awareness and being reactive to the arousing element of change is now a prerequisite for effectual leadership in the banking industry. Awareness of continuous improvement means taking a problem solving approach when looking at a method of being more efficient. While engaging in process improvement, banks seek to learn the cause of problems and focus on precision (Shu, 2005).

To enhance their competitiveness, banks are imbedding systems within their organizations that will ensure continual quality and productivity improvement. Such systems must be capable of providing the opportunity to meet and then surpass the challenge of competitors. A philosophy of continuous improvement enables the banks to cultivate a process oriented way of thinking and developing strategies that assure continuous improvement involving people at all levels of the organizational hierarchy" (Imai, 2000). Such a system requires a new organizational culture that considers change, rather than stability, the norm and organizational learning. In a study done by Roe and Peachey (2008) on strengthening information and analysis in Kenyan banking industry, they cited that an important distinction must be drawn between the need for better consumer education and the need for better consumer information through continuous improvement. The gap in capacity to absorb and understand information about financial services is already being addressed by various financial education programmes including the Financial Education

Partnership supported by FSD Kenya. This needs to continue and be extended to more persons. But it leaves open the question of how the requisite banking information and analysis is to reach the general public.

The broad aim of this study is to highlight these questions, whether organizational learning as a concept influence continuous improvement activities in an organization and the second research question is whether continuous improvement activities influence performance in organizations.

1.3 Research Objectives

- i. To determine factors that influence organizational learning among commercial banks in Kenya.
- ii. To determine the impacts of organizational learning on continuous improvement in commercial banks in Kenya.

1.4 Value of the Study

Managers of commercial banks in both private and public organizations who want to keep pace with the development in the market will be interested in this study as they will instill, implement and use ideas brought out in it. Secondly Trainers who are in effect consultants for change, in the society and who now have to change their mode of delivery of subject matter from traditional training methodology to learning concepts. Thirdly Academicians, who will be expected to introduce new techniques, influence management styles and also synthesis the ideas presented to develop new ways of impacting knowledge. This is especially true for academicians in the Project Management and Business related fields. The study will help the researcher to gain problem solving skills as well as the skills for academic report writing. Finally Employees will have to change their mind set on training.

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

This chapter presents a review of the related literature on the subject under study presented by various researchers, scholars, analysts and authors. The materials are drawn from several sources which are closely related to the theme and the objectives of the study.

2.1 Continuous improvement

Continuous improvement (CI) can be considered an example of what many strategy theorists call dynamic capability (Teece and Pisano, 2004). In this model strategic advantage is seen to come not from simple possession of assets or of particular product/market position but from a collection of attributes which are built up over time in highly firm-specific fashion and which provide the basis for achieving and maintaining competitive edge in an uncertain and rapidly changing environment. Normally three elements constitute dynamic capability: paths, position and processes (Tidd *et al.*, 2007).

Continuous improvement is defined as an organization-wide process of focused and sustained incremental innovation that represents an important element in such dynamic capability since it offers mechanisms whereby a high proportion of the organization can become involved in its innovation and learning processes (Schroeder and Robinson, 2003). It corresponds to what is widely known as “kaizen” and forms an important component of the “lean thinking” approach (Womack and Jones, 2007). Its strategic advantage is essentially as a cluster of behavioural routines – but this also explains why it offers considerable competitive potential, since these behaviour patterns take time to learn and institutionalize, and are hard to copy or transfer. Womack and Jones, 2007 argues that there are two levels of behaviour , level 2 and level 3. In essence level 2 behaviour corresponds to the situation where an organization has already

implemented a systematic approach to continuous improvement, has trained some of its staff in basic continuous improvement tools and techniques and in a problem-solving process, has put in place systems for managing the flow of ideas and for rewarding/recognizing people for their contributions, and has laid the foundations for long-term continuous improvement evolution.

Level 3 behaviour moves the continuous improvement capability forward to include a clear strategic focus for continuous improvement activities through a process of policy deployment, and it involves extensive use of monitoring and measurement activity to enable continuous improvement within this framework. When successful such behaviour can have a significant strategic impact through focusing continuous improvement efforts on key strategic targets such as quality improvement, lead time reduction and improved maintenance (Imai, 1987; Shibaet *al.*, 2003).

2.2 Organizational Learning

There is little opposition to the premise that organizational learning is a competence that all organizations should develop in fast-changing and competitive environments (Senge, 2002). Easterby-Smith and Araujo (2009) distinguish between organizational learning, which concentrates on the observation and analysis of the processes involved in individual and collective learning inside organizations (Stata, 2009), and the learning organization literature that has “an action orientation, and is geared toward using specific diagnostic and evaluative methodological tools which can help to identify, promote and evaluate the quality of learning processes inside organizations” (Ulrich *et al.*, 2003). In addition to distinguishing between the above “means” (organizational learning) and “ends” (learning organizations) Finger and Brand

(2009, p. 137) conceptualize the learning organization as a strategic objective “like, increased profitability or customer satisfaction”.

The cultural facets consist of a set of shared values, norms beliefs, attitudes, roles, assumptions and behaviours that enable real learning (Argyris and Schon, 2008). Senge (2002) also speaks of a shared vision in mental models embedded in the culture of an organization. The shared vision, which enables a learning culture to develop, is reflected in such things as commitment to resources for learning prerequisites such as identifying learning needs and delivering training activities. The structural facets are the institutionalized structural and procedural arrangements that allow organizations to systematically collect, analyze, store, disseminate, and use information that is relevant to the effectiveness of the organization (Popper and Lipshitz, 2005). Gephart and Marsick (2006), in a framework developed for ASTD, identified such facilitating organizational systems as vision and strategy, leadership and management, culture, change management, systems and processes, communication, information and knowledge systems, performance management and support systems and technology.

The notion of the learning organization is unhelpful if it leads to the attribution to the organization of systems properties which are in some way independent of its members. Viewing organizations as systems is essentially adopting the metaphor of organizations as organisms. Such a metaphor has significant limitations primarily its assumption of functional unity, whereas in reality organizations are not normally characterized by harmony. Organizations are products of visions, ideas, norms and beliefs so that their shape and structure is much more fragile and tentative than the material structure of an organism.

By means of collaborative inquiry, individuals identify the sources of error and attribute them to the theory in use within the organization. It may also be argued that the learning organization

idea represents an acknowledgement that the vision movement has failed, in that there was a tendency to overdo vision with the result that people fail to learn because they are blind to other ideas. Hoyle (2005) suggests that to speak of organizations learning is in effect a shorthand way of articulating that organization members are not only individual learners but also have the capacity to learn collaboratively. Such collaborative learning allows organizational members to become more knowledgeable, skillful and more open to future learning opportunities. There is a considerable body of research which highlights the effectiveness of learning in teams, for example.

Hoyle (2005) argues that the notion of learning which is advocated within the learning organization literature is limited. He suggests that the emphasis is on the establishment of routines whereby managers learn to manage the organization more efficiently. It is noticeable that the developing orthodoxy within the learning organization literature is the view that management is learning (Burgoyne, 2001). It is suggested that such a view is one-sided and limited. Hoyle prefers a notion of the learning organization which advocates exploratory learning and which puts emphasis on the generation and use of organizational knowledge. It must be admitted, however, that knowledge generation and its use is inadequately addressed within the relevant literature.

A related issue is the question of how learning in organizations is to be evaluated. Cullingford (2010) suggests that to study and understand learning is to enter "that no-man's land between thinking as a capacity and development as a process of change Jones (2004) also comments that when learning is measured by organizations, rarely do they have an understanding of what it is they are measuring and, when they do, they may be only measuring activities as part of an

organizational control system. Slater and Narver (2005) also acknowledge the difficulty of measurement.

2.3 Factors influencing organizational learning

There are three factors that influence organizational learning as described by various researchers.

Organization learning culture

Much of the discussion in the management literature is clearly written from the perspective that the learning organization can be designed and managed effectively to produce positive outcomes for the organization. Many commentators have attempted to specify what the learning organization culture should consist of. Burgoyne (2005), for example, argues an appropriate learning culture as an attribute of a learning organization. He defines it as a culture which supports shared learning from experience.

Although authors like (Senge, 2010) have considered the notion of a learning organization culture, there is no widely accepted theory or view on this issue. Some have identified specific aspects of a learning organization culture such as entrepreneurship and risk taking (Sykes and Block, 2009) facilitative leadership (Slater and Narver, 2005) organic structures (Woodman *et al.*, 2003) decentralized strategic planning processes (Mintzberg, 2004) and individual development is valued as an end in itself (Garvin, 2003) but there has been little attempt to test their existence empirically or how they may contribute to learning activities within the organization and ultimately to enhanced organizational performance.

The nature of the learning process

Mumford (2005), commenting on the work of Senge (2010) and Pedlaret *al.* (2011), points out that the aforementioned writings take such a wide view of the structures in which an organization does or needs to learn, that the idea of learning becomes lost. Jones and Hendry (2002) focus on a similar issue when they consider the many questions raised by current definitions of the learning organization. They cite four questions which are of relevance here: What is learning? Are there types or levels of learning in organizations and how are they recognized? What are the different levels of learning? How does an organization facilitate or inhibit learning?

Mumford (2005) likewise addresses the learning issue. He argues that an essential requirement is to understand that organizational learning is not just a matter of whether one believes in first level versus deeper level learning; incremental versus transformational learning, but also the necessity to understand levels in the sense of participants in the process. He advocates a learning pyramid starting with the individual learner, then one-to-one learning, group learning and then the organizational learning. He sees the organizational as the final level of the pyramid.

The idea of a hierarchical ordering or levels of learning is popular within the learning organization literature. The idea is described in different ways by several authors: Argyris and Schon's (2001) notion of single and double loop learning is perhaps most commonly cited, however, other variations include first- and second-order learning (Watzawicket *al.*, 2004) Zero learning and Learning I, II, III and IV (Palmer, 2009), habit formation learning, adaptive organization learning and creative proactive learning (Burgoyne, 2005). Many commentators on the learning organization tend to emphasize learning in the context of the organization transforming itself in relation to its environment and a reciprocal process of individual learning and development.

The nature of an organization

While there is a tendency to state that organizations do not learn, people do; many writers emphasize the organization as the basic unit of analysis. Bate (2010) points out that it is not possible to investigate the notion of organizational learning without considering whether the organization has an existence of its own which is separate from those of its members, or whether it is simply a sum of the component parts. The problem is further compounded by what Hendry *et al.* (2004) describe as an “indiscriminate application of psychological theory to organizations”. They specifically highlight the tendency to use the language of stimulus-response theory. Hendry *et al.* (2004), consider the notion that organizations learn, as opposed to individuals in organizations learning together.

2.4 Learning and developing continuous improvement capability

The process of moving towards full continuous improvement capability involves acquiring and embedding key behaviours and is essentially a learning process (Savolainen, 2008). The transition from level 1 – essentially an *ad hoc* approach – to level 2 involves setting up a systematic approach which provides structures which enable basic problem finding and solving behaviour to take root (Imai, 1987).

In a study done by Yuvarani, 2008 on challenges facing banking industry in India, she mentions that bank employees are trained on Bank marketing as a managerial approach to the market services and to embrace a social process to sub serve social interests. Employees also learn how to use a fair way of making profits and to have an art to make possible performance-orientation. The employees use organization learning as a professionally tested skill to excel competition.

2.5 Summary

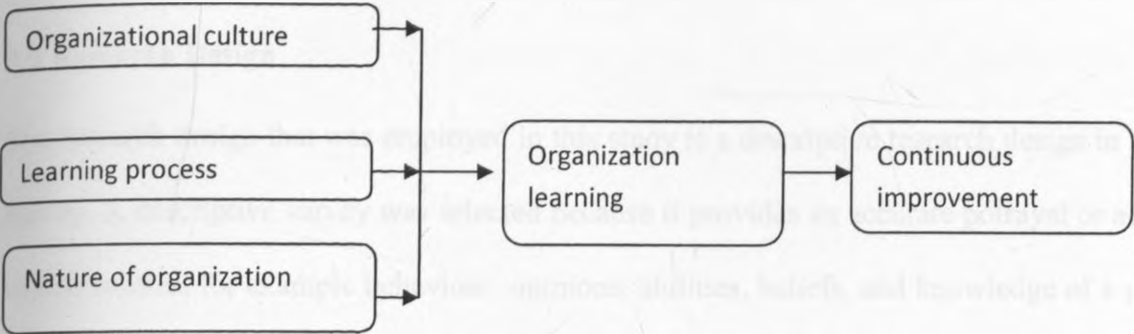
This research study was motivated to investigate the relationship between organization learning and continuous improvement.

This process does not take place overnight but involves considerable learning and fine tuning of the mechanisms used to enable continuous improvement behaviour and increase profits. Banks use these mechanisms to train in basic problem finding and solving process (Rickards, 2008); training in basic continuous improvement tools and techniques (Kobayashi, 2010); setting up relevant vehicles (quality circles) to enact continuous improvement (Berger, 2007); development of an idea management system to receive and respond to ideas (Schuring and Luijten, 2008); development of an appropriate reward and recognition system.

By adopting organizational learning, bank benefit on how to invest in state of the start of the art technology as the back bone of to ensure reliable service delivery. Learning also enables leveraging the branch network and sales structure to mobilize low cost, current and savings deposits. It also benefit the banks by making them go for aggressive forays in the retail advances segments of home and personal loans. Learning helps banks to implement organization wide initiatives involving people, process and technology to reduce the fixed costs and the cost per transaction.

Through learning banks are now focusing on fee based income to compensate foe squeezed spread. Learning in banking brings about Innovation of products to capture customer 'mind share' to begin with and later the wallet share and improving the asset quality as norms. The process of development is essentially what many writers call "single loop" or "adaptive" learning essentially learning to execute the specified behaviours better (Senge, 2010).

Conceptual Framework



CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides the methodology of the study. It gives the specific procedures that were followed in undertaking the study. The research design, population, sampling design, data collection methods and data analysis are described in this chapter.

3.2 Research Design

The research design that was employed in this study is a descriptive research design in form of a survey. A descriptive survey was selected because it provides an accurate portrayal or account of characteristics, for example behaviour, opinions, abilities, beliefs, and knowledge of a particular individual, situation or group. The major purpose of descriptive research design is to describe the state of affairs as it is at present. The design was considered appropriate for the study because according to Kothari 2003 survey is concerned with describing, recording, analyzing reporting conditions that existed or exist. Gay, 2004 argues that survey method is widely used to obtain data useful in evaluating present practices and in providing basis for decisions. Questionnaires were used and administered to one staff from each bank. Close ended questions will be predominantly administered to gather for subjective answering. Research design has an added advantage of overcoming the deficiencies that could have resulted from employing constricted design like case study which has generalization challenges.

3.3 Target Population

According to Ngechu (2004), a population is a well-defined or set of people, services, elements and events, group of things or households that are being investigated. Population studies also called census are more representative because everyone has equal chance to be included in the

final sample (Mugenda and Mugenda, 1999). The population of interest of this study was commercial Banks operating in Kenya. Currently there are forty four banks operating in Kenya (Appendices II). The study being a census survey, data was collected from all the Banks in Kenya.

3.4 Data collection

Data was collected by use of both primary and secondary means. Primary data will be collected using an open ended questionnaire. See appendix I. A drop and pick method was used with follow ups by use of telephone. The questionnaires were used to collect mainly quantitative data.

The researcher administered a survey questionnaire to each member of the target population. The questionnaire was carefully designed and tested with a few members of the population for further improvements. This was done in order to enhance its validity and accuracy of data to be collected for the study.

Secondary data was also collected for this study. Secondary data involved the collection and analysis of published material and information from other sources such as annual reports, published data. Thus in this study the researcher will employ the use of survey questionnaire for data collection.

This data is useful for generating additional information for the study from already documented data or available reports. Cooper and Schindler (2003) explain that secondary data is a useful quantitative technique for evaluating historical or contemporary confidential or public records, reports, government documents and opinions. The researcher has exercised care and control to

ensure all questionnaires issued to the respondents are received. To achieve this, the researcher maintained a register of questionnaires, that will be sent, and which will be received.

3.5 Data Analysis

Data collected was both qualitative and quantitative in nature. The researcher perused completed questionnaires and documented analysis recording sheets. Quantitative data collected was analyzed by the use of statistical package of social scientist (SPSS). Descriptive statistics was by drawing frequency tables which was presented in bar graphs. The basis of using descriptive approach is to give a basis for determining the weights of the variables under the study while regressive statistics will be to show the relationship between organizational learning and continuous improvement in banks. This was done by tallying up responses, computing percentages of variations in response as well as describing and interpreting the data in line with the study objectives and assumptions through use of SPSS. Content analysis was also used to test data that is qualitative nature or aspect of the data collected from the open ended questions. According to Baulcomb, (2003), content analysis uses a set of categorization for making valid and replicable inferences from data to their context. The analysis will enable the researcher to analyze the data that was not qualitative in nature. At the same time the method will enable the respondents to express their feelings on certain issues to a large extend as compared to the quantitative analysis.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATIONS

4.1 Introduction

This chapter presents the analysis and the results of the study. The analysis was based on the data collected by use of questionnaires which were administered to banks. The study targeted 44 banks of which 98 responded indicating 85.2%% response rate.

This response rate was suitable and representative and also conforms to Mugenda and Mugenda (1999) stipulation that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and response rate of 70% and above is excellent. The laudable response rate was only feasible after the researcher made personal calls to the respondents informing them of his intent and personally administering the questionnaires.

4.2 Organizational learning factors

This study sought to establish the level of organizational learning in commercial banks in Kenya. After the data was analyzed, the findings showed that employees in the organization are continually expanding their abilities through learning. It was rated better with a mean of 3.6 and standard deviation of 0.9. Most respondents also strongly agreed that the organization has a strategy that responds to the changing environment. In a scale of 1-5 mean rating is 3.6 and standard deviation is 1.1. The level of learning new things as a way of life for everyone in the organization is rated good with a mean of 2.8 and standard deviation of 0.8 while strategies and policies being reviewed often, research and strictly followed training programmes are satisfactory. However, it shows that all members of the organization do not play a part in policy and strategy formulation in most banks as shown by a mean of 2.1 and standard deviation of 1.0.

Organizational structures are also not flexible as they are rated low in a scale of 1-5 with a mean of 2.2 and standard deviation of 0.8. Generally organizational learning factors are fairly being applied in the organization.

Table4.1– Organizational Learning Factors

Organizational learning factors	Mea n	Std. Dev	Lower Bound 90% CI
Employees in the organization are continually expanding their abilities through learning	3.7	.9	1.485
My organization has a strategy that responds to the changing environment	3.6	1.1	1.815
Learning new things is a way of life for everyone in the organization	2.8	.8	1.32
Policies and Strategies are reviewed often	2.8	1.4	2.31
Organization carries out research so as to get new outcomes	2.9	1.1	1.815
There is a strictly followed training programme in my organization	2.8	1.1	1.815
People in the organization are involved in key decision making processes	2.9	1.1	1.815
All members of the organization play a part in policy and strategy formulation	2.1	1.0	1.65

There is flexible organization structure that changes frequently	2.2	.8	1.32
There are different ways of compensating our work	2.9	1.2	1.98
Average mean	2.8	1.0	

Source: Field data, 2012

Average or mean score for overall organizational factors on a scale of 1-5 is 2.8 and a standard deviation of 1.0 which indicate that most commercial banks in Kenya are applying organizational learning factors.

4.3 Organizational culture

This study sought to find out how organizational culture influences organizational learning in commercial banks in Kenya in relation to team work, accessibility to organization data, methods of communication and financial accountability. From the findings below, it was found out that various methods of communication are used by the organization as indicated by a mean of 3.7 and a standard deviation of 1.0 and these employees are encouraged to think together with a mean of 3.5 and standard deviation of 1.1. At same time, information is received from people and organization's stakeholders as well as departments are seen to understand each other's importance both at a mean of 3.4 and standard deviation of 0.9. Participatory policy and strategy review by all employees is evidently not done by commercial banks in Kenya as shown by a low mean of 1.8 and standard deviation of 0.8 and meeting with other organizations to share ideas is relatively low with a mean of 2.0 and standard deviation of 0.9 as shown in table 4.2 below. The interpretation of the results is that most organizational culture is being applied by commercial banks in Kenya.

Table4.2– Organizational culture

Organizational culture	Mean	Std. Dev	Lower bound of 90% CI
Participatory policy and strategy reviews by all employee in my organization	1.8	.8	1.32
Employees are encouraged to think together	3.5	1.1	1.815
All employees are involved in team playing and learning	3.2	.9	1.485
All employees can access the organization databases	3.0	1.1	1.815
There is always feedback on financial consequences of action as soon as they are known by accounting system	3.1	.9	1.485
Departments and sections in organizations all understand each other's importance	3.4	.9	1.485
Information is received from people and organizations stakeholders	3.4	.9	1.485
We participate in joint ventures with our guarantees and stakeholders	2.7	.8	1.32
We meet with other organization and share ideas	2.0	.9	1.485
Various methods of communications are used in the organization	3.7	1.0	1.65
Average mean	3.0	.9	

Source: Field data, 2012

Average or mean score for organizational culture: (X1) was found to be 3 and standard deviation is 0.9

4.4 Continuous improvement

The study sought to find out how commercial banks in Kenya are striving to bring about continuous improvement in their organizations. This was tested through the level of importance to information received, shared goals and vision, clear goals, employee participation and sharing of ideas. It was found out that, commercial banks have strong future goals that they want to achieve shown by a mean of 4.2 and a standard deviation of 0.9. Information technology is being used for innovations evident by a mean of 3.9 and standard deviation of 1.2. Again, most employees clearly have a shared goals and vision, in scale of 1-5 mean rating is 3.6 and a standard deviation of 0.9. Nevertheless, employees of commercial banks do not help in formulation of future goals and do not meet with other organizations to share ideas as the mean stood at a low of 2.1 and a standard deviation of 1.0 as indicated below. See table 4.3 below.

Table4.3 – continuous improvement

	Mean	Std. Dev	Lower Bound of 90% CI
All people in the organization give a meaning to any information that is received in the organization	2.8	1.0	1.65
All people in the organization have shared goals and vision that they want to achieve	3.6	.9	1.485

All employees clearly understand the relationship between their personal goals and those of the whole organization	3.3	1.0	1.65
The organization has strong future goals that it wants to accomplish	4.2	.9	1.485
All employees help in formulating the future goals	2.6	1.1	1.815
Employees are free to give meaning to information and situations in organization	2.9	1.2	1.98
Information technology is not only used for automating processes but helps innovation	3.9	1.2	1.98
We meet with other organizations and share ideas	2.1	1.0	1.65
Various methods of communications are used in the organization	3.5	1.0	1.65
Average mean	3.2	1.0	

Source: Field data, 2012

The mean score for continuous improvement was 3.2 and standard deviation of 1.0). With the low standard deviation it would mean that this variable is strong to the employees.

4.5 Nature of Organization

Information availability and storage is the core of effective performance in organization and it is needed in order to achieve customer satisfaction as well. One objective of this study was to establish whether information is being stored by the organization. This was evaluated through the

analysis of storage, sharing, change in management and accessibility of this information to all staff.

After the analysis, it was established that vital information is stored with a strong mean at a scale of 1-5 of 4.0 and a standard deviation of 1.3. They also asserted strongly that the information is passed through from one generation to another as shown by a mean of 3.7 and standard deviation 1.1. The respondents agreed that information they are given and contacts are very relevant and important to them and are stored in database for future use. This is shown by a mean of 3.9 and a standard deviation of 1.0. Although they were satisfied with the way practices remain unchanged due to change in management, they showed that all past information records are not accessible to all staff shown by a mean of 2.6 and a standard deviation of 1.1). The interpretation is that employees are happy with the security of information and how it is stored. See Table 4.4 below.

Table4.4 – Nature of Organization

Organization position	Mean	Std. Dev	Lower bound of 90% CI
In my organization our vital information is stored	4.0	1.3	1.0
The information is passed through from one generation to another	3.7	1.1	2.0
In case of any managerial changes, the practices do not change there is continuity	3.6	1.3	1.0
All contacts used by the organization are kept in a database for future use	3.9	1.0	2.0

All past information records are accessible to all staff	2.6	1.1	1.0
Average mean	3.5	1.2	

Source: Field data, 2012

The mean score for communication in a scale of 1-5 is 3.5 and standard deviation is 1.2. The low figure of standard deviation implies that most staff agrees on the variable.

4.6 Organizational learning process

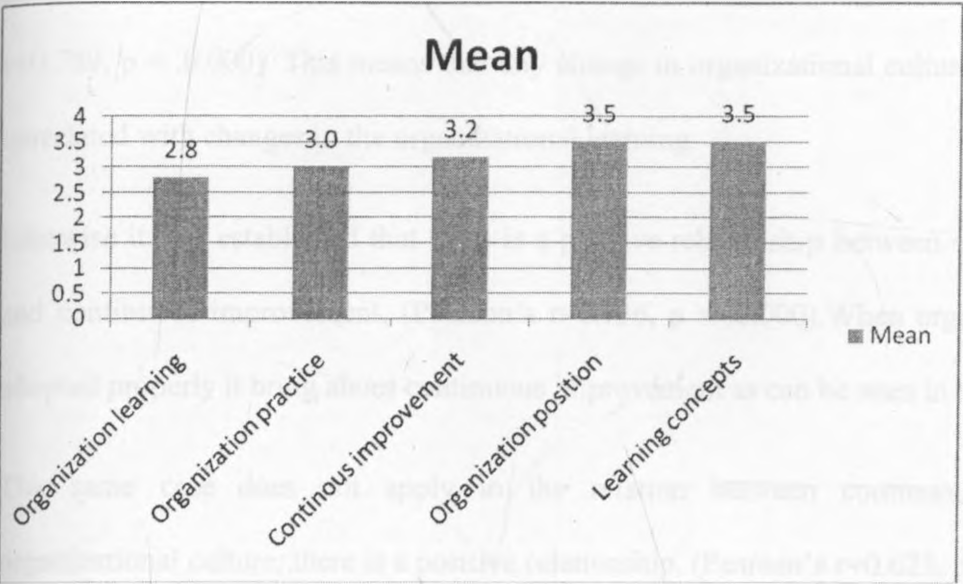
The study sought to find out how commercial banks in Kenya are using organizational learning process to bring about better performance in their organizations. This was tested through checking how these organizational concepts and processes are used by banks to improve quality, workforce morale, competitive edge, decision making and knowledge acquisition and sharing. It was found out that organizational learning processes are being used to improve service quality by most organizations shown by 3.9 and a standard deviation of 1.0. Technological changes is also being used to attract and retain qualified workforce and to put an organization in a competitive edge, which in a scale of 1-5 have a mean of 3.7 and standard deviation of 1.0. Most banks are also using this to improve the workforce morale portrayed by a good mean of 3.5 and standard deviation of 0.7. However, as shown in the table below, most banks are not using organizational learning process to make quality decisions as it appears the lowest in the table 4.5 with a mean of 3.2 and a standard deviation of 0.9.

Table 4.5 Organizational learning process

	Mean	Std. Dev	Lower bound 90% CI
To improve the quality of service by the organization	3.9	1.0	1.65
To improve the commitment and morale of the workforce so as to cope with change/turbulent environment	3.5	.7	1.155
Adaptation of technological changes so as to attract and retain qualified	3.7	1.0	1.65
To place organization in a competitive edge and enhancement of communication	3.7	.9	1.485
To understand and make quality decisions in the organization stability of the organization	3.2	.9	1.485
Knowledge acquisition, exchanges and spread in the organization	3.4	1.0	1.65
Average mean	3.5	.9	

Source: Field data, 2012

Graph 4.1 Organizational learning, organizational culture, organizational position (nature of organization), learning concepts or process and continuous improvement



The study sort to find out the respondents views on organizational learning, organizational culture, organizational position (nature of organization), learning concepts or process and continuous improvement. The findings presented in the figure 4.1 above.it is clear from the data that learning concepts and organizational position is being used much in the banks with a mean of 3.5 each from respondents. Organizational learning has the lowest mean of 2.8. This means that most banks have not yet adopted the concept of organizational learning. Continuous improvement however has a mean of 3.2 and organizational culture is at 3.0. This means that the two haven't been much embraced by banks and still needs to be addressed.

4.7 Culture as a factor of organizational learning

In order to determine the relationship between independent and dependent variables, it was necessary to carry out correlation as shown in table 4.6 below. It was found out that there exist a positive correlation between the organizational learning and organization culture, (Pearson's $r=0.789$, $p = .0.000$). This means that any change in organizational culture variable is positively correlated with changes in the organizational learning.

Likewise it was established that there is a positive relationship between organizational learning and continuous improvement, (Pearson's $r=0.736$, $p = .0.000$). When organizational learning is adopted properly it bring about continuous improvement as can be seen in the correlation.

The same case does not apply to the relation between continuous improvement and organizational culture, there is a positive relationship, (Pearson's $r=0.625$, $p = 0.000$).

Table 4.6 – Correlation of variables

Correlations of Independent and Dependent variables

Correlations

		Organizational learning	Organizational Culture	Continuous improvement
Organizational learning	Pearson Correlation Sig. (2-tailed) N	1 38		
Organizational Culture	Pearson Correlation Sig. (2-tailed) N	.789** .000 34	1 36	
Continuous improvement	Pearson Correlation Sig. (2-tailed) N	.736** .000 36	.625** .000 36	1 38

** . Correlation is significant at the 0.01 level (2-tailed).

4.8 Multiple Regression Analysis

Multiple regression analysis is a technique for modeling and analyzing several variables, focusing on the relationship between a dependent variable and more independent variables. More specifically, regression analysis helps one understand how the typical value of the dependent variable changes when any one of the independent variables is varied, while the other independent variables are held fixed.

For purposes of this study, linear regression was carried out to ascertain the patterns of relationship between dependent (continuous improvement) and independent variables (organizational learning) as indicated in regression tables below. The multiple regression model for the study was $Y=\beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\epsilon$.

Table 4.7(a) – Regression model (Model summary)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.763 ^a	.582	.555	.49349

a.Predictors:(Constant), organizational culture, organizational learning)

Table 4.4 (a.) displays R which is the correlation between the observed and predicted values of the dependent variable which was 0.763. The table showed R squared as 0.582 which the

proportion of variation in the dependent variable explained by the regression model. The adjusted R square is 0.555 which is positive and shows a relationship between the observed and predicted values of the dependent variable. This indicates that organization culture and organizational learning contribute to continuous improvement relationship.

Table4.7 (b) – Regression model (ANOVA)

ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	10.503	2	5.251	21.563	.000 ^a
	Residual	7.550	31	.244		
	Total	18.053	33			

a. Predictors: (Constant), organizational culture, organizational learning

b. Dependent Variable: continuous improvement

Source: Field data, 2012

The results of analysis of variance, sum of squares, degree of freedom (df), mean square, regression and residual are summarized in table 4.7(b.) above. The mean square which is the sum of squares divided by the degrees of freedom was 5.251. The f static which is regression mean square divided by the residual mean was 21.563. Degree of freedom df, was 2. Statistically, the



overall relationship was significant with the significant value (P value = 0.000) i.e $P < 0.05$. This means that chances are 0.000 that the results of regression model are due to random events rather than a true relationship.

Table4.7(c) – Regression model (Coefficients)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.584	.496		1.176	.249
Organizational learning	.842	.219	.727	3.843	.001
Organizational culture	.064	.269	.045	.237	.814

a. Dependent Variable: continuous improvement

Coefficient of independent variables (organizational learning, organizational culture) and the dependent variable (continuous improvement) are presented in table 4.7 (c.) above. The significance column, showed only one predictor (organizational learning) as significant since its significant value (p value = 0.001) was less than 0.05. Organizational culture is not significant with (p values=0.814). Therefore organizational culture does not have an impact on continuous improvement. Continuous improvement will always depend on a constant 0.584 plus impact of other independent variables.

Interpreting the values of beta () coefficients, it means that holding all other independent variables constant, every unit change on organizational learning shall increase continuous improvement by 0.727. Similarly, holding other independent variables constant; every unit change on organizational culture shall reduce the continuous improvement by 0.045.

In addition, table 4.7 (c.) above it was necessary to show the tolerance and multicollinearity of the independent variables to ascertain whether the variables are collimated. Collinearity (or multicollinearity) is the undesirable situation where the correlations among the independent variables are strong and the relationship may be affected. When the independent variables are highly correlated in a multiple regression analysis it is difficult to identify the unique contribution of each variable in predicting the dependent variable because the highly correlated variables are predicting the same variance in the dependent variable. In this situation, the “overall” p-value may be significant but the p-value for each predictor may not be significant. Multicollinearity exists when tolerance is below 0.1; and variance inflation factor (VIF) is greater than 10 or an average much greater than 1. In this study, there is no multicollinearity of variables and each variable is independent of the other.

4.9 Results of Hypothesis Testing

This study had two hypotheses namely:

Table 4.8 – Hypothesis testing

Hypothesis	Coefficient P- Values	Conclusion
H₀₁: There is no significant effect of organizational learning on continuous improvement.	$P=0.001<0.05$	Reject H₀₁
H₀₃: There is no significant effect on organizational culture on continuous improvement.	$P=0.814>0.05$	Accept H₀₃

From the findings in table 4.1 and 4.2, it has showed that there is no significant effect of organizational culture on continuous improvement, while organizational learning has showed significance on continuous improvement. This implies that the one variable that has significance to the continuous improvement is organizational learning.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMEDATIONS

5.1 Introduction

This chapter presents a summary of findings to the study, and in the process, draws conclusions based on the finding of the study. The chapter subsequently, makes recommendations arising from the conclusions of the study. Finally the chapter makes suggestions for further research in connection with certain specific areas of this study.

5.2 Summary of Findings

The purpose of the study was to establish the factors that influence organizational learning among commercial banks in Kenya and the impact of organizational learning on continuous improvement. The results of the study indicate that all the variables were significant and were good predictors of overall continuous improvement. However, a result of principle component statistical analysis indicates that, organizational learning is an important factor in continuous improvement among commercial banks in Kenya. Organizational culture is comparatively less important because it showed a significance level of 0.814 based on 0.05 significance level hypothesis test.

Therefore, commercial banks should considered views and opinions of everyone working in the business process are valued by managers at all levels. This should be used to bring about continuous improvement. Promptness of improved quality services and team work would help the enhancement of service and increase the level of performance in the banking industry. The study has captured diverse opinions on various aspects of an employee's perception among the

areas of organizational learning. For example, they have a strong opinion that various methods of communications are being used by organizations.

Employees are of the opinion that participatory policy and strategy reviews by all employees of the organization are not being encouraged. This is confirmed by the lowest index on the organizational culture. Employees are of opinion that their various banks has strong future goals that it wants to establish which clearly shows that most banks have set goals, well defined mission and visions which act as a driving force towards continuous improvement.

Information is a very important factor in continuous improvement and is important in making decisions in any organization. Employees believe that vital information is stored and it is being passed through from one generation to another in most banks. It is evident that incase of any managerial changes, the practices do not change and that there is continuity from where the organization was before. However accessibility to this information is restricted to a certain number of staff only if it is of importance to your job in the bank.

It is evident that organizational learning is being used by most banks to improve the quality of service by the organization. Technology is also being used to attract and retain qualified workforce and to bring about innovation in the banks. Knowledge acquisition and sharing within the organization is being done but not as much as it is required to bring about changes and to related to continuous improvement.

5.3 Conclusion

The findings have brought in to the fore a number of factors of organizational learning as a means of achieving continuous improvement. As hypothesized in this study it was statistically confirmed that organizational learning contributes to continuous improvement. Employees are not in favour of the banks and the management in general not involving them in decision making, policy and strategy reviews and the kind of structures which are not flexible. Well placed training programmes to equip employees with skills required in the work place is essential.

This study also concludes that teamwork is very essential for an organizations to achieve continuous improvement. A divided workforce has a divided vision hence it becomes really hard to achieve the required goals. And if the employees are not being compensated well, their productivity becomes low hence their contribution towards continuous improvement deteriorate.

This study also concludes that all organizational learning factors are critical for achieving continuous improvement. An organization always needs to expand its abilities through learning and respond to a changing environment. Learning new ways should be a way of life for everyone in the organization by embracing research, technology and innovation.

The organizations are also required to have flexible policies and strategies which are reviewed often and involve as many staff as possible in policy and strategy formulation and staff should be well compensated for their contributions in the organization.

5.4 Limitations of the study

This study was constrained with time. Timeframe for the study was too short and limited the scope and depth of the study. There were also limitations of measurement which are common to social researchers, measuring beliefs, opinions, feelings that are common in perception studies is a great challenge since they tend to change so frequently and across perspectives. Respondents may also give biased and dishonest information which could give a wrong interpretation.

Most respondents seemed to be too busy to cooperate in filling the questionnaires. The researcher has to do various follow ups on email and calls to remind them to fill the questionnaires. This turned out to be both expensive in terms of time and resources. Finally the study was limited to commercial banks and its findings cannot be used to generalize on all financial institutions.

5.5 Recommendation

Based on the data analyzed and the conclusions made above, the researcher recommends that management should endeavor to communicate effectively the mission, vision and strategic plan to all employees. This will give them a clear goal to work on. If the above is clear, it will be easier for all the employees to really be committed to work to achieve the stated goals.

Secondly, employees should be appropriately and adequately involved together with their supervisors in decision making process and also make them participate in policy and strategy reviews and formulation. This will help them utilize their skills and their opinions to be heard on how to bring about continuous improvement. Team work is very important in every organization. All staff should be encouraged to work in teams to share ideas.

Thirdly, all employees should be trained frequently on all aspects of organizational learning and continuous improvement to enable them to contribute in the organizational matters. Technology is changing every now and then and for the banks to remain competitive, they need to train their staff to remain competitive and to be innovative.

Employees are the most valuable assets in any organization. Hence they should be given adequate provisions to cater for incentives. Those who excel in attaining the organizational goals should be recognized and awarded to encourage them to contribute more in areas of continuous improvement.

5.6 Suggestion for Further Research

Further research of the study is recommended for the same variables to be tested in other industries and especially other financial institutions so that opinions from all financial institutions in regards to organizational learning and continuous improvement can be determined. Future studies and research work may make use of other variables considered relevant to organizational learning theories and test the impact they have on continuous improvement.

Due to limitations of time, opinions and perception, only one employee per bank was reached to fill out the questionnaires. Therefore it is recommended that future studies to get opinions from as many employees as possible to be done.

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TO WHOM IT MAY CONCERN

The bearer of this letter HELENE MUGANYIZA MUKAMUGA

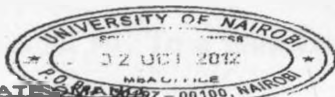
Registration No. 2007/145/1311

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.



IMMACULATE MABU
MBA ADMINISTRATOR
MBA OFFICE, AMBANK HOUSE

APPENDICES

Appendix I: Questionnaire

SECTION A: PERSONAL DATA

- i. Name of the bank
- ii) What is your current job title

SECTION B: ORGANISATIONAL LEARNING & CONTINUOUS IMPROVEMENT

iii. To what extent do the following organizational learning factors apply to your organization? (Title the most appropriate option using the provided scales), Please tick as appropriate, Not at all =1, To a little extent =2, To a moderate extent =3, To a great extent =4, To a very great extent = 5.

Statement	1	2	3	4	5
Employees in the organization are continually expanding their abilities through learning					
My organization has a strategy that responds to the changing environment					
Learning new things is a way of life for everyone in the organization					
Policies and Strategies are reviewed often					
Organization carries out research so as to get new outcomes					
There is a strictly followed training programme in my					

organization					
People in the organization are involved in key decision making processes					
All members of the organization play a part in policy and strategy formulation					
There is flexible organization structure that changes frequently					
There are different ways of compensating our work					

- iv. Please tick the number that best describes the extent to which your organization practices the following to contribute to continuous improvement: (Use the scale below for the most appropriate response). Please tick as appropriate, Not at all =1, To a little extent =2, To a moderate extent =3, To a great extent =4, To a very great extent = 5.

Statement	1	2	3	4	5
Participatory policy and strategy reviews by all employee in my organization					
Employees are encouraged to think together					
All employees are involved in team playing and learning					
All employees can access the organization databases					
There is always feedback on financial consequences of action as soon as they are known by accounting system					

Departments and sections in organizations all understand each other's importance					
Information is received from people and organizations stakeholders					
We participate in joint ventures with our guarantees and stakeholders					
We meet with other organization and share ideas					
Various methods of communications are used in the organization					

- v. Which statement best describes your organizations position on the following: (Use the scale below to tick the most appropriate response), Please tick as appropriate, Not at all =1, To a little extent =2, To a moderate extent =3, To a great extent =4, To a very great extent = 5.

Statement	1	2	3	4	5
All people in the organization give a meaning to any information that is received in the organization					
All people in the organization have shared goals and vision that they want to achieve					
All employees clearly understand the relationship between their personal goals and those of the whole organization					
The organization has strong future goals that it wants to accomplish					
All employees help in formulating the future goals					
Employees are free to give meaning to information and situations in organization					
Information technology is not only used for automating processes but helps innovation					
We meet with other organizations and share ideas					
Various methods of communications are used in the organization					

- vi. Which statement best describes your organizations position on the following? Please tick as appropriate, Not at all =1, To a little extent =2, To a moderate extent =3, To a great extent =4, To a very great extent = 5. Not at all

Statement	1	2	3	4	5
In my organization our vital information is stored					
The information is passed through from one generation to another					
In case of any managerial changes, the practices do not change there is continuity					
All contacts used by the organization are kept in a database for future use					
All past information records are accessible to all staff					

- vii. To what extent have the following factors contributed to adopting the organization learning concept in your organization? (Use the scale below to circle the most appropriate response), Please tick as appropriate, Not at all =1, To a little extent =2, To a moderate extent =3, To a great extent =4, To a very great extent = 5.

Statement	1	2	3	4	5
Improving the quality of service by the organization					
Improving the commitment and morale of the workforce so as to cope with change/turbulent environment					

Adaptation of technological changes so as to attract and retain qualified					
Placing organizations in a competitive edge and enhancement of communication					
Understanding and making quality decisions in the organization stability of the organization					
Knowledge acquisition, exchanges and spread in the organization					

THANK YOU FOR YOUR COOPERATION

APPENDIX II

LIST OF BANKS IN KENYA

1	AFRICAN BANKING CORPORATION LTD
2	BANK OF AFRICA KENYA LTD
3	BANK OF BARODA (KENYA) LTD
4	BANK OF INDIA
5	BARCLAYS BANK OF KENYA, LTD.
6	CENTRAL BANK OF KENYA
7	CFC STANBIC BANK LIMITED
8	CHASE BANK (KENYA) LIMITED
9	CITIBANK N.A. NAIROBI
10	JAMII BORA BANK LTD
11	COMMERCIAL BANK OF AFRICA LTD.
12	CONSOLIDATED BANK OF KENYA LTD
13	THE COOPERATIVE BANK OF KENYA LTD
14	CREDIT BANK LIMITED
15	DEVELOPMENT BANK OF KENYA LIMITED
16	DIAMOND TRUST BANK KENYA LIMITED
17	DUBAI BANK KENYA LTD
18	ECOBANK KENYA LTD
19	EQUATORIAL COMMERCIAL BANK LTD
20	EQUITY BANK LIMITED
21	FAMILY BANK LIMITED

22	FIDELITY COMMERCIAL BANK LTD
23	FINA BANK LTD
24	FIRST COMMUNITY BANK LIMITED
25	GIRO COMMERCIAL BANK LTD
26	GUARDIAN BANK LIMITED
27	GULF AFRICAN BANK LTD
28	HABIB BANK AG ZURICH
29	HABIB BANK LIMITED
30	I AND M BANK LTD
31	IMPERIAL BANK LIMITED
32	INDUSTRIAL DEVELOPMENT BANK LIMITED
33	KENYA COMMERCIAL BANK LIMITED
34	K-REP BANK LIMITED
35	MIDDLE EAST BANK KENYA LTD
36	NATIONAL BANK OF KENYA LTD.
37	NIC BANK LIMITED
38	ORIENTAL COMMERCIAL BANK LTD
39	PARAMOUNT UNIVERSAL BANK LIMITED
40	PRIME BANK LTD.
41	STANDARD CHARTERED BANK KENYA LIMITED
42	TRANS-NATIONAL BANK LIMITED
43	VICTORIA COMMERCIAL BANK LIMITED
44	HOUSING FINANCE CORPORATION