2016

Leadership Styles and Learning for Performance Within Commercial Banks in Kenya

Teckie Michelle Karoki
Walden University

Walden University

College of Management and Technology

This is to certify that the doctoral dissertation by

Teckie Karoki

has been found to be complete and satisfactory in all respects,
and that any and all revisions required by
the review committee have been made.

Review Committee
Dr. Branford McAllister, Committee Chairperson, Management Faculty
Dr. Stephanie Hoon, Committee Member, Management Faculty
Dr. David Bouvin, University Reviewer, Management Faculty

Chief Academic Officer
Eric Riedel, Ph.D.

Walden University
2016

Abstract

Leadership Styles and Learning for Performance Within Commercial Banks in Kenya

by

Teckie Karoki

MBA, Kennesaw State University, 2004

BS, Daystar University, 1999

Dissertation Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Philosophy

Management

Walden University

September 2016

Abstract

The literature indicates that leaders influence the establishment of organizational learning culture (OLC) by the application of transformational (TFO), transactional (TAC), and passive-avoidant (PAV) styles. Further, the literature links OLC to the financial performance of organizations by leadership involvement in establishing learning organizations. However, the manner in which the practice of OLC occurs and the relationship of OLC with TFO, TAC, and PAV is unclear, as is the link between OLC and financial performance (ROA); especially for growing economies outside North America. The purpose of this study was to address this gap in the literature through a quantitative study of leadership styles and their relationship to OLC based on complexity and contingency leadership theories, and organizational learning theory. The research questions focused on establishing the association between TFO, TAC, and PAV and OLC, and the link between OLC and ROA. Data from 40 commercial banks in Kenya were collected and multiple regression models developed. TFO and PAV Leadership styles were associated significantly with OLC; TAC did not have a significant relationship with OLC. OLC was linked significantly to ROA. The results of this study show that leaders of commercial banks build relationships with followers and support learning within their institutions; however, the results of this study show that these leaders engage in a limited form of organizational learning practice. This study has potential to contribute to positive social change by providing information about leadership and organizational learning strategies that advance transformational engagement with followers and organizational performance.

Leadership Styles and Learning for Performance Within Commercial Banks in Kenya

by

Teckie Karoki

MBA, Kennesaw State University, 2004

BS, Daystar University, 1999

Dissertation Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Philosophy

Management

Walden University

September 2016

Dedication

I dedicate this study to my mother, Muthoni Ituaruchiu. I am deeply grateful for your faith in me, your support, encouragement, and the sacrifices you have made to ensure my success; sacrifices that I can never repay. Thank you mom; may God continue to bless and keep you.

Acknowledgements

I thank and praise the Lord God Almighty for giving me the opportunity and providing the resources for me to complete this program successfully; I give all glory to God and stand amazed at what He has done for me. I also acknowledge and express my sincere gratitude to my committee for their guidance and help during this study. Thank you Dr. Branford McAllister for your encouragement; for believing in me and ensuring I produced the best work. Thank you Dr. Stephanie Hoon for stepping into my committee halfway into the journey and for giving me the help I needed to complete my doctoral journey. Thank you Dr. David Bouvin for the candid feedback that ensured my URR reviews went very well. I thank my fellow students for their encouragement and participation in all aspects of our learning process. I would also like to acknowledge and thank the support team at Walden University; the academic advisors, residency committees, members of the writing center, and center for research quality. Thank you all; without you, this learning journey would be much harder and less enjoyable for all of us students. Lastly, I would like to express my gratitude to Walden University; thank you for providing an opportunity to earn a PhD online; without this program, I would not have achieved a life long dream. I am grateful for all of you, and May God bless you.

Table of Contents

List of Tables

List of Figures

Chapter 1: Introduction to the Study

Background

Business Monitor International (2010) reported that the banking industry in Kenya has remained stable in the global financial markets mostly due to conservative business practices, weak links to international financial markets, and lack of exposure to subprime lending practices such as those practiced in the United States. The Financial Sector Deepening and Central Bank of Kenya (2013) recorded an increase in the use of financial services from 41.3% in 2009 to 66.7% in 2013, 15.3% asset growth, 14.8% increase in customer deposits, and 20.6% rise in pretax profit for the same period. The percentage of those utilizing bank services rose from 13.5% in 2006 to 29.2% in 2013, and the majority of financial services users, 62%, subscribed to mobile financial services (Financial Sector Deepening & Central Bank of Kenya, 2013). World Bank's Allen et al. (2013) noted that the banking sector contributed 40% to Kenya's GDP, and less to the GDP of other East African nations in 2012. The Central Bank of Kenya (2014) reported that the six largest banks commanded a 52.4% market share, 14 medium and 23 small banks owned 37.9% and 9.7% of the market share respectively in 2013. The Central Bank of Kenya also reported increased performance for the period ending December 2013 with commercial banks recording 16% and 13.3% growth in total assets and total deposits respectively. These statistics show that the banking sector has been growing steadily over the last decade despite global upheavals in the financial sector. The growth in the banking sector provides a context for investigating the role of organizational learning in the performance of these organizations. There are opportunities for more

growth in the industry; and, therefore, it is worth investigating the role of leaders and leadership styles in advancing growth through learning organizations.

These statistics from the banking industry in Kenya indicate a level of growth and opportunity in a highly regulated, emerging market. The reports suggest a trend towards service expansion into the regional market, growth and economies of scale, optimization of local operations, and increase in bank credit and deposit services (Central Bank of Kenya, 2013; Financial Sector Deepening & Central Bank of Kenya, 2013). The emergence of Kenya as a regional hub for technological innovation, transport, communication, financial, and business services is a facilitator of growth in customer base and expansion into the East African region. There are immense opportunities to optimize operations, increase customer base, expand credit, and leverage technological dominance in the region for a vibrant financial sector.

There are opportunities to reach customers who do not have access to formal banking or other financial services in the country. The Central Bank of Kenya (2014) reported a reduction in the number of financially excluded Kenyans from 33% in 2009 to 25% in 2013; with an estimated 67% having access to formal financial services due to the advent of mobile banking. In 2006, the convergence of mobile technologies and banking services created M-Pesa or mobile money, a service that allows subscribers to make payments, transfer cash, and make purchases electronically from their mobile phone devices without using a bank account. According to the Organization for Economic Co-operation and Development (OECD), there are 7 million registered M-Pesa subscribers transferring $2 million daily (as cited in Mutsune, 2014). Despite M-Pesa's success, the

Central Bank of Kenya reported that 25% of Kenyan adults do not have access to formal banking or financial services. Therefore, there are opportunities for commercial banks in Kenya to tap into the same technologies that made M-Pesa a success in order to reach this market.

The United Nations Conference on Trade and Development (UNCTAD) reported that challenges with the mobile banking platforms present opportunities for advancing mobile services (UNCTAD, 2011). Opportunities exist for the development of small businesses and international mobile funds transfer services, improvement of customer service, fraud detection and reduction, and development of secure technologies (UNCTAD, 2011). These are opportunities for commercial banks to expand market share by combining conventional and mobile electronic banking services. For example, a partnership between one of Kenya's leading banking institutions and a premier mobile telecommunications company provided unbanked M-Pesa subscribers with the chance to open and operate savings accounts (Lonie, 2010). Mobile banking in Kenya represents a revolutionary merger of dynamic, fast-paced technological firms with slower, more cautious traditional banking institutions. Innovations in information communications technologies will continue to transform the banking industry necessitating change within otherwise traditional institutions.

Internal Factors Facilitating Financial Performance

Ongore and Kusa (2013) identified three internal bank factors that facilitated the financial performance of commercial banks in Kenya; including, asset quality, capital adequacy, and management efficiency. Asset quality is an indicator of a bank's efficient

utilization of assets such as credit portfolio, fixed assets, current assets, and other investments to generate wealth (Ongore & Kusa, 2013; Pastory & Mutaju, 2013). Capital adequacy is a measure of solvency and signifies a bank's ability to absorb market, credit, and operational risks (Ongore & Kusa, 2013; Pastory & Mutaju, 2013). Asset quality and capital adequacy are under the control of managers who influence management and control systems, operational efficiency, human resource performance, and other unquantifiable factors. Therefore, management efficiency affects the financial performance of commercial banks in Kenya by influencing asset quality and capital adequacy. Ongore and Kusa aligned these assertions about management efficiency with Efficiency Structure Theory, which holds that increased managerial efficiency boosts performance.

Management Efficiency

Ongore and Kusa (2013) defined management efficiency as bank managers' ability to optimize the use of resources in order to maximize income and minimize operational costs. Hahn (2009) opined that management efficiency determined a bank's ability to expand into regional and international markets through an increase in customer base and service development. Rakotobe-Joel and Sabrin (2010) identified the stewardship role of leaders as a determinant of asset allocation for the financial benefit of the organization. Rakotobe-Joel and Sabrin determined that the financial signature of a leader was the product of the tension between resource utilization and value creation, which are the essence of management efficiency.

Vargas-Hernández and Noruzi (2010) established that managers increase competitiveness, operational efficiency, and expansion by developing intellectual capacity through learning. Vargas-Hernández and Noruzi attributed competitive advantages and the growth of 21st century organizations to intangible assets such as knowledge, intellectual property, and competence shared throughout the organization by way of informal, customizable learning structures that permit information sharing. According to Singh (2008), banks in emerging markets such as India are transforming to learning organizations in a bid to thrive in the current environment. Like India, Kenya is on a high growth trajectory with marked gains in real estate investments, e-banking, mobile banking, and consumption (Gikandi & Bloor, 2009). These advancements are opportunities for commercial banks to boost competitiveness, productivity, and efficiency by leveraging organizational learning disciplines.

Ongore and Kusa (2013) found that bank leaders controlled the internal factors responsible for the performance of commercial banks; including, competitiveness, operational efficiency, and expansion. Rakotobe-Joel and Sabrin (2010) concluded that a leader's performance depends on the style of leadership and efficiency in the utilization of available resources. Vargas-Hernández and Noruzi (2010) credited learning organizations with the efficient allocation and utilization of intellectual capacities. Therefore, based on these views, I expected that the growing commercial banking industry in Kenya was a result of management efficiency in resource allocation and value creation. However, Nzuve and Omolo (2012) found that bank leaders allocated resources to technical and financial skills development and the advancement of information

technologies. Therefore, the role of leaders in allocating resources for the creation of organizational learning cultures in this industry was unclear; especially because Nzuve and Omolo found an inverse relationship between the superb financial performance of commercial banks in Kenya and establishment of organizational learning cultures.

Learning Organization

Senge (2006) described a learning organization as one with established processes by which people develop their ability to achieve desired results, nurture wide-ranging patterns of thinking, release mutual passion, and learn the practice of collective learning. The study of learning organizations is relatively new to management literature with most writings dating to the later part of the 1970s with the work of Argyris and Schön (Argyris, 1993). Recent studies explored the effect of learning on organizational outcomes and processes; for example, Yukl (2008) and Rijal (2009) linked organizational learning to leadership and performance, and Vargas-Hernández and Noruzi (2010) attributed intellectual capacity development and competitiveness to organizational learning. Despite numerous studies in the last decade, Rijal (2009) and Zagoršek, Dimovski, and Škerlavaj (2009) recognized the lack of clarity about the link between leadership styles and the development of learning organizations; especially for growing transition economies outside North America.

Marsick and Watkins (2003) questioned the manner in which organizational learning occurs; whether on an ad hoc basis or through conscious effort depending on the leadership style. Concerning commercial banking, Wright and Fellman (2007), Singh (2008), and Al-Jawazneh and Al-Awawdeh (2011) linked the practice of organizational

learning and leadership with the responsiveness of commercial banks to external opportunities, change leadership, internal capacity development, and diversification in Romania, Jordan, and India. In Kenya Nzuve and Omolo (2012) found that commercial banks engage in organizational learning practices and promote participative policymaking and strategy development. However, Nzuve and Omolo identified an inverse relationship between organizational learning and performance. Nzuve and Omolo pinpointed a lack of established learning cultures and environmental scanning techniques for identifying growth opportunities and responding through innovation, creativity, and competitiveness. Nzuve and Omolo noted that the creation of learning cultures was among the least adapted practice by commercial banks in Kenya, with only 10 institutions taking deliberate steps to becoming learning organizations.

Yang, Marsick, and Watkins (2004) described learning organizations as those that focus on creating systems that support continuous learning and adaptive practices, rather than emphasizing skill development, information sharing, and knowledge acquisition only. Therefore, I expected that the developments in the banking sector in Kenya were the result of organizational learning activities designed to inform and empower employees, create supportive leadership, and leverage existing information systems. These developments are probably not due to deliberate measures to establish learning cultures and organizations for continued performance improvement. Nzuve and Omolo (2012) recommended further study to establish whether commercial banks in Kenya adapted the basic tenets of learning organizations as part of a systematic business approach, or provisionally for the sake of expediency and institutional survival.

Problem Statement

Sahaya (2012) associated leadership styles, especially transformational and transactional leadership, with the advancement of learning organizations and an increase in return on assets. Similarly, Cherian and Farouq (2013) found that transformational and transactional leadership impacted the financial performance of banks in the United Arab Emirates positively. However, Nzuve and Omolo (2012) found that organizational learning was the least adapted practice within commercial banks in Kenya. Further, Nzuve and Omolo found that commercial banks in Kenya experienced tremendous growth between 2009 and 2013 despite not adapting the dimensions of learning organizations. Lastly, Rijal (2009) established that the process through which organizational learning occurs is unclear; especially with regard to the role of leadership styles in the process.

Thus, the general management problem is a lack of consensus in the research about the role of leadership styles and the practice of organizational learning, and the practice of organizational learning and financial performance within commercial banks in Kenya. It is unclear if the advancements in the Kenyan banking industry are the result of established learning structures and what role, if any, leadership styles play in establishing a climate of learning within the banking industry (Nzuve & Omolo, 2012). The specific research problem, therefore, is a lack of understanding about the relationship between leadership styles and the establishment of organizational learning cultures at the individual, team, and organizational level within commercial banks in Kenya. In addition, the link between the practice of organizational learning and financial

performance is not established. This lack of understanding impedes the development of learning as a culture necessary for continued competitiveness within the Kenyan banking industry (Nzuve & Omolo, 2012). In addition, this lack of information limits leadership ability to influence creativity and innovation, which come through the adaptation of supportive leadership styles. Bank leaders in Kenya focus on the basic tenets of organizational learning by developing technical skills, creating an empowered and informed workforce, leveraging information systems, and rewarding flexibility. However, the inverse relationship between the practice of organizational learning and performance suggests a lack of information about the effect of an established learning culture on performance. Further, the inverse relationship is indicative of the lack of insight about the role of leaders in establishing learning cultures for continued performance improvement.

Purpose of the Study

The purpose of this quantitative survey study was to test the relationship between three leadership styles (transformational, transactional, and passive-avoidant leadership styles) and the establishment of organizational learning cultures within 40 commercial banks located in Kenya. This study also provides insight into the link between organizational learning cultures and the financial performance of the institutions under investigation. The predictor variables for this study, leadership styles, were defined as the patterns of behavior that leaders employ to influence followers and achieve organizational objectives (Bass & Avolio, 1993; Charbonnier-Voirin, El Akremi, & Vandenberghe, 2010). The response variable, organizational learning culture, was

defined as a measure of the systems and structures that support continuous and adaptive learning (Watkins & O'Neil, 2013). This study examined the significance of leadership styles in leveraging internal bank factors and external opportunities for improving financial performance through increased market share, competitiveness, growth in credit, and overall developments realized in the sector.

Theoretical Framework

The theoretical framework for this research study includes complexity leadership theory and learning organization theory. These theories coalesce to form the practice of business, which facilitates organizational survival in a changing, chaotic environment. A dynamic environment, such as the one experienced by commercial banks in Kenya, facilitates transformation by creating survival anxiety, which motivates the learning of new patterns of behavior (Schein, 1999). Bunker and Wakefield (2006) opined that leaders are responsible for championing creative change while Charbonnier-Voirin et al. (2010) asserted that leaders enhance the capacity of followers to learn and adapt to change. It is from these thought processes that complex leadership theories emerged as a replacement of traditional, top-down structures unsuitable for a knowledge-oriented economy (Uhl-Bien, Marion, & McKelvey, 2007). Argyris (1993) and Senge (2006) advanced organizational learning for creating and leading change within the firm. These scholars argued that learning organizations enable constituents to create their envisioned future by learning how to learn in order to adapt to changes in the environment.

Complexity Leadership Theory

Uhl-Bien et al. (2007) described complexity leadership theory (CLT) as an emergent interactive dynamic based on complex adaptive systems (CAS). This perspective facilitates the upgrade of leadership from the industrial age context to the knowledge-based economy in which leaders must influence CAS (Schneider & Somers, 2006; Uhl-Bien et al., 2007). Uhl-Bien et al. distinguished management from leadership using CLT and CAS dynamics that enable self-organization and achievement of organizational outcomes. Uhl-Bien et al. stated that management focus is on solving known problems using proven solutions, while leadership involves learning while solving unpredictable problems simultaneously. Similarly, McElroy (2000) and Senge (2006) argued that complex organizational structures are learning systems that must adapt to change by employing learning strategies such as information sharing, dialogue, experimentation, and teamwork in order to meet organizational goals.

Nzuve and Omolo (2012) found that adaptation to changes in the external environment is one of the least adapted practices within commercial banks in Kenya, though these institutions are complex organizations. Uhl-Bien et al. (2007) characterized CLT as a process of advancing organizational learning, creativity, and adaptability by allowing CAS dynamics within organizational hierarchies. Uhl-Bien et al. identified three categories from which leadership styles under CLT emerge, including; hierarchical and controlling administrative approaches, creative problem solving fostered by supportive leadership, and dynamic adaptive leadership that drives emergent change. The focus of this study was the full-range leadership model derived from the dynamic

adaptive leadership construct associated with emergent change. Specifically, this study evaluated transformational, transactional, and passive-avoidant leadership styles and the role of leaders in employing these styles to advance learning within the CAS of commercial banks in Kenya. The three leadership styles are discussed in detail later in this chapter.

Learning Organization Theory

Learning organizations are critical in an era of constant change and adaptation. Duden (2011) suggested that the learning organization theory is the basis for establishing learning cultures that facilitate innovative and creative ways of outperforming the competition and achieving operational success. Rijal (2009) linked learning and change by stating that organizational learning engenders anticipation and adaptation to change. Scholars concur that the goal of learning within organizations is performance improvement and survival in unpredictable, turbulent business environments (Burnes, 2005; McElroy, 2000; Senge, 2006). For example, Senge established that the learning organization theory facilitates the process by which companies learn how to learn, learn faster than the competition, and create their desired future. Rijal explained that organizational learning facilitates individual and collective learning, member empowerment, knowledge management, and technology utilization in order to adapt and leverage opportunities in a changing business environment.

Research Questions and Variables

The goal of this study was to examine the relationship between three leadership styles (transformational, transactional, and passive-avoidant leadership styles) and

establishment of organizational learning cultures at the individual, team, and organizational level within commercial banks in Kenya. The three levels are important because organizational learning begins with individuals and progresses within teams as individuals participate in dialogue, collaborative problem solving, teamwork, and experimentation. Learning developed within teams manifests at the organizational level where it is shared and stored in the memory of the institution. I examined the influence of leadership styles on the dimensions of a learning culture at all three levels of the organization in order to capture leadership influence accurately. The dimensions of organizational learning include the creation of continuous learning opportunities, dialogue and inquiry, collaborative learning, shared learning, alignment with a collective vision, connection with the environment, and strategic leadership in the learning process (Marsick & Watkins, 2003). My intention was to determine if, and to what extent, leadership styles affect the advancement of organizational learning dimensions, and the effects of learning cultures on the level of performance within commercial banks in Kenya. Therefore, I addressed the following research questions:

1. What is the relationship between transformational, transactional, and passive-avoidant leadership styles and the establishment of organizational learning cultures at the individual, team, and organizational levels within commercial banks in Kenya?
2. What is the relationship between organizational learning culture and financial performance within commercial banks in Kenya?

Leadership Styles

Three leadership styles are the predictor variables for the first research question: transformational (TFO), transactional (TAC), and passive-avoidant (PAV) leadership styles (Antonakis, Avolio, & Sivasubramaniam, 2003; Bass & Avolio, 1993). These predictor variables are numerical, continuous, unbounded, and each variable is an index calculated as a composite score of responses to selected questions in Bass and Avolio's Multifactor Leadership Questionnaire (MLQ). The TFO, TAC, and PAV leadership styles represent the frequency with which leaders display behaviors representing the full-range leadership model. I used TFO, TAC, and PAV to evaluate leadership styles within commercial banks in Kenya and assess factors of leadership within these institutions. Bass and Avolio (1993) identified nine factors that represent the three predictor variables (leadership styles). These factors include idealized influence *attributed* (IIa), idealized influence *behavioral* (IIb), individualized consideration (IC), intellectual stimulation (IS), inspirational motivation (IM), contingent rewards (CR) management-by-exception *active* (MBEa), management-by-exception *passive* (MBEp), and laissez-faire (LF) (Bass & Avolio, 1993). These variables measure behaviors that contribute to organizational effectiveness and success (Avolio & Bass, 2004). Bass and Avolio developed the MLQ form 5X (MLQ 5X) to measure leadership styles and identify characteristics of TFO, TAC, and PAV. The three leadership variables represent the full-range leadership model; including, transformational, transactional, and passive-avoidant leadership styles, which are discussed later in detail.

Organizational Learning Culture

Organizational learning culture (OLC) is the response variable for the first question and the predictor variable for the second research question. The OLC is numerical and continuous, calculated as a single weighted index of the seven dimensions of learning organizations measured at the individual, team, and organizational level. I used OLC to examine the extent to which commercial banks in Kenya established systems and structures that support continuous and adaptive learning. Marsick and Watkins (2003) and Marsick (2013) identified seven dimensions of OLC, which indicate the presence or absence of a learning culture. These dimensions include creating continuous learning opportunities (CLO), promoting inquiry and dialogue (IND), encouraging collaboration and team learning (CTL), creating systems that capture and share learning (CSL), empowering people towards a collective vision (ECV), connecting the organization to the environment (COE), and providing strategic leadership for learning (SLL) (Marsick, 2013; Marsick & Watkins, 2003). These dimensions are potentially significant attributes of successful companies because each contributes to the organic growth of learning organizations. Marsick and Watkins developed the Dimensions of the Learning Organization Questionnaire (DLOQ) to measure aspects of OLC (Marsick & Watkins, 2003; Watkins & O'Neil, 2013).

Return on Assets

Return on assets (ROA) is the response variable for the second question. ROA for this study is a numerical and continuous index obtained from the annual bank supervision reports published by the Central Bank of Kenya. Ongore and Kusa (2013)

defined ROA as a measure of a bank's profitability. Ongore and Kusa argued that ROA is an indicator of management's efficiency in utilizing resources to generate income. A high ROA score is indicative of efficient employment of assets to produce income.

Rakotobe-Joel and Sabrin (2010) established that leaders act both as agents and stewards of organizations and in so doing influence the financial outcome of their institutions. Rakotobe-Joel, and Sabrin found that leaders have a financial signature that determines leadership and organizational behavior, financial performance, ethics, and creation of shareholder value. Cherian and Farouq (2013) found a positive relationship between leadership styles and the financial performance of banks in the United Arab Emirates (UAE). Like Kenya, commercial banks in the UAE employ new technologies to diversify services, expand market share, and target the unbanked population. Cherian and Farouq advised that leaders of commercial banks in such markets involve employees in decision-making processes in order to create a more participative environment.

Sahaya (2012) noted that individualized consideration, a factor of transformational leadership, affects the financial performance of organizations by influencing organizational learning activities. Sahaya argued that leaders who practice individualized consideration build learning cultures by supporting knowledge sharing, inquiry and dialogue, and team learning. Similarly, Cherian and Farouq (2013) argued that leaders who employ learning strategies such as shared vision and teamwork realize financial rewards by way of attracting and retaining skillful employees. Sahaya found that contingent reward mechanisms encourage followers to perform above expectations and employ learning as a way to achieve financial goals in exchange for rewards.

Nature of the Study

I used quantitative research methodology to evaluate the relationship between three leadership styles (TFO, TAC, and PAV) and organizational learning (OLC). Frankfort-Nachmias and Nachmias (2008) established that the quantitative approach facilitates testing of theory through the study of the relationship between variables. In addition, quantitative methodology employs data collection instruments and analysis techniques to foster generalization of findings to a large population. Field (2009) and Green and Salkind (2011) recommended multiple linear regression for predicting the relationship between more than one predictor variable and one response variable. This study predicted the relationship between three leadership styles and one organizational learning variable used to address the first research question. I used multiple linear regression to assess the significance of the relationship between the predictor variables and the response variables. This study built a regression model that predicted the relationship between (a) TFO, TAC, and PAV and OLC (Research Question One); and (b) OLC and ROA (Research Question Two). A simple linear regression between the scores obtained for OLC and ROA data facilitated the prediction of the relationship between the organizational learning and financial performance.

Data collection for this study utilized the MLQ 5X to measure TFO, TAC, and PAV; and the DLOQ to measure OLC. The MLQ 5X provided a numerical index for each of the leadership variables, which represented the leadership styles of a representative sample of leaders from all commercial banks in Kenya. The MLQ 5X contains nine scales for measuring nine factors representing TFO, TAC, and PAV. These

factors included idealized influence *attributed*, idealized influence *behavioral*, individualized consideration, intellectual stimulation, inspirational motivation, contingent rewards, management-by-exception *active,* management-by-exception *passive*, and laissez faire. Each scale provided an average score for the factors representing the designated variable on the scale. The total of the average scores obtained from each variable's scales formed the numerical index for the variable. For instance, the total of the average scores obtained from items representing TFO factors on the MLQ 5X formed an index for transformational leadership style.

The DLOQ measured OLC within commercial banks in Kenya. I used the DLOQ to measure the extent to which managers of commercial banks support and implement a culture of learning within their institutions by providing a score for each of the seven dimensions of organizational learning. These dimensions include creating continuous learning opportunities, promoting inquiry and dialogue, encouraging collaboration and team learning, creating systems that capture and share learning, empowering people towards a collective vision, connecting the organization to the environment, and providing strategic leadership for learning (Marsick & Watkins, 2003; Watkins & O'Neil, 2013). The DLOQ contains seven scales for measuring each dimension of the learning organization. The total of the average scores from each scale provided an index for OLC for the institutions.

This study also examined the relationship between organizational learning culture and the financial performance of commercial banks in Kenya. The return on assets (ROA) ratio for each category of banks provided an assessment of profitability for the

institutions. Therefore, a simple linear regression model evaluated the relationship between OLC for all the banking institutions and the return on assets (ROA) in order to address the second research question.

Operational Definition of Terms

Adaptation: The process in complex adaptive systems by which agents within the system adjust their behavior in response to the modifying, transformational actions of other agents within the system (Savit, Riolo, & Riolo, 2013).

Complex adaptive systems: Unpredictable dynamic systems operating on the edge of chaos through order-generating rules (Burnes, 2005). Complex adaptive systems thrive on chaos and generate outcomes by adapting to change.

DLOQ: Dimensions of the Learning Organization Questionnaire, which is a respondent survey instrument used to measure the seven dimensions of the learning organization; including, continuous learning, dialogue and inquiry, collaborative learning, shared learning, alignment with a collective vision, connection with the environment, and leadership in the learning process (Marsick & Watkins, 2003; Watkins & O'Neil, 2013).

GDP: Gross Domestic Product. The World Bank (2013) defined the GDP as the sum of the gross value of a country's producers into the economy plus product taxes, minus any subsidies not included in the value of the products. The GDP calculation does not make deductions for depreciation of fabricated assets or depletion and degradation of natural resources (World Bank, 2013).

Innovation: Gephart and Marsick (2003) described innovation in the context of the learning organization as the ability to obtain and use novel ideas and approaches to

enhance organizational effectiveness. The capacity to recognize needs and opportunities is the basis for innovation.

Leadership: Kaiser, McGinnis, and Overfield (2012) defined leadership as a process by which leaders demonstrate socially influential behaviors in order to inspire followers to act towards the achievement of collective goals. Similarly, Berson, Nemanich, Waldman, Galvin, and Keller (2006) defined leadership as a process of facilitating individual and collective action towards learning and accomplishing shared organizational goals.

Learning: The capacity to learn from experience and apply acquired knowledge to solve problems, improve processes, and generate fundamental change (Gephart & Marsick, 2003).

Learning culture: Berson et al. (2006) identified three characteristics of learning cultures; including, participation, openness, and psychological safety. Berson et al. posited that participation includes involvement in decision-making and commitment to learning and inquiry, openness in tolerating diverse concepts and facilitation of the free flow of ideas, and psychological safety encompasses trust, support, and risk taking.

Mental models. Johnson (2008) depicted mental models as cognitive representations of reality and meaning structures through which people interpret the world based on personality traits and understanding of reality.

MLQ: Multifactor Leadership Questionnaire, which is a respondent survey instrument, used to measure transactional, transformational, and passive-avoidant leadership factors (Avolio, Bass, & Jung, 1999). The MLQ measures components of the

full-range leadership model; namely, idealized influence *attributed*, idealized influence *behavioral*, individualized consideration, intellectual stimulation, inspirational motivation, contingent rewards, management by exception *active*, management by exception *passive*, and laissez faire characteristics of leadership (Antonakis et al., 2003).

Organizational change: Weick and Quinn (1999) defined organizational change as a pattern of continual adjustments to work processes and social practices in response to turbulence, disequilibrium, and reactions to contingencies. Weick and Quinn described organizational change as constant, evolving, and cumulative with numerous compromises that accumulate and amplify because of the emergent and self-organizing nature of organizations.

Organizational learning: Process by which organizations expand their capacity to create their desired future by learning how to learn and by applying the disciplines of personal mastery, mental models, shared vision, team learning, and systems thinking (Senge, 2006).

Personal mastery. Dhiman (2011) defined personal mastery as the art of finding authenticity and personal fulfillment in life by harnessing dormant creative energies and revising faulty mental paradigms, expectations, and assumptions.

Shared vision. Senge (2006) explained that shared vision draws people towards a common objective and purpose that gives meaning to diverse activities. Senge referred to shared vision as a powerful force based on unified desire and mutual concern.

Systems thinking. Senge (2006) described systems thinking as a body of knowledge and tools designed to make organizational patterns or archetypes clear and

elucidate laws that govern systems. Meadows (2008) defined a system as "an interconnected set of elements that is coherently organized in a way that achieves something" (p. 11).

Team learning. Senge (2006) noted that teams are the learning unit of any organization, a process achieved through dialogue and conflict in an effort to arrive at a new level of awareness and creativity.

Assumptions

The first assumption of this study was that respondents understand and can identify aspects of organizational learning since there is some form of organizational learning practice within commercial banks in Kenya, though the practice is not pervasive and widespread within the institutions (Nzuve & Omolo, 2012). Secondly, this study assumed that respondents would provide honest responses to survey questions and give feedback to the best of their ability. Thirdly, this study assumed that the leaders of commercial banks exhibit one or a combination of leadership styles from the full range leadership model; transformational, transactional, or passive-avoidant leadership. Fourth, commercial banks in Kenya are complex adaptive systems in which bounded instability creates optimum creativity, growth, and self-organization in a turbulent environment (Burnes, 2005). Therefore, the assumption was that there are factors that affect the performance of these organizations that are beyond the scope of this study; including, regulatory policies, political influences, competition, and environmental influences. Lastly, this study assumed that leaders of commercial banks in Kenya are capable of

engaging in organizational learning behaviors with supportive structures for continuous and adaptive learning.

Scope

This study focused on leadership styles and organizational learning practices within the 40 commercial banks in Kenya. These organizations formed a representative sample because they comprised almost all the commercial banks in Kenya. Institutions not included in this study were one mortgage finance company, two banking institutions that declined to participate, two credit reference commissions, five foreign bank representative offices, eight microfinance bodies, and 112 foreign exchange bureaus (Central Bank of Kenya, 2013). In addition, this study did not include mobile banking service providers such as MPESA, Kenya's premier mobile banking service, and other agencies that are establishing thriving financial service businesses throughout the country through partnerships with telecommunications technology companies.

The sample population for this study consisted of respondents who were accessible via an online survey took place over a three-month period. The sample population for this study included mid-level managers, directors, general managers, and senior executives of 40 commercial banks in Kenya within the city of Nairobi.

Limitations

This study focused on managers located in Nairobi; therefore, the findings may not generalize to other locations in the country or region. In addition, leadership is a broad and dynamic topic for which a single instrument might not provide adequate knowledge of all the facets of the concept. Lastly, the Kenyan economy is expanding

rapidly and increasingly competitive; therefore, prevailing social and economic factors at the time of the study might limit the generalization of findings to a slower, more stable economic era.

Significance of the Research

Addressing the identified gap in scholarly research, knowledge, and understanding contributed to existing research by extending a viable concept to a geographic location and population for whom the insight might make a significant impact. This study facilitates the establishment of organizational learning cultures, which engage in holistic business practices for the benefit of employees, stockholders, shareholders, and society in general. In addition, this study provides information about how leaders of the banking sector in Kenya might use their influence to promote organizational learning and create opportunities for affecting positive social change. For example, leaders might use the findings from this study to leverage their leadership styles in order to establish enabling structures for continued organizational learning for the benefit of their institutions and society.

Significance to Theory

The benefits of organizational learning to the performance of institutions are clear in the literature; especially for commercial banks. For instance, Al-Jawazneh and Al-Awawdeh (2011) noted that organizational learning improved the responsiveness of commercial banks in India, Jordan, and Romania to the external environment. Complexity leadership theories provide insight into the process through which leaders might employ organizational learning principles to eliminate reductionist, command-and-

control methods that limit the interaction of agents in complex adaptive systems. However, Rijal (2009) observed that the role of transformational leaders in advancing the practice of organizational learning is ambiguous. Similarly, Marsick and Watkins (2003) established that the manner in which organizational learning occurs in institutions is unclear. Therefore, this study contributes to the advancement of organizational learning theory and complexity leadership theories by establishing the relationship between the practice of leadership and the establishment of organizational learning culture for complex adaptive systems.

Significance to Practice

This study establishes a link between the behaviors demonstrated through various leadership styles and the practice of organizational learning. In the case of commercial banks in Kenya, Nzuve and Omolo (2012) indicated that only 10 commercial banks practiced some form of organizational learning, a form limited to technical skills development and information sharing. Further, Nzuve and Omolo questioned the premeditation and deliberate intent behind the practice of organizational learning within these institutions, suggesting that commercial banks employed some basic aspects of organizational learning for the sake of expediency. This study establishes the role of commercial bank leaders in creating organizational learning environments and whether these leaders employed their styles of leadership to install cultures that support organizational learning sustainably. Further, this study addresses Nzuve and Omolo's question about the deliberate nature of organizational learning practice, or the lack thereof within commercial banks in Kenya.

Significance to Social Change

A significant aspect of organizational learning is systems thinking, that promotes a holistic approach to business practice (Senge, 2006). Under the doctrine of organizational learning, systems' thinking ensures that members of an organization are cognizant of the far-reaching effects of their decisions and actions in society. In addition, the practice of organizational learning, championed by appropriate leadership, requires that members examine and challenge mental models continually in order to purge faulty beliefs, values, and patterns of behavior. To this end, this study provides insight into the value of learning organizations in elevating appropriate behaviors among leaders and followers for the benefit of the organization and society at large. Further, this study helps organizations develop sustainable business practices that create value for firms and communities to the end that the benefits are mutual and tenable in the long-term.

Summary

The growth of commercial banks in Kenya, coupled with opportunities for advancement, positions the industry for further advancements with the right environment. Commercial banks have opportunities to exploit the untapped domestic market and expand into the regional market (Central Bank of Kenya, 2013). Senge (2006) stated that companies that know how to learn and learn faster than the competition are able to excel in the face of competition and growth. Duden (2011) noted that the rise in profitability, competition, and opportunities for expansion require creativity and innovation in order to maintain growth. Duden suggested that organizations must become learning institutions in order to leverage opportunities, improve operations, and outperform the competition.

The literature review in Chapter 2 suggests that scholars agree that the establishment of learning organizations is critical for competitiveness and growth in an era of constant change and adaptation (Senge, 2006; see also Burnes, 2005; Marsick & Watkins, 2003; McElroy, 2000). This study provides insight into the learning culture within the banking industry in Kenya and its relationship to leadership styles, in order to assist leaders position their organizations for growth and expansion.

Chapter 2: Literature Review

The purpose of this quantitative survey study was to test the relationship between three leadership styles (transformational, transactional, and passive-avoidant leadership) and the establishment of organizational learning cultures within 40 commercial banks located in Kenya. This study provides insight into the link between the establishment of organizational learning cultures and financial performance within the banking institutions under investigation. This study also facilitates the assessment of leadership styles and their effect on market expansion, competitiveness, and holistic, nonlinear business practice through learning. Nzuve and Omolo (2012) identified a lack of established learning environments within commercial banks in Kenya and an inverse relationship between organizational learning and performance. This literature review provides a brief history of the origin and development of leadership studies, leadership theories, application, and styles, in order to provide an understanding of the perspectives that shape organizational practice and the role of leaders therein. This inspection of the literature includes views pertaining to organizational learning processes and structures, and the role of leaders in the learning process. Lastly, this assessment provides insight into the banking industry in Kenya; its strengths, opportunities, and recent developments that position the sector on the threshold of transformation and advancements.

Literature Search Strategy

There are multiple sources for the material cited in this literature review; including, EBSCOHost and PROQuest Central electronic research databases, Emerald Research Journals, SAGE Journals, The World Bank Open Knowledge Repository, The

Central Bank of Kenya, and the Financial Sector Deepening Trust Kenya. Search terms included *leader, follower, leadership, commercial banking, organizational learning, leadership styles, performance, management efficiency, asset quality, competition, capital adequacy, governance, vision, personal mastery, teams, teamwork, complexity, change, systems thinking, mental models, chaos, industrial revolution, management, organizational development,* and *leader-member exchange.* A combination of any two of the above search terms yielded advanced searches within the database; for example, *leadership styles and performance, commercial banks in Kenya and organizational learning,* and *systems thinking and change adaptation*. The searches produced multiple articles on the topic of leadership, organizational learning, change, commercial banking, and organizational performance; 86 of these articles are used in this review.

The scope of this literature synthesis was broad and incorporated historic information from the time of the industrial revolution to the present age, seminal work of management gurus of the 20th and 21st centuries, as well as modern perspectives of leadership, organizational learning, and commercial banking in Kenya. The period searched for the literature ranged from 1914 to 2014. This review of the literature showed that scholarly perspectives about leadership, organizational learning, and commercial banking are plenty in management literature. Scholars recognize the dynamic nature of leadership in which principles and styles adapt to accommodate environmental complexities and opportunities. Literature indicates that the dimensions of organizational learning provide the means by which leaders apply suitable principles and strategies to cope with environmental demands. The literature showed that the banking

sector in Kenya is a dynamic environment for which adaptive leadership and organizational learning principles might provide the means to leverage technology, lead change, and innovate in order to remain competitive, expand market share, and grow credit. Research is scarce on the topic of organizational learning, leadership, and commercial banking in Kenya; however, there are other studies conducted in growing markets similar to Kenya where researchers examined the role of leadership in advancing the practice of organizational learning. A review of literature regarding leadership and organizational learning, and their effect on firm performance, aided the investigation into the research problem for this study.

Theoretical Framework

Leadership theories and application provide insight into the broad and critical nature of leadership and its pervasiveness in the life of the organization. Bass (1990) noted the rich variety of leadership descriptions used in the literature; including, a leader's influential and persuasive qualities, compliance inducing abilities, instrumentality in the attainment of goals, power brokerage, interactive quality, differentiation, and initiation of structure. Similarly, Horner (1997) described the complexity of leadership studies and the emergence of multiple theories in the literature to capture the core of leadership, its attributes, behaviors, characteristics, and any combination of these aspects. Bass advocated an adaptive understanding of leadership for the 21st century organization, suggesting that leadership development is contiguous with the rise of civilization where leadership theories adapt to the needs of society and change the direction of development.

What follows is a review of leadership theories and application, including; contingency theories, complexity leadership theory, and leader-member exchange theory, and their application in the full-range leadership model. These theories provided insight into the role of leaders in affecting performance, influencing followers, adapting to change, and advancing organizational learning culture. These theories aided in the evaluation of the relationship between leadership styles and the establishment of organizational learning cultures, and the effect of these learning cultures and financial performance within commercial banks in Kenya.

Contingency Leadership Theories

Scholars generated contingency leadership theories by investigating the relationship between leadership characteristics, behaviors, and the context in which leaders operate. Contingency theories provide insight into the development of leadership studies from personality-based leadership under trait theory of leadership to path-goal leadership theory through which a leader adapts behavior and actions in order to influence the behavior of followers. Galton (2000) pioneered trait leadership theory and the study of leadership as a hereditary attribute. Galton proposed an examination of physical, mental, and personality traits of leaders as a basis for identifying the set of attributes that distinguish those born to lead. Galton maintained that a person's natural abilities including genius and leadership were a factor of genes, for which humanity owed it to posterity to protect through judicious marriages. Zaccaro (2007) endorsed Galton's studies on the hereditary trait leadership; arguing that these views emerged again in the later part of the 20th century based on empirical evidence about the effect of personality

traits on transformational and charismatic models of leadership. Horner (1997) eschewed Galton's attribution of leadership to genetics, citing that this view ignored situational and environmental factors that affect the role and effectiveness of leaders.

Vroom and Jago (2007) proffered a situational leadership theory based on the weaknesses of trait theory in accounting for contextual and environmental factors. Vroom and Jago extended the situational leadership theory by promoting contingency theories that govern the selection of effective leaders with characteristics and behaviors suitable in a variety of contexts. Vroom and Jago attributed the development of the contingency model to Fred Fiedler in 1967. Fiedler (1972) developed a contingency model that incorporated trait and situational variables of leadership by comparing relationship-motivated and task-oriented leadership groups. Fiedler classified leadership in terms of situational suitability based on dimensions such as leader-member relationships, task structure, and power. Fiedler found a direct relationship between a leader's performance and the situation. For instance, Fiedler noted that relationship motivated leaders outperformed task oriented leaders in situations that required a high degree of leader-member relationships, influential power, and low task orientation. Fiedler concluded that a leader's personality traits were not indicative of the leader's ability to perform. Further, Fiedler stated that a leader's motivation was an enduring factor in leadership, not subject to change or adaptation. Fiedler shunned behavioral leadership theories and aligned with trait leadership theory based on the importance of motivation in the work of leaders. According to Vroom and Jago the implication of

Fiedler's work is that leaders must operate within contexts suitable to their style of leadership.

Horner (1997) discussed another contingency theory of leadership, path-goal theory, which examined the significance of followers in the work of leaders. Horner posited that the main task of leaders under the path-goal theory was to develop appropriate behaviors among followers in order to accomplish goals. Horner determined that leader effectiveness was contingent upon follower autonomy, nature of the work, and follower motivation. Vroom and Jago (2007) described path-goal theory as consisting of leadership alignment of follower paths with individual and group goals. Vroom and Jago argued that the leader's job was to clarify expectations, supplement environmental rewards as needed, and match follower actions to the situation in order to produce work satisfaction and acceptance of the leader. The development of contingency theories ensured inclusion of contextual and environmental factors, in addition to behavioral and psychological considerations in the study and work of leadership.

Complexity Leadership Theory

Perhaps the most prominent area of a leader's influence on the situational, social, psychological, and motivational aspects of an organization is change leadership in a complex and dynamic environment. Complexity leadership theory (CLT) provides an understanding of the role of leaders and leadership in a growing, knowledge economy such as the one in which commercial banks in Kenya operate. Leadership under CLT is a dynamic concept employed to achieve organizational outcomes such as learning, innovation, and adaptation to change (Uhl-Bien et al., 2007). Uhl-Bien et al. (2007)

explained that CLT is a leadership concept that enables complex adaptive systems (CAS) to learn, create, and adapt in a knowledge-based economy. Plowman et al. (2007) explained that the central feature of CAS is emergent, self-organizing behavior, which eliminates the predictability of organizational problems, actions, and outcomes. Uhl-Bien et al. noted that leadership is an emergent, interactive dynamic that facilitates the interaction of agents from whom new actions and patterns of behavior emerge in a knowledge-based CAS environment. In this model, leaders influence the interactions and the outcomes thereof without attempting to direct or control the interactive processes. Uhl-Bien et al. argued that the knowledge era requires leaders and organizations that can create and capture knowledge, adapt to change, and innovate continually. Uhl-Bien et al. and Plowman et al. concurred that the role of leaders in knowledge-based CAS is enabling rather than controlling and directing change.

The Organization for Economic Co-operation and Development (OECD) (1996) described knowledge economies as those that rely on the production, dissemination and utilization of knowledge and information for economic growth and productivity. According to the OECD information, technology, and learning play a central role in these economies, transforming them from reliance on tangible factors of production to intangible intellectual capital. For example, Drucker (1993) suggested that knowledge, once applied to products, tools, and processes, is now the basis for the management revolution in which information is the only factor of production. Drucker (1992) noted the necessity of changing focus from maximizing the utility of traditional factors of production to leveraging a knowledge-based system. Drucker assigned three systemic

practices to organizations operating in the knowledge era; continuous improvement of current systems, information exploitation in order to develop the next generation of applications, and innovation through an organized and systematic process. Drucker noted that organized innovation facilitates abandonment as new information becomes available, restarts the process all over, and helps businesses avoid obsolescence. Like Uhl-Bien et al. (2007), Drucker opined that constant change and adaptation mark the new world order as people apply information and knowledge to innovate, create, and change their environment. Therefore, Drucker asserted that leaders must adapt their styles of leadership to the environment in which they operate, and apply learning to innovation and development of new processes. Similarly, Plowman et al. (2007) found that leaders of CAS achieve desired outcomes by creating environments and conditions that facilitate change and allow followers the freedom and flexibility to be creative and innovative.

The banking sector in Kenya is a dynamic environment characterized by unpredictable change and complexity, which requires learning and adaptation designed to survive is a turbulent local and global financial market. Nzuve and Omolo (2012) noted that the dynamic environment in which commercial banks in Kenya operate necessitate adoption of new practices and changes in perspective through which learning occurs. CLT principles suggest that leaders within such institutions must create conditions that facilitate learning, enable holistic rather than reductionist thinking, and influence rather than control the interactions between the agents in the system (Plowman et al., 2007; Uhl-Bien et al., 2007). Nzuve and Omolo noted that leaders of commercial banks in Kenya leverage financial and technological tools to boost financial performance; however, they

neglect the holistic learning of the individuals within the organization from whom sustained learning and change leadership occur. Uhl-Bien et al. (2007) asserted that organizations operating in the knowledge era must create and employ knowledge for innovation in order to lead change. In the case of commercial banks in Kenya, there are opportunities to employ knowledge and innovative technologies to capture the unbanked population, which represents a 25% market share (Central Bank of Kenya, 2014).

Uhl-Bien et al. (2007) argued that CLT exists in, and is a function of, interaction; the interaction between the agents in a self-organizing system, which produces adaptive outcomes. To this end, the expectation for my study was that leaders of commercial banks in Kenya influence the interactions of agents within the system in an attempt to produce desired outcomes such as learning and innovation. However, Nzuve and Omolo (2012) noted that organizational learning is the least adopted practice within these institutions. Further, the banking institutions in Kenya are achieving performance goals and growing financially. Therefore, CLT facilitates an evaluation of the role of leaders in these self-organizing, emergent systems based on the principles governing CAS, and the seeming contradiction between excellent performance results in an environment where organizational learning is not a priority.

Leader-Member Exchange Theory

The multiple perspectives of scholars regarding leadership as an organizational construct coalesce under the theme of relationship. Literature is clear that leaders achieve their goals through followers by inspiring action towards a shared vision (Senge, 2006), influencing behavior and perceptions (Bass & Avolio, 1993), stimulating creativity

(Antonakis et al., 2003), and providing psychological empowerment (Zhang & Bartol, 2010). Leader-member exchange (LMX) theory deals with the nature of the relationships between leaders and followers and how these interactions affect leadership (Horner, 1997). Leader-member exchanges influence the practice of leadership and learning within organizations by informing how leaders and members collaborate in creative problem-solving (Örtenblad, 2004), share learning through teamwork (Senge, 2006), and develop social exchanges and feedback mechanisms (Revans, 2011). Tangirala, Green, and Ramanujam (2007) examined the effect of leader-leader exchange (LLX) relationships on the quality of LMX dyads. Tangirala et al. found that LLX moderated LMX such that noteworthy LLX relationships created quality LMX dyadic relationships. The authors noted the effect of social exchange theory on LMX, where members felt obliged to reciprocate the benefits received from leaders. Wilson, Sin, and Conlon (2010) identified resource benefits to leaders derived from interactions with members. Wilson et al. also found that followers in mutually beneficial dyadic relationships feel obligated to reciprocate information and resources with leaders. This reciprocity forms the basis for information sharing, learning, and collaboration between leaders and followers (Ismail, Mohamad, Mohamed, Rafiuddin, & Zhen, 2010).

Tangirala et al. (2007) established that leaders provide members with access to resources, career opportunities, and help in navigating bureaucratic challenges through established social exchange relationships. Members in high LMX dyads reciprocate by demonstrating a sense of belonging with the organization, positive attitudes towards customers, strong in-group affiliation, and participation in information sharing (Tangirala

et al., 2007). To this end, LMX dyads facilitate the work of leaders in achieving performance goals. For instance, Antonakis et al. (2003) found that transformational leaders achieve performance goals by developing social relationships with followers through which they establish a climate of learning, innovation and creativity. Similarly, Bass and Avolio (1993) established that transactional leaders rely on the social exchange process to build trust with followers and disseminate rewards for goal attainment. Zhang and Bartol (2010) discussed employee creativity from the perspective of leadership involvement; establishing the role of leaders in stimulating creativity using mediating mechanisms such as psychological empowerment, creative process engagement, and intrinsic motivation. Zhang and Bartol posited that creativity increases among employees fully engaged in their tasks because they feel competent, determined, and fulfilled in their roles. Such employees participate in creative problem identification, alternative evaluation, and decision-making with the aid of empowering leaders who establish support structures for learning. Zhang and Bartol united the concept of leadership, LMX, and employee empowerment into a cogent argument that corroborates research findings about the significance of the LMX relationships in supporting and empowering employee performance; with special emphasis on collaborative, creative problem resolution.

The disparity between the positive financial performance of commercial banks in Kenya and the lack of established cultures of learning seem to contradict the perspectives discussed in the literature regarding LMX and its effect on performance and learning. Nzuve and Omolo (2012) found limited leader involvement in the creation of learning cultures within commercial banks in Kenya, indicating restricted focus by leaders on

financial and technical skills development and information sharing without deliberate social exchanges for the purpose of installing organizational learning as a practice. The perspectives from the literature suggest that leaders of commercial banks in Kenya have opportunities to develop thriving LMX dyads in order to build learning cultures. However, it was unclear what role, if any, leaders have in establishing these learning cultures. Therefore, my study built upon LMX theory by evaluating the extent of leader involvement in establishing organizational learning cultures and the implicated involvement of followers in the process.

Leadership

The discussion here provides a review of the progress of leadership development from a time prior to the industrial revolution. Literature on the evolution of leadership studies and related theories provides critical insight into the emergence of the three relational and adaptive leadership styles under investigation in my study: transformational, transactional, and passive-avoidant leadership styles. Safferstone (2005) opined that literature about leadership and its evolution originated from management theories and perspectives prior to the industrial revolution at the end of 18th to the mid 19th century. Safferstone noted that leadership strategies from the agrarian era lacked the capacity to coordinate human resources and machines for the industrial age thereby creating demand for suitable techniques to manage production factors—land, labor, and capital—at the turn of the 20th century. Later studies elevated the human factors of management and leadership, from which emerged relationship-based, adaptive leadership concepts that are the foundation for this study.

Origin of Leadership Studies

Henri Fayol, a French engineer and scholar, advanced business administration theory in 1900 as the basis for meeting commercial, financial, and technical conditions for companies through the organization, selection, and management of employees (Fayol, 2013). Fayol (2013) pioneered the recognition of management as a scientific discipline supported by 14 principles of management, which formed the basis for management education. Fayol's basis for the 14 principles of management was the need for flexibility and proportion in dealing with the human factors of the organization. Fayol defined managerial activities as those performed only on personnel; including planning, coordinating, controlling, commanding, and organizing. Fayol called for job centralization, task specialization over generalization, elevation of organizational goals over personal needs, and hierarchical, top-down, command-and-control structures; thus the origin of organizational hierarchies. However, Fayol appealed for the adaptation of these principles to the needs of the organization. For example, Fayol noted that while organizational hierarchies formed the main line of authority and communication among French organizations, some instances required lateral communication and cooperation to save time and resources. Fayol's business administration theory connected the industries of the time to the environment, improved employee efficiency, enhanced decision-making and communication, and achieved operational goals by increasing the role of the worker and facilitating initiative and participation of workers enabled by leaders.

Fayol's (2013) 14 principles of management were effective for the industrial era where information resided with the top leader and communication flowed from top-down.

However, these tenets seldom apply in today's knowledge driven, decentralized and unstable business environment with relatively flat structures and lateral communication. Safferstone (2005) noted that although all of Fayol's 14 principles are not applicable in modern organizations, these principles are critical to the development of leadership studies because they form the basis for the science of management and define the role of leaders significantly.

During the time that Fayol revolutionized management studies in Europe, Frederick Taylor, an American engineer and management consultant developed the principles of scientific management in the United States (Taylor, 1914). Taylor (1914) based the principles of scientific management on the maximization of prosperity for employers and employees. Taylor described prosperity in terms of attaining the greatest shareholder wealth potential and achieving excellence to the fullest extent for the company. Taylor depicted prosperity maximization for employees in terms of wage increase, personal development, and realization of the individual's full potential. Taylor (1919) developed the concept of prosperity maximization in response to widespread misconceptions about the complementary nature of employer and employee wealth increase. Taylor opined that the interests of the employer and the employee could be identical and satisfied mutually. The crux of scientific management is the identical nature of the interest of employers and employees, without which lasting prosperity would elude employers.

Practitioners of Taylor's day presumed an antagonistic perspective between employee needs and employer wealth maximization goals; assuming that achievement of

the former was possible only at the expense of the latter and vice versa. Taylor's critics blamed the principles of scientific management for dehumanizing the factory floor and erasing the soul from the workplace. However, Blake and Moseley (2010) credited Taylor with the development of human performance technology, contribution to the enhancement of worker productivity, and influential management theories for the industrial era. Safferstone (2005) posited that despite the increased productivity and industrial efficiencies of scientific management, the principles failed to explain human factors affecting employee morale and productivity in the workplace. However, Taylor's scientific management principles formed the basis for later studies on leadership practice, which extended the scientific management principles into the area of the relational and human factors of leadership. Safferstone explained that relationship-based and adaptive leadership styles emerged in response to environmental changes and the deficiencies of scientific management principles and leadership strategies to accommodate social, psychological, and behavioral aspects of management.

Social, Psychological, and Motivational Aspects of Leadership

This review of the literature shows that leaders are the main enablers of organizational learning culture, or the lack thereof, by their influence on followers. The literature about social, psychological, and motivational aspects of leadership shows that leaders influence follower behavior, workplace culture, motivation, and organizational learning; thereby providing a broad literary context for my study. Leaders affect the social, psychological, and motivational aspects of the workplace by their influence on

employee behavior and demonstration of appropriate attitudes and values by which they achieve organizational transformation (Bass & Avolio, 1993; Follett, 2013; Mayo, 1933).

Mary Parker Follett, an American lecturer and social activist pioneered the study of visionary leadership, social entrepreneurship, and leadership development after World War II by studying workplace relationships, conflict, and leadership tasks (Follett, 2013). Follett (2013) identified a shift in the field of management from elevation of autocratic rights based on knowledge and seniority to focus on the behavioral responses of workers to management treatment. Like Taylor, Follett recognized business factors leading to scientific management; including, appreciation of human relations and ethics, scarcity of labor, competition, moral and social responsibility in business, and the need for efficient management. Similarly, Elton Mayo, an English biologist, conducted the Hawthorne experiments on worker productivity and behavior, concluding that social relations, management consideration, informal relationships, and feelings played a significant role in workplace motivation (Mayo, 1933). Mayo (1933) found a positive relationship between pleasant working conditions and worker output where leaders exercised personal consideration. Like Mayo, Bass and Avolio (1993) noted that transformational leaders achieve goals through the practice of individualized consideration by which they develop informal, social relationships with followers and express concern for their needs. Mayo found that financial incentives and changes to physical working conditions did not do as much to motivate workers, as did changes in mental attitudes facilitated by greater freedom and less strict supervision. However, Bass and Avolio established that transactional leaders employ financial rewards to motivate followers and build trust by

establishing contractual exchange relationships through which they articulate objectives and rewards for goal attainment.

Herzberg, Mausner, and Snyderman (2010) examined motivational factors in relation to worker behavior, attitudes, performance, and job satisfaction, thereby developing motivational hygiene theory and expectancy theory. Herzberg's motivational hygiene theory distinguished factors that cause satisfaction from those that cause dissatisfaction among workers. According to Herzberg et al., dissatisfying factors include working conditions, supervision, and relationships, while satisfying factors include recognition, advancement, and responsibility. These studies led to intense focus on adaptive leadership styles designed to modify leader behavior to meet the needs of employees, the organization, and the context in which leaders operate. For instance, Vroom and Jago (2007) examined how leaders align their efforts with those of followers towards achieving common goals through social exchange processes. Vroom and Jago found that job satisfaction and leader acceptance were the outcomes of task clarification, supplemental rewards, and situational leadership. Hargis, Watt, and Piotrowski (2011) discussed idealized influence as a factor of leadership through which leaders affect the perceptions of followers by their behavior. Hargis et al. asserted that followers perceive leaders as powerful, influential, and confident based on the behavior of the leader.

Vroom and Jago (2007) and Zaccaro (2007) classified leadership behaviors into two categories based on findings from behavioral leadership studies: consideration and initiating structure. Vroom and Jago described the consideration category as those leadership behaviors that establish rapport, build trust, facilitate communication, and

demonstrate concern for followers. Vroom and Jago portrayed initiating structure as the articulation of workplace expectations; including, methods, schedules, relationships, and accomplishments. Similarly, Zaccaro concluded that leadership actions and roles were either people-oriented or task-oriented; a classification similar to Likert's (1961) categorization of leaders into employee-centered and job-centered based on the degree of relationship, focus on tasks, and freedom of creativity. Likert found that employee-centered supervisors produce higher output than job-centered supervisors. Likert noted that employee-centered supervisors pay attention to the human aspects of the work environment by investing time building informal relationships with workers. Likert's research on leader behavior and productivity established that job centered work environments and supervisors place undue pressure on workers and create an environment of mistrust of supervisors thereby lowering production. Like Mayo, Likert advocated less stringent supervision and freedom to employ individual creativity in accomplishing objectives. Likert's examination of the relationship between organizational performance and leadership led to the conclusion that leaders must adapt a democratic, sympathetic, selfless, and cooperative approach to governance in order to create contagious enthusiasm and motivation among followers.

These perspectives from the literature suggest that achieving performance goals requires collaboration between leaders and followers in establishing positive work cultures, changing mental attitudes, adapting leadership behavior to accommodate the situation, and providing followers with the freedom and flexibility to be creative. Further, the seminal studies on leadership informed modern leadership theories and

practice. Mayo (1933), Herzberg et al. (2010), Likert (1961), and Follett (2013) concluded that leadership was a complex integration of social, psychological, and behavioral constructs drawn from leaders, followers, and the environment. This integration is evident in the modern practice of transformational and transactional leadership through which leaders achieve results through relationships with followers. Avolio, Walumbwa, and Weber (2009) found that leaders develop organizational learning capacity by the application of authentic behavior in order to establish trust with followers and create environments in which followers have freedom to acquire, exploit, and share information within the organization. Charbonnier-Voirin et al. (2010) expressed that transformational leaders apply inspirational motivation to influence the behavior of individuals by articulating and sharing a compelling vision, and aligning organizational efforts in its pursuit. Zagoršek et al. (2009) noted that transactional leaders clarify roles and furnish material and psychological rewards contingent on the discharge of contractual obligations. Avolio et al. (1999) established the critical role of transactional leadership in which leaders employ contingent reward mechanisms to clarify objectives, expectations, and rewards based on contractual exchange relationships with followers. Avolio et al. noted that transactional leaders develop trust in relationships with followers and achieve results by honoring contractual obligations consistently.

These views from the literature imply that leaders, working in concert with followers and adapting their approach to leadership, should be able to drive cultural shifts within commercial banks in Kenya, by influencing the attitudes and motivations of followers. Further, these perspectives suggest that leaders are at the forefront of

developing environments and behaviors that facilitate performance, including learning systems, paradigm changes, behavioral transformation, and teamwork. Schein (1999) elevated learning in the workplace by demonstrating the pivotal role of paradigm shifts and the intense psychological processes that occur during learning. Schein noted that mental changes enable new information to translate into new standards, perspectives, and definitions thereby creating change and modifying behavior in the workplace. To this end, these views provide a basis for evaluating the role of leaders in shaping learning cultures, with emphasis on commercial banks in Kenya. In addition, these perspectives inform the review of organizational learning cultures and explain associated paradigm shifts based on tremendous growth and performance within the same institutions.

There are significant advancements within the banking sector in Kenya owing to asset quality, capital adequacy, and management efficiency (Ongore & Kusa, 2013; Pastory & Mutaju, 2013). Further, there is evidence that leaders within commercial banks in Kenya encourage a level of organizational learning that promotes participative policy-making, strategy development, employee empowerment, and utilization of technology (Nzuve & Omolo, 2012). Therefore, it is likely that the developments in the industry are the result of learning tactics designed to inform and empower employees, create supportive leadership, and leverage information technologies. However, as this review of literature shows, it was unclear if the advancements within the Kenyan banking industry were the result of established learning structures and what role, if any, leadership styles play in establishing a climate of learning within the banking industry (Nzuve & Omolo, 2012). For instance, Singh (2008) found that transformational leaders advanced

organizational learning by intellectual stimulation, vision articulation, and setting high expectations among followers within commercial banks in India. In the case of Kenya, Nzuve and Omolo (2012) exposed scarcities in research pertaining to organizational learning and the performance of commercial banks, thereby recommending further investigation into the nature of learning adaptation within commercial banks in Kenya and the role of leaders in facilitating the same. Nzuve and Omolo alluded to the possibility that the adoption of learning practices were for the purpose of survival and expediency rather than a systematic approach designed to establish banks as learning organizations.

Leadership Styles

The literature indicates that the role of leadership in the life of the organization and its followers is inescapable. The recurring theme in the literature regarding leadership is relationship. The literature is clear that leaders achieve their goals by forming and leveraging their relationships with followers. Leaders affect many facets of an organization by forming social and contractual relationships with followers, demonstrating desired behavior, influencing the culture of the workplace, stimulating learning, and articulating expectations and objectives among other aspects. For instance, Avolio et al. (2009) demonstrated that effective leadership creates desired follower behavior; especially if the leadership style is authentic. Avolio et al. examined the effect of authentic charismatic and transformational leadership on job satisfaction, follower commitment, and self-efficacy. Ismail et al. (2010) extended the idea of leader influence on followers by establishing the leader's contribution to organizational outcomes such as

employee satisfaction, trust, and perceptions of justice. Wilson et al. (2010) surmised that the core of leadership and the basis for studying the concept lies in the nature of the relationships between leaders and followers. Wilson et al. and Tangirala et al. (2007) evaluated leader-member exchange processes to identify different types of relationships between leaders and members, and their effect on retention, job satisfaction, and organizational learning. Zhang and Bartol (2010) elevated the relational power of leaders on the creative and innovative capacities of followers; empowering performance, problem-solving, decision-making, and process engagement. Malik and Afridi (2011) explored shared leadership models for the advancement of collaborative action between leaders in response to change, uncertainty, and opportunities in the business environment. Avolio et al. (1999) and Bass and Avolio (1993) concluded that the relational and influential work of leaders manifests in the organization through three established styles of leadership: transformational, transactional, and passive-avoidant leadership.

Transformational Leadership

Bass and Avolio (1993) characterized transformational leadership as consisting of four components; idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. Bass and Avolio alluded to the relational aspect of transformational leadership by citing the leaders' intuition and responsiveness to the needs of followers. Similarly, Antonakis et al. (2003) highlighted the relational exchange between leaders and employees using the four components of transformational leadership as the basis for employee mentoring and empowerment by responsive leaders. Frooman, Mendelson, and Murphy (2012) described transformational leadership as an active form

of leadership in which leaders inspire followers towards a collective vision, engage with followers in the process of giving and receiving feedback, and provide encouragement in the pursuit of personal and professional goals.

Bass and Avolio (1993) asserted that transformational leaders incorporate insight, creativity, tenacity, and energy strategically in the development of organizational cultures that thrive on creative change and growth. Ismail et al. (2010) established that transformational leaders articulate organizational vision, demonstrate awareness of employee needs, develop follower creative abilities, provide resources for intellectual capacity development, and display moral and ethical standards by employing the five components of transformational leadership. Charbonnier-Voirin et al. (2010) noted that transformational leaders employ the four components of transformational leadership to invite followers to expand their individual capacities and utilize available resources to contribute to the mission of the firm.

Idealized influence. Antonakis et al. (2003) explained that idealized influence exists where the leader is powerful and charismatic, and the actions of the leader demonstrate a sense of mission and adherence to values. Hargis et al. (2011) depicted idealized influence as the representation of leadership behaviors aimed at influencing follower perceptions of the leader. Hargis et al. argued that idealized influence facilitates acceptance of the leader as a powerful and confident agent on a mission to achieve organizational goals. Fooman et al. (2012) described idealized influence as a leader's ability to articulate a collective vision and promote morally uplifting values among followers. For example, Frooman et al. found a negative relationship between

transformational leadership and illegitimate absenteeism due to the leader's ability to promote high-order values among followers.

Inspirational motivation. Charbonnier-Voirin et al. (2010) depicted inspirational motivation as the quality in leaders that facilitates follower empowerment by articulating a compelling vision for the future. Charbonnier-Voirin et al. noted that leaders employ inspirational motivation to energize members to take actions towards organizational transformation. Bass, Avolio, Jung, and Berson (2003) credited inspirational motivation with arousing team spirit by providing meaning to the work of team members. Frooman et al. (2012) noted that transformational leaders employ inspirational motivation to encourage members to transcend personal needs and interests in favor of collective, higher-order organizational goals.

Intellectual stimulation. Hargis et al. (2011) described intellectual stimulation as the challenge leaders place on followers to examine values, assumptions, and beliefs critically in order to develop new perspectives and skills for problem-solving. According to Antonakis et al. (2003) transformational leaders demonstrate intellectual stimulation by encouraging creativity and appealing to the followers' sense of logic to solve difficult problems. Similarly, Frooman et al. (2012) found that transformational leaders increase the capacity of employee involvement in decision-making, creative problem-solving, experimentation, and risk taking. These activities facilitate the empowerment and adaptive performance of individual employees across organizational levels (Charbonnier-Voirin et al., 2010).

Individualized consideration. Antonakis et al. (2003) noted that individualized consideration involves the demonstration of concern for member needs by leaders, in which case leaders support, advise, and pay attention to the individual needs of followers. Fooman et al. (2012) argued that individualized consideration allows transformational leaders to relate to each employee individually; providing feedback, coaching, mentoring, and encouragement. Bass and Avolio (1993) stated that leaders employ individualized consideration to encourage members to grow as individuals and within teams.

Charbonnier-Voirin et al. (2010) examined the role of idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration in advancing the emergence of adaptive performance in individuals and teams. The dimensions of adaptive performance evaluated include enhancing capacity for creative and effective learning, accommodation of stressful, uncertain, and conflicting situations, and adaptation in diverse cultural and social contexts. These dimensions of adaptive performance relate boundary conditions associated with transformational leadership, such as a climate of innovation, to the exposure of followers to organizational culture, standards, and processes that support flexibility, expression of ideas, and learning. Wang and Rode (2010) found no significant relationship between transformational leadership style and employee creativity in their examination of the connection between transformational leadership, employee identification with leaders, employee creativity, and a climate of innovation. However, Wang and Rode discovered a significant relationship between employee creativity and the three-way interaction between transformational leadership, climate of innovation, and employee identification with

leaders. Wang and Rode concluded that the interaction between leaders and employee perceptions of organizational attitude towards innovation and creativity formed the basis for transformational leadership impact on employee performance and creativity. In other words, leadership impact on employees was high where employees perceived a climate of innovation and creativity within the organization.

Literature supports the role of transformational leaders in advancing performance through involvement with employees and the establishment of a climate of learning that promotes innovation and creativity (Antonakis et al., 2003; Bass & Avolio, 1993; Wang & Rode, 2010). Zhang and Bartol (2010) attributed performance improvement to leader participation in intrinsic motivation, creative process engagement, and psychological empowerment. Bunker and Wakefield (2006) opined that change is an ongoing reality for organizations and adaptation to change requires leaders who are adept at managing the tension of opposites in relationships with followers. For example, Bunker and Wakefield posited that leaders must be self-reliant yet trusting, display a sense of urgency while demonstrating realistic patience, and show toughness and empathy at the same time. These perspectives of leadership indicate that transformational leaders accomplish goals by engaging with employees relationally in order to influence behavior (Bass & Avolio, 1993; Charbonnier-Voirin et al., 2010), affect perceptions (Wang & Rode, 2010), champion creative change (Bunker & Wakefield, 2006), and enhance capacity to learn and adapt (Charbonnier-Voirin et al., 2010).

Transactional Leadership

Ismail et al. (2010) discussed the economic exchange contract that is the basis of transactional leadership and its manifestation through contingent rewards and active and passive management by exception approaches. Bass and Avolio (1993) opined that transactional leaders relate to followers through a social exchange process in order to conduct mutually beneficial transactions. However, Bass and Avolio categorized passive management-by-exception behavior as a form of passive-avoidant leadership owing to the leader's lack of initiative in problem resolution and response to challenges. Hargis et al. (2011) traced the origin of transactional leadership to the exchange-based leadership theories of the 1980s. Hargis et al. explained that transactional leaders achieve their mission by articulating goals and objectives clearly, and offering rewards for goal achievement. In addition, the scholars noted that active management by exception leaders monitor and observe employee performance continually while passive management by exception leaders intervene only when employees make mistakes. Ismail et al. noted that transactional leaders develop relationships with followers by focusing on task completion, problem resolution, and performance reward. Bass and Avolio emphasized that transactional leaders build trust with employees within the context of the existing culture by eliminating discriminatory practices, adhering to labor regulations, engaging in fair reward and recognition practices, and addressing errors considerately.

Hargis et al. (2011) concluded that transactional leadership behaviors contribute to effective leadership because transactional leaders analyze and control transactions with followers using rules, incentives, and directions. Zagoršek et al. (2009) noted that

transactional leaders clarify roles and furnish material and psychological rewards contingent on the discharge of contractual obligations. Avolio et al. (1999) established the critical role of transactional, contingent reward leadership in structuring expectations with followers and developing trust by honoring contracts consistently. To this end, Zagoršek et al. concluded that transactional leadership facilitates the work of transformational leadership by establishing consistency and reliability in leadership behavior.

Passive-avoidant Leadership

Antonakis et al. (2003) described passive-avoidant style of leadership as an apathetic and ineffective form of leadership in which the leader avoids making decisions, abdicates responsibility, lacks authority, and does not engage in any leadership transactions with followers. Frooman, et al. (2012) asserted that passive-avoidant leaders neglect followers, ignore employee needs and problems, practice hands off approach to leadership, and do not monitor employee performance. Scholars classify passive-avoidant leadership as a form of non-leadership (Antonakis et al., 2003; Avolio et al., 1999; Frooman et al., 2012).

Transformational and transactional leadership styles promote collaboration and competitiveness to the extent that employees perceive leaders as caring, trustworthy, and fair. Ismail et al. (2010) demonstrated the synergistic interplay between transformational and transactional leaders in the process of building trust, commitment, and collaboration with employees and improving organizational performance. This interplay manifests through leader-member exchange relationships in which leaders demonstrate desired

behaviors, influence followers, provide resources, and establish supportive cultures (Zhang & Bartol, 2010). Nguyen and Mohamed (2009) emphasized that the knowledge era requires leadership styles that encourage and develop follower capacity to acquire, exploit, and share information within the organization. Applied to commercial banks in Kenya, Nguyen and Mohamed's observation suggests that transactional leaders might improve the efficiency of the knowledge based organization by providing systems for learning, fostering values and routines, and promoting adherence to rules. Similarly, transformational leaders might encourage teamwork, inquiry, experimentation, risk taking, and information sharing, which advance learning for knowledge-based organizations. Hargis et al. (2011) termed the third style, passive-avoidant leadership, as non-leadership due to lack of relationship and interaction between leaders and followers. Frooman et al. (2012) suggested that, unlike transformational leaders, passive-avoidant leaders do not actively engage with employees, share information, provide feedback, or provide any encouragement for learning.

Nguyen and Mohamed (2009) found that charismatic characteristics of transformational leaders and contingent reward manifestations of transactional leadership advanced knowledge management practices within organizations. In the case of Kenya, however, there is an inverse relationship between learning and organizational performance, lack of widespread practice of organizational learning, and immense growth recorded by commercial banks (Nzuve & Omolo, 2012). These findings suggest a lack of pervasive learning practices within the culture of the institutions and the practice of organizational learning might be a stopgap measure designed to ensure survival.

Literature advances the role of leaders in affecting change through the practice of adaptive leadership, organizational learning, and follower motivation and alignment of action towards performance improvement. Therefore, the expectation for this study was that leaders within commercial banks in Kenya were at the forefront of performance improvement as evidenced by recent statistics. However, Nzuve and Omolo's findings suggested a gap in information about the existence of established learning cultures and what role, if any, leaders played in creating learning cultures.

Organizational Learning Theory

Scholars argue over the broad and ambiguous descriptions that govern the study of organizational learning and learning organizations (Örtenblad, 2004; Yanow, 2001). For instance, Örtenblad (2004) noted the vagueness surrounding the concept of learning organizations and its effect on the implementation of learning, while Yanow (2001) observed the confusion between perspectives of organizational learning as the technical information processing aspect, and learning organization as the social act of sense making. In Yanow's view, there is a lack of empirical data in the field of organizational learning, and research focus is on the learning processes of individuals while ignoring observable, researchable learning of organizational life. This disparity is evident in the case of commercial banks in Kenya where Nzuve and Omolo (2012) observed that leaders focus on the development of technical skills, information sharing, and employee empowerment without taking deliberate efforts to create learning institutions. Similarly, Gikandi and Bloor (2009) found that commercial banks in Kenya focus on the development of information technologies in order to expand market share through mobile

banking, automated teller machines, and electronic banking. Örtenblad developed an integrated model of the learning organization based on similar observations within organizational life in an attempt to bring clarity to the concept. Örtenblad's model combined four organizational learning perspectives that cover most definitions and classifications of learning organizations; including, learning structures, organizational learning, workplace learning, and learning climate.

Learning Structures

Burns and Stalker (1961) categorized styles of management into two distinct classes; mechanistic bureaucracies and organic systems. Burns and Stalker opined that management styles vary based on environmental shifts and organizational response to changes. To this end, Burns and Stalker recommended mechanistic management styles for those organizations operating in relative stability. In stable organizations, the chain of authority, control, and communication flows through vertical hierarchies, and learning and knowledge resides and proceeds from top leaders with followers relegated to tactical task completion rather than meeting the overarching goals of the organization (Burns & Stalker, 1961). Contrary to mechanistic approaches, the defining aspect of the organic management style is perpetual instability and change, which require constant adaptation and reconfiguration of organizational resources. Burns and Stalker asserted that organic institutions lend themselves to lateral control, communication, and authority, which permits contribution to specialized knowledge for problem-solving. Örtenblad (2004) pointed to the decentralization of organic organizations as the basis for continual learning by members. Collaborative learning emerges within organic management systems as

team members contribute specialized knowledge to the resolution of problems and adaptation to environmental changes (Burns & Stalker, 1961; Örtenblad, 2004).

Characteristics of the 21st century business landscape require change adaptation, knowledge-based operations, workforce diversity, technological advancement, and complexity management (Kennedy, 2010; Vargas-Hernández & Noruzi, 2010). Lick (2006) observed that product and service differentiation are no longer significant sources of competitive advantage; therefore, today's businesses must capitalize intellectual capacity and knowledge to gain an edge in the market by creating and leading change. For example, Al-Jawazneh and Al-Awawdeh (2011) observed that the managers of commercial banks in Jordan were responsible for change leadership and the creation of learning structures that enabled the institutions to gain a competitive edge. Vargas-Hernández and Noruzi (2010) asserted that organizations of the 21st century must be knowledge-driven; leveraging intellectual potential for competitive advantage and adopting learning structures that advance efficient knowledge sharing and capacity building. The banking industry in Kenya, like the one in Jordan, is also experiencing tremendous growth in a dynamic environment. In addition, the leaders of commercial banks in Kenya prioritize the sharing of information and employee empowerment; however, unlike Jordanian banks, it is unclear if the basis for this growth within Kenyan banks is a result of deliberate attempt at establishing learning structures ideal for organic systems. Kennedy (2010) elucidated the process by which continuous learning invigorates organizational performance. Kennedy recommended that leaders leverage organizational learning through structural flexibility and workforce diversity in

preparation for the demands of the 21st century. Lick asserted that companies must allocate resources to create competitive advantages that promote growth and expansion. According to Lick business growth is dependent on an organization's ability to build and leverage change proactively and employ knowledge faster than the competition. Learning is the primary means by which organizations achieve this goal.

Organizational Learning

Argyris (1993) emphasized that organizations do not learn; however, individuals within organizations engage in behaviors that promote learning when organizations create conditions conducive to learning. Similarly, Örtenblad (2004) expressed that individuals learn as agents of the firm at different levels of the institution. Örtenblad noted that organizational learning involves the storage of individual knowledge within the memory of the organization. Örtenblad categorized organizational learning into three levels based on the work of Argyris and Schön; including, single-loop learning, which promotes continuous tactical improvement, double-loop learning, which permits evaluation and inquiry into the principles governing action, and deutero learning, which helps individuals become aware of how they learn.

Argyris (2002) introduced the concept of single and double-loop learning as the basis for all learning. Argyris described single-loop learning as the detection and correction of errors without an examination or change to underlying mechanisms. Argyris defined double-loop learning as the questioning and changing of governing values before taking action to correct errors. According to Fulmer and Keys (1998) the basis for single-loop learning is the desire for self-preservation and avoidance of

threatening and unpleasant situations. These mechanisms create defensive reasoning through which individuals hide their inferences, conceal the conclusions that drive behavior, and avoid testing their premises in order to avoid feeling vulnerable or incompetent (Argyris, 2008). Double-loop learning requires diligence in collecting, analyzing, and testing data and inferences (Argyris, 2008). Argyris (2008) noted that organizational leaders must champion the process of uncovering defensive reasoning routines by examining and changing their own theories-in-use. Senge (2006) observed that engaging in inquiry and evaluating assumptions though double-loop learning facilitated change leadership and learning as individuals became aware of faulty assumptions and exposed failures.

Argyris (1993) advocated learning as an individualized construct where group and organizational learning resides with the individual. Senge (2006) promoted learning as a team oriented practice and introduced five disciplines of organizational learning through which leaders influence the learning process among teams of employees. Senge's five disciplines of organizational learning include personal mastery, shared vision, mental models, team learning, and systems thinking. The overarching theme of Senge's disciplines is collaboration between leaders and followers in achieving a desired end, using a learning process that is non-linear and iterative. For example, Senge promoted the value of shared vision as a means to draw diverse people towards a common objective and purpose thereby giving meaning to teamwork. Senge referred to shared vision as a powerful force based on unified desire and mutual concern. Senge (1990) linked shared vision to team learning through the emergence of conflict in the visioning process. Senge

also connected personal mastery to the expansion of people's capacity to achieve desired results and acquire a sense of purpose and vision on which to focus. Dhiman (2011) supported Senge's assertions by linking personal mastery to effective leadership and extending leadership style to personal identity, goal clarification, and capacity development for continual learning among team members.

Like Argyris, Senge (2006) supported double-loop learning as a method of transmitting shared meaning, advancing distributive leadership, and engendering change agency by empowering followers to lead change. However, Caldwell (2012) criticized Senge's theory by calling attention to its underdeveloped nature and its failure to address the autonomy, expertise, reflexivity, and rationality that individuals bring to the organization. Caldwell observed that Senge's theory failed to consider the tenets of organizational development theory, which prioritize the role of conflict over ideals and values. Caldwell noted that organizational development promoted rational action, reflective feedback, and double-loop learning, factors that diminish Senge's process-based, non-linear, iterative learning. Lastly, Caldwell explained that organizational development principles elevate and grant autonomy to leaders and change agents in the learning process thereby limiting follower self-efficacy and power necessary for democratic, collaborative learning based on Senge's learning theory. Caldwell's observation and the inverse relationship between the practice of organizational learning and performance within commercial banks in Kenya suggest that the level of leader autonomy might be limiting the ability of followers to engage in change leadership, continual team learning, or double-loop learning. Therefore, this study assessed the

degree to which leaders of commercial banks in Kenya inadvertently hindered or deliberately promoted organizational learning by their support of follower participation in organizational learning practices or lack thereof.

Learning in the Workplace

Örtenblad (2004) described learning in the workplace as context dependent learning based on a variety of work situations. Revans (2011) proposed a model for action or workplace learning in which learning is a summation of programmed organizational knowledge and questioning insight. Revans suggested opportunities for learning inherent in task accomplishment, social exchanges within organizations, mechanisms for feedback generation, experimentation, and trial and error approaches to problem-solving. Kolb (1984) offered a similar perspective of action learning called experiential learning. Kolb built on the work of Dewey, Lewin, and Piaget by integrating experiential, cognitive, perceptual, and behavioral perspectives into a holistic learning theory. Kolb found similarities between experiential learning theory and Lewin's action research techniques of inquiry. Kolb noted that, like action research, experiential learning begins with a lived experience that prompts data collection and observation, from which analysis leads to conclusions and behavior modification thereby creating new experiences. Kolb used Dewey's model of learning to incorporate feedback mechanisms through which learning alters motives, passions, actions, and feelings as portrayed. Lastly, Kolb related experiential learning to Piaget's model of learning and cognitive development by demonstrating that experiential learning occurs when there is balanced tension between mental schemas and experience with the world. An imbalance between

mental models and environmental experience leads to either imitation of the environment or imposition of one's schemas onto the environment (Kolb, 1984).

Argyris (1993) used the balanced tension approach of experiential learning to explain two conditions under which learning within organizations occurs; when the actions of individuals produce intended outcomes and when a mismatch exists between goals and outcomes leading to corrective action. Argyris introduced two constructs that explain behaviors that promote or impede the learning process for individuals; theories-in-use or model 1 and espoused theories or model 2 (Argyris 1993; Fulmer & Keys, 1998). Argyris defined theories-in-use as rules used by individuals to model and apply behavior and understand the actions of others. Argyris defined espoused theories as those principles that individuals claim to follow. Argyris noted a disconnect between espoused theories and theories-in-use whereby "people consistently act inconsistently, unaware of the contradiction between their espoused theory and their theory-in-use" (Argyris, 1993, p. 89). Theories-in-use represent the actions of individuals motivated by the desire to remain in control, avoid embarrassment, seek victory over loss, and maintain the ability to rationalize (Argyris, 1993; Fulmer & Keys, 1998). The advancements within commercial banks in Kenya and the corresponding practice of basic tenets of organizational learning such as financial and technical skills development, flexibility, and information sharing might be reinforcing the current theories-in-use regarding organizational learning. Further, the inverse relationship between performance and organizational learning within these banking institutions might be hindering data collection and observation that could facilitate deliberate behavior modification towards

the practice of organizational learning. This study investigated the extent to which leaders took deliberate steps to modify behavior and organizational practice through the establishment of a learning climate.

Learning Climate

Learning structures, organizational learning, and learning in the workplace become a reality when there is a supportive learning climate within an organization. Örtenblad (2004) described organizational learning climate as a facilitated, uncontrolled environment that makes learning easy and natural for individuals. Örtenblad noted that such an environment is often team-based, flat, and decentralized thereby creating flexibility in the learning process. Scholars credit organizational learning climates with the advancement of team learning capacities; which contribute to performance improvement through innovation, creativity, and efficiency (see, for example, Lick, 2006; Meadows, 2008; Senge, 2006). Senge (2006) asserted that organizational leaders must motivate individuals and teams towards learning activities in order to achieve a high level of performance improvement by establishing environments that permit inquiry, dialogue, and experimentation. Lick (2006) noted the inevitable realities of change emerging from the global environment and placed the onus on companies to create and leverage change proactively. Lick asserted that organizations forego opportunities to define change and prepare for appropriate transformations by adapting reactive approaches to change.

Literature provides ample support for organizational learning and its impact on performance, innovation, and competitiveness. While there are varying opinions about techniques and strategies for leadership, scholars concur on the critical role that leaders

play in advancing performance through involvement with followers in a facilitative capacity for learning (Hargis et al., 2011). Zhang and Bartol (2010) suggested that the establishment of a learning climate requires leader involvement in motivating employees towards a shared vision, and empowering creativity and innovation in achieving desired goals. Zhang and Bartol expressed that leaders are responsible for creating enabling environments for organizational learning in order for knowledge sharing and capacity development to occur. Sahaya (2012) posited that leaders achieve this goal by empowering employees to engage in tasks, solve problems creatively, evaluate alternatives, and make decisions. Marsick and Watkins (2003) developed seven dimensions of a learning organization, which are indicators of the extent to which an organization has an established climate for learning. These dimensions include creating continuous learning opportunities, promoting inquiry and dialogue, encouraging collaboration and team learning, creating systems that capture and share learning, empowering people toward a collective vision, connecting the organization to its environment, and providing strategic leadership for learning.

Continuous learning opportunities. Marsick and Watkins (2003) stated that employees must have opportunities for ongoing education and growth in order for learning to occur on the job. Watkins and O'Neil (2013) noted that learning organizations cultivate learning habits from which dominant cultures of initiative, inquiry, and experimentation manifest continually. This dimension is an indicator of the extent to which transactional, transformational, and passive-avoidant leaders avail

learning resources to employees, invest time and finances in training employees, and remove barriers to learning.

Inquiry and dialogue. Senge (2006) explained that dialogue provides access to understanding by tapping into the knowledge of the group. Senge asserted that dialogue permits exploration of complex issues from multiple perspectives and exposes people's thoughts while transcending the limitations of deep-seated mental models. Marsick and Watkins (2003) and Marsick (2013) expressed that dialogue involves inquiry and discussion of varying perspectives and requires a culture that promotes questioning, feedback, and experimentation. This dimension facilitates the assessment of a leader's ability to initiate and develop dialogue, provide opportunities for employee feedback and opinions, reward initiative and experimentation, and support risk taking.

Collaboration and team learning. Senge (2006) asserted that teams are the learning unit of any organization because the conflict generated from a diversity of views and personal visions in a team setting is essential to the development of a common vision in which everyone has a stake. This factor is a gauge of how transactional, transformational, and passive-avoidant leaders promote discussion and collaboration within teams in order to advance the culture of learning.

Capturing and sharing learning. Yukl (2009) opined that technology facilitates the process of capturing and disseminating learning within organizations. According to Yukl, leaders must create environments that foster learning and capture and disseminate learning by creating social networks, implementing information systems, and allowing employees access to information. Marsick (2013) explained that the integration of high

and low technology systems enable information sharing to the extent that employees have access to, and companies are careful to maintain, the means of communication. This aspect explores the extent to which leaders encourage two-way communication, disseminate information quickly, and avail lessons to all employees.

Empowering collective vision. Paroby and White (2010) asserted that the development of a shared vision requires an accurate awareness of current reality in order to motivate individuals towards change and a desired future. According to Senge (2006) the pursuit of a shared vision is a collective effort that requires collaboration in understanding reality, developing mental images of a desired future, and aligning activities towards the achievement of the vision. Assessing this dimension aids exploration of the manner in which leaders involve employees in the vision development process, motivate followers towards achieving a shared vision, build alignment with organizational vision across all levels, and measure gaps between current reality and desired future.

Connection with the environment. Connection with the environment is akin to systems thinking, which requires that individuals see themselves as part of an interconnected world of opportunities, and bring to bear all disciplines, tools, and laws of learning to harness the potential available inside and outside the company (Meadows, 2008; Senge, 2006). Senge (2006) asserted that an organization is a system in which constituents employ learning to achieve a desired organizational future by leveraging opportunities in the environment and demonstrating stewardship to the same. This factor is an indicator of the degree to which transactional, transformational, and passive-

avoidant leaders influence the practice of systems thinking by encouraging environmental scanning, partnering with local communities, and adjusting practices in response to the environment.

Strategic leadership for learning. Watkins and O'Neil (2013) argued that organizational learning begins when leaders support learning by providing a safe environment in which employees adapt new behaviors, challenge the status quo, and make mistakes while learning from failure. In addition, leaders must model learning. This aspect of a learning culture probes the extent to which transactional, transformational, and passive-avoidant leaders champion and support learning by demonstrating behaviors that advance learning, align learning with financial performance, and create safe environments for learning.

Leadership and Organizational Learning Theory

Nzuve and Omolo (2012) noted that though commercial banks in Kenya practice some basic tenets of organizational learning, leaders focus on the development of financial and technical skills for managing assets and capital. While this strategy is beneficial, it does not permit full participation in a knowledge-driven global environment and hinders the employment of intellectual capacities within banking institutions. For instance, Wright and Fellman (2007) found that lack of follower autonomy, decision-making authority, excessive centralization, and strategy formulation and implementation limited endogenous learning at the ABN AMRO bank in Romania. Research indicates that leaders have a significant impact on an organization's ability to learn, create, and innovate. For example, Sahaya (2012) found that leaders support continual learning,

promote dialogue and inquiry, encourage team learning, unite employees under a shared vision, and facilitate systems for knowledge sharing. Sahaya opined that leaders achieve these objectives by embracing a transformational approach to leadership in order to coach, mentor, and motivate employees towards organizational learning. Zhang and Bartol (2010) attributed performance improvement to leader participation in intrinsic motivation, creative process engagement, and psychological empowerment. Zhang and Bartol posited that leaders empower employees through engagement in tasks, creative problem-solving, alternative evaluation, and decision-making. However, Marsick and Watkins (2003) identified a gap in understanding about a leader's role in establishing a learning culture in which employees learn from experience, practice shared learning, participate in achieving a unified vision, and measure and reward behaviors that promote organizational learning. Similarly, Rijal (2009) observed a gap in literature about the link between transformational leadership and the advancement of organizational learning cultures. Rijal asserted that the process through which learning occurs is unclear, as is the role of transformational leaders in the process. If indeed leaders play a significant role in the development of the organization and the advancement of organizational learning as demonstrated in the literature, leaders should promote productivity for commercial banks in Kenya by aligning institutional effort towards learning and instituting a culture that supports and sustains learning.

The Banking Sector in Kenya

The banking sector in Kenya experienced significant growth during the period between 2009 and 2013. The Central Bank of Kenya (2013) reported growth in assets,

deposits, capital reserves, loans and advances, and profit before tax at the end of the third quarter of 2013. Branch networks increased by 111 in 2012, with additional growth expected due to expanding economic activities within county governments (Central Bank of Kenya, 2013). The Financial Sector Deepening and Central Bank of Kenya (2013) recorded an increase in the use of financial services from 41.3% in 2009 to 66.7% in 2013. The number of those utilizing bank services in 2013 rose from 13.5% in 2006 to 29.2% while the majority of financial service users, 62%, subscribed to mobile financial services (Financial Sector Deepening & Central Bank of Kenya, 2013). These statistics indicate growth in the financial services sector, especially mobile financial services; however, there are opportunities to increase the use of banking services (Central Bank of Kenya, 2013). For example, the 6 largest banks in Kenya commanded a market share of 52.4%, 14 medium size banks had a 37.9% market share, while the smallest 23 banks shared 9.7% of the market at the end of 2013 (Central Bank of Kenya, 2014).

The Governor of Kenya's financial services regulatory body, the Central Bank of Kenya, urged financial service providers to gain insight into customer needs, usage, and values in order to generate matching services sustainably (Financial Sector Deepening & Central Bank of Kenya, 2013). The Governor further noted the need for convenience, affordability, reliability, and safety of financial services designed to expand usage and develop emerging markets such as Kenya. The Governor called for enhanced efficiency, transaction cost reduction, and financial service development in order to attract the unreached segment of the adult population currently not utilizing any form of financial

services, a significant opportunity for commercial banking institutions representing a 25% market share (Central Bank of Kenya, 2013).

The recent launch of the Information and Communications Technology (ICT) center in Kenya facilitates the growth of mobile banking financial service usage while presenting opportunities for expansion in commercial bank services in Kenya (Gikandi & Bloor, 2009; Magutu et al., 2011). Banking institutions might utilize ICT technologies to improve intellectual capacity development and extend services to unreached sections of the society. There are growth opportunities in the East African market for which commercial banks in Kenya might leverage rapidly growing technologies to develop the customer base, increase deposits, and expand credit.

Vargas-Hernández and Noruzi (2010) noted that organizational learning provides a significant avenue for leveraging these opportunities by employing intellectual capacities to scan the environment, innovate, and lead change proactively. Wright and Fellman (2007) blamed the dismal performance of ABN AMRO bank in Romania on the lack of established systems for organizational learning. Wright and Fellman argued that ABN AMRO leaders failed to develop competitive advantages and internal capacities by investing in knowledge acquisition. Further, Wright and Fellman charged that ABN AMRO bank leaders in Romania missed opportunities to address environmental changes by capitalizing on existing routines and patterns of learning and reconfiguring competencies in order to produce organizational capabilities.

In Jordan, Al-Jawazneh and Al-Awawdeh (2011) found that Jordanian banks increased competitiveness by employing organizational learning disciplines.

Specifically, Al-Jawazneh and Al-Awawdeh found that these banks support collaboration in team learning, promote continuous learning, and encourage dialogue and inquiry by creating structures for capturing and sharing learning. Al-Jawazneh and Al-Awawdeh concluded that these practices help Jordanian banks remain in operation despite stiff competition and regional instability. Similarly, Singh (2008) linked the growth of Indian banks to the involvement of transformational leadership in fostering organizational learning by articulating vision, goal setting, and intellectual stimulation.

The practice of learning within Kenyan banks might be the cause of the increased prosperity experienced by the institutions and the key to market expansion, competitive advantages, growth and development. However, based on the literature, there appears to be no established learning systems and it is unclear what role, if any, leaders play in the institution of organizational learning cultures. This study explored leadership styles for commercial banks in Kenya and the extent of organizational learning practice, in order to establish the relationship between leadership and organizational learning culture within the commercial banks in Kenya.

Summary

This literature review examined theories of leadership and organizational learning in relation to performance improvement. Literature supports the importance of leadership and organizational learning for survival in a turbulent, changing business environment. This review of the literature revealed plentiful research about leadership; its origin, styles, and contribution to organizational development. The review indicated that literature regarding organizational learning is relatively new in management studies; however,

scholars agree that leadership and organizational learning concepts are critical for capacity development, efficiency, and growth (see, for example, Lick, 2006; Meadows, 2008; Senge, 2006). There are opportunities to contribute to management knowledge regarding organizational learning and the banking industry; especially with respect to commercial banks in Kenya. Therefore, this study provides insight into the banking industry in Kenya by evaluating the relationship between leadership styles, organizational learning, and profitability in order to extend into research examining these constructs using a quantitative research design.

Chapter 3: Research Method

Frankfort-Nachmias and Nachmias (2008) elaborated the role of social science research as the production of verifiable knowledge for explaining, predicting, and understanding empirical phenomena of interest. According to Frankfort-Nachmias and Nachmias, the essence of selecting a research design is the identification of the best process for finding solutions to research problems adequately. The research problem under investigation in this study is the lack of scholarly research, knowledge, and understanding about the relationship between leadership styles and the establishment of organizational learning cultures at the individual, team, and organizational level within commercial banks in Kenya. The purpose of this quantitative survey study was to test the relationship between three leadership styles (transformational, transactional, and passive-avoidant leadership) and the establishment of organizational learning cultures within 40 commercial banks located in Kenya. This study provides insight into the link between the establishment of organizational learning cultures and financial performance within the banking institutions under investigation. This study examined the validity of leadership and organizational learning theories in advancing creativity, and adaptability, which occur due to complex adaptive system dynamics within firms (Uhl-Bien et al., 2007).

This chapter will explain the research process based on the problem statement and research questions for this study. Included in this chapter is a description of the research method, instrumentation, data collection, population, sampling methods, and data analysis strategies for addressing the research questions.

Research Questions

This study investigated the following two research questions (hypotheses covered later):

1. What is the relationship between transformational, transactional, and passive-avoidant leadership styles and the establishment of organizational learning culture at the individual, team and organizational level within commercial banks in Kenya?

2. What is the relationship between organizational learning culture and financial performance within commercial banks in Kenya?

Research Methodology

The quantitative methodology is suitable for this study because it is a method for testing and predicting relationships between variables (Field, 2009; Frankfort-Nachmias & Nachmias, 2008). Campbell and Stanley (1963) discussed a category of quantitative methodology called correlational quantitative research that is consistent with research designs for advancing knowledge in the discipline of leadership and organizational learning. Campbell and Stanley articulated the concept of correlation and causation as that of causal law producing mean differences in a study; an indicator of the correlation and strength of the relationship between variables without indicating causation. Campbell and Stanley posited that correlational quantitative research methodology facilitates hypotheses testing in order to establish causal law by exposing premises to disconfirmation. Likewise, this study exposed the null hypotheses to disconfirmation without establishing causation.

Frankfort-Nachmias and Nachmias (2008) identified four requirements for using deductive reasoning; including (a) universal generalization, (b) premises under which generalizations hold true, (c) phenomena under investigation, and (d) formal logic. Frankfort-Nachmias and Nachmias identified universal law as the basis for prediction, which is a critical component of scientific knowledge. In this study, theories of leadership and learning provide the basis for universal law and generalization. Frankfort-Nachmias and Nachmias asserted that predictions are possible only when there is fulfillment of antecedent conditions for the predicted outcome, and the universal law holds true. The quantitative methodology supported the purpose of this study by permitting the prediction of the relationship between transformational, transactional, and passive-avoidant predictor variables based on antecedent conditions necessary for leadership and organizational learning in this study. In addition to prediction, quantitative research facilitated the examination of perspectives, behaviors, trends, and opinions about leadership styles and organizational learning from which generalizations might be made to a large population. To this end, the quantitative methodology facilitated testing of variables without establishing causation in order to address research questions for this study adequately.

Operational Definition of Variables

Frankfort-Nachmias and Nachmias (2008) defined variables as identifiable and measurable attributes, which convey research problems from conceptual to empirical levels. Variables facilitate the construction and testing of hypotheses by translating research concepts into a set of measurable values. Leedy and Ormrod (2005)

characterized variables as having two or more values for determining the extent to which one variable influences another. Frankfort-Nachmias and Nachmias stated that explanations of observations in social science research depends on the researcher's ability to measure changes in the phenomenon under investigation; therefore, researchers rely on measurable changes in the response variable whose transformation they wish to explain. Likewise, the variable thought to influence or induce changes in the response variable is the predictor or independent variable (Frankfort-Nachmias & Nachmias, 2008; Leedy & Ormrod, 2005). This study investigated whether there was a relationship between leadership styles and the establishment of organizational learning culture within commercial banks in Kenya. Further, this study examined if organizational learning culture is a predictor of financial performance within the same institutions.

Leadership Styles

The quantitative methodology permits measurement of three predictor variables representing the full range leadership model; including TFO, TAC, and PAV leadership styles. The variables for the first research question are numerical and continuous, and facilitate inquiry into the types of leadership that exist within commercial banks in Kenya. Bass and Avolio (1993) identified nine aspects that represent TFO, TAC, and PAV; including, idealized influence *attributed* (IIa), idealized influence *behavioral* (IIb), individualized consideration (IC), intellectual stimulation (IS), and inspirational motivation (IM) as representations of TFO; contingent rewards (CR) and management-by-exception *active* (MBEa) as representations of TAC; and management-by-exception *passive* (MBEp) and laissez-faire (LF) as representations of PAV as described in Table 1.

Table 1

Leadership Style Factors

Factor	Description
IIa	Leaders wield power and influence over followers, inspire trust and confidence, and arouse followers to pursue an inspiring vision.
IIb	Leaders emphasize important values and goals, have a sense of purpose, and demonstrate a sense of mission.
IC	Leaders act as mentors, supporting individual's needs for growth, providing learning opportunities, and a supporting climate for achievement.
IS	Leaders stimulate creativity and innovation, include followers in problem-solving, challenge assumptions and reframe challenges.
IM	Leaders display enthusiasm and optimism, arouse team spirit, provide meaning to work, and encourage followers to envision a favorable future.
CR	Leaders clarify goals, expectations, and rewards, assign responsibilities, and provide recognition and assistance for achieving goals.
MBEa	Leaders pay attention to standards and compliance, monitor followers, track deviations, and may punish and take corrective action when mistakes occur.
MBEp	Leaders remain passive, fail to clarify responsibilities, and avoid taking timely corrective action until it is too late.
LF	Leaders demonstrate absenteeism, abdicate responsibility for decision-making, delay action, and avoid getting involved in solving problems.

Note: Adapted from "Predicting Unit Performance by Assessing Transformational and Transactional Leadership," by B. M. Bass, B. J. Avolio, D. I. Jung, and Y. Berson, 2003, *Journal of Applied Psychology, 88*(2).

The Multifactor Leadership Questionnaire Form 5X (MLQ 5X), which is a 5-point Likert instrument discussed in greater detail below, measured and provided scores for the factors representing TFO, TAC, and PAV. Nine scales with 4 items each

represented the factors of leadership on the MLQ 5X for a total of 36 items. The index for each variable was a composite of the average scores of responses to selected questions representing the variable in the MLQ 5X. The sum of the average of the scores to responses to questions on the IIa, IIb, IC, IS, and IM scales provided the score for TFO. The score for TAC was the sum of the average of the scores to responses to questions on the CR and MBEa scales. Lastly, the sum of the average of the scores of responses on scales representing MBEp and LF was the score for PAV.

Organizational Learning Culture

The response variable for the first research question, which was also the predictor variable for the second research question, was OLC. OLC was a numerical and continuous variable that measured the establishment of a climate of learning within commercial banks in Kenya. Seven dimensions of organizational learning provided a total score for OLC for the commercial banks. These dimensions included creating continuous learning opportunities (CLO), promoting inquiry and dialogue (IND), encouraging collaboration and team learning (CTL), creating systems that capture and share learning (CSL), empowering people towards a collective vision (ECV), connecting the organization to the environment (COE), and providing strategic leadership for learning (SLL) (Marsick, 2013; Marsick & Watkins, 2003). These dimensions are potentially significant attributes of successful companies because each contributes to the organic growth of learning organizations as described in Table 2. Marsick (2013) referred to the seven dimensions as action imperatives through which organizations transform themselves.

Table 2

Dimensions of OLC

Factor	Description
CLO	Organizations build capacity for individuals to learn by creating and investing in opportunities for learning and growth, and facilitating the use of learning.
IND	The capacity for individuals to question assumptions, engage in dialogue, provide and receive feedback, express views, and conduct experimentation
CTL	Teams develop individual learning capabilities and collaborate in enhancing the learning capacity of the organization. Leaders reward teamwork.
CSL	The deliberate effort to create a climate and systems that capture, share, and utilize knowledge to improve change and performance.
ECV	Leaders align vision and action in order for organizations to work towards shared goals and desired future cohesively.
COE	Individuals engage in environmental scanning, anticipate and lead change in response to the environment, and adjust work practices proactively.
SLL	Leaders learn from experience, facilitate and set expectations for learning, remove barriers to learning, and reward efforts and outcomes from learning.

Note: Adapted from "The Dimensions of the Learning Organization Questionnaire (DLOQ): Introduction to the Special Issue Examining DLOQ Use Over a Decade," by V. J. Marsick, 2013, *Advances in Developing Human Resources, 15*(2).

The dimensions of the organizational learning questionnaire (DLOQ) measured OLC by scoring questions on seven 6-point Likert scales representing the dimensions of learning within organizations at three levels; individual, team, and organizational levels. Two scales represent learning at the individual level, one scale represents learning at the team level, and four scales represent learning at the organizational level of learning. The

OLC value was a single weighted index of the seven dimensions of learning organizations measured at the three levels of learning; however, it is possible to obtain separate scores for each level of learning within the organization for an in-depth analysis. There were six to seven questions on each scale; the average of the scores from each scale provided the index for each respective dimension. For instance, the score for CLO was the average of the scores obtained from the seven questions representing CLO on the DLOQ. The index for OLC was the aggregate of all the averages from the seven scales representing CLO, IND, CTL, CSL, ECV, COE, and SLL.

Return On Assets

The response variable for the second research question was ROA. This variable is numerical and continuous and measured of the profitability of commercial banks in Kenya. Ongore and Kusa (2013) explained that ROA is a measure of management's efficiency in utilizing resources to generate income. The ROA is a ratio of an organization's income to its total assets. A high ROA signals management's ability to employ assets and other resources at their disposal to generate income. The ROA data for this study came from the annual bank supervision reports produced by the Central Bank of Kenya. The Central Bank of Kenya is the governing authority for all financial institutions in Kenya and makes reliable ROA information available for public use.

Instrumentation

Frankfort-Nachmias and Nachmias (2008) defined instruments as devices used for data collection, and instrumentation as the process of designating changes in measurement between pretest and posttest scores. Frankfort-Nachmias and Nachmias

maintained that instruments must yield the same results for repeated measures of the same variable in order to demonstrate instrument reliability, the failure of which affects the validity of the experiment. A questionnaire is an example of a data collection instrument that is suitable for this study. This study employed two instruments: the MLQ 5X and the DLOQ.

The Multifactor Leadership Questionnaire Form 5X

Bass and Avolio (1993) constructed the MLQ 5X, which is a behaviorally based tool for measuring factors representing the full range leadership model; TFO, TAC, and PAV leadership styles. Nine factors represent TFO, TAC, and PAV on the MLQ 5X; including, idealized influence *attributed*, idealized influence *behavioral*, individualized consideration, intellectual stimulation, inspirational motivation, contingent rewards, management-by-exception *active*, management-by-exception *passive,* and laissez-faire behaviors. Avolio and Bass (2004) explained that the MLQ 5X rates the frequency with which respondents observe leadership behaviors and attribute outcomes to leadership behaviors. Avolio and Bass developed a five-point scale on the MLQ 5X based on tested anchors to evaluate MLQ leadership factors as follows:

0 = Not at all

1 = Once in a while

2 = Sometimes

3 = Fairly often

4 = Frequently, if not always

The MLQ 5X contains 45 items: 36 items that measure leadership styles and nine items that evaluate three leadership outcomes. The MLQ 5X measures TFO, TAC, and PAV on nine scales, each with four items for assessing the nine factors representing the leadership styles. Each scale contains four highly inter-correlated items for measuring each factor of leadership. The items on each scale are low in correlation with items in the other eight scales. The score for each factor of the leadership in this study is the average of the four items in that factor's scale. Each variable's score is a total of the average scores obtained from each scale representing the variable's factors. The MLQ 5X also contains three additional scales with nine items for measuring leadership outcomes. These outcomes include extra effort, effectiveness, and satisfaction; however, the assessment of these outcomes is beyond the scope of this study.

MLQ 5X validity. Antonakis et al. (2003) noted that the MLQ 5X was the most widely used and extensively researched tool for evaluating factors of the full range leadership theory. However, Antonakis et al. uncovered criticisms of the MLQ based on the tool's instability in factor structure and its discriminant validity. Antonakis et al. noted that certain factors such as inspirational motivation and charisma, and passive management-by-exception and laissez faire behaviors were not distinguishable from each other; implying lack of discriminant validity. Similarly, Avolio and Bass (2004) acknowledged criticisms of previous versions of the MLQ concerning high correlations within transformational leadership scales; suggesting that the items on the scale may be measuring the same constructs.

Avolio and Bass (2004) employed confirmatory factor analysis (CFA) to cross-validate the nine items on the leadership model. The CFA results indicated that reliabilities for the leadership scale factors range from 0.74 to 0.94 (Avolio & Bass, 2004). Antonakis et al. (2003) addressed concerns regarding the validity of the MLQ 5X by inspecting the authenticity of the nine factors of leadership, examining interfactor variation based on context and sample, and assessing the effect of data collection context on the inter factor structure and measurement model of the MLQ 5X. Antonakis et al. employed a large sample size to assess the validity of the MLQ 5X using a comparative factor index (CFI) to compare the MLQ 5X model's fit with the null model. Antonakis et al. argued that the large sample size disqualified the use of CFA; therefore, the study employed CFI. Antonakis et al. found that the full range nine factor model provided the best fit with CFI values of 0.905 and 0.901 for pooled data of 3,368 respondents and a multi sample of 2,289 males and 1,079 females respectively.

MLQ 5X reliability. Avolio, Bass, and Jung (1999) revised the multifactor leadership questionnaire using data from 10 years of the tool's usage before completing the current MLQ Form 5X. Avolio et al. (2003) noted that revisions to the instrument addressed criticisms, collapsed the original leadership factors into the higher-order, full range leadership theory, and tested the validity of the instrument. Avolio and Bass (2004) demonstrated the reliability of the MLQ 5X using data from the tool's usage in evaluating leadership behaviors across multiple disciplines, organizations, cultural contexts, and countries. For instance, in a study of 27, 285 leaders, Avolio and Bass found that the intercorrelations among MLQ 5X factors yielded high, positive scores

ranging from 0.69 to 0.83. Avolio and Bass also found high, positive correlations within the five transformational leadership scales, and with the transactional leadership scale representing contingent rewards. Avolio and Bass attributed the high correlations to the positive and active nature of both leadership styles, and the display of both styles of leadership by individual leaders. Avolio and Bass found consistency in MLQ 5X scores and performance measures for TFO, TAC, and PAV.

Antonakis et al. (2003) compared findings from multiple studies that utilized the MLQ 5X to assess the reliability of the instrument. Antonakis et al. employed the MLQ 5X in a study with a large independent sample in order to examine the generalizability of findings. Antonakis et al. found strong and consistent evidence that the MLQ 5X represented the full range of leadership model using the nine factors of leadership. Antonakis et al. provided a thorough assessment of the instrument's validity and reliability, and its extensive documentation in leading leadership research journals. Despite criticisms, the MLQ 5X is a widely used instrument for measuring the factors representing the full range leadership model in numerous studies (Antonakis et al., 2003; Avolio & Bass, 2004; Avolio et al., 1999).

The Dimensions of the Learning Organization Questionnaire

Marsick and Watkins (2003) developed the DLOQ to measure significant shifts in organizational culture, structures, systems, and climate that affect learning in the workplace (Marsick, 2013; Marsick & Watkins, 2003). The DLOQ evaluates the process by which leaders learn from experience, encourage others to learn, set expectations for learning, and recognize and reward learning behaviors that produce desired results. The

seven dimensions that capture and explain learning within organizations include, continuous learning opportunities, inquiry and dialogue, collaboration and team learning, captured and shared learning, alignment with shared vision, connection with the environment, and strategic leadership for learning (Marsick, 2013; Marsick & Watkins, 2003; Watkins & O'Neil, 2013). Yang, Watkins, and Marsick (2004) noted that the DLOQ identifies the dimensions of learning organizations and specifies relationships between the dimensions thereby integrating them into a theoretical framework. For instance, Marsick explained that the factors included in the DLOQ assess organizational flexibility and adaptation potential through seven dimensions of learning organizations and measures of knowledge and financial performance (Marsick, 2013). Yang et al. explained that the relationships between the dimensions facilitated instrument development and validation.

The basis for the DLOQ is the transformation that occurs at every level of the organization creating new procedures and processes that improve the practice and use of learning in order to improve performance (Marsick & Watkins, 2003). Yanow (2001) noted that companies formalize training experiences but neglect to capture learning that happens informally in conversations between individuals and groups. Yang et al. (2004) noted that the practice of skills development, experience accumulation, and knowledge acquisition amounts to learning but fails to create learning organizations. Yang et al. attributed the practice of continuous learning and adaptation to the establishment of learning cultures. Marsick and Watkins (2003) created the DLOQ to address the lack of structure around significant, transformative, and informal learning experiences within

organizations. Marsick and Watkins linked the process by which companies capture and share learning intentionally in order to increase knowledge performance using the DLOQ. Marsick and Watkins argued that leaders of organizations must build cultures that support learning in order to develop and capture workplace learning. Vargas-Hernández and Noruzi (2010) proposed that 21st century companies must develop intellectual capacity by establishing structures that promote learning and knowledge sharing in order to build competitive advantage.

Seven scales contained in the DLOQ measure the frequency of learning behaviors at the individual, team, and organizational levels expressed using seven OLC dimensions. Each scale is a 6-point scale ranging from 1 (almost never) to 6 (almost always). The average of the scores from each scale provides an index for each dimension of OLC. OLC score is the total of the average score from the seven scales on the DLOQ. The DLOQ also collects supplementary organizational information labeled knowledge performance and financial performance which are a respondent's knowledge of the organization and its financial position respectively.

DLOQ validity. CFA assessment of the DLOQ indicates reliability estimates ranging from 0.88 to 0.94 for the seven dimensions and 0.84 and 0.86 for the response variables of financial and knowledge performance respectively (Yang et al., 2004). Marsick (2013) reviewed the use of the DLOQ over the past decade in light of advanced information technologies, human resource development research, and changes to workplace learning and resources. Marsick found widespread use of the DLOQ in 173 countries, 70 dissertations, 14 languages, and in for-profit, not-for profit, educational, and

governmental institutions. In addition, numerous studies exist to ascertain the validity and reliability of the DLOQ (Marsick, 2013; Marsick & Watkins, 2003; Watkins & O'Neil, 2013).

DLOQ reliability. Yang et al. (2004) employed three stages of field-testing to examine the reliability and validity of the DLOQ. Yang et al. used a large sample of participants to collect data for item analysis procedures in order to identify items with low item-total correlations for revision or replacement. An analysis of internal consistency facilitates a review of item correlations for each scale of the DLOQ. The Chronbach's coefficient alphas for the seven dimensions of the DLOQ are above 0.80 and reliability indices for financial and knowledge performances are 0.74 and 0.77 respectively (Yang et al., 2004).

Data Collection

Data collection for this study utilized the MLQ 5X and the DLOQ survey instruments delivered through online surveys. Online surveys were the best option for this study due to time and cost constraints and the guarantee of confidentiality. The MLQ 5X and DLOQ exist as online surveys for distribution via an emailed link with permission from the respective publishers. This study utilized LinkedIn, a professional networking site, to access potential respondents. Potential respondents received emails sent via LinkedIn requesting participation and directing them to the survey instruments. The survey design was user-friendly and participants took 15 to 20 minutes to complete both surveys. The online survey applications for the MLQ 5X and DLOQ were

compatible with Excel; therefore, both survey applications facilitated data download and storage in preparation for analysis.

Probable risks in data collection included low and slow response rates and incomplete responses. This study allowed three months for data collection in order to provide ample time for respondents to complete the questionnaires and recruit additional respondents if needed in order to boost the response rate. Selected participants received reminders during the month to encourage response to the questionnaires. More than the required number of respondents received invitations to participate in order to compensate for non-respondents, meet the sample size requirement, and ensure adequate effect size. Lastly, the online survey design allowed respondents to proceed to the next question only after responding to the previous question in order to mitigate the case of incomplete questionnaires.

Population and Sampling Strategy

The institutions identified for this study included 40 commercial banks located in Nairobi, Kenya and registered with the Central Bank of Kenya. The commercial banks fell into three categories based on the size of the market share and net assets as listed in Appendix A. There are other financial service institutions including one mortgage finance company, two credit reference bureaus, five foreign bank representatives, eight microfinance institutions, and 112 foreign exchange bureaus (Central Bank of Kenya, 2013). However, the focus of this study was 40 commercial banks, of which, there were 6 large, 14 medium, and 20 small institutions (Central Bank of Kenya, 2014).

Sampling Frame

The sampling frame for this study was the LinkedIn database of self-registered commercial bank leaders and registrations found on each institution's website – executive leaders and departmental leaders of the 40 commercial banks in Kenya. LinkedIn offers an extensive database of contact information for the respondent base and provided qualifying information for the sampling strategy prior to inclusion in the study. Online directories of commercial bank leaders and managers provided a secondary sampling frame for this study. An audit of commercial bank leaders listed on the institutional websites indicated that there were 438 top executive leaders for the 40 commercial banks in Kenya at the time of data collection for this study. In addition, there was a minimum of 462 and as many as 966 leaders registered with LinkedIn. The range was due to differences in the types of functional departments within the commercial banks. For instance, the large commercial banks had an average of 23 departmental leaders and directors while the medium and small banks had an average of 11 departmental leaders and directors. An average of the number of leaders obtained from LinkedIn (462 + 966) added 714 to the number of leaders within these institutions. Therefore, the total population for this study was 1,152 (438 + 714), which included the leaders listed on the websites of commercial banks and on LinkedIn.

Eligibility for Participation

Respondents for this study included leaders with executive authority such as presidents, vice presidents, directors, departmental leaders, and managers of 40 commercial banks in Kenya. This study required respondents with decision-making

authority, knowledge of the financial status of their organizations, and control of resources that affect implementation of the practice of organizational learning. Further, these respondents had the opportunity to affect employee development and performance improvement practices by their asset utilization. The expectation was that these respondents would provide perceptions of leadership and organizational learning culture.

Recruitment Procedures

Recruitment of potential participants for this study took place on LinkedIn, a professional networking website with multiple listings of commercial bank leaders who were the target respondents for this study. Members listed on the LinkedIn database make their names, work experience, job titles, institutional affiliation, and email addresses visible; therefore, it was possible to select knowledgeable potential respondents and to ensure proportionate participant sampling from 40 commercial banks in Kenya. In addition, those leaders listed on the commercial bank websites also had a presence on LinkedIn; therefore, it was possible to access the entire population for this study on LinkedIn. All potential respondents received an emailed invitation to participate in the study along with a letter of informed consent. The letter of informed consent introduced the study, highlighted the purpose of the research, explained the reason for the potential respondent's selection, and the extent of their participation. In addition, the letter notified potential participants that there were no physical or psychological risks associated with participation in the research beyond that incurred in daily life and apprised them of the benefits of participation. Potential respondents had the option to accept or decline participation. Only consenting potential respondents were directed to the online survey

link to begin completing the MLQ 5X and DLOQ surveys. There was no follow-up interviews, treatments, or surveys after the conclusion of this study.

Sampling Strategy

Daniel (2012) proposed probability sampling for research studies that require generalization, statistical inferences, and minimization of selection bias, and for which there is a known target population. According to Brewer and Hunter (2006), probability sampling facilitates calculation of probability of error and confidence level and upholds the requirements for representative sampling and statistical significance. This study employed a probability sampling strategy for which all the elements in the population had a known nonzero chance of selection. Specifically, this study employed simple random and stratified sampling strategies based on the following elements of the study:

1. This was a quantitative non-exploratory study that required a representative sample for the purpose of making generalizations to a larger population.
2. This was a conclusive research involving prediction, explanation, and evaluation of hypotheses for which statistical inferences were crucial.
3. The target group for this study was large, heterogeneous, and undispersed.
4. The sampling strategy employed had to minimize selection bias.

Proportionate stratified sampling was the best sampling method for this study because it produced smaller sampling errors compared to the other sampling procedures. In addition, proportionate stratified sampling ensured selection of a representative sample, leveraged the researcher's prior knowledge of the population, and permitted the use of other sampling strategies to draw an adequate sample from the population.

Stratified sampling facilitated the selection of a proportionate sample from each banking institution using simple random sampling to ensure an adequate sample from which to correlate financial performance ROA data with OLC findings accurately.

Daniel (2012) explained that stratified sampling involves the division of elements in the population into mutually exclusive homogeneous segments for selection using simple random sampling. Proportionate stratified sampling facilitates sample selection within strata in direct proportion to their occurrence in the population. Simple random sampling within each of the strata gives every element in the population an equal and independent chance of selection. In addition, simple random sampling method yields a representative sample and facilitates inferential statistical data analysis. Daniel explained that simple random sampling method lacks the precision of other sampling methods and produces large sampling errors. Therefore, simple random sampling was used in conjunction with stratified sampling, which produces smaller sampling errors. The population for this study included 1,152 leaders of commercial banks in Kenya; therefore, since there were 40 institutions represented in this study, there were 40 strata and each stratum constituted 2.5% of the calculated sample size. Brewer and Hunter (2006) argued that stratified sampling requires the availability of secondary data sources in order to facilitate division of elements into segments or strata for sample selection. Available data about the financial status of the banking institutions and size of institutions provided enough foundational information from which to divide the population into strata and generate an adequate sample.

Sample Size

Kaminski (2003) defined sample size as the number of respondents selected for a study. Kaminski identified three interrelated factors that affect sample size determination; statistical power (the inverse of beta), statistical confidence (the inverse of alpha), and effect size. Computing sample size is possible given the values of the power, confidence, and effect size. Kaminski defined statistical power ($1 - \beta$) as the probability of detecting significant differences between samples when using a statistical test, thereby avoiding type II errors; or, the failure to reject a false null hypothesis. The recommended statistical power for social science research is 0.80 or higher (Kaminski, 2003). This study employed a statistical power of 0.90 to increase the sample size and decrease the probability of making type II errors.

Alpha level (α) is the chance that statistical analysis results occurred by chance and the probability of making a type I error; or, rejecting a true null hypothesis (Field, 2009; Kaminski, 2003). Statistical confidence is the inverse of alpha level ($1 - \alpha$). The recommended alpha level for social science research is 0.05 (Field, 2009; Kaminski, 2003). $1 - \alpha$ is the confidence level; therefore, at 0.05 alpha, the confidence level for this study was 0.95, meaning that there was a 95% chance that we avoid a type I error, or the rejection of a null hypothesis that is, in fact, true.

Effect size is the potency of the treatment; an indicator of the magnitude of the strategy or application on the outcome (Field, 2009; Kaminski, 2003). Riopelle (2000) and Ferguson (2009) observed that null hypothesis testing does not provide the probability that the null hypothesis is true, only the likelihood of the results occurring if

the null hypothesis were true. In addition, Ferguson noted the sensitivity of null-hypothesis testing to sample size, which limits the determination of significance. Therefore, Riopelle and Ferguson recommended the use of effect size, as an additional measure of the magnitude of the effect between variables because effect size is not sensitive to sample size. Riopelle advanced effect size estimates such as Cohen's *d* as standardized measures that have universal transportability. Cohen recommended effect size measures of $r = 0.1$, $r = 0.3$, and $r = 0.5$ for small, medium, and large effect sizes respectively (Field, 2009). Using the recommended alpha level of 0.05 and 0.90 statistical power, an effect size of 0.1 provided a high chance of detecting small effects where they exist for this study; especially because of the close association between the predictor variables. Transformational, transactional, and passive-avoidant styles are all personality constructs of leadership; therefore, my expectation was that these variables would have a certain level of correlation and small differences. An effect size of 0.1 for this study facilitated detection of small differences in leadership scores as a consequence of leadership style.

Table 3 shows the recommended sample size for this study based on a computation using the G*Power tool for statistical power analyses. G*Power is a statistical power analysis tool for the biomedical, social, and behavioral sciences (Faul, Erdfelder, Buchner, & Lang, 2009). Faul et al. (2009) explained that G*Power computes sample and effect size, correlation tests, analysis of simple and multiple linear regressions, and independent and dependent correlational tests. Based on G*Power analysis, the recommended minimum sample size for this study was 146 participants for

0.90 statistical power, 0.1 effect size, and 0.05 alpha. This study employed a proportionate stratified sampling strategy in which each stratum represented 2.5% of the recommended sample size. Therefore, the number of elements per strata was 3.7 (2.5% of 146) rounded to 4 respondents per strata to create a sample size of 160.

A sample size of 160 provided enough statistical power and confidence to detect an effect of 0.1—minimizing to an acceptable level the probability of type I and II errors. Kaminski (2003) proposed a priori sample size and statistical power computation in order to avoid type I errors, which occur due to an increase in power after data collection. Further, a decrease in statistical power after data collection creates a high beta (β), because power calculation is $1 - \beta$, thereby making the study susceptible to type II errors.

Table 3

*Descriptive G*Power Computation of Statistical Power and Sample Size*

Input Parameters		Output Parameters	
Effect Size	0.10	Noncentrality Parameter λ	14.6000000
α Error Probability	0.05	Critical F	2.6683368
Power (1 – β)	0.90	Numerator df	3
No. of Predictors	3	Denominator df	142
		Total Sample Size	146
		Actual Power	0.9006931

Note. G*Power tool obtained from "Statistical Power Analyses Using G*Power 3.1: Tests for Correlation and Regression Analyses," by F. Faul, E. Erdfelder, A. Buchner, & A. G. Lang, 2009, *Behavior Research Methods, 41,* p. 1149-1160.

A list of potential participants with 1,152 eligible respondents for this study was available on LinkedIn. Baruch and Holtom (2008) found statistically significant results indicating that the rate of return for surveys conducted at the individual level was 52.7%, and that of organizational research was 35.7%. Baruch and Holtom observed that surveys conducted in person registered a 62.4% return rate, those delivered by regular mail achieved a 44.7% rate of return, and those conducted over the internet logged a 55.5% rate of return. Denscombe (2009) found a lower item non-response rates for fixed choice and open-ended surveys conducted online than for paper versions. The service industry recorded a higher survey return rate at 62.1%, compared to the 46.2% rate realized by other sectors (Baruch & Holtom, 2008). To this end, the anticipated rate of return for my study's organizational surveys was 35% based on Baruch and Holtom's results. Therefore, 672 respondents were invited to participate in the study in an effort to obtain the minimum sample size of 160. Additional potential respondents received invitations to participate in the study to increase the number of respondents from each institution with less than four respondents for the study; hence the total of 672 invitations. Targeting invitations ensured that I obtained the required minimum number of respondents from each institution. I used a simple random sampling strategy to select four respondents per institution from the pool of completed surveys where there were more than the required number of respondents.

Potential respondents received the MLQ 5X and DLOQ survey instruments in one streamlined document located on the Mind Garden, Inc. website for ease of access and survey completion. It took 15 to 20 minutes to complete both surveys. Potential

respondents received reminder emails during the data collection period in an effort to boost participation.

Data Analysis

To prepare the data for analysis, I utilized statistical package for the social sciences (SPSS) to summarize the data by calculating the mean, standard deviation, frequencies, and range values. I also tested for normality, unusual patterns, missing data, outliers, and adherence to the assumptions of linear regression using SPSS. In this study, I employed SPSS to perform simple linear regression to predict the relationship between one predictor variable (OLC) and one response variable (ROA). I used multiple linear regression to predict the relationship between three predictor variables (TFO, TAC, PAV) and one response variable (OLC). Frankfort-Nachmias and Nachmias (2008) defined regression analysis as a method of representing the functional relationship or specifying the nature of the relationship between variables. Field (2009) and Tabachnick and Fidell (2013) stated that regression analysis is the development of the best fitting model for predicting the values of response variables given one or more predictor variable values. The equation below is the multiple regression model:

$$Y = \beta_o + \beta_1 X_1 + \beta_2 X_2 + \ldots + \beta_k X_k + \varepsilon$$

where

- Y is the outcome for the dependent or response variable
- β_o is the Y intercept for the population
- $\beta_1, \beta_2, \ldots \beta_k$ are the slope for the population (coefficients of the regression parameters $X_1, X_2 \ldots Xk$)

- $X_1, X_2, \ldots X_k$ are the predictor variables
- ε is the independent error term in Y for observation i

Hypotheses

I tested the null hypotheses about the relationship between TFO, TAC, and PAV and OLC, and the relationship between OLC and ROA within commercial banks in Kenya. Avolio and Bass (2004) asserted that leaders support follower development by raising awareness of higher-level ideals and providing resources to achieve those ideals. Leaders enhance follower self-efficacy and motivate a willingness to achieve extraordinary results. Bass and Avolio (1993) noted the value of established and accepted social exchange processes by which leaders adhere to rules, obligations, and contractual agreements in the fulfillment of mutually beneficial transactions. Marsick and Watkins (2003) emphasized that leaders who pursue the creation of OLC develop their organization's capacity to promote, encourage, and utilize learning. Marsick (2013) asserted that leaders are responsible for shaping and building learning cultures by providing resources, mentoring and modeling behavior, and monitoring performance. In this study, I tested the possibility of a relationship between leadership styles and the establishment of organizational learning culture. Therefore the first hypothesis is follows:

Hypothesis 1:

$H_0 1$: There is no relationship between leadership styles (TFO, TAC, and PAV) and organizational learning culture (OLC) within commercial banks in Kenya.

$\beta 1 = 0$ (there is no linear relationship—the slope is zero)

H_a1: There is a relationship between leadership styles (TFO, TAC, and PAV) and organizational learning culture (OLC) within commercial banks in Kenya.

$\beta 1 \neq 0$ (there is a linear relationship—the slope is not zero)

Creating OLC within an organization involves employing organizational assets and resources to capture and share learning deliberately in an effort to generate knowledge performance. Senge (2006) described an organizational learning culture as one in which individuals and teams learn how to learn and continuously apply learning to create their desired future. Marsick and Watkins (2003) referred to organizational learning culture as an organization's ingrained capacity to support learning, remove barriers to learning, and respond to change rapidly in order to achieve operational and financial excellence. Marsick (2013) described an organizational learning culture as one that identifies and develops competencies that facilitate rapid adaptation and transformation continually in order for an organization to remain viable financially. I tested the possibility of a relationship between the establishment of organizational learning culture and the financial performance of commercial banks in Kenya. Therefore the second hypothesis is as follows:

Hypothesis 2:

$H_0 2$: There is no relationship between organizational learning culture (OLC) and financial performance (ROA) within commercial banks in Kenya.

$\beta 1 = 0$ (there is no linear relationship—the slope is zero)

$H_a 2$: There is a relationship between organizational learning culture (OLC) and financial performance (ROA) within commercial banks in Kenya.

$\beta 1 \neq 0$ (there is a linear relationship—the slope is not zero)

Hypotheses Testing

Hypotheses testing using SPSS provided a linear regression table containing the Pearson correlation coefficient (*r*). The Pearson correlation coefficient measured the strength and direction of the linear relationship between the variables by standardizing the covariance of the variables (Field, 2009; Green & Salkind, 2011). Tabachnick and Fidell (2013) noted that the values of *r* range between +1 and -1, with values of zero or close to zero indicating no linear relationship between the variables. A coefficient of +1 for regression analysis indicates a perfect positive correlation between the predictor variables and the response variable. A coefficient of -1 indicates a perfect negative correlation between the predictor variables and response variable. Field noted that the Pearson correlation coefficient does not indicate causality; however, when squared the Pearson correlation coefficient provides a coefficient of determination (r^2). The coefficient r^2 shows the magnitude of the relationship between variables—the amount of variability in the response variable explained by the predictor variables (Field, 2009).

Tabachnick and Fidell (2013) stated that the goal of regression is to derive regression coefficients for the predictor variables (β) such that the predicted *Y* values are as close as possible to the *Y* values obtained from the data. Field (2009) explained that β represents the change in the response variable resulting from a unit change in the predictor variable. To this end, if TFO, TAC, and PAV predict OLC, the value of the regression coefficient β will be significantly different from zero. Tabachnick and Fidell noted that these regression coefficients minimize the sum of squared deviations between

the predicted and actual *Y* values, and optimize the correlation between the predicted and obtained *Y* for the data set.

The linear regression table provides an *F*-statistic, which demonstrates the overall fit of the regression model. The *F*-statistic shows if the overall regression model is significant by revealing the extent to which the regression model predicts the response variable. The *F*-test compares the amount of variability explained by the regression model to the amount of unexplained variability in the same model. For this study, *F*-test values greater than the critical values of F mean that the model is a significant predictor of the response variable.

I tested the hypothesis (the slope or coefficient of the individual explanatory/independent variable) using the *t*-test (and its associated *p*-value). A *t*-test for each predictor variable examines the null hypothesis that β is zero, such that one unit change in the predictor variable will not produce any change in the response variable. A significant *t*-statistic (greater than the critical value of *t*) means that β is not equal to zero and the relationship between the predictor and response variable is significant at the 0.95 confidence level. SPSS provides *p*-value—the probability of obtaining a given value of *t* when the null hypothesis is true (the value of β is zero) for each predictor variable. If the *p*-value is less than 0.05, then the relationship between the predictor variable and the response variable for this study is significant.

Threats to Validity

The literature indicates that the value of research findings rest on their validity; described as the worth or strength of the research and its conclusions (Jiménez-Buedo &

Miller, 2010). Campbell (1957) introduced the concept of validity in research in an attempt to establish the degree of causality between variables in the case of internal validity and the extent to which experimental results generalize across multiple settings as in external validity. Another aspect of validity that affects research is construct validity, which Jiménez-Buedo and Miller (2010) described as the soundness with which conclusions can be made from the operationalization of the variables or constructs under investigation, or of the theories from which the constructs emerge. The validity of a research study is critical as it is the representation of the overall value of the study. What follows is a discussion of the three types of threats to validity that have potential to affect my study.

External Validity

The population for this study was commercial banks located in Kenya. All the institutions were operating in a calm political climate and a thriving economic environment enabled by the recent launch of advances information communications technologies. Therefore, the findings from this study may not generalize to a different political and economic climate; especially because the success of commercial banks is reliant on economic development and political stability. The inclusion of commercial banks that do not perform well, despite the opportunities presented by the political and economic environment served as a control for the effects of the environment on the top performing institutions. In addition, the generalization of findings might be limited to leaders operating at the top levels of the institutions and at the location of influence. However, top leaders have greater influence in the application of leadership and shape the

culture of their institutions more than lower level leaders. The inclusion of top-level leaders was necessary because the effects of their leadership decisions regarding organizational learning affected lower level leaders and distant branches of the same institutions. Therefore, the results of the study are generalizable across multiple locations of each institution by virtue of the top leader's influence.

Internal Validity

Participant selection and instrumentation posed internal threats to the validity of this study. The selection of participants for this study had potential to create a selection bias due to pre-existing conditions among respondents. For instance, this study targeted top tier leaders of commercial banks in Kenya among which there were top performing institutions and others that lagged in performance. Therefore, those participants from top performing institutions may have had pre-existing styles of leadership and mode of operation that predisposed them to excellent performance. In the case of leaders with excellent performance, it was difficult to ascertain if the level of organizational learning practice, or lack thereof, made a difference in the outcome. The inclusion of most of the commercial banks in Kenya, a randomized selection of leaders within each institution, and the selection of more than the required minimum number of respondents controlled selection bias. The other possible threat to the internal validity of this study emanated from instrumentation whereby some respondents might have registered very high scores due to their caliber as top-level organizational leaders with a high awareness of leadership concepts. Employing a validated instrument with high scores for internal consistency mitigated the effects of this threat to validity.

Construct Validity

The potential threat to construct validity came from the operationalization of variables. A threat to construct validity reduces the certainty that the variables measured represent the intended construct under investigation. To this end, the operationalization of the variables for leadership and organizational learning culture adheres to the definitions provided by validated instruments used to measure the same. Employing widely used and tested instruments addressed the challenge by ensuring that the test measured the constructs of leadership and organizational learning accurately and reliably. For instance, the MLQ 5X is an established instrument for measuring the full-range leadership model with high correlation between items measuring factors representing the model. Avolio and Bass (2004) found that the cross-validation of the factors representing transformational, transactional, and passive-avoidance leadership styles provided high CFA scores ranging from 0.74 to 0.94. In addition, a test of the overall fit of the nine-factor leadership model representing the three leadership styles to the null model yielded CFI values of 0.905 and 0.901 for two very large samples (Antonakis et al., 2003). Similarly, the DLOQ instrument is used widely and has high CFA scores ranging from 0.88 to 0.94 for the seven dimensions of organizational learning and 0.84 and 0.86 for the response variables of financial and knowledge performance respectively (Yang et al., 2004). Further, Yang et al. (2004) found that Chronbach's coefficient alphas for the seven dimensions of learning contained in the DLOQ were above 0.80 and reliability indices for financial and knowledge performances were 0.74 and 0.77 respectively. Using the MLQ 5X and the DLOQ controlled threats to construct validity for my study.

Ethical Considerations

Involvement of human subjects in research requires attention to ethical and moral implications of the research to the participants. Leedy and Ormrod (2005) identified four categories of ethics for consideration; informed consent, right to privacy, honesty, and protecting participants from harm. Participants in this study received invitations to participate via LinkedIn. LinkedIn does not provide access to contact information such as email addresses directly, only a hyperlinked connection to the respondent's email. However, potential respondents had the option to provide their contact email address via LinkedIn. The invitation to participate included a description of the study, a statement of privacy, guarantee of confidentiality, and potential benefits of the study. The online invitation to participate in this study included an informed consent form through which potential participants had the opportunity to accept or decline participation.

The subject of this study involved assessment of leadership styles, organizational learning structures, and financial performance of institutions. The subject matter did not pose any physical or psychological harm to participants. In addition, there was no element of deception in this study since the subject matter was straightforward and employed valid and reliable instruments for data collection. Data collected for this study was downloaded into an Excel database without any connection to respondents; codes assigned to responses distinguished data line items for analysis. Data collection and analysis was conducted using one computer with necessary steps taken to keep data secure. Lastly, this study adhered to the strict guidelines of the institutional review board (IRB) to ensure observance of ethical and moral standards for research.

Summary

This chapter advanced the suitability of a quantitative methodology for analyzing the relationship between predictor and response variables. Quantitative research methodology tests relationships between variables by exposing premises to disconfirmation in order to address the identified research questions and fulfill the purpose of the study. The purpose of this quantitative survey study was to test the relationship between three leadership styles (transformational, transactional, and passive-avoidant leadership) and the establishment of organizational learning cultures within 40 commercial banks located in Kenya. This study provides insight into the link between the establishment of organizational learning cultures and financial performance within the banking institutions under investigation. Therefore, the quantitative methodology facilitated participant selection from 40 commercial banks located in Nairobi using a stratified random sampling strategy. A proportionate stratified sample of participants per commercial banks provided a 2.5% representation for each institution for a total of 160, which met the minimum sample size requirement of at least 146 participants for the study. The ideal respondents for this study were executives, directors, and managers with an understanding of leadership qualities, learning practices, and the financial position of their institutions. The quantitative methodology supported simple and multiple linear regression analyses in order to ascertain the direction of the relationship between variables without establishing causality. I used linear regression to develop the best fitting model to predict values of organizational learning and leadership variables.

Chapter 4: Results

The purpose of this quantitative survey study was to test the relationship between three leadership styles: TFO, TAC, and PAV leadership styles and the establishment of OLC within commercial banks in Kenya. I examined the way leaders employed their styles of leadership to advance organizational learning within their institutions. I also evaluated the relationship between the practice of organizational learning and financial performance of the institutions under investigation using the ROA metric provided by the Central Bank of Kenya.

I divided this chapter into five sections: research questions and hypotheses, data collection, data analysis, results of hypotheses testing, and summary. The first section is a restatement of the research questions and hypotheses, which provides a basis for data collection and analysis. The second section, data collection, includes demographic information, sampling strategies, and data collection procedures. The third section, data analysis, includes descriptive information about the data, examination of the assumptions of regression analysis, and statistical analysis. The fourth section includes the results of hypotheses testing and the last section is a summary of the chapter and answers to the research questions.

Research Questions and Hypotheses

I investigated the following research questions and related hypothesis:

Research Question 1: What is the relationship between transformational, transactional, and passive-avoidant leadership styles and the establishment of

organizational learning culture at the individual, team and organizational level within commercial banks in Kenya?

$H_0$1: There is no relationship between leadership styles (TFO, TAC, and PAV) and organizational learning culture (OLC) within commercial banks in Kenya.

$\beta 1 = 0$ (there is no linear relationship—the slope is zero)

H_a1: There is a relationship between leadership styles (TFO, TAC, and PAV) and organizational learning culture (OLC) within commercial banks in Kenya.

$\beta 1 \neq 0$ (there is a linear relationship—the slope is not zero)

Research Question 2: What is the relationship between organizational learning culture and financial performance within commercial banks in Kenya?

$H_0$2: There is no relationship between organizational learning culture (OLC) and financial performance (ROA) within commercial banks in Kenya.

$\beta 1 = 0$ (there is no linear relationship—the slope is zero)

H_a2: There is a relationship between organizational learning culture (OLC) and financial performance (ROA) within commercial banks in Kenya.

$\beta 1 \neq 0$ (there is a linear relationship—the slope is not zero)

I used multiple regression analysis to predict the nature of the relationship between TFO, TAC, and PAV leadership styles and OLC. I used simple linear regression to predict the relationship between OLC and ROA.

Data Collection

Participants for this study were managers, heads of departments, directors, and other senior executives such as CEOs and CFOs within 40 commercial banks located in

Nairobi, Kenya. The initial target for this study was 42 commercial banks in Kenya; however, the leaders of one institution declined to participate in this study while participants from a second institution were non-responsive, possibly due to internal upheavals and changes that placed the bank's survival in jeopardy at the time of data collection for this study. Therefore, both institutions were eliminated from participation.

Sampling Strategy

I used proportionate stratified sampling and simple random sampling strategies in which I sent research participation invitations to 16 randomly selected potential respondents per institution for a total of 672 survey invitations. Participants accessed the online survey by clicking a link included in the survey invitation. I based my random selection of 16 potential respondents per bank on an anticipated response rate of 35%, in order to obtain no less than a proportionate sample of four respondents per institution.

I collected data from all banks over a period of three months, ensuring that I received no fewer than four completed surveys per bank, which was the required sample size for this study. I disqualified incomplete surveys. The number of completed surveys obtained from the 672 invitations was 161; a 24% survey completion rate. Participation among female leaders was relatively low compared to their male peers; the low participation rate among female leaders is likely because there are more male than female leaders within commercial banks in Kenya. Participants rated their style of leadership and the practice of organizational learning within their institutions at the individual, team, and organizational level. Financial performance data were collected from the Central Bank of Kenya's bank supervision report for the year 2014.

Data Collection

Participants rated their style of leadership using the MLQ 5X, which measured the full-range leadership model: TFO, TAC, and PAV leadership styles. Participants rated their practice of the five attributes of transformational leadership on the TFO scale of the MLQ 5X. The five attributes measures include idealized influence (attributed), idealized influence (behavioral), individualized consideration, inspirational motivation, and intellectual stimulation. I evaluated participants' demonstration of charismatic behavior and engagement with followers through coaching, mentorship, and social exchange relationships. Participants rated their practice of the attributes of transactional leadership using the TAC scale of the MLQ 5X. The attributes of TAC measured include the application of contingent rewards and active management-by-exception behavior. I examined leadership behaviors that led to constructive participation and corrective measures through clarification of expectations and rewards for performance. Lastly, participants rated the extent to which they demonstrate passivity in leadership by avoiding involvement with followers, abdicating responsibility, and not responding to problems systematically. Participants used the PAV scale of the MLQ 5X to rate their tendencies towards laissez-faire and passive management-by-exception. I calculated each participant's score for TFO, TAC, and PAV as the average of the items on each of the scales on the MLQ 5X.

Participants also rated the extent of their engagement and facilitation of the practice of organizational learning at the individual, team, and organizational levels of their institutions. I measured OLC presence using the DLOQ, which evaluated the seven

dimensions that represent OLC. Specifically, I measured the way leaders create continuous learning opportunities, promote inquiry and dialogue, encourage collaboration and team learning, create systems to capture and share learning, empower people towards a collective vision, connect the organization to its environment, and provide strategic leadership for learning. DLOQ scores for each participant were calculated as the average of the items on each learning dimension's scale.

Data Screening

Prior to conducting inferential statistical analysis, I inspected the descriptive statistics and checked adherence to the statistical assumptions of linear regression, missing values, and outliers.

Data Transformation

There were no missing values in the data set for this study; however, there were univariate outliers in the data. I identified univariate outliers as those whose standardized scores (z-scores) were greater than +/-3.29. Tabachnick and Fidell (2013) explained that outliers signify non-normal distribution of data and have a greater impact on the value of the regression coefficient than other scores in the dataset; therefore, outliers have the potential to create Type I and Type II errors. I transformed outliers through the process of winsorizing in which the most extreme standardized score below +/-3.29 is selected and used to identify a raw score to replace outliers for each variable (Tabachnick & Fidell, 2013). I replaced each outlier with a value that was one unit larger or smaller than the next most extreme score below +/-3.29. Descriptive statistics without outliers are presented in Table 4.

Table 4

Descriptive Statistics with Transformed Outliers

	Mean	SD	Var	Min	Max	Skewness		Kurtosis	
						Statistic	SE	Statistic	SE
TFO	3.24	.47	.219	1.80	4.00	-.378	.192	-.486	.381
TAC	2.55	.62	.385	1.00	4.00	-.009	.192	-.497	.381
PAV	.45	.36	.130	.00	1.38	.693	.192	-.254	.381
OLC	3.98	1.03	1.065	1.38	6.00	-.384	.192	-.360	.381

Note: $N = 160$

Table 4 shows positive skewness for PAV, which is statistically significant (0.693; $z(160) = 3.61$, $p < .01$). Standardized scores for skewness greater than +/-2.58 are significant at $p < .01$ for a sample of this size, and signify a departure from normality (Field, 2009). Skewness indicates non-normal distribution of scores, which affects the goodness of fit of the regression model and leads to Type II errors. Tabachnick and Fidell (2013) noted that skewness distorts relationships and significance tests in regression by limiting the chances of detecting small, but significant differences in the population means. Tabachnick and Fidell recommended log transformation to overcome skewness using the formula $log10(x + C)$; where x is the skewed variable's raw score and $C = 1$, a constant added to the raw scores to bring zero values to 1. Table 5 shows the recoded PAV variable, hereafter referred to as RPAV, after log transformation to

overcome skewness. The standardized value for skewness for RPAV was 0.275; $z(160) = 1.43$, $p < .01$.

Table 5

Descriptive Statistics with Transformed PAV Variable RPAV

	Mean	SD	Var	Min	Max	Skewness	
						Statistic	SE
TFO	3.24	0.47	0.219	1.80	4.00	-0.378	0.192
TAC	2.55	0.62	0.385	1.00	4.00	-0.009	0.192
RPAV	0.15	0.10	0.011	0.00	0.38	0.275	0.192
OLC	3.98	1.03	1.065	1.38	6.00	-0.384	0.192

Note: N = 160

Table 6

Descriptive Statistics for OLC and ROA

	Mean	SD	Var	Min	Max	Skewness	
						Statistic	SE
OLC	3.98	.56	.31	3.00	5.58	.603	.374
ROA	77.84	92.49	8553.6	3.50	376.97	1.589	.374

Note: N = 40

Descriptive statistics in Table 6 show that ROA was skewed positively (1.589; $z(40) = 4.249$). Tabachnick and Fidell (2013) recommended square root transformation to remedy moderately skewed variables using the formula NEWX = SQRT (X) where X is the raw score of the skewed variable. Square root transformation of ROA reduced skewness significantly, (.878; $z(40) = 2.34$, $p < .01$), and brought the variable, referred to as *TROA*, to normal distribution as shown in Table 7.

Table 7

Descriptive Statistics for OLC and TROA

	Mean	SD	Var	Min	Max	Skewness	
						Statistic	SE
OLC	3.98	.56	.31	3.00	5.58	.603	.374
TROA	7.46	4.77	22.7	1.87	19.42	.878	.374

Note: $N = 40$

Descriptive Statistics

Table 8 shows the descriptive statistics for these data with recoded PAV (RPAV) and transformed ROA (*TROA*), which include the sample mean, standard deviation, and variance for the three leadership styles and OLC. I constructed confidence intervals using the mean and standard deviations from the sample population in order to make inferences about the actual population mean. I used the following formula to calculate the confidence interval:

$$\bar{x} \pm z_{\alpha/2} \frac{\sigma}{\sqrt{n}}$$

where

- $\bar{x}$ = the sample mean
- Z = a standardized score indicating how many standard deviations the variable is from the mean
- α = 0.05; the probability of making a type 1 error or the chance that statistical analysis results occurred by chance
- σ = the standard deviation
- n = the population size

Table 8

Descriptive Statistics for Three Leadership Styles and OLC

	Mean	SD	Var	Min	Max	95% CI		CV
						Lower	Upper	
TFO	3.24	0.47	0.219	1.80	4.00	3.167	3.313	0.145
TAC	2.55	0.62	0.385	1.00	4.00	2.454	2.646	0.243
PAV	0.15	0.10	0.011	0.00	0.38	0.135	0.165	0.667
OLC	3.98	1.03	1.065	1.38	6.00	3.821	4.139	0.259

Note: N = 160

Confidence interval calculations indicated 95% confidence that the mean TFO score was between 3.167 and 3.313 for this population, where a score of 3 indicates that

leaders of commercial banks in Kenya practice a high degree of transformational leadership in order to influence followers proactively. Confidence interval calculations indicated 95% confidence that the mean TAC score was between 2.454 and 2.646 for this population. A score of 2 indicates that the practice of transactional leadership style within commercial banks in Kenya is average. I am 95% confident that the mean score for PAV was between 0.135 and 0.165 for this population. The low mean score for PAV means that this was the least practiced style of leadership within commercial banks in Kenya. Lastly, I am 95% confident that the mean OLC score was between 3.821 and 4.139 for this population. The mean for OLC indicates that commercial banks in Kenya use learning to support and catalyze growth for individuals, teams, and the enterprise in a systematic and integrated way.

I calculated the coefficient of variation (CV) for each variable, which is a measure of spread that describes the amount of variability relative to the mean. Because the coefficient of variation is unitless, it can be used instead of the standard deviation to compare the spread of data sets that have different units or different means. I calculated the CV using the following formula:

$$\mathrm{CV} = \frac{SD}{\bar{x}} \times 100$$

where

- CV = Coefficient of Variation
- *SD* = Standard Deviation
- $\bar{x}$ = the sample mean

The coefficient of variation for TFO shows that the standard deviation for TFO is 14.5% of the mean. The value of the coefficient of variation means that the dispersion of the variable, TFO, around the mean is low and the residuals are small compared to the predicted value; this is indicative of a good model fit. The coefficient of variation shows that the standard deviation for TAC is 24% of the mean. The dispersion of the variable, TAC, around the mean is low with small residuals compared to the predicted value. The coefficient of variation for PAV shows that the standard deviation for PAV is 66.7% of the mean, which indicates that the amount of variability for PAV relative to the mean is large, more than four times greater than that of TFO and almost three times greater than that of TAC. PAV leadership style shows more variation relative to its mean than TFO and TAC leadership styles.

Model Assumptions

I inspected the data for adherence to the assumptions of regression analysis prior to data analysis. Field (2009) asserted that adherence to the assumptions of regression analysis provides unbiased parameters and coefficients for the regression model. An unbiased regression model means that, on average, the regression model from a sample is the same as that of the general population and that the findings are generalizable. I examined four assumptions of linearity: assumption of linearity in the relationship between variables, normal distribution of residuals, homogeneity of variance, and independent residuals.

Required variable types. Multiple regression analysis requires that predictors are quantitative and response variables are quantitative, continuous, and unbounded

(Field, 2009). This requirement was met for this study because the predictor variables were quantitative and the response variables were numeric, continuous, and unbounded.

Assumption of linearity. This assumption holds that the relationship modeled in regression analysis is linear such that the mean values of the response variable lie on a straight line for each increase in the predictor variable (Field, 2009). The scatterplots in Figure 1 show that the line of best fit for the model passes through the middle of the data with data points distributed and dispersed evenly on both sides of the line of best fit. The graph shows that the data points do not follow a curved pattern, indicating a linear relationship. Therefore, the assumption of linearity was met for the three leadership variables (TFO, TAC, and PAV) and organizational learning (OLC).

I also examined the data for adherence to the assumption of linearity between OLC and ROA. Figure 2 shows that the data points are not arrayed in a curved pattern, for OLC in relation to the ROA, indicating a linear relationship. Therefore, the assumption of linearity was met for the data.

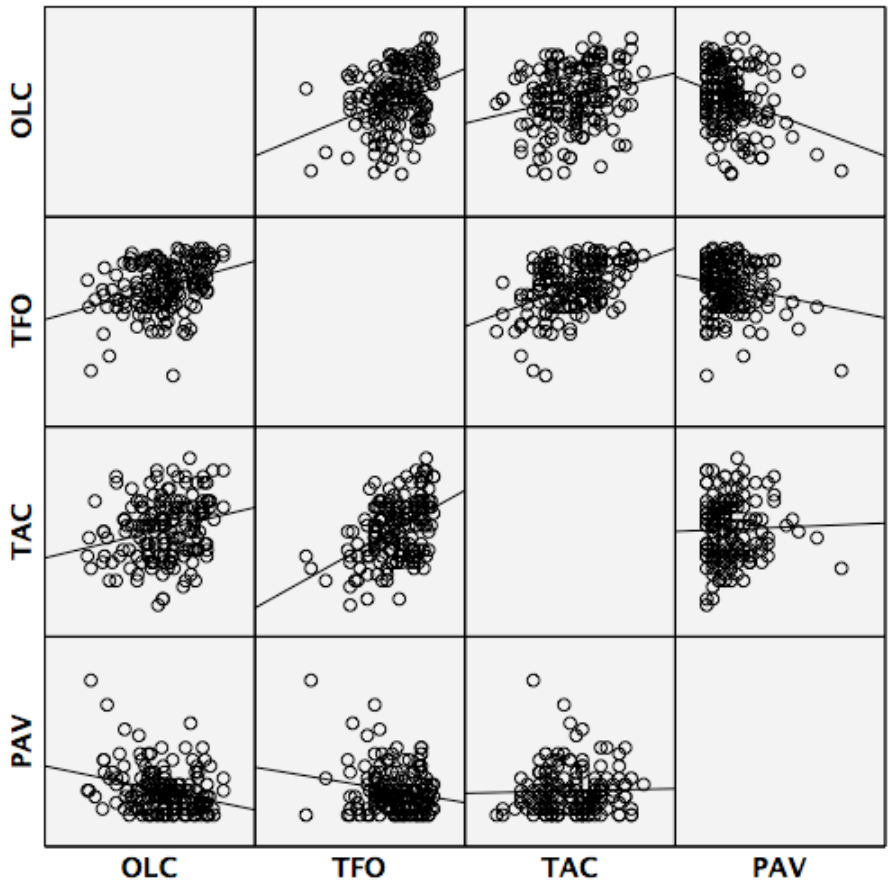

Figure 1. Matrix scatterplot showing the linear relationship between organizational learning culture and each of the leadership styles.

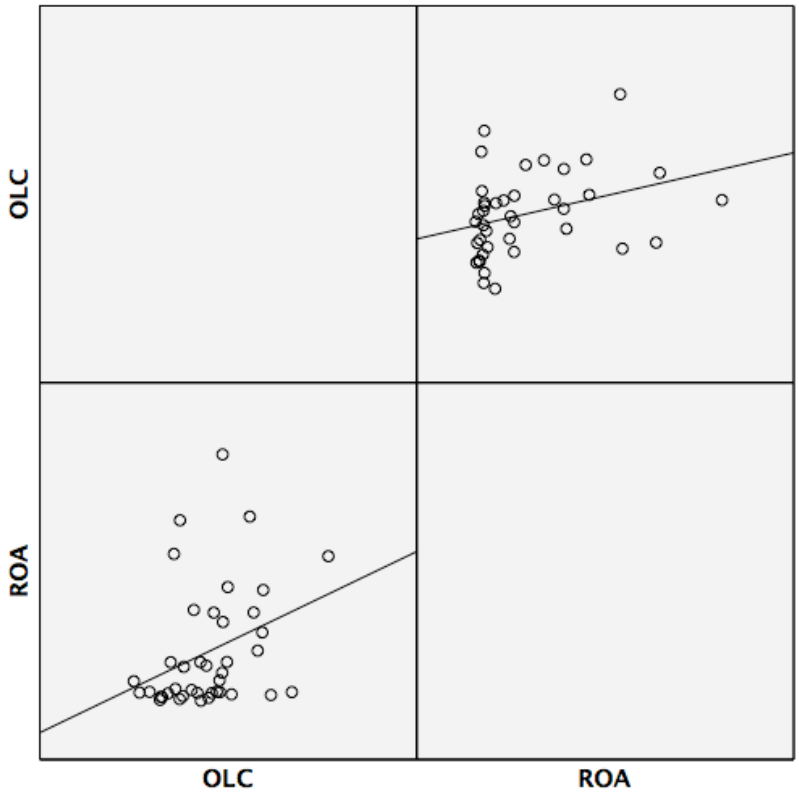

Figure 2. Matrix scatterplot showing the linear relationship between ROA and organizational learning culture.

Assumption of normally distributed residuals. This is the assumption that residual terms are random and normally distributed in the regression model with a mean of zero or very close to zero (Field, 2009). The differences between observed data and the regression model should not deviate very much from zero where this assumption has been met. The histogram in Figure 3 shows that the residual terms in this study are normally distributed. The P-P plot in Figure 4 also shows a normal distribution of error terms along the diagonal line of the plot. This assumption was met for this study.

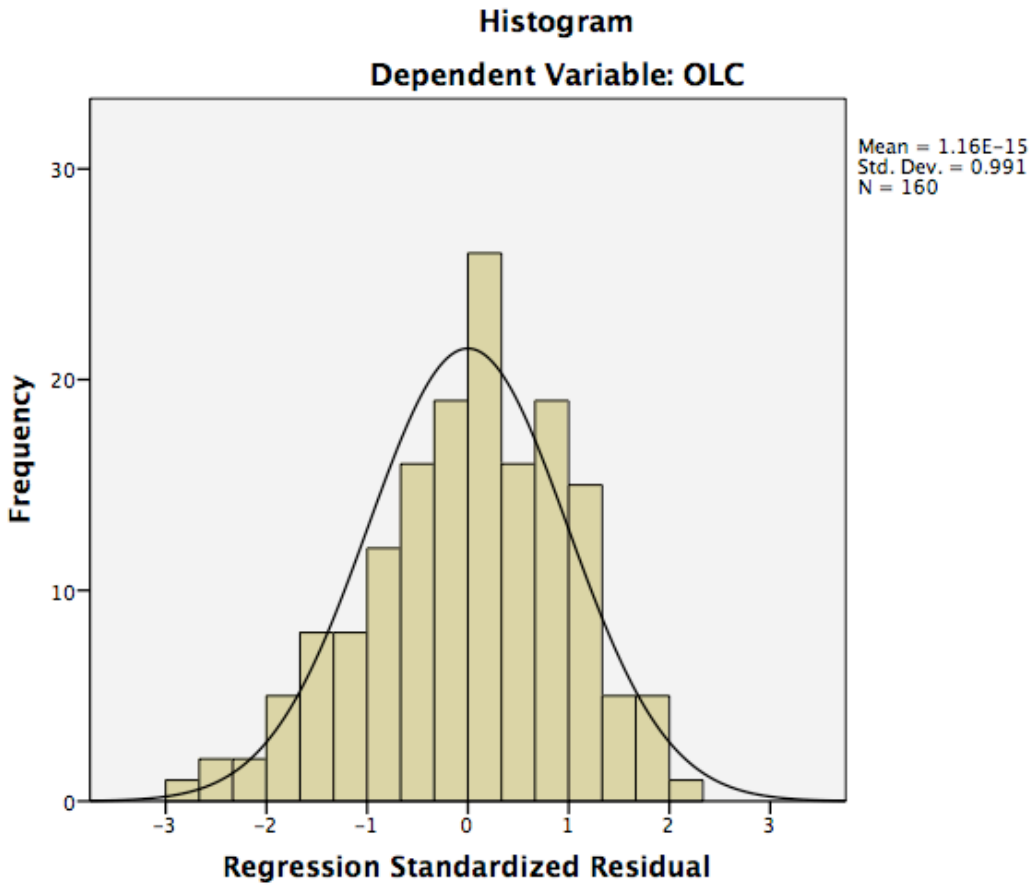

Figure 3. Histogram showing that the distribution of residual terms in the regression model is represented by a normal, bell-shaped curve.

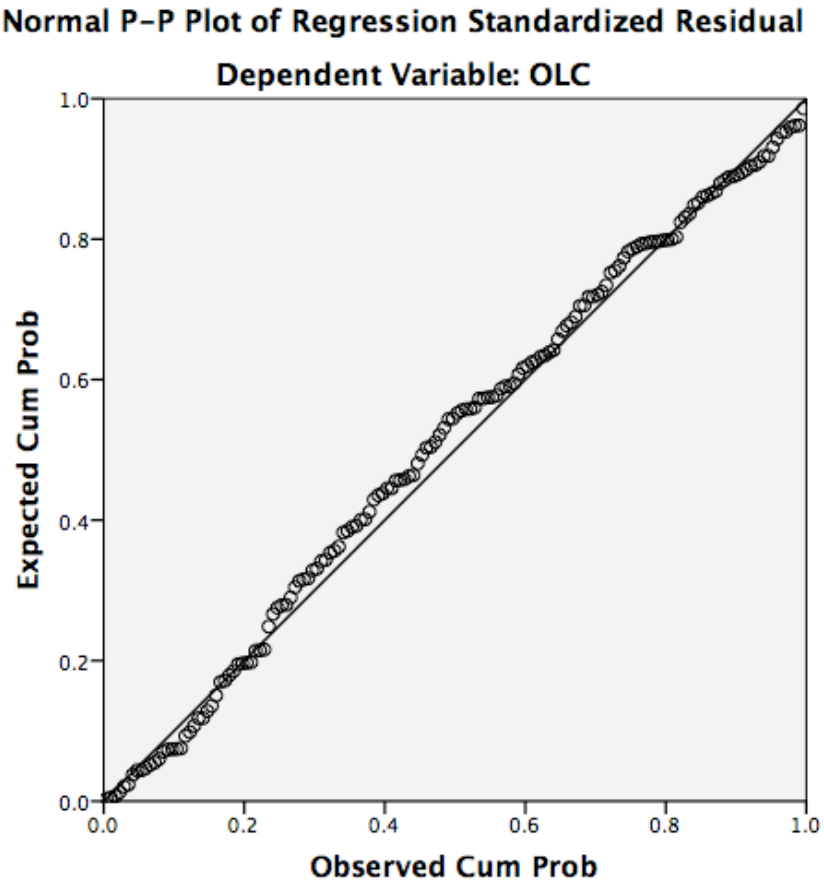

Figure 4. P-P plot showing normal distribution of residuals terms following the diagonal line of the plot.

Assumption of homogeneity of variance. This is the assumption that the variance of the residual terms is constant across the range of values for the predictor variable. The random and even distribution of data points on both sides of the scale axis in Figure 5 indicates that the assumption of homogeneity of variances was met for the predictor variables (TFO, TAC, and PAV) and the response variable (OLC) in the first research question. Figure 6 shows that residual terms for this data are distributed

randomly on both sides of the scale axis without a defined pattern for the two variables in the second question (OLC and ROA).

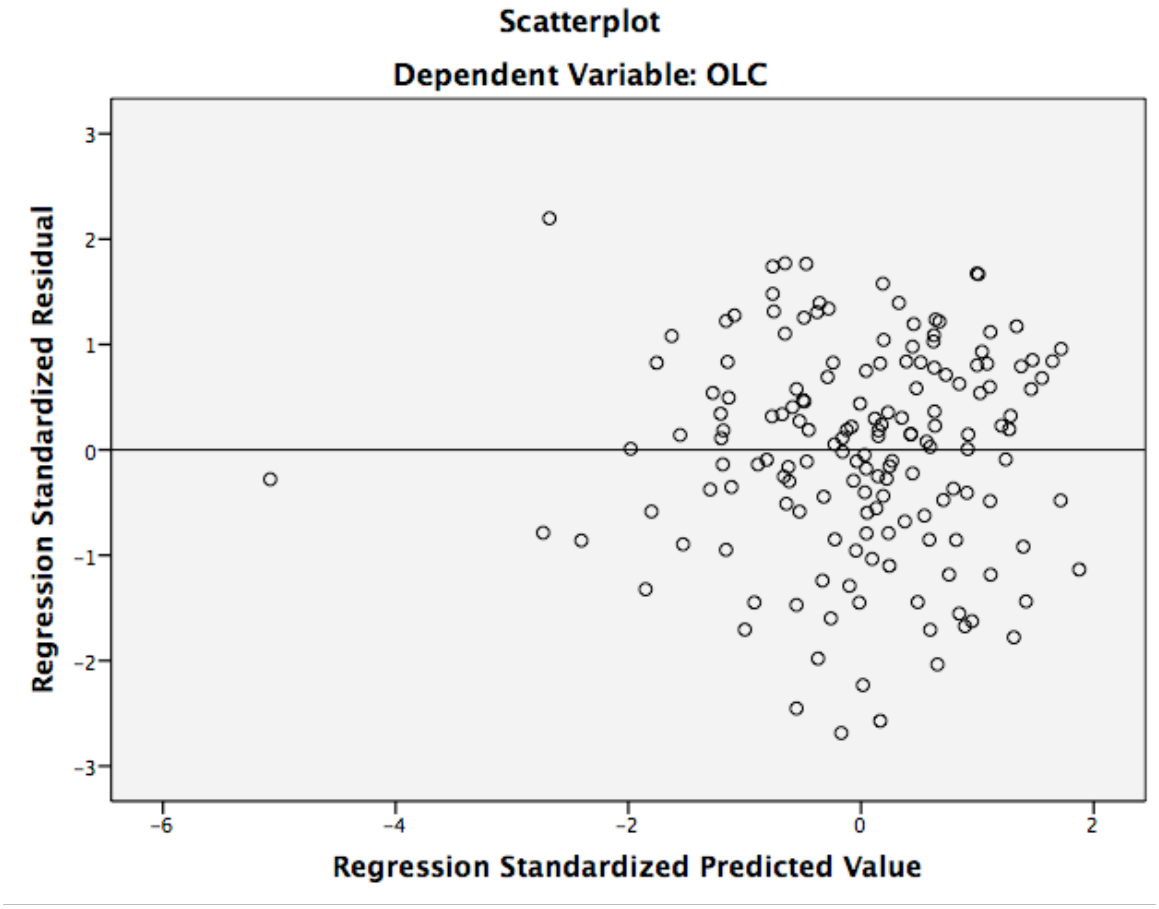

Figure 5. Scatterplot of the distribution of data points around zero testing adherence to the assumptions of homogeneity of variance and independent residuals for TFO, TAC, PAV, and OLC.

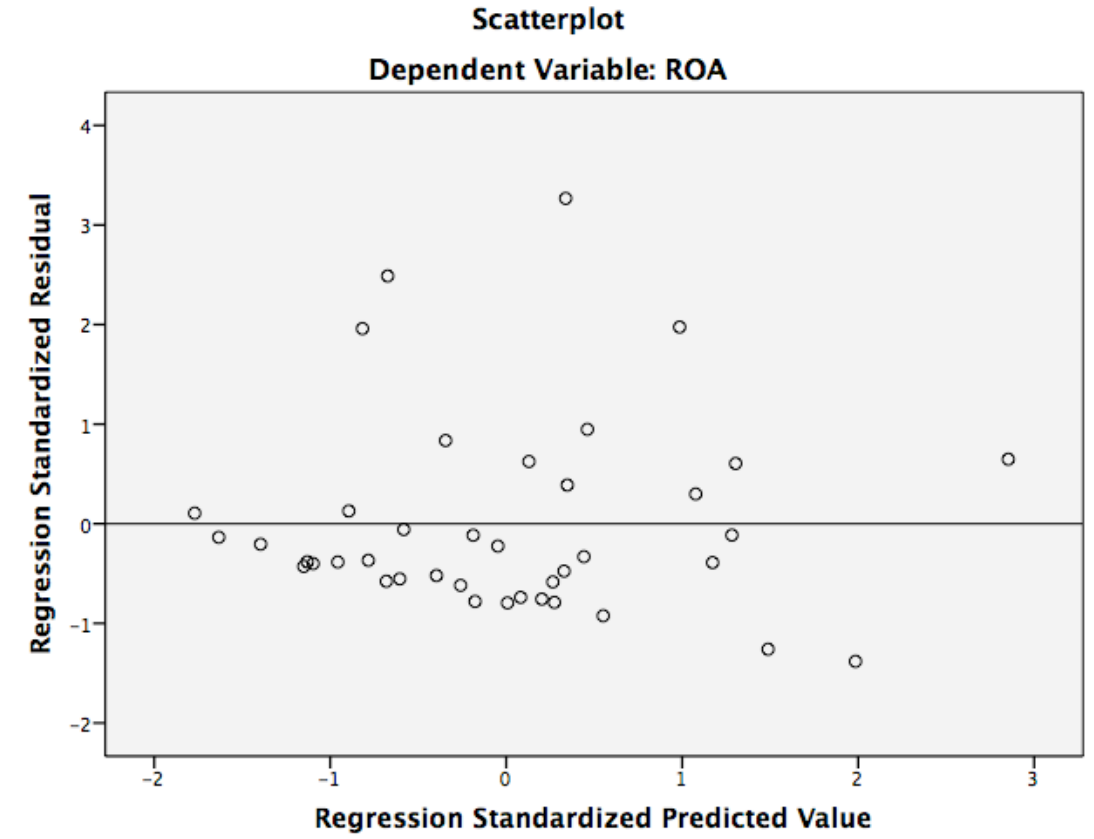

Figure 6. Scatterplot of the distribution of data points around zero testing homogeneity of variance and independent residuals for OLC and ROA.

Assumption of independent residuals. This is the assumption that the residual terms for any two observations are uncorrelated. I tested adherence to this assumption using the Durbin-Watson statistic, which has values ranging between 0 and 4. Field (2009) recommended that Durbin-Watson statistic values close to 2 signify independent residual terms. Durbin-Watson statistic for this data was 1.893 as shown in Table 9, which means that the residual terms in this data are uncorrelated. In addition, Figure 5 shows that the error terms in the regression model are evenly distributed. The

assumption of independent errors was met for this study.

Table 9

Test for Independent Errors using Durbin-Watson Statistic

Model	r	r^2	Adj. r^2	Std. Err	F Change	Sig. F Change	Durbin-Watson
1	.425	.181	.165	.94287	11.482	.000	1.893

Reliability Analysis

I conducted a reliability analysis, shown in Table 10, to examine the reliability of the DLOQ in assessing OLC. The DLOQ measured OLC using 43 items on a 6-point scale ranging from *1 = almost never* to *6 = almost always*. All seven subscales of the DLOQ scored reliability scores ranging from $\alpha = .89$ to $\alpha = .93$, with an overall score of $\alpha = .98$ for the DLOQ scale. I concluded, therefore, that the DLOQ is a reliable instrument for measuring the practice and culture of organizational learning, and the seven dimensions included in the DLOQ are an accurate representation of the extent to which an organization has an established climate for learning.

Table 10

Chronbach's Alpha Statistics for DLOQ Scale and Subscales

DLOQ Scale/Subscale	Chronbach's Alpha	Number of Items
CLO	.89	7
IND	.91	6
CLT	.91	6
CSL	.89	6
ECV	.92	6
COE	.91	6
SLL	.93	6
Overall Learning Culture	.98	43

I also conducted reliability analysis on the MLQ 5X to check if items included in the instrument measure the leadership construct accurately. Thirty-six items on the MLQ 5X measured TFO, TAC, and PAV leadership styles on a 5-point scale where *0 = not at all, 1 = once in a while, 2 = sometimes, 3 = fairly often, and 4 = frequently, if not always.* The TFO scale scored high reliability, $\alpha = .90$ while TAC and PAV leadership scales scored $\alpha = .65$ and $\alpha = .62$ respectively. Overall reliability score for the MLQ 5X was $\alpha = .84$, which meets the criteria for scale reliability ($\alpha \geq .70$). The results are shown in Table 11. Therefore, I concluded that the MLQ 5X is a reliable instrument for measuring the full range leadership model; TFO, TAC, and PAV. Further, the MLQ 5X provided a dependable means for respondents to rate the extent to which they observed

leadership behaviors and attributed organizational performance outcomes to leadership behaviors.

Table 11

Chronbach's Alpha Statistics for MLQ 5X Scales and Subscales

MLQ 5X Scales	Chronbach's Alpha	Number of Items
Transformational	.90	20
IIA	.63	4
IIB	.65	4
IM	.76	4
IS	.65	4
IC	.58	4
Transactional	.65	8
CR	.46	4
MBEA	.77	4
Passive-Avoidant	.62	8
MBEP	.57	4
LF	.56	4
Overall Leadership	.84	34

Data Analysis and Hypothesis Testing

Research Question 1

What is the relationship between transformational, transactional, and passive-avoidant leadership styles and the establishment of organizational learning culture at the individual, team, and organizational level within commercial banks in Kenya?

$H_0$1: There is no relationship between leadership styles (TFO, TAC, and PAV) and organizational learning culture (OLC) within commercial banks in Kenya.

$\beta 1 = 0$ (there is no linear relationship—the slope is zero)

H_a1: There is a relationship between leadership styles (TFO, TAC, and PAV) and organizational learning culture (OLC) within commercial banks in Kenya.

$\beta 1 \neq 0$ (there is a linear relationship—the slope is not zero)

Results in Table 12 show that the overall regression model (all three predictor variables) was a significant predictor of organizational learning culture. Note that I used a transformed version of PAV (RPAV) in order to meet the regression analysis assumptions. Specifically, the results of the *F*-test show that leadership styles statistically predicted organizational learning, $r^2 = 0.165$, $F(3, 156) = 10.248$, $p < 0.05$. The *F*-statistic (10.248) exceeded the critical value of *F* (2.66); or, alternatively, the *p*-value (.000) was less than our level of significance (0.05). Since the *F*-statistic exceeded the critical value of *F* in the regression model, I rejected the null hypothesis and concluded that at least one predictor variable in the regression model had a significant influence on

the response variable.

Table 12

Regression Statistics Model Summary

Model	r	r^2	Adj. r^2	Std. Err	F	Sig. F
1	.406	.165	.149	.95216	10.248	.000

ANOVA

Model	SS	df	MS	F	Sig.
1 Regression	27.873	3	9.291	10.248	.000
Residual	141.432	156	.907		
Total	169.305	159			

Correlation Coefficients and t-Statistic

	β	SE	Beta	t	Sig.	Partial
Constant	1.857	.548		3.390	.001	
TFO	.572	.182	.259	3.141	.002	.244
TAC	.230	.138	.139	1.674	.096	.133
RPAV	-2.099	.727	-.213	-2.888	.004	-.225

A *t*-test for each predictor variable examined the null hypothesis that β is zero, such that a unit change in the predictor variable would not produce any change in the response variable. The results on Table 12 show that the absolute value of the *t*-statistic was significant for TFO (3.141) and greater than the critical value of t(1.9753) indicating that β was not equal to zero for TFO. In this analysis, TFO (M = 3.24, SD = 0.47) predicted OLC significantly; β = 0.572, $t(156) = 3.141$, $p < 0.05$. The results of the *t*-test show that RPAV (-2.888) was also greater than the critical value of t and β was not equal to zero for RPAV. The results of the analysis show that RPAV (M = 0.15, SD = 0.1) predicted OLC significantly; β = -2.099, $t(156) = -2.888$, $p < 0.05$. The *t*-statistic showed that the values of β for TFO and RPAV variables were significantly different from zero and the contribution of the predictors to the model. TAC (M = 2.55, SD = .62) was not a significant predictor of OLC; β = .23, $t(156) = 1.674$, $p = .096$. Further, the *p*-values for TFO and RPAV were less than 0.05; therefore, the relationship between the predictor variables and response variable was significant at the 0.95 confidence level.

r^2_{Adjusted} = .149 illustrated the extent to which the overall regression model explained the variation in the response variable. The results indicate that the overall regression model explained approximately 15% of the variation in OLC. The r^2_{Adjusted} value suggests the possibility of other explanatory variables not included in the model, which have an impact on OLC.

Table 13

Regression Statistics Model Summary for TFO and RPAV

Model	r	r^2	Adj. r^2	Std. Err	F	Sig. F
1	.387	.150	.139	.95761	13.812	.000

ANOVA

Model	SS	df	MS	F	Sig.
1 Regression	25.332	2	12.666	13.812	.000
Residual	143.973	157	.917		
Total	169.305	159			

Correlation Coefficients and t-Statistic for TFO and RPAV

	β	SE	Beta	t	Sig.	Partial
Constant	1.969	.547		3.600	.000	
TFO	.712	.162	.323	4.386	.000	.330
RPAV	-1.966	.726	-.199	-2.706	.008	-.211

I rejected the null hypothesis that there is no relationship between leadership styles and the practice of organizational learning; specifically, between TFO and OLC and between RPAV and OLC. I failed to reject the null hypothesis that there is

no relationship between leadership styles and the practice of organizational learning for TAC and OLC. I conducted a regression analysis without TAC to determine the final predictive model. The results on Table 13 show the correlation coefficients when only TFO and RPAV were included in the model. The predictive model with independent variables TFO and RPAV is as follows:

$$\hat{Y} = 1.969 + 0.712X_1 - 1.966X_2$$

The first research question sought to establish the nature of the relationship between TFO, TAC, and PAV and the establishment of OLC within commercial banks. The results of this analysis show that a significant, positive relationship exists between TFO and OLC such that the practice of transformational leadership contributes to the establishment of organizational learning within commercial banks in Kenya. The results of this analysis show no significant relationship between TAC and OLC; transactional leaders did not significantly advance nor significantly hinder the establishment of organizational learning within commercial banks in Kenya. Lastly, data analysis results show a significant, negative relationship between RPAV and OLC such that the practice of passive-avoidant leadership within commercial banks in Kenya undermined the formulation of organizational learning practice. The results of the regression coefficients for the predictor variables (β) show that leaders of commercial banks in Kenya practiced transformational and transactional leadership style such that a unit change in the predictor variable produced a change in the response variable. The results of the regression analysis show that leaders did not practice passive-avoidant leadership to a large extent.

Note that, while TAC was not significant in this analysis based on $t(156) = 1.674$ and $p = .096$, the failure to achieve significance was by only a slim margin. There is the possibility that given a larger sample size, TAC might prove to be a significant predictor of OLC. Moreover, the adjusted r^2 of the full model, that includes TAC, is superior to the model with only two predictor variables. Therefore, the full model may be more appropriate for predicting OLC. I will discuss this more completely in Chapter 5.

Research Question 2

What is the relationship between organizational learning culture and financial performance within commercial banks in Kenya?

$H_0 2$: There is no relationship between organizational learning culture (OLC) and financial performance (ROA) within commercial banks in Kenya.

$\beta 1 = 0$ (there is no linear relationship—the slope is zero)

$H_a 2$: There is a relationship between organizational learning culture (OLC) and financial performance (ROA) within commercial banks in Kenya.

$\beta 1 \neq 0$ (there is a linear relationship—the slope is not zero)

Results show that the *F*-statistic demonstrated the overall fit of the regression model and presented the extent to which the regression model predicted the response variable. Specifically, the *F*-statistic provided the ratio of improvement in predicting the practice of organizational learning in relation to the inaccuracy in the model. In this model OLC explained a significant amount of the variance in TROA, $r^2 = 0.138$, $F(1, 38) = 6.084$, $p < .05$. Since the *F*-statistic exceeded the critical value of *F* (4.098); and the *p*-value (0.018) was less than our level of significance (.05), I rejected the null hypothesis

and concluded that the predictor variable in the regression model (OLC) had a significant influence on the response variable (TROA).

An analysis of the *t*-statistic showed whether the value of β for OLC was significantly different from zero and the contribution of the predictor to the model. In this analysis, OLC ($M = 3.98$, $SD = .56$) significantly predicted ROA; $\beta = 3.172$, $t(38) = 2.467$, $p < .05$ as shown in Table 14. The *p*-value for OLC and TROA was less than .05; therefore, the relationship between the predictor variables and response variable was significant at the 0.95 confidence level. To this end, the regression model for this analysis is as follows:

$$\hat{Y} = -5.177 + 3.172X_1$$

The second research question sought to establish the nature of the relationship between OLC and financial performance (TROA) within commercial banks in Kenya. The results of this analysis show that a significant, positive relationship exists between OLC and TROA such that the presence of organizational learning contributed to the financial growth of commercial banks in Kenya. Model summary results in Table 14 indicate that $r^2_{\text{Adjusted}} = .115$, which means that the regression model explained approximately 12% of the variation in TROA. Since OLC contributes approximately 12% of the variation in financial performance, there may be other explanatory variables not included in this model, which might account for the increased financial performance and growth of the institutions under investigation.

Table 14

Regression Statistics Model Summary

Model	r	r^2	Adj. R^2	Std. Err	F	Sig. F
1	.371	.138	.115	4.48269	6.084	.018

ANOVA

Model	SS	df	MS	F	Sig.
1 Regression	122.258	1	122.258	6.084	.018
Residual	763.592	38	20.095		
Total	885.850	39			

Correlation Coefficients and t-Statistic

	β	SE	Beta	t	Sig.	Partial
Constant	-5.177	5.173		-1.001	.323	
OLC	3.172	1.286	.371	2.467	.018	.371

Summary

This study predicted the relationship between leadership styles and organizational learning culture, and between organizational learning culture and financial performance within commercial banks in Kenya. In this chapter I presented the results of data collection and analysis investigating the relationship between three leadership styles and organizational learning culture within commercial banks in Kenya. I also presented the

results of the analysis of the relationship between organizational learning culture and financial performance. Participants were leaders of commercial banks in Kenya, among whom 134 men and 26 women participated in this study. Data collection used two instruments, the MLQ 5X and the DLOQ, through which participants rated their style of leadership and the practice of organizational learning within their respective institutions. There was a 24% response rate to the two online surveys.

I conducted multiple regression analysis to ascertain the relationship between three leadership styles and the practice of organizational learning, and simple regression analysis to examine the relationship between organizational learning culture and financial performance. Transformational leadership had a significant, positive influence on the practice of organizational learning culture while passive-avoidant leadership had a significant, negative influence on the practice of organizational learning. Transactional leadership style did not have a significant relationship with organizational learning culture. Lastly, organizational learning culture had a significant relationship with financial performance. Results of the inferential statistics indicated that the leadership regression model explained only 15% of the variation in the practice of organizational learning. Similarly, the organizational learning culture model explained only 12% of the variation in financial performance. Therefore, it is likely that there are other factors beyond the scope of this study that influence the establishment of organizational learning culture and financial performance of commercial banks in Kenya in addition to leadership styles and organizational learning culture respectively. In Chapter 5, I will present

interpretation of results, recommendations, suggestions for further study, and conclusions of this study.

Chapter 5: Discussion, Conclusions, and Recommendations

The purpose of this quantitative survey study was to test the relationship between transformational, transactional, and passive-avoidant leadership styles and organizational learning culture within commercial banks in Kenya. I measured the styles of leadership used by leaders to advance organizational learning within commercial banks in Kenya. I also evaluated the relationship between the practice of organizational learning and financial performance of the same institutions using the return on assets metric provided by the Central Bank of Kenya. I addressed the gap in the literature about the lack of knowledge about the relationship between leadership styles and the practice of organizational learning at the individual, team, and organizational levels of commercial banks in Kenya.

Studies about leadership and its link to the practice of organizational learning are scarce; especially for growing economies outside North America (Rijal, 2009; Zagoršek, Dimovski, & Škerlavaj, 2009). Notably, the manner in which organizational learning occurs is unclear, though scholars assign the responsibility for creating learning organizations to leaders. For instance, Watkins and O'Neil (2013) established that learning begins when leaders create safe environments for learning in which there is a free flow of ideas and employees adapt new behaviors, challenge the status quo, and make mistakes while learning from failure. In addition, learning organizations foster lateral control, communication, and authority, which operate counter to hierarchical, command and control structures. The case of commercial banks in Kenya is unique in that organizational learning is limited to technical knowledge transfer and skills

development (Nzuve & Omolo, 2012). Further, these institutions operate under top-down hierarchical systems not conducive to collaborative learning and providing strategic leadership for learning. However, the banking industry in Kenya is doing relatively well financially despite the lack of established structures for organizational learning (Nzuve & Omolo, 2012); creating a contradiction between the apparent financial success and the presence of structures that do little to create engagement between leaders and followers and to establish the practice and culture of organizational learning.

In this chapter, I provide a summary of the key results from data analysis in Chapter 4 and interpret the findings. I also explain the limitations of this study and make recommendations for further research. Lastly, I discuss implications for social change, theory, and practice, and draw conclusions from the same.

Summary of Key Findings

I conducted a multiple linear regression analysis to predict the relationship between transformational, transactional, and passive-avoidant leadership styles and organizational learning culture, and between organizational learning culture and return on assets within commercial banks in Kenya. I found a significant regression equation for the three leadership styles and learning culture. Transformational and passive-avoidant leadership styles had a significant influence on organizational learning culture. However, transactional leadership was not a significant predictor of organizational learning culture. The full regression model explained approximately 15% of the variation in organizational learning culture, indicating the possibility of additional explanatory variables.

It is important to note that the full regression model, with all predictor variables (TFO, TAC, and RPAV), had a higher r^2_{Adjusted} of .149 than the model with only two predictor variables (TFO and RPAV), which had an r^2_{Adjusted} of .139. This may suggest that leaders will likely display a blend of leadership styles to suit the context in which they operate. For this study, this result suggests that even if one of the predictor variables (TAC) is not significant, the full model that includes TAC may be a better predictor of an outcome such as OLC, because that model reflects the mix of leadership styles and a better model than one with fewer leadership styles as predictors.

I also conducted a simple regression analysis to predict the relationship between organizational learning culture and return on assets within commercial banks in Kenya. I found a significant relationship between organizational learning culture and return on assets; therefore, I concluded that organizational learning culture predicted the return on assets of commercial banks in Kenya significantly. However, OLC explained approximately 12% of the variation in TROA, indicating the possibility of additional explanatory variables.

Factors that might impact organizational learning culture and financial performance include favorable economic conditions such as an increase in local spending and foreign investments, and regulatory practices that favor domestic commercial banks, an increase in disposable incomes, and market expansion among others. The presence of these factors in a predictive regression model might improve r^2_{Adjusted}. However, the intent of this study was to examine the relationship between leadership styles and their

relationship to organizational learning culture. These factors might be explanatory variables suitable for further research.

Interpretation of Findings

How the Findings Confirm and Disconfirm Knowledge in the Discipline

The positive relationship between transformation leadership and organizational learning culture suggests that leaders of commercial banks in Kenya promote and optimize the practice of organizational learning. There is a likelihood that these leaders form relationships with followers and encourage learning through these relationships. These findings support Zhang and Bartol's (2010) assertions that transformational leaders provide resources for experimentation and learning, which lead to creative problem-solving and participation in decision-making among followers. These leaders provide meaning and excitement to the work of followers; they involve followers in addressing problems and finding solutions, they supply resources for learning, provide coaching and mentorship, and motivate followers to strive for higher levels of potential. The results of the regression analysis are consistent with findings in the literature that transformational leaders influence followers proactively; motivating them to seek opportunities for innovation (Wang & Rode, 2010), practice new ways of thinking (Senge, 2006), and perform above expectations (Zhang & Bartol, 2010). The results of this study support transformational leadership qualities, such as fostering a collective vision and engaging with followers in a process of giving and receiving feedback, develop organizational cultures that thrive on creative change and growth; the essence of learning organizations (Senge, 2006; see also Frooman et al., 2012; Marsick, 2013). Further, these results

endorse findings by Hargis et al. (2011) that transformational leadership enables followers to expand their individual capacities by encouraging them to examine critical assumptions and develop new perspectives and skills for problem-solving; important characteristics of learning systems.

The results suggest that transformational leadership within commercial banks in Kenya advances learning cultures; however, the results also suggest that the presence of learning cultures advance the development and application of transformational leadership style. For instance, Watkins and O'Neil (2013) found that organizational learning promotes the practice of constructive inquiry, creativity, and innovation, which help followers become change leaders. Learning cultures support the application of the intellectual stimulation quality of transformational leadership by facilitating an environment of participative decision-making, inquiry, and problem-solving (Frooman et al., 2012). Learning cultures uncover defensive reasoning and faulty mental models that hinder leadership development while at the same time promoting shared meaning and distributive leadership (Argyris, 2008; Senge, 2006). To this end, though the results of this study show that transformational leaders support the establishment of learning cultures within commercial banks in Kenya, they also suggest that the reverse could be true; learning cultures within the commercial banks might be elevating the practice of transformational leadership.

The results from the regression analysis indicate that transactional leadership was not a significant predictor of organizational learning culture. Transactional leaders thrive on economic and social contracts with followers through which leaders articulate

objectives and expectations, monitor follower behavior, and reward goal attainment or threaten punishment in response to failure. Zagoršek et al. (2009) found that transactional leaders facilitate the work of transformational leaders by building trust between leaders and followers and establishing consistency in leadership behavior. In addition, Nguyen and Mohamed (2009) discovered that contingent reward characteristics of transactional leadership advance knowledge management systems within organizations. Therefore, the expectation from the literature was that transactional leaders would promote productivity by aligning the efforts of follower towards learning in exchange for rewards and by prescribing goals and behaviors that lead to organizational learning. However, the findings in this study contradict assertions in the literature concerning the role of transactional leadership in advancing organizational learning; transactional leadership style did not correlate strongly with organizational learning culture within commercial banks in Kenya. The contingent reward quality of transactional leadership clarifies expectations and rewards desired behaviors among followers while active management by exception transactional leaders monitor performance and intervene as needed in order to generate compliance. The intervention and monitoring practice of transactional leaders likely achieves conformity rather than creativity and generates fear among followers rather than fostering participation and enthusiasm, which promotes learning while achieving task objectives. Further, Walumbwa, Lawler, and Avolio (2007) found that members of collectivist cultures, such as Kenya, do not respond enthusiastically to transactional leadership as their counterparts in individualistic cultures. Walumbwa et al. discovered that work-related outcomes, such

as learning, and attitudes towards transformational leaders were more positive and favorable among allocentrics in collectivist cultures than among idiocentrics in individualistic cultures. To this end, the results of this study are consistent with patterns of behavior and attitudes towards transformational and transactional leadership in Kenya, a collectivist culture.

Results of the regression analysis showed that passive-avoidant leadership was the least practiced style of leadership within commercial banks in Kenya, and there was a significant but negative relationship between passive-avoidant leadership and organizational learning culture. Frooman et al. (2012) found that passive-avoidant leaders avoid making decisions, abdicate responsibility, and do not monitor the performance of followers. Passive-avoidant leaders ignore followers and fail to provide guidance, resources, or motivation towards the pursuit of a collective vision achievable through organizational learning; therefore, these leaders undermine the practice of organizational learning. The negative relationship between passive-avoidant leadership and the practice of organizational learning within commercial banks in Kenya indicates that the leaders of these institutions form relationships with followers and do not fail to share information or provide feedback to followers. These results are consistent with the findings of Frooman et al., that passive-avoidant leadership is a form is non-leadership, which is characterized by a lack of leadership that does not contribute to organizational learning culture and, in fact, undermines organizational learning. Further, the findings uphold the view that transformational leadership is the antithesis of passive-avoidant

leadership; transformational leaders demonstrate care and concern for followers thereby building trust and commitment towards achieving goals (Ismail et al., 2010).

Lastly, there was a significant and positive relationship between organizational learning culture and the return on assets of commercial banks in Kenya. This finding is consistent with organizational learning theory that an organization's ability to lead and leverage change proactively, by learning faster than the competition, is a significant determinant of business growth (Lick, 2006). According to Vargas-Hernández and Noruzi (2010) organizational learning creates the means to employ intellectual capacities, scan the environment, innovate, and lead change proactively. Wright and Fellman (2007) noted that banking institutions in developing transition economies have opportunities to develop competitive advantage by revising existing routines, reconfiguring competencies, and capitalizing on changes in the business environment. The results also suggest that the availability of financial resources contributed to the increase in the practice of organizational learning, which in turn advanced financial performance. Charbonnier-Voirin et al. (2010) argued that leaders accomplish their goals by the application of an enabling leadership style and allocation of resources towards accomplishing the mission of the firm. Therefore, it is likely that the establishment of learning cultures within commercial banks in Kenya is also dependent on the availability of financial resources.

In the case of Kenya, there appears to be a trend towards employing organizational learning techniques to advance financial performance and vice versa; however, organizational learning accounted for only 12% of the variation in financial performance. The minimal influence of organizational learning on financial performance

indicates that there may be other factors not included in this study that affect financial performance. The minimal influence also confirms Nzuve and Omolo's (2012) findings that commercial banks in Kenya practice a limited form of organizational learning, which involves the transfer of technical skills, information sharing, and environmental scanning. Further, these findings confirm Nzuve and Omolo's assessment that commercial banks in Kenya lack established systems for practicing the seven dimensions of organizational learning. According to the findings of this study, practitioners of organizational learning within commercial banks in Kenya do not provide strategic leadership to advance the dimensions of learning organizations, which include energizing followers towards a collective vision, creating continuous opportunities for learning, encouraging inquiry and dialogue, creating systems that capture and share learning, facilitating collaborative team learning, and connecting the institutions to the environment.

Interpretation of Findings in the Context of the Theoretical Framework

The theoretical framework for this study includes contingency leadership theories, which govern the selection of leaders based on behavioral and contextual factors. Fiedler (1972) established contingency theories of leadership, which advance leader selection on the basis of situational and relational factors. Fiedler argued that effective leaders are those that build relationships with followers and have personality traits that suite the context in which they operate. Fiedler found that relationship oriented leaders outperformed task-oriented leaders because the former focused on building trust and leveraging influential power rather than task accomplishment. To this end, this study confirmed and extended contingency theory by crediting relationship-oriented

transformational leadership with the establishment organizational learning cultures. Further, as this study showed, there was no significant correlation between task-oriented transactional leaders and the establishment of organizational learning cultures within commercial banks in Kenya.

The second theory that informed this study was complexity leadership theory (CLT), which permits complex adaptive systems (CAS) to learn, lead and adapt to change, and innovate within knowledge-based economies. Uhl-Bien et al. (2007) explained that leaders of CAS under CLT work with emergent self-organizing behaviors of agents through which organizational learning occurs. Leaders of CAS facilitate interactions among followers, capture and share knowledge, and stimulate innovation in order to thrive in turbulent business environments. The findings in this study support CLT by showing that transformational leaders facilitate learning within the CAS of commercial banks in Kenya by engaging followers in creative interactions, sharing learning, and proving safe environments for inquiry and experimentation. This study also extended knowledge of CLT in CAS by demonstrating that passive-avoidant leaders erode organizational learning by failing to foster interactions with and among followers and by not enabling change.

Lastly, this study extended knowledge and confirmed the effect of leader-member exchange theory (LMX) by demonstrating that transformational leaders of commercial banks in Kenya engage in social exchanges with members through which they provide feedback to followers, create platforms for collaborative learning, and solve problems through teamwork. Transformational leaders of commercial banks in Kenya engendered

learning through exchanges with members. Wilson, Sin, and Conlon (2010) established that followers feel obligated to reciprocate knowledge and learning with leaders where leaders foster mutually beneficial dyadic relationships. This study also demonstrated that passive-avoidant leaders have a negative effect on the practice of organizational learning by their failure to establish LMX with followers.

Subject Matter Validity

The high correlation between transformational leadership and organizational learning culture confirms my expectations about the influence of leadership on learning organizations. This study shows that there is a link between the relational qualities of transformational leadership and the establishment of a learning atmosphere within commercial banks in Kenya where constituents are free to examine existing mental models, engage in inquiry and dialogue, and perform trial and error experimentation with the support of empowering leaders. The validity of this study is upheld by the consistency with which qualities of transformational leadership match the requirements of creating organizational learning cultures. First, learning organizations are those that engage in a collaborative effort to create a desired future through team-based learning. In these organizations, transformational leaders involve followers in distributive leadership through which they learn how to learn, adapt and lead change. Secondly, learning organizations require a high degree of personal mastery among members in order to uncover defensive reasoning, challenge paradigms, and harness dormant creative energies. Transformational leaders of learning organizations furnish resources for learning and mentorship to followers thereby providing continuous learning opportunities

and stimulating creativity and innovation. Senge (2006) noted that leaders within learning organizations appeal to personal identify, clarify goals and develop follower capacity for continual learning thereby contributing to personal mastery. Thirdly, learning organizations attempt to close the gap between current reality and desired future by aligning efforts towards a shared vision, leveraging environmental opportunities, utilizing technology to share information, and exploring complex issues from multiple angles. Transformational leaders support learning cultures by providing strategic leadership for learning through which they energize members towards a collective vision, connect the organization to its environment, and foster learning, which is then shared throughout the organization. Ultimately, the qualities of transformational leadership permit the development of learning cultures, which in turn engender transformational leadership development.

Utility of the Predictive Regression Model

Research Question 1. The predictive regression model for the first research question with only the two significant predictor variables is as follows:

$$\hat{Y} = 1.969 + 0.712X_1 - 1.966X_2$$

However, though transactional leadership was not a significant predictor of organizational learning culture, the full model that includes transformational, passive-avoidant, and transactional leadership styles may be a better predictor of an outcome such as organizational learning culture because it provides an better assessment of a blend of leadership styles that leaders are bound to display based on the situation. The mix of

leadership styles provides a better model than one with fewer leadership styles as predictors.

The DLOQ measures OLC on a scale of 1 (almost never) to 6 (almost always) such that a score of 6 means that leaders are willing to learn from experience, encourage others to learn, set expectations for learning, and recognize and reward learning behaviors that produce desired results. The regression model links an increase in the application of transformational leadership to increases the practice of organizational learning within commercial banks in Kenya. The coefficients of the regression parameters mean that when a leader scores one unit higher on the transformational leadership scale of the MLQ 5X, the practice of organizational learning will increase on average by 0.712 points on the DLOQ scale with all other factors held constant. The increase in the practice of organizational learning means that leaders of commercial banks build capacity for followers to learn, remove barriers to learning, and embed learning as part of organizational growth strategy. These leaders create systems that capture and disseminate learning within the commercial banks while rewarding behaviors that lead to collaboration in creating learning cultures within the institutions.

The predictive regression model links an increase in the application of passive-avoidant leadership to decreases in the practice of organizational learning within commercial banks in Kenya. The coefficients of the regression parameters mean that when a leader scores one unit higher on the passive-avoidant scale of the MLQ5X, the practice of organizational learning decreases on average by 1.966 points on the DLOQ scale with all other factors held constant. Commercial banks in Kenya might use this

predictive model to estimate the rate at which leaders of the institutions hinder organizational learning by demonstrating passivity in leadership.

The full regression model, with transformational, transactional, and passive-avoidant leadership styles included accounted for 15% variation in organizational learning culture, while the regression model with transformational and passive-avoidant leadership styles accounted for 14% of the variation in organizational learning culture as indicated by the r^2_{Adjusted} values. The small different in variation suggests that including transactional leadership in the model does improve the model's ability to predict organizational learning culture. This finding is in line with the literature, which indicates that transactional leaders support the work of transformational leaders (Zagoršek et al., 2009). The finding also suggests that transactional leadership is part of the blend of leadership styles applied to suit a leader's context and there is value in including it in the predictive model.

Leaders of commercial banks in Kenya might use these results to measure potential increase in the practice, and establishment, of organizational learning cultures. These results suggest that diligent effort applied towards promoting transformational leadership skill and an increase in scores of the same on the MLQ5X, is linked to an increase in the application of organizational learning. Further, the literature shows that organizational learning practice facilitates capacity building and the work of transformational leaders, which in turn contributes to the establishment of learning cultures. Therefore, the results of the predictive regression model might be used as a

gauge for promoting both transformational leadership qualities (and scores) as prescribed on the MLQ5X and the application of the seven dimensions of the learning organization.

Research Question 2. The predictive regression model for the second research question is as follows:

$$\hat{Y} = -5.177 + 3.172X_1$$

The regression model predicts that on average the score for financial performance within commercial banks in Kenya will be -5.177 when the values of the independent variable (index for organizational learning) is zero. The regression model shows that with all other factors held constant, the financial performance will be negative for commercial banks in Kenya when organizational learning is nonexistent. The regression model predicts an increase in financial performance by 3.172 points on average for every point increase in the score for organizational learning on the DLOQ. The predictive model links the practice of organizational performance to an increase in financial performance. These results suggest that leaders who focus on boosting the application of the seven dimensions of the learning organization as prescribed on the DLOQ might realize gains in financial performance. For instance, connecting the organization to the environment allows leaders and followers to capitalize on opportunities for change and innovation through which new services emerge. Further, organizational learning cultures allow institutions to learn how to learn and learn faster than the competition (Senge, 2006). Therefore, leaders of such institutions have opportunities to be competitive and lead change by the application of shared learning, inquiry that leads to experimentation, and application of holistic rather than reductionist learning strategies.

Limitations of the Study

The results of this study are potentially generalizable to commercial banks operating in Nairobi Kenya, where all banks have headquarters and leaders make critical strategic decisions. In this study, I focused on styles of leadership and their influence on the practice of organizational learning, though there are multiple facets of leadership that contribute to organizational performance. For instance, the results of this study show that the full range leadership model contributed approximately 15% of the variation in the practice of organizational learning; therefore, there may be other factors not included in this study that influence the practice of learning within these institutions. These factors might include level of education, personality traits such as openness to learning, and prior experience in a learning organization.

I also examined the extent to which organizational learning culture predicted the financial performance of commercial banks in Kenya. The results of this study show that learning culture accounted for 12% of the variation in the financial performance of commercial banks in Kenya. There is a possibility that other factors not included in this study contribute to the financial performance of commercial banks in Kenya. The possibility of external factors such as financial and investment instruments, favorable economic conditions including an increase in foreign investment and domestic spending, and economic growth contributing to financial performance, is underscored by the growth of commercial banks over the past decade. The results of this study may be generalizable to commercial banks operating in an expanding and competitive economy in growing

transition economies; the findings may not be applicable to stable economies with relatively slow growth.

Recommendations for Further Research

There is a significant relationship between transformational and passive-avoidant leadership and organizational learning culture; however, the results of this study show that the styles of leadership account for only a portion of the variation in organizational learning culture. The results suggest that the understanding of learning organizations may be limited to formal learning systems such as training for skills development. Therefore, there are opportunities to extend research into understanding perceptions of learning organizations. Specifically, the perceptions of leaders towards learning dimensions may provide insight into how leaders direct efforts towards implementing the seven dimensions of learning organizations rather than focusing on technical skills development and training alone.

The results of the regression model predicting the relationship between organizational learning culture and return on assets indicate that organizational learning culture may have an impact on financial performance. However, these results do not show the exact contribution of organizational learning culture to financial performance. Therefore, there are opportunities to develop a model for measuring learning; specifically, assessing the magnitude of the seven dimensions of learning organizations on financial performance. A model for measuring the dimensions of the learning organizations will help leaders calculate expected returns from implementing the dimensions of the learning organization. Literature about the benefits of organizational

learning is plentiful; therefore, there is merit in establishing learning cultures for which a financial calculation of expected returns would provide additional credibility to the theory of organizational learning for leaders.

Lastly, the insignificant relationship between transactional leadership and organizational learning culture within commercial banks in Kenya is contrary to findings from studies in developed economies. Zagoršek et al. (2009) found a positive relationship between contingent reward attributes of transactional leadership and information acquisition and cognitive behavioral change aspects of organizational learning. Zagoršek et al. argued that positive learning outcomes of contingent rewards mechanisms were likely to the extent that transactional leaders used contingent reward mechanisms to set objectives and clarify roles and task requirements. Therefore, while contingent reward characteristics of transactional leadership might promote limited attributes of organizational learning in developed economies, the same is not the case for commercial banks in Kenya. Walumbwa et al. (2007) attributed follower responses to various leadership styles to cultural factors. Walumbwa et al. noted that followers responded positively to transformational leadership in collectivist cultures while those in individualistic cultures responded well to transactional leaders. However, both transformational and transactional leaders influenced organizational learning significantly in developed economies (Avolio et al., 1999; Hargis et al., 2011; Zagoršek et al., 2009). Therefore, in the case of Kenya, there is an opportunity to examine the role of culture in influencing follower perceptions and responses to transactional leadership style and

affecting the establishment of organizational learning practice based on those perceptions.

Implications

Implications for Positive Social Change

In this study, I made the connection between leadership styles and organizational learning cultures within commercial banks in Kenya, in which I identified transformational leadership as a significant enabler of organizational learning, with the likelihood that organizational learning promotes transformational leadership style. The knowledge generated by this study provides evidence for the relative advantage of adapting transformational leadership over transactional and passive-avoidant leadership. The results of this study show that transformational leaders promote continuous learning, constructive dialogue, change adaptation and collaborative learning, all of which advance learning systems. I have also demonstrated, through this study, that transformational leadership supports intellectual capacity development by exposing followers to challenges and providing resources for learning. This study supports the cause for organizational and societal advancement though the development of individual leadership capacity by encouraging transformational leadership engagement with followers.

There is a form of individualized training practiced within commercial banks in Kenya, as the literature shows; however, this study showed the value of the seven dimensions of learning in order to extend individualized training to team and organizational level learning. This study highlighted the importance of team-based learning through which leaders articulate a compelling vision, capture and share learning,

creating continuous opportunities for learning, and connect their organizations to the environment. The seven dimensions of the learning organization offer transformational leaders a chance to capitalize on the informal learning and networks that occur in the organization daily. To this end, this study provides evidence of organizational development through shared and holistic learning from which outcomes such as corporate social responsibility and ethical decision-making are possible.

The results of this study demonstrated the ill effects of passivity in leadership by highlighting the negative relationship between disengaged passive-avoidant leaders and the practice of learning within organizations. This study advanced an active and engaged leadership model, which energizes followers to contribute personally and professionally to a desired collective future. In Kenya, a developing economy, this insight is significant because it offers encouragement for both leaders and followers to engage collectively for mutual benefits. This study showed that passivity in leadership undermines the learning process of followers thereby hampering their professional leadership development. Kenya requires decision-makers and leaders who are active systems thinkers and continuous leaners who are able to make holistic decisions inside and outside their organizations. This study showed that passive-avoidant leadership is a hindrance to societal development by virtue of hampering the development of learning systems.

Methodological, Theoretical, and Empirical Implications

In this study I examined transformational, transactional, and passive-avoidant leadership styles, and their relationship with organizational learning culture. I found that transformational leadership style influenced organizational learning culture significantly

while transactional leadership style did not. In addition, the literature shows that transactional leaders wield influence on followers and support the work of transformational leaders by building trust and establishing consistency in the behavior of leaders (Zagoršek et al., 2009). Therefore, future researchers might find value in examining contractual exchange behaviors between transactional leaders and followers, and their impact on the dimensions of learning. For instance, transformational leaders demonstrate transactional leadership qualities by providing resources for learning and rewarding behaviors that advance learning. This might explain why the inclusion of transactional leadership as a predictor in the regression model improved the model's ability to predict organizational learning culture marginally (by 1%); suggesting that including transactional leadership in the predictive model improves the model's ability to predict organizational learning culture better than the model with fewer predictors. Therefore, there may be an opportunity to examine the interplay between transactional and transformational leaders, and identify those exchanges between transactional leaders and followers that contribute to organizational learning culture.

In this study I examined the practice of leaders and their influence on organizational learning culture; I did not examine the behavior of followers with respect to developing learning organizations. Therefore, future researchers might extend this topic by investigating how followers affect learning systems. Finally, theories of learning from developed economies in North America and Europe informed this study. There is an opportunity to develop learning theories specific to the developing countries, which have unique cultures and challenges with respect to how people learn and think.

Recommendations for Practice

The results of this study indicate that commercial banks in Kenya should develop systems and structures that advance transformational leadership and learning as the culture of the institutions. To this end, I recommend that commercial banks in Kenya establish flat organizational structures that permit the free flow of information and ideas between members and place followers within easy access to transformational leaders. Flat organizational structures will allow leaders to capture and share learning quickly, provide strategic leadership for learning, give timely feedback to followers, challenge followers to solve difficult problems, provide resources for learning as needed, and adapt to the environment faster than the competition. I also recommend that commercial banks in Kenya adapt a team-based model for learning and working. A team-based model will facilitate inquiry and dialogue as members share ideas and challenge their assumptions and mental models. A team-based work environment will allow individual learning from the classroom to develop within a team as members of the team share and explore multiple perspectives when dealing with challenges.

Based on the results of this study, I propose that commercial banks in Kenya develop transformational leaders to energize followers towards a desired collective vision, mentor and coach members for capacity development, provide opportunities and challenges for learning, and establish rapport and credibility with followers by demonstrating appropriate behaviors. Transformational leaders facilitate the process through which organizational members learn how to learn, learn faster than the competition, and create their desired future collectively (Senge, 2006). This study

illustrated that organizational learning has a significant positive relationship with the financial performance of commercial banks in Kenya.

Lastly, I suggest that leaders of commercial banks in Kenya create opportunities for continuous learning and change leadership by connecting the institutions to the environment and exploring changes through environmental scanning. Leaders might also encourage followers to participate in experimentation in order to expand skills for innovation and creativity. Rather than punish failure, leaders of these institutions should learn from failure. To this end, I propose that leaders of these banking institutions establish systems that capture and share learning from experimental successes and failure, as well as informal networks within the organizations.

Conclusion

In this chapter I reviewed the results of data analysis in Chapter 4 and interpreted the findings thereof, making recommendations for further research. I also discussed the limitations of this study and implications for positive social change, theory, and practice. Overall, this study revealed that transformational leadership within commercial banks in Kenya promotes learning at the individual, team, and organizational level. Transformational leaders provide strategic leadership in order to energize followers towards a compelling vision for the organization and providing resources for learning. The practice of organizational learning is beneficial because it promotes team learning supported by flat structures, through which stronger relationships and communication channels develop between leaders and followers. Commercial banks in Kenya do foster classroom training for skills development among followers; however, as the results of

this study show, there is merit in establishing the seven dimensions of learning organizations as part of the culture of their institutions. These dimensions extend learning into the work of teams, they challenge organizational members to think differently, solve problems creatively, and collaborate in achieving organizational goals. The results of this study revealed that the practice of organizational learning does have a positive effect on financial performance. Therefore, there is an opportunity for researchers and practitioners to make specific calculations between learning and financial returns in order to promote those behaviors that advance financial gains while at the same time developing the people within organizations.

References

Al-Jawazneh, B. E., & Al-Awawdeh, W. M. (2011). Measuring the degree of the presence of learning organization dimensions at branches of commercial banks in the Governorate of Almafraq – Jordan. *International Journal of Business and Management, 6*(11), 27 – 38. doi:10.5539/ijbm.v6n11p27

Allen, F., Carletti, E., Cull, R., Qian, J., Senbet, L., & Valenzuela, P. (2013). *Improving access to banking: Evidence from Kenya* (Policy Research Report No. 6593). Retrieved from The World Bank Development Research Group website: http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2013/09/06/000158349_20130906103307/Rendered/PDF/WPS6593.pdf

Anderson, A. (2005). *The community builder's approach to theory of change: A practical guide to theory and development.* New York, NY: The Aspen Institute Roundtable on Community Change.

Antonakis, J., Avolio, B. J., & Sivasubramaniam, N. (2003). Context and leadership: An examination of the nine-factor full-range leadership theory using the Multifactor Leadership Questionnaire. *Leadership Quarterly, 14*(3), 261 – 295. doi:10.1016/S1048-9842(03)00030-4

Argyris, C. (1993). *On organizational learning.* Cambridge, MA: Blackwell Publishers.

Argyris, C. (2002). Double-loop learning, teaching, and research. *Academy of Management Learning and Education, 1*(2), 206 – 218.

Argyris, C. (2008). *Teaching smart people how to learn.* Boston, MA: Harvard Business Press.

Avolio, B. J., Bass, B. M., & Jung, D. I. (1999). Re-examining the components of transformational and transactional leadership using the Multifactor Leadership Questionnaire. *Journal of Occupational and Organizational Psychology, 72*(4), 441-462.

Avolio, B. J., & Bass, B. M. (2004). *Multifactor leadership questionnaire.* Menlo Park, CA: Mind Garden, Inc.

Avolio, B. J., Walumbwa, F. O., & Weber, T. J. (2009). Leadership: Current theories, research, and future directions. *Annual Review of Psychology, 60,* 421 – 449. doi:10.1146/annurev.psych.60.110707.163621

Back, K. (1992). The business of topology. *Journal of Social Issues, 48*(2), 51 – 66.

Baruch, Y., & Holtom, B. C. (2008). Survey response rate levels and trends in organizational research. *Human Relations, 6*(18), 1139 – 1160. doi:10.1177/0018726708094863

Bass, B. M. (1990). *Bass & Stogdill's handbook of leadership: Theory, research, and managerial applications.* New York, NY: The Free Press.

Bass, B. M., & Avolio, B. J. (1993). Transformational leadership and organizational culture. *Public Administration Quarterly, 17*(1), 112 – 121.

Bass, B. M., Avolio, B. J., Jung, D. I., & Berson, Y. (2003). Predicting unit performance by assessing transformational and transactional leadership. *Journal of Applied Psychology, 88*(2), 207 – 218. doi:10.1037/0021-9010.88.2.207

Berson, Y., Nemanich, L. A., Waldman, D. A., Galvin, B. M., and Keller, R. T. (2006). Leadership and organizational learning: A multiple levels perspective. *The Leadership Quarterly, 17*(6), 577 – 594. doi:10.1016/j.leaqua.2006.10.003

Blake, A. M., & Moseley, J. L. (2010). One hundred years after the principles of scientific management: Frederick Taylor's life and impact on the field of human performance technology. *Performance Improvement, 49*(4), 27 – 34. doi:10.1002/pfi.20141

Brewer, J., & Hunter, A. (2006). *Foundations of multimethod research: Synthesizing styles.* Thousand Oaks, CA: Sage Publications, Inc.

Burnes, B. (2004a). Kurt Lewin and the planned approach to change: A re-appraisal. *Journal of Management Studies, 41*(6), 977 – 1002. doi:10.1111/j.1467-6486.2004.00463.x

Burnes, B. (2004b). Emergent change and planned change - competitors or allies? The case of XYZ construction. *International Journal of Operations & Production Management, 24*(9), 886 – 902. doi:10.1108/01442570410552108

Burnes, B. (2005). Complexity theories and organization change. *International Journal of Management Reviews, 7*(2), 73 – 90. doi:10.1111/j.1468-2370.2005.00107.x

Burns, T., & Stalker, G. M. (1961). Burns and Stalker: The management of innovation. In H. L. Tosi (Ed.), *Theories of organization* (pp. 103 – 108). Thousand Oaks, CA: Sage Publications, Inc.

Business Monitor International. (2010). *Kenya commercial banking report Q3 2010: Including 5-year industry forecasts to 2014* (ISSN Publication No. 1758-4523).

Caldwell, R. (2012). Leadership and learning: A critical reexamination of Senge's learning organization. *Systemic Practice and Action Research, 25*(1), 39 – 55. doi:10.1007/s11213-011-9201-0

Campbell, D. T. (1957). Factors relevant to the validity of experiments in social settings. *Psychological Bulletin, 54*(4), 297 – 312. doi:10.1037/h0040950

Campbell, D. T., & Stanley, J. C. (1963). *Experimental and quasi-experimental designs for research.* Boston, MA: Houghton Mifflin Company.

Central Bank of Kenya (2013). Bank supervision annual report 2012. Retrieved from http://www.centralbank.go.ke/images/docs/Bank%20Supervision%20Reports/Annual%20Reports/bsd2012-r.pdf

Central Bank of Kenya (2014). Bank supervision annual report 2013. Retrieved from https://www.centralbank.go.ke/images/docs/Bank%20Supervision%20Reports/Annual%20Reports/2013BSD.pdf

Charbonnier-Voirin, A., El Akremi, A., & Vandenberghe, C. (2010). A multilevel model of transformational leadership and adaptive performance and the moderating role of climate for innovation. *Group & Organization Management, 35*(6), 699 – 726. doi:10.1177/1059601110390833

Cherian, J. & Farouq, S. (2013). Does effective leadership style drive financial performance of banks? Analysis in the context of UAE banking sector. *International Journal of Economics and Finance, 5*(7), 105 – 114. doi10.5539/ijef.v5n7p105

Daniel, J. (2012). *Sampling essentials: Practical guidelines for making sampling choices.* Thousand Oaks, CA: Sage Publications, Inc.

Desai, D. A. (2010). Co-creating learning: Insights from complexity theory. *The Learning Organization, 17*(5), 388 – 403. doi:10.1108/09696471011059796

Denscombe, M. (2009). Item non-response rates: A comparison of online and paper questionnaires. *International Journal of Social Research Methodology, 12*(4), 281 – 291. doi:10.1080/13645570802054706

Dhiman, S. (2011). Personal mastery and authentic leadership. *Organizational Development Journal, 29*(2), 69 – 83.

Drucker, P. F. (1992). The new society of organizations. *Harvard Business Review, 70*(5), 95 – 104.

Drucker, P. F. (1993). *Post-capitalist society*. New York, NY: HarperCollins Publishers, Inc.

Duden, A. (2011). Trust and leadership: Learning culture in organizations. *International Journal of Management Cases, 13*(4), 218 – 223.

Faul, F., Erdfelder, E., Buchner, A., & Lang, A. G. (2009). Statistical power analyses using G*Power 3.1: Tests for correlation and regression analyses. *Behavior Research Methods, 41,* 1149-1160.

Fayol, H. (2013). *General and industrial management.* (C. Storrs, Trans.). Mansfield Center, CT: Martino Publishing. (Original work published 1949)

Ferguson, C. J. (2009). An effect size primer: A guide for clinicians and researchers. *Professional Psychology: Research and Practice, 40*(5), 532 – 528. doi:10.1037/a0015808

Fiedler, F. E. (1972). How do you make leaders more effective? New answers to an old puzzle. *Organizational Dynamics, 1*(2), 2 – 18. doi:10.1016/0090-2616(72)90008-3

Field, A. (2009). *Discovering statistics using SPSS.* Thousand Oaks, CA: Sage Publications, Inc.

Financial Sector Deepening and Central Bank of Kenya (2013). *FinAccess national survey 2013: Profiling developments in financial access and usage in Kenya.* Retrieved from http://www.fsdkenya.org/new/finacess-2013-report.html

Follett, M. P. (2013). How must business management develop in order to possess the essentials of a profession? In H. C. Metcalf & L. Urwick (Eds.), *Dynamic administration: The collected papers of Mary Parker Follett* (pp. 117 – 131). Mansfield Center, CT: Martino Publishing.

Ford, H., & Crowther, S. (1923). *My life and work.* Garden City, NY: Doubleday, Page & Company.

Frankfort-Nachmias, C., & Nachmias, D. (2008). *Research methods in the social sciences.* New York, NY: Worth Publishers.

Frooman, J., Mendelson, M. B., & Murphy, J. K. (2012). Transformational and passive avoidant leadership as determinants of absenteeism. *Leadership & Organizational Development Journal, 33*(5), 447 – 463. doi:10.1108/01427731211241247

Fulmer, R. M., & Keys, J. B. (1998). A conversation with Chris Argyris: The father of organizational learning. *Organizational Dynamics, 27*(2), 21 – 32.

Galton, F. (2000). *Hereditary genius: An inquiry into its laws and consequences.* London, England: McMillan Company.

Gephart, M., & Marsick, V. J. (2003, March). *Measuring learning for innovation and linking it to performance in companies, collaboratives, and knowledge networks.* Paper presented at the J. M. Huber Institute for Learning in Organizations, Columbia University, New York.

Gikandi, J. W., & Bloor, C. (2009). Adoption and effectiveness of electronic banking in Kenya. *Electronic Commerce Research and Applications, 9,* 277 – 282. doi:10.1016/j.elerap.2009.12.003

Gilbreth, F. B. (1921). *Motion study: A method for increasing the efficiency of the workman.* New York, NY: D. Van Nostrand Company.

Green, S. B., & Salkind, N. J. (2011). *Using SPSS for Windows and Macintosh: Analyzing and understanding data.* Boston, MA: Prentice Hall.

Hahn, F. R. (2009). A note on management efficiency and international banking: Some empirical panel evidence. *Journal of Applied Economics, 12*(1), 69 – 81.

Hargis, M. B., Watt, J. D., & Piotrowski C. (2011). Developing leaders: Examining the role of transactional and transformational leadership across business contexts. *Organizational Development Journal, 29*(3), 51 – 66.

Herzberg, F., Mausner, B., & Snyderman, B. B. (2010). *The motivation to work.* New Brunswick, NJ: John Wiley & Sons, Inc.

Horner, M. (1997). Leadership theory: Past, present, and future. *Team Performance Management, 3*(4), 270 – 287.

Ismail, A., Mohamad, M. H., Mohamed, H. A., Rafiuddin, N. M., & Zhen, K. W. P. (2010). Transformational and transactional leadership styles as a predictor of individual outcomes. *Theoretical and Applied Economics, 17*(6), 89 – 104.

Jiménez-Buedo, M. & Miller, L. M. (2010). Why a trade-off? The relationship between the external and internal validity of experiments. *Theoria, 25*(3), 301 – 321. Retrieved from http://philpapers.org/

Johnson, H. H. (2008). Mental models and transformative learning: The key to leadership development? *Human Resource Development Quarterly, 19*(1), 85 – 89. doi:10.1002/hrdq.1227

Kaiser, R. B., McGinnis, J. L., & Overfield, D. V. (2012). The how and the what of leadership. *Consulting Psychology Journal, 64*(2), 119 – 135. doi:10.1037/a0029331

Kaminski, T. W. (2003). Statistical power – so what? *International Journal of Athletic Therapy & Training, 8*(5), 62 – 63.

Kolb. D. A. (1984). *Experiential learning: Experience and as source of learning and development.* Englewood Cliffs, NJ: Prentice Hall.

Laszlo, K. C. (2012). From systems thinking to systems being: The embodiment of evolutionary leadership. *Journal of Organizational Transformation and Social Change, 9*(2), 95 – 108. doi:10.1386/jots.9.2.95_1

Leedy, P. D., & Ormrod, J. E. (2005). *Practical research: Planning and design.* Upper Saddle River, NJ: Pearson Education, Inc.

Lewin, K. (2010). Resolving social conflicts and field theory in social science. In G. W. Lewin (Ed.), *Resolving social conflicts: Selected papers on group dynamics.* Washington, DC: American Psychological Association.

Likert, R. (1961). *New patterns of management.* New York, NY: McGraw-Hill.

Lonie, S. (2010). *M-PESA: Finding new ways to serve the unbanked in Kenya.* Retrieved from International Food Policy Research Institute website: http://www.ifpri.org/publication/innovations-rural-and-agriculture-finance

Magutu, P. O., Muganda, N. O., & Ondimu, G. M. (2011). The facets and economic benefits of the information communications technology and innovations used by commercial banks in Kenya. *Problems of Management in the 21st Century, 2,* 121 – 140.

Malik, R. K., & Afridi, A. (2011). Shared leadership: A systems perspective. *Interdisciplinary Journal of Contemporary Research in Business, 3*(2), 2004 – 2011.

Marsick, V. J., & Watkins, K. E. (2003). Demonstrating the value of an organization's learning culture: The dimensions of the learning organization questionnaire. *Advances in Developing Human Resources, 5*(2), 132 – 151. doi:10.1177/1523422303251341

Marsick, V. J. (2013). The dimensions of a learning organization questionnaire (DLOQ): Introduction to a special issue examining DLOQ use over a decade. *Advances in Developing Human Resources, 15*(2), 127 – 132. doi:10.1177/1523422313475984

Mayo, E. (1933). *The human problems of an industrial civilization.* New York, NY: MacMillan Company.

McElroy, M. W. (2000). Integrating complexity theory, knowledge management, and organizational learning. *Journal of Knowledge Management, 4*(3).

Meadows, D. H. (2008). *Thinking in systems: A primer.* White River Junction, VT: Chelsea Green Publishing.

Mutsune, T. (2014, January). *No Kenyan left behind: The case of financial inclusion through mobile banking.* Paper presented at the Global Conference on Business & Finance Proceedings, Honolulu, HI. Retrieved from http://www.theibfr.com/proceedings.htm

Nguyen, H. N., & Mohamed, S. (2009). Leadership behaviors, organizational culture and knowledge management practices: An empirical investigation. *Journal of Management Development, 30*(2), 206 – 221. doi:10.1108/02621711111105786

Nzuve, S. M. N., & Omolo, E. A. (2012). A study of the practice of the learning organization and its relationship to performance among Kenya commercial banks. *Problems of Management in the 21st Century, 4,* 45 – 56.

Organization for Economic Cooperation and Development. (1996). *The knowledge-based economy* (Research Report No. OECD/GD(96)102. Retrieved from OECD website: http://www.oecd.org/sti/sci-tech/theknowledge-basedeconomy.htm

Ongore, V. O., & Kusa, G. B. (2013). Determinants of financial performance of commercial banks in Kenya. *International Journal of Economics and Financial Issues, 3*(1), 237 – 252.

Örtenblad, A. (2004). The learning organization: Towards and integrated model. *The Learning Organization, 11*(2), 129 – 144. doi:10.1108/09696470410521592

Paroby, D., & White, D. (2010). The role of shared vision and ethics in building an effective learning organization. *Southern Journal of Business & Ethics, 2,* 133 – 142.

Pastory, D., & Mutaju, M. (2013). The influence of capital adequacy on asset quality position of banks in Tanzania. *International Journal of Economics and Finance, 5*(2), 179 – 194. doi:10.5539/ijefv5n2p179

Plowman, D. A., Solansky, S., Beck, T. E., Baker, L., Kulkarni, M., & Travis, D. V. (2007). The role of leadership in emergent, self-organization. *Leadership Quarterly, 18*(4), 341 – 356. doi:10.1016/j.leaqua.2007.04.004

Rakotobe-Joel, T. & Sabrin, M. (2010). An outcome-based perspective of leadership: Investigating the direct effects of corporate leaders on the firm's financial outcome. *Journal of Business & Economics Research, 8*(11), 113 – 123. Retrieved from http://www.cluteinstitute.com/journal-of-business-economics-research-jber/

Revans, R. (2011). *The abc of action learning.* Burlington, VT: Gower Publishing.

Rijal, S. (2009). Leading the learning organization. *Business Education & Accreditation, 1*(1), 131 – 140.

Riopelle, A. J. (2000). Are effect sizes and confidence levels problems for or solutions to the null hypothesis test? *The Journal of General Psychology, 127*(2), 198 – 216. doi:10.1080/00221300009598579

Rodrigues, C. A. (2001). Fayol's 14 principles of management then and now: A framework for managing today's organizations effectively. *Management Decision, 39*(10), 880 – 889.

Safferstone, M. J. (2005). Organizational leadership: Classic works and contemporary perspectives. *Choice, 42*(6), 959 – 975.

Sahaya, N. (2012). A learning organization as a mediator of leadership style and firm financial performance. *International Journal of Business & Management, 7*(14), 96 – 113. doi:10.5539/ijbm.v7n14p96

Savit, R., Riolo, M., & Riolo, R. (2013). *Co-adaptation and the emergence of structure. PLoS ONE, 8*(9), 1 – 9. doi:10.1371/journal.pone.0071828.

Schaubroeck, J., Lam, S. S., & Cha, S. E. (2007). Embracing transformational leadership: Team values and the impact of leader behavior on team performance. *Journal of Applied Psychology, 92*(4), 1020 – 1030. doi:10.1037/0021-9010.92.4.1020

Schein, E. H. (1999). Kurt Lewin's change theory in the field and in the classroom: Notes towards a model of managed learning. *Reflections, 1*(1), 59 – 74.

Schneider, M., & Somers, M. (2006). Organizations as complex adaptive systems: Implications of complexity theory for leadership research. *Leadership Quarterly, 17*(4), 351 – 365. doi:10.1016/j.leaqua.2006.04.006

Senge, P. M. (1990). *The fifth discipline: The art & practice of the learning organization.* New York, NY: Doubleday.

Senge, P. M. (2006). *The fifth discipline: The art & practice of the learning organization.* New York, NY: Doubleday.

Singh, K. (2008). Relationship between learning organization and transformational leadership: Banking organizations in India. *International Journal of Business & Management Science, 1*(1), 97 – 111.

Tabachnick, B. G., & Fidell, L. S. (2013). *Using multivariate statistics.* Boston, MA: Pearson Education, Inc.

Tangirala, S., Green, S. G., & Ramanujam, R. (2007). In the shadow of the boss's boss: Effects of supervisors' upward exchange relationships on employees. *Journal of Applied Psychology, 92*(2), 309 – 320. doi:10.1037/0021-9010.92.2.309

Taylor, F. W. (1914). *The principles of scientific management.* New York, NY: Harper & Brothers Publishers.

Taylor, F. W. (1919). *The principles of scientific management.* New York, NY: Harper & Brothers Publishers.

Uhl-Bien, M., Marion, M., McKelvey, B. (2007). Complexity leadership theory: Shifting leadership from the industrial age to the knowledge era. *Leadership Quarterly, 18*(4), 298 – 318. doi:10.1016/j.leaqua.2007.04.002

United Nations Conference on Trade and Development (2011). Mobile banking: UNCTAD report. *African Research Bulletin: Economic, Financial, and Technical Series, 48*(11). doi:10:1111/j.1467-6346.2011.04259.x

Vargas-Hernández, J. G., & Noruzi, M. R. (2010). How intellectual capital and learning organization can foster organizational competitiveness. *International Journal of Business Management, 5*(4), 183 – 193. doi:10.5539/ijbm.v5n4p183

Vroom, V. H., & Jago, A. G. (2007). The role of the situation in leadership. *American Psychologist, 62*(1), 17 – 24. doi:10.1037/0003-066X.62.1.17

Walumbwa, F. O., Lawler, J. J., & Avolio, B. J. (2007). Leadership, individual differences, and work-related attitudes: a cross-cultural investigation. *Applied Psychology: An International Review, 56*(2), 212 – 230. doi: 10.1111/j.1464-0597.2006.00241.x

Wang, P., & Rode, J. C. (2010). Transformational leadership and follower creativity: The moderating effects of identification with leader and organizational climate. *Human Relations, 63*(8), 1105 – 1128. doi:10.1177/0018726709354132

Watkins, K. E., & O'Neil, J. (2013). The dimensions of the learning organizations questionnaire (the DLOQ): A nontechnical manual. *Advances in Developing Human Resources, 15*(2), 133 – 147. doi:10.1177/1523422313475854

Weick, K. E., & Quinn, R. E. (1999). Organizational change and development. *Annual Review of Psychology, 50,* 361 – 386.

Wilson, K. S., Sin, H., & Conlon, D. E. (2010). What about the leader in leader-member exchange? The impact of resource exchanges and substitutability on the leader. *Academy of Management Review, 35*(3), 358 – 372. doi:10.5465/AMR.2010.51141654. The World Bank (2013). GDP: Current US$. Retrieved from http://data.worldbank.org/indicator/NY.GDP.MKTP.CD

Wright, R., & Fellman, P. V. (2007). How ABN AMRO and other international banks are succeeding in Romania. *Global Business and Organizational Excellence, 27*(1), 40 – 48. doi:10.1002/joe.20183

Yang, B., Watkins, K. E., & Marsick, V. J. (2004). The construct of the learning organization: Dimensions, measurement, and validation. *Human Resource Development Quarterly, 15*(1), 31 – 55. doi:10.1002/hrdq.1086

Yanow, D. (2001). Organizational learning and the learning organization: Developments in theory and practice. *Management Learning, 32*(2), 267 – 272.

Yukl, G. (2009). Leading organizational learning: Reflections on theory and research. *The Leadership Quarterly, 20*(1), 49 – 53. doi:10.1016/j.leaqua.2008.11.006

Zaccaro, S. (2007). Trait-based perspectives of leadership. *American Psychologist, 62*(1), 6 – 16. doi:10.1037/0003-066X.62.1.6

Zagoršek, H., Dimovski, V., & Škerlavaj, M. (2009). Transactional and transformational leadership impacts on organizational learning. *Journal of East European Management Studies, 14*(2), 144 – 165.

Zhang, X., & Bartol, K. M. (2010). Linking empowering leadership and employee creativity: The influence of psychological empowerment, intrinsic motivation, and creative process engagement. *Academy of Management Journal, 53*(1), 107 – 128. doi: 10.5465/amj.2010.48037118

Appendix A: Listing of Commercial Banks in Kenya

Table 1

Large Commercial Banks

Barclays Bank of Kenya	Equity Bank
CFC Stanbic Bank	Kenya Commercial Bank
Co-Operative Bank	Standard Chartered Bank

Table 2

Medium Commercial Banks

Bank of Africa - Kenya	Family Bank
Bank of Baroda	Guaranty Trust Bank
Bank of India	I & M Bank
Chase Bank	Imperial Bank
Citibank	National Bank of Kenya
Commercial Bank of Africa	NIC Bank
Diamond Trust Bank	Prime Bank

Table 3

Small Commercial Banks

Africa Banking Corporation	Gulf African Bank
Consolidated Bank of Kenya	Habib Bank
Credit Bank	Habib Bank A.G. Zurich
Development Bank of Kenya	Jamii Bora Bank
Dubai Bank	K-Rep Bank
Eco Bank	Middle East Bank
Equatorial Bank	Oriental Commercial Bank
Fidelity Commercial Bank	Paramount Universal Bank
First Community Bank	UBA Bank
Guardian Bank	Victoria Commercial Bank

Appendix B: Permission to Use DLOQ

May 9, 2014
JAONEIL@aol.com

Dear Ms. Karoki,

You have permission from Partners for Learning & Leadership to use the Dimensions of the Learning Organization Questionnaire (DLOQ) in your dissertation research. You also have permission to put the DLOQ on surveymonkey.com for your work.

Please let me know what further questions you may have.

Dr. Judy O'Neil
President
Partners for Learning and Leadership, Inc.
22 Surf Ave
Warwick, RI 02889-6121
USA
401-737-9997
www.partnersforlearning.com

In a message dated 5/7/2014 2:07:25 P.M. Eastern Daylight Time,
teckie.karoki@waldenu.edu writes:
Hi Dr. O'Neil,
I trust you are well.

Could you email me a formal letter (email) granting me permission to use the DLOQ in my research? My university requires that I include communication (in my dissertation) from the instrument's owner stating that I - Teckie Karoki - have permission to use the DLOQ in my research study about the relationship between leadership styles and the establishment of organizational learning cultures within commercial banks in Kenya.

One last question - may I translate the DLOQ into an online questionnaire on surveymonkey.com for my respondents? Doing so will allow me to obtain the data once my respondents complete the online questionnaire. The DLOQ content will not be changed in any way, only placed in an online version for ease of use. If this is permissible, could you please include the note in the above permission letter?

Thank you very much for your assistance. I will be sure to share the results of my study.

Teckie

Appendix C: DLOQ

Dimensions of the Learning Organization Questionnaire

Sample DLOQ questions authorized by Partners for Learning and Leadership, Inc.

In this questionnaire, you are asked to think about how your organization supports and uses learning at an individual, team, and organizational level. For each item, determine the degree to which this is something that is or is not true of your organization. If the item refers to a practice, which rarely or never occurs, score it a one [1]. If it is almost always true of your department or work group, score the item a six [6]. Fill in your response by marking the appropriate number on the answer sheet provided.

Example: In this example, if you believe that leaders often look for opportunities to learn, you might score this as a four [4] by filling in the 4 on the answer sheet provided.

Question	**Almost Never**					**Almost Always**
In my organization, leaders continually look for opportunities to learn.	1	2	3	[4]	5	6

1. In my organization, people openly discuss mistakes in order to learn from them.
2. In my organization, people identify skills they need for future work tasks.
3. In my organization, people help each other learn.
4. In my organization, people are given time to support learning.
5. In my organization, people are rewarded for learning.
6. In my organization, people give open and honest feedback to each other.
7. In my organization, people listen to others' views before speaking.

Appendix D: Permission to Use MLQ Form 5X

mind garden

www.mindgarden.com

To whom it may concern,

This letter is to grant permission for the above named person to use the following copyright material for his/her research:

Instrument: ***Multifactor Leadership Questionnaire***

Authors: ***Bruce Avolio and Bernard Bass***

Copyright: ***1995 by Bruce Avolio and Bernard Bass***

Five sample items from this instrument may be reproduced for inclusion in a proposal, thesis, or dissertation.

The entire instrument may not be included or reproduced at any time in any published material.

Sincerely,

Robert Most
Mind Garden, Inc.
www.mindgarden.com

Appendix E: MLQ Form 5X

Multifactor Leadership Questionnaire

Leader Form 5X

My Name: _____ Date: _____

Organization ID #: _____ Leader ID #: _____

Sample MLQ 5X questions authorized by Mind Garden, Inc.

This questionnaire is to describe your leadership style as you perceive it. Please answer all items on this answer sheet. **If an item is irrelevant, or if you are unsure or do not know the answer, leave the answer blank.**

Forty-five descriptive statements are listed on the following pages. Judge how frequently each statement fits you. The word "others" may mean your peers, clients, direct reports, supervisors, and/or all of these individuals.

Use the following rating scale:

Not at all	**Once in a while**	**Sometimes**	**Fairly often**	**Frequently, if not always**
0	1	2	3	4

1. I provide others with assistance in exchange for their efforts 0 1 2 3 4
2. I instill pride in others for being associated with me 0 1 2 3 4
3. I spend time teaching and coaching 0 1 2 3 4
4. I fail to interfere until problems become serious 0 1 2 3 4
5. I articulate a compelling vision of the future 0 1 2 3 4
6. I avoid getting involved when important issues arise 0 1 2 3 4
7. I talk about my most important values and beliefs 0 1 2 3 4