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THE LEADERSHIP CHALLENGE AT BANK ALPHA IN BOTSWANA

Komane Gerson Morule

A research report submitted to the Faculty of Law, Commerce and Management, University of the Witwatersrand, in 50% fulfilment of the requirements for the degree of Master of Management (in the field of Security).

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Abstract

Bank Alpha is one of the commercial banks operating in Botswana. Despite the generally favourable business environment, it was the only bank which experienced a gradually eroding capital base. This state had been prevailing for over five years since 2011. It led to the regulator intervening on two separate occasions to bring stability. The bank also suffered the highest staff turnover and disgruntled customers who faced stiff withdrawal limits. This study sought to investigate the leadership and governance challenges faced by the bank. It examined how they contributed to the current state and what could be done to mitigate the situation. The study used the contingency leadership theory following the balance score card (BSC) framework to investigate and analyse the events. The results point to the lack of business strategy and communication plan. These led to cross purpose departmental strategy and also a directive leadership approach.

Declaration

I declare that this report is my own, unaided work. It is submitted in partial fulfilment of the requirements of the degree of Master of Management (in the field of Security) at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in any other university.

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Komane Gerson Morule

14 February 2016

Dedication

This study is dedicated to my wife who stood by and encouraged me throughout. It is also dedicated to my nieces and nephews as they too aspire for academic success in their lives.

Acknowledgements

I am highly grateful to my supervisor, Dr Manamela Matshabaphala, whose guidance and patience throughout this research was invaluable. I thank Dr Boga T. Manatsha for editing this report. Finally, I extend my special thanks to all the respondents who accommodated me in their busy schedules.

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Glossary of Terms

Leader:	A person who delegates or influences others to act so as to carry out specific objectives (Nanjundeswaraswamy and Swamy, 2014).
Leadership:	It is a process of drawing on others commitment and making them go beyond their limitations towards the achievement of goals and vision with passion and integrity (Nanjundeswaraswamy and Swamy, 2014).
Leadership style:	This refers to a process of social influence undertaken by a leader to induce subordinates or followers to willingly commit their effort towards accomplishment of organisational goals (Nanjundeswaraswamy and Swamy, 2014).

List of Abbreviations

IMF	International Monetary Fund
UAE	United Arab Emirates
SACU	Southern African Customs Union
MCS	Management Control Systems
PMS	Performance Management Systems
MBO	Management by Objectives
LOC	Levels of Control
BSC	Balanced Score Card
HRM	Human Resources Management
HR	Human Resources
LOP	Levels of Operation
TQM	Total Quality Management
PESTEL	Political, Environmental, Social, Technological, Economic and Legal

CHAPTER 1: CONCEPTUALISATION AND CONTEXTUALISATION

This chapter sets the broad overview of the topic. It starts from the global perspective to the continental, regional, country and the particular organisation in an attempt to provide a holistic knowledge/appreciation of the topic. It then goes into the organisation in question and examines the prevailing issues indicating why such deserved the attention of this study.

1.1 Introduction

Globalisation brought various challenges that cut across industries worldwide (Jiang, 2014). Some of these challenges are the high mobility of personnel looking for better working environments as well as the financial liberalisation which has seen some economies boom while others have declined. This liberalisation has opened up borders for business and demanded new ways of trading. The financial industry, especially the banking sector, had to transform its philosophy/process to conform to a paradigm shift in the banking framework. This evolution challenged the leadership to continuously monitor its environment with a view of putting in place good leadership and governance strategies. The aim is to draw the attention of and attract high calibre personnel with the ability to analyse and design systems which are responsive and appealing to the target market, while avoiding undue loss and/or cost escalation (Mosoma, 2014). A banking facility that does not follow the mainstream banking philosophy is on its path to failure (Imran, Maqbool, and Shafique, 2014). This is because competition, advancements in technology, employee efficiency, and international business define the banks' success and their ability to retain clientele and keep a motivated workforce. This requires and dictates a paradigm shift in leadership and governance which is either voluntary through a business decision (Kombo and Njagi, 2014) or involuntary through the loss of business opportunities for growth (Mitsakis, 2014); the former being a good starting point.

This study examines the declining performance of Bank Alpha in Botswana as shown by its progressively eroding capital base and a high staff turnover

(Bank of Botswana, 2011) against the backdrop of a banking sector which is vibrant, profitable and with room for expansion (Mohohlo, 2013). The study is divided into six chapters. Chapter 1 articulates the background and the problem definition. Chapter 2 constitutes the theoretical framework whereas chapter 3 focuses on the methodology. Chapter 4 presents the data while chapter 5 interprets and analyses the data. Chapter 6 concludes and provides recommendations.

1.2 Background

Modernisation of the financial sector, which was fuelled by financial liberalisation following globalisation, brought with it major reforms within the financial industry, especially the banking sector. This transition brought about a new leadership and governance discourse which opposed the traditional banking framework. The banking sector, usually regarded as the driving force of the economy (Awamleh, Evans and Mahate, 2005), is invariably the very sector that is first to feel the economic instability. For instance, Greece has, for many years, protected its banking sector, but was forced to open up its borders when the Euro Zone (an area occupied by countries using the same currency, Euro) was created, and as a result of assistance offered by the International Monetary Fund (IMF) (Mitsakis, 2014). This marked the beginning of an economic downfall that Greece is still grappling with. This is now posing potential threat to stability in the Euro Zone and it raises new concerns of leadership and governance issues within Europe as a whole (Mitsakis, 2014).

Learning from Europe, economies like Japan began to see intellectual capital development (Mavridis, 2004) as a new solution to creating a versatile and sustainable banking sector. The western and central European countries have also adopted the competence leadership framework (Filipkowska, Klick, Pettinger and Rosinski, 2014), which focus more on building requisite intellectual competence pool, virtual banking and review of its human resource strategy and practices. The United Arab Emirates (UAE) banking sector, with the highest congestion of Banks (Awamleh, *et al*., 2005), was

forced to motivate its staff to develop intrinsic motivation to succeed through the adoption of transformational leadership approach (Awamleh, *et al*., 2005). Saudi Arabia, on the contrary, motivated staff through performance-based promotions (to encourage loyalty) without much consideration of the academic qualifications (Hamid, 2014). Elsewhere, such as in Pakistan and Bangladesh, the banking sector transformation came through redefining the business strategy and aligning human resource practices to the changing banking landscape (Sarker, 2014), which required psychological empowerment of staff (Hashmi, Hashmi and Irshad, 2014).

The interconnectivity of the international business resulting from conglomeration of companies became a concern such that the African banking sector, in general, had to make adjustments. This was evident in the Tunisian banking system through technological advancement (Bouchioua and Romdhane, 2014), and how it managed its Banking Fragility Index through the management of liquidity, credit risks and foreign liabilities (Jiang, 2014). This became a trend adopted by most African countries albeit slow depending on employee experience and access to technology. For example, the Kenyan banking sector has had to design and rollout a tailor made system of 'M- Pesa' to provide convenience to its payment system and extend services to customers outside the banking coverage (Mugambi, Njunge and Yang, 2014). Given the diverse population of Kenya, effective strategy formulation, implementation and good governance (Kombo and Njagi, 2014) became a major concern for leadership.

Many of the African banking sectors grappled with skills development and the adoption of better knowledge management practices as evident in Kenya (Chweya, Ochieng, Ojera and Riwa-Abudho, 2014) and Nigeria (Sanusi, 2010). Elsewhere on the continent, such as in Tanzania, banks had to redesign their mission statements (Mosoma, 2014), which were seen as a major determinant of how the overall business strategy will be shaped and also as a best motivator to the employees. In some countries, government intervention mechanism through a policy framework that protects foreign competition has had bad repercussions on the banking system in general.

For instance, in Ethiopia, poor governance and the leadership crises became pronounced calling for the intervention by the international community (Lelissa, 2014). Poor institutional quality and inefficiency of the banking system, as measured through Net Interest Margins (Boutin-Dufresne, Williams, and Zawisza, 2014), shows reluctance to adhere to the rule of law, especially in most of the east, west and central African regions. This makes the areas prone to risk.

Most African countries adopted a similar banking framework where a supervising authority, usually the Central Bank, implements the government policy decision and direction on commercial banks to monitor liquidity and sustainability of the banking sector. However, in Zimbabwe, the Central Bank seems to have lost control after the introduction of the multicurrency (Chikoko and Sibanda, 2014). Most banks in Zimbabwe collapsed in their infant stages as customers had little faith in the banking sector which has disappointed them since 2009 due to hyper-inflation. Money saved in the bank was of no value as a result. This posed leadership and governance challenges, especially with regards to restoring public confidence on the banking services and attracting investors (Muwando and Webb, 2014).

Worse still, Caggiano, Calice and Leonida (2014) are of the view that the fragility of the banking sector in the Sub-Saharan Africa will make the sector to collapse, two years before the world economic growth stifles. Southern African Customs Union (SACU), however, has the lowest Net Interest Margins depicting some semblance of efficiency in its banking sector (Boutin-Dufresne, *et al*., 2014). Namibia, Lesotho, Swaziland and South Africa operate under a Common Monetary Area; hence have a comparable banking sector framework (Shifotoka, 2014; Thamae, 2014). Of these countries, South Africa is the biggest with 22 banks, though its banking sector is monopolised by four major banks. This seems to have made the sector uncompetitive as these four banks have a combined 90 per cent market share (Greenberg, Gwatidzo and Simbanegavi, 2014). Lesotho has only one major bank having a branch in almost every town (Thamae, 2014). This left the majority of the population without access to banking services.

The Botswana banking sector is small when compared to the size of the economy (Bank of Botswana, 2013). This trend has been observed since 2007 (Jefferis, 2007). It is dominated by four major commercial banks (Mohohlo, 2013), with 80 per cent market share. With the number of commercial banks standing at 13 in 2013, competition has risen with small banks progressively eroding the dominance of the big four banks albeit at a small rate (Mohohlo, 2013). In 2009, there were 91 branches in Botswana (Bank of Botswana, 2009) which increased to 115 by 2013 (Bank of Botswana, 2013), signifying efforts to extend services to cover a broader area of economic need and clientele. Of major concern, however, are the high costs of banking services (Bank of Botswana, 2013). This has persisted as far back as 2007 (Jefferis, 2007). Bank charges were high despite the not-so-good service delivery by the banks (Mohohlo, 2013). This led to a two-year moratorium on bank charges which effected in January 2014 (Bank of Botswana, 2013). This challenged the banking sector to become innovative and create new product packages that would attract more customers and make the banking services attractive and accessible to all. The people in the rural areas are unable to access banking services (Okurut, Kagiso, Ama and Okurutu, 2014). The banks in Botswana still have a lot to do with regards to coverage and innovation within the industry (Capital Resources, 2010), as well as the risk management approach (Bank of Botswana, 2013). This is a direct call and a challenge on the leadership and governance principles within the sector.

From the foregoing banking scenario in Botswana, the leadership at Bank Alpha had to deal with staff rationalisation which led to 24 per cent staff turnover. The bank continued to record an eroded capital base due to unprofitable operations (Bank of Botswana, 2013). The bank has also been cited as having an unclear staff development programme (Bank of Botswana, 2011), which lead to poor understanding and dissemination of information to customers by its staff. As a result, this contributed enormously to operational inefficiencies. The bank underwent its first temporary management in 2011 where it was stabilised and handed back to its leadership. In 2014, second temporary management by the supervising authority was deemed necessary

in the wake of rising customer complaints and imposed small withdrawal limits (Bank of Botswana, 2013). Bank Alpha is a concern to the banking sector as it causes uncertainty. This is bad for the banking sector, whose aim is to motivate the population to utilise banking facilities.

1.3 Problem Statement

The leadership of Bank Alpha is struggling to bring stability and profitability to the Bank (Bank of Botswana, 2013). The regulator stabilised the Bank in 2011 (Bank of Botswana, 2011) and then handed it over to its leadership. In 2014, the situation had regressed prompting another temporary management by the regulating authority. In the period preceding the second temporary management, the bank faced eroding capital base, disgruntled clientele and high staff turnover and ended up imposing very small withdrawal limits a day per customer (Bank of Botswana, 2013). These are bad indications that may have lowered the investor confidence, which eventually prompted them to disinvest. This has a potential of spiralling out of control due to spill over effect to other banks currently doing well. This was happening in a banking environment which was generally vibrant and profitable. Moreover, it happened when there were lots of avenues to expand the banking operations as the country still had a lot of room to be explored (Mohohlo, 2013).

Many banks in Botswana had remained stable and profitable in an era where the banking sector in the neighbouring countries and indeed, worldwide were experiencing economic downfall or economic shock. Some examples of these include countries like Nigeria (Aliyu, Jamil, and Mohamed, 2014), Greece (Mitsakis, 2014), Ethiopia (Lelissa, 2014) and Zimbabwe (Chikoko and Sibanda, 2014). If the situation at Bank Alpha was not contained, it would have led to loss of trust in the banking sector in general, thereby, reversing all the good efforts done so far to encourage the populace to utilise the banking facilities. This fear was caused by countries such as Greece (Mitsakis, 2014), which was cash trapped and facing the difficulties of bringing vibrancy into the economy as well as building citizen trust on its banking sector. Thus, an overwhelming need arose in Botswana, and the

government decided to look into this problem with a view of bringing normalcy, especially to Bank Alpha, and ultimately retain the vibrancy of the banking sector. The government is aware that the banking sector continues to play a pivotal role in economic development. By intervening at Bank Alpha, banking reputation was restored hence avoiding the untenable predicament currently faced by Greece and other countries in Africa.

1.4 Purpose Statement

The purpose of this study was to investigate the leadership actions and governance practises adopted by the leadership of Bank Alpha as well as to assess their effects/contribution to its dwindling performance. It was not clear if staff turnover and lack of staff development programmes were attributable to the declining capital base and poor performance of the bank. Furthermore, it was not clear where the problem emanated, especially that the bank was stabilised by the regulator in 2011 and handed to its management only for the regulator to be forced to assume temporary management again (Bank of Botswana, 2013). Compared to the overall banking sector staff turnover, Bank Alpha had suffered the most and this raised eyebrows within the sector.

Leadership and governance strategies become necessary for scrutiny because within the ambit of the same sphere of economic situation, Bank Alpha was the only bank whose performance was worrisome. These, considered with the fact that the banking sector was small in proportion to the economy of Botswana (Jefferis, 2007; Mohohlo, 2013), presented many opportunities within a vibrant market that the bank could explore. The study sought to examine why the leadership had not steered the bank towards venturing into this untapped market with such a huge potential. This could help the bank to be profitable and appeal to the market. The study was undertaken with a view of presenting the findings relating to the factors affecting leadership strategy. Its aim was to analyse, interpret, and ultimately make recommendations on the best leadership strategies and good governance practices that Bank Alpha could adopt in the phase of a changing banking environment in Botswana and globally.

1.5 Research Questions

1. What are the key leadership and governance challenges at Bank Alpha in Botswana?

2. What impact did the leadership and governance strategies adopted had on the performance of Bank Alpha in Botswana?

3. What are the leadership and good governance strategies for consideration by Bank Alpha in Botswana?

CHAPTER 2: LITERATURE REVIEW

The chapter reviews the relevant literature. It broadens the writer's mind, especially on the existing literature and research methods relevant to the topic under consideration.

2.1 Introduction

The reviewed literature covers the leadership theories and performance management strategies as they have evolved over time. The chapter goes on to show the complex environment under which leadership is practiced, giving specific areas in which the leadership theory or strategy must be mindful of. It starts by defining key concepts associated with leadership to provide context in which such concepts will be used. It proceeds to show how leadership strategy interlinks with business strategy in a quest for better overall business performance. It also shows the dominant theories in this field and points out their shortfalls and strengths. The leadership theories discussed are, but not limited to, trait theory, behavioural theory, contingency theory, visionary or charismatic theory, and competency theory. Lastly, the chapter narrows down to a particular theory which forms the conceptual clarification. The conclusion summarises the review.

2.2 Definition of Key Concepts

Literature Review: It is a component of research which taps on the body of knowledge from scholarly publications to gain in-depth knowledge in respect to the matter under consideration. It assists in redefining and realigning the researcher's views to the contemporary world in which such a phenomenon being studied exists. In this study, leadership is reviewed from the perspectives of the theories that drive it; the style that follows these theories and the components which define that style.

Leader: A person who delegates or influences others to act so as to carry out specific objectives (Nanjundeswaraswamy and Swamy, 2014). A leader,

unlike a manager, is never satisfied with the status quo. The relationship between the leader and work has an impact on employee satisfaction which is considerably affected by the leadership style a leader adopts. If the task is highly structured and the leader has a good relationship with the employees, effectiveness will be high on the part of employees. Leaders establish direction by developing a vision (Kumar, Adhish and Deoki, 2014). They then align people by communicating this vision (Brüggemann, 2014) and inspire them to overcome hurdles. A leader may be described as a team player, who sets the tone of the playing field and determines the tempo of the game. In essence, therefore, a leader sets the parameters (Dombrowsky and Mielke, 2013), defines a strategic position/direction, and sets a platform within which his/her followers are to play on. To be and to remain effective, a leader must be a person of good character and integrity (Muthuveloo, Kathamuthu and Ping, 2014). A leader should make daily commitment to create a common understanding and a deliberate effort to reach to the employees' deep expectations. It is, however, observed that a leader subconsciously switch his/her leadership styles to meet their own deep-seated personality. Leaders in an organisation create magical thoughts and engage followers, swim against the wave (Brüggemann, 2014), and has a peculiar view of how the world looks like and work.

Leadership: It is a process for drawing on others commitment and making them go beyond their limitations (Nanjundeswaraswamy and Swamy, 2014) towards the achievement of goals and vision with passion and integrity. It is performed through actions within an event (Hernandez, Eberly, Avio and Johnson, 2011). Its aim is to bring about teamwork, a success factor and a pre-requisite (Jiang, 2014) for project success. Leadership is dependent upon the project type, the skill composition of personnel involved, and the delicate nature of the project undertaken. Hence, every project's success depends on whether an appropriate leadership style has been selected to meet the project type and its demands. Leadership also refers to being flexible, uplifting morale and showing light to people when the going is tough (Harvey, Hill and Landis, 2014). It also involves creating a platform that is accommodative to people of different social and economic backgrounds. To

buttress this, Kumar, *et al*., (2014) noted that leadership success is largely reliant upon exhibiting befitting behaviour at the right moment.

Though leadership is a dominant disposition of a leader, it is culturally oriented and embraces traditional beliefs, norms and values, and a preoccupation (Harveyl, *et al*., 2014). Leadership is thus significantly influenced by the leader's immediate and extended family, clan and tribe (Nanjundeswaraswamy and Swamy, 2014). It does follow; nevertheless, that consistency is used to describe leadership (Kumar, *et al*., 2014) rather than the cleverness of a leader. Leadership, however is applied differently to different groups (Liu, Lepak, Takeuchi and Sims, 2003) depending on the nature of task and the circumstances under which such a task is undertaken (McDeavitt, Wade, Smith and Worsowicz, 2012). It is asserted that as the world becomes diverse and complex, high calibre of leadership than before (Harvey, *et al*., 2014) is needed to successfully see the organisations through change. In agreement Muthuveloo, *et al*., (2014) observed that effective leadership assists in mitigating factors that affect employee's drive and their sustenance in the long run through effectively meeting job-expectations, creating hi-performing teams, developing loyalty, and creating highly motivated and committed employees. Leadership is not dependant on authority (Brüggemann, 2014), but on the ability to influence followers to go into the world never ventured before with confidence which is derived from and inculcated by the leader. In this context, Brüggemann (2014) associates it with entrepreneurship, particularly during the start-up face.

Leadership Style: This refers to a process of social influence undertaken by a leader to induce subordinates or followers to willingly commit their effort (Nanjundeswaraswamy and Swamy, 2014) towards accomplishment of organisational goals. It is shown by the consistent disposition a leader adopts when faced with a situation requiring action. These dispositions shown by a leader, from time to time, shape the agenda of an organisation and affects its effectiveness and employee output. It affects employee satisfaction and performance, teamwork and organisational change. Assessing all these components certainly assists in analysing a leader and tells the predominant

leadership style adopted by a leader. In consideration of skill variation and expectation of certain behaviour in certain cadres, it becomes logical to expect that leadership styles would be more or less effective depending on the employee group (Ali and Ibrahim, 2014). It is not a concept of one-size fit all (Muthuveloo, *et al*., 2014). Firms use different human resource management practices/systems that convey different exchange obligations between the employee and the firm (Liu, *et al*., 2003); hence employment tradeoffs and leadership style should be consistent. Leadership styles that are more consistent with the characteristics of each employment mode are likely to be more effective. Six measures have been selected and used to analyse leadership. These measures are; regard for people, production, authority, involvement in the decision making of the team, decision-taking, and the flexibility against rules (Jiang, 2014).

2.3 Leadership in Practice

The leadership in every organisation is charged with turning the strategic intent of the organisation into desirable business results that appeal to its clientele (Dinwoodie, Quinn and McGuire, 2014). It sets it apart from the rest thereby giving it a competitive advantage over its rivals (Gonzalez, 2014). A leader is made up of his/her personal traits which are cautiously or un-cautiously applied everyday (Dinwoodie, *et al*., 2014). The mostly repeated traits crystallise into a leadership style associated with that particular leader. Leaders are consistently challenged to rise above themselves to meet the confronting organisational demands. It is, however, very unclear how a leader must respond at any point in time. Leadership theories have been developed over time, but no specific reference has been made to say a particular style is the best (Latham, 2014). This is due to a myriad of issues confronting businesses in the 21st century, which are brought about by globalisation, such as progressively evolving clientele and fierce competition. There is need to engage in leadership theories, and see which leadership styles are the best.

Dinwoodie, *et al*., (2014) conclude that formulating and implementing a coherent business strategy is directly linked to the formulation of a robust and befitting leadership strategy. Business strategy and leadership strategy are tightly connected. Business strategy outlines the parameters and the direction of the organisational intent (Bartlett, 2014). The leadership strategy acts as the human enabler (Gonzalez, 2014) catalysing human ingenuity to reach the organisation's full performance potential (Gruman and Saks, 2011).

A leadership strategy is paramount to unlocking the latent potential of individuals and group throughout the organisation for true success to be realised. It forms the essential link between strategy and the desired results by way of building individuals to a coherent and holistic body of knowledge. Leadership strategy should build employees who are motivated, focused, self driven and dedicated to working towards a collective achievement (Ali, Jan, Ali and Tariq, 2014). Business strategy must have meaning for employees, otherwise, they are unlikely to assimilate the overall need for strategic directives/objectives and apply themselves to the highest ability. This follows closely with the notion in business that if it does not feel or look right, it is surely not a journey hence not a right path (Dinwoodie, *et al*., 2014).

A leader in everyday life is challenged in a number of ways. First, by learning to strategically correct his followers (Gonzalez, 2014) without necessarily making them feel alienated from the course of action. This is an art as it has the potential of killing ingenuity in people or breeding it depending on how the concept of crafting your 'No' as a leader is articulated to your followers (Breevaart, Bakker, Hetland, Demerouti, Olsen and Espevik, 2014). Second, organisational culture forms the most difficult aspect to change in employees (Bartlett, 2014) and can be the major impediment to the new organisational strategy (Breevaart, *et al*., 2014). It presents a headache in the development of a befitting leadership strategy. Third, learning how, where and when to use what strategy is a constant and a perpetually engaging challenge (Gonzalez, 2014). However, being supportive throughout the exploration process is a must.

Fourth, people naturally do not like to feel less accommodated in a course of action or belittled to a parent-child status as opposed to an adult-adult relationship (Bartlett, 2014). The leader is also faced with employees whose interest at work is not the same. For example, Mosley (2014) talks of those employees who are naturally inclined to do more with less for their organisation and those that if left alone will do just enough to earn the salary and to accommodate their outside demands. He points out that there is a group of employees who are selective listeners and will easily block their ears and proceed with what they want nevertheless. These are employees who make periodic mistakes, but never reach a stage where performance becomes a disciplinary issue.

Lastly, the complex issue in leadership is accepting that leadership in the form of shared ideas (Gonzalez, 2014) can come from anywhere. It can come from a lower, middle or senior level. It can impact directly on the strategic direction of the company. This may become a very complex scenario if emerging leaders are against the change process and are oblivious to the needs of the strategic direction of the company.

Leadership is a multi-level process that trickles down and around the whole organisation. The strategic intent of one level becomes the strategic challenges of the next. Employees can make or kill a good strategic plan. It is often difficult to change the thought process of individuals (Latham, 2014), especially if they feel that the old ways of doing things is the best practice. It is through organisational leadership strategy that such practices must be addressed if the organisation is to move forward as a collective entity.

To sum these challenges, Dinwoodie, *et al*., (2014) has grouped leadership focus into four broad and all encompassing challenges of leadership strategy. These are: leading change, shaping culture, leveraging polarities, and spanning organisational boundaries. He further developed the elements of a successful leadership strategy necessary for bridging performance expectations. These elements are: First, identify the critical drivers of organisational success (review the business strategies and identify the

leadership competencies and capabilities that are needed to implement them). They are essential factors that, with dedicated time, energy, and funds, will determine success. Second, shape a culture that provides the conditions for individuals to perform. Third, create a strong and sustainable talent pipeline. Last, evolve the organisational design to best support execution on the business strategy.

The key question that needs to be addressed by the leadership strategy or theory is how leaders go about inculcating a shared vision and direction, coordinate work process, and maintain commitment to the collective, bearing in mind the challenges discussed earlier on. To answer this key question, leadership strategy must address the need for attracting and developing the talented people as well as retaining staff that is critical and motivated to embrace the vision (Rae, Sands and Gadenne, 2014). Rewards, learning, social networking, communication and control are five systems which should be there in organisations (Dinwoodie, *et al*., 2014) against which a leadership strategy must be evaluated for effectiveness.

Leadership is best developed within a spectrum of increasing complexities as the leader is challenged beyond personal comfort zone to lead employees into a new terrain (Hamilton, 2014). The leader should boost staff confidence to face the world with assertiveness. Through this, Hamilton (2014) argues that the best leadership intelligence will emerge. Leadership in Hamilton's context is best measured through the concept of self aware, other aware, system aware, and context aware. Hamilton buttresses that the capacity of leadership development can also be best measured as performance that leads effectively in context of ever increasing metrics of time, moral influence and space (Hamilton, 2014). To succeed now and in the future, leaders will have to design organisations with the ability to do both with increasingly diverse workforce (Latham, 2014) operating in a complex global environment (Mosley, 2014). In essence, a strong sense of belonging by an employee to their organisation(s) is critical to striking and maintaining a workable relationship (Ali, *et al*., 2014) which shapes employees work related behaviour, perceptions and attitudes. These are very big concerns for the

leadership (Breevaartt, *et al*., 2014). Leaders must constantly scan the business environment (Ali and Ibrahim, 2014) so as to adjust business focus and thus maintain its relevance to the market demands. This process requires radical yet delicate and appropriate leadership strategy (Dinwoodie, *et al*., 2014). This is to avoid triggering negative consequences resulting in employees feeling inferior to the organisation that they work for (Hamilton, 2014).

2.4 Leadership Development and Analysis

This section traces the evolution of leadership and provides the basis for analysing it at any point in time. It provides a theoretical lens of how leadership develops and becomes crystallised in an individual such that it becomes a dominant description of that leader. It discusses the predominant theories used to describe and analyse leaders across the globe.

2.4.1 Trait Theory

Trait theory is based on the notion that leaders possess characteristics that distinguish them from non-leaders (Hernandez, *et al*., 2011), irrespective of the social context. This view is centred on assessing a leader alone without consideration of other social factors such as behaviour, people being led as well as the cross-cultural context. The view of leadership under this theory led to the adoption of the notion that leadership is acquired through birth. In essence, leaders are born (Jiang, 2014) and cannot be made. This view denotes the earliest conceptualisation of leadership around the 1940s where it was presumed that lineage brought about descendants of leaders and created a leadership trail (Bereketeab, 2013); hence leaders are expected to bear leaders.

The evaluation of this trait was based on how leaders interact with subjects or employees (Martin, Nyasha and Edson, 2014). It, however, disregards the circumstances under which leaders gain respect, analyse and interprets information, gain followership, and unity of command in the people being led

(Epstein, 1994). This style of leadership is still practiced across the world as in the United Kingdom, Lesotho, North Korea, and Swaziland in selection of kings. Under this theory, a leader is born and is assumed to have amassed leadership skill as a result of lineage. His ability to lead is not influenced by how he is able to analyse, conceptualise, communicate, and inspire change in his followers. Due to this shortfall, researches began to look into alternative means of explaining the way leadership styles are used and applied to a concept of problem solving.

In applying this concept to the contemporary working life, leaders are not nominated to positions on the notion of birth-right but due to their qualifications, experience, training and track record (Kumar, *et al*., 2014), especially in business. Given this view, the trait theory does not fit into this study as is based on its traditionalist view of chieftaincy or monarchy. The study sought to understand and analyse leadership in the context of a globalised view where leaders are in position by credence. It follows, therefore, that leadership, though bearing some of its roots in natural character of an individual, is a skill that can be learnt, developed and nurtured (Kumar, *et al*., 2014). It has proved to improve as the learning platform is broadened and conceptualised. Therefore, to analyse the appropriateness of the position a leader adopts in directing and stimulating synergy solely on the basis of this theory will be a drawback on the leadership developments (Muthuveloo, *et al*., 2014). It would be an error of stone-age (Dombrowski and Mielke, 2013). Doing so in the era of globalisation would raise more questions and eyebrows. Nevertheless, it suffices to reason that some individuals are naturally endowed with leadership traits which set them apart (Brüggemann, 2014). These include inborn intuition, risk taking, self-esteem and natural drive to greatness. These traits become their life drivers. Thus, to analyse a leader without first seeking to understand their traits will not assist in determining what drives them.

In assessing entrepreneurship, especially in new businesses or start-up, Brüggemann (2014) observes that risk affection is probably the driving personality trait that is common amongst successful entrepreneurs. He

asserts that while normal business persons think straight, entrepreneurs go out of their way to bring changes that counter the mainstream thinking. This goes to tell that traits are important to leadership. It may also be the basis of what drives or inspires leaders to greatness. To some extent, this nullifies the proposition that to employ this theory in this century will be to go back to stone-age. In support of this, Brüggemann (2014) concludes that leaders who are more analytic thinking have less entrepreneurial drive as compared to those endowed with integrative and intuitive traits as the latter have more propensity for risk taking, achievement motivation, and locus of control. This certainly brings the trait theory into the 21st century discourse and, indeed, a befitting angle to consider when assessing leadership.

2.4.2 Behavioural Theories

The main determining factor used to analyse the leadership style under this theory is the behaviour of the leader; whether the leader is employee centred or work centred. In this regard, this theory is the same as trait theory in that it focuses on the leader as the basis of judging leadership (Hernandez, *et al*., 2011), but differs in that behaviour, rather than trait, is the basis of distinguishing effective from ineffective leaders (Landis, *et al*., 2014). Employment groups have different and diverse characteristics (Liu, *et al*., 2003). A leader must, in order to earn his/her employee's commitment to task, adopt the behaviour and leadership style that is most suited to their expectations. Behavioural theories seek to explain the ways in which leaders approach issues (Jiang, 2014) as seen from the employees' viewpoint. This theory proposes the following leadership styles:

Laissez Fair Style: where leaders allow everyone the opportunity to do what they see right for the achievement of the organisational vision. Here, the leader is passive and believes that people do best when given room to exercise their mind without interference (Ishola, 2014), and remains neutral. Employees work out their own problems and are given flexibility to carryout tasks within a given framework. While better than autocratic, it is found

lacking in that it does not offer the necessary incentive to effect a holistic change.

Democratic Style: where leaders take great care to involve all members of the team through discussion. They can work with a small, but highly motivated team (Nanjundeswaraswamy and Swamy, 2014). Under this style, even the doubters are considered in decision-making and a consensus is forged. It creates an open platform where constructive criticism or conflict (Brüggemann, 2014) is seen as necessary to motivate expression of one's viewpoint with a leader guiding debates towards a collective agreement or consensus. For it to thrive, a divide and rule principle is forgone for unity in diversity to be upheld, which makes it a style requiring time and an all-rounded leader to drive it. The conditions for its practicality are when the followers volunteer ideas, initiative and considerately set challenging and realistic goals.

Autocratic Style: it is practised when the leader decides what should be done, when and how. The leader is the centre of authority. It does not regard socio-emotional factors as a necessary condition (Brüggemann, 2014) critical for collective efforts and collaboration. Employees' say is limited to the extent allowed by the leader which seldom happens. Primarily, the leader forces his ideas into subordinates and they are left with no room to manoeuvre them, but just to accept them as the only way regardless of their feeling. This leadership style may lead to unintended outcomes as employees may lack clarity on their expected roles. Leaders have no trust or confidence in the employees hence resort to negative motivational style to rule his/her subjects (Ishola, 2014). This often creates confusion, conflict and low morale. However, it has borne some fruits in certain states such as the United Kingdom, North Korea, and Japan has become acceptable to and seen as effective by some cadre of followers (Muthuveloo, *et al*., 2014). It leads to quick decision making and gives good output in the presence of the leader (Ishola, 2014).

2.4.3 Contingency Theory

This theory seeks to address the shortfalls of the preceding theories. It posits that leadership cannot be described simply in terms of their behaviour but rather involves collaborative relationship (Kumar, *et al*., 2014). Such relationships lead to collective action anchored in the shared values of people working harmoniously to effect favourable change (Muthuveloo, *et al*., 2014). In clarity, the leader does not act outside a situation, but is highly influenced by the circumstances of the task at hand (Hernandez *et al*, 2014) in determining the style of leadership to adopt. Therefore, it suffices that a leader must know and understand the different leadership styles and their impact to enable rational choice making (Muthuveloo, *et al*., 2014). In so doing, the leader would be able to draw and capitalise on the employees' strength for the good of the company. The nature of a task versus the leader-employee relations is favourable to the leader when high. This acts as catalyst influencing high moral and worker commitment to the realisation of organisational goals. Thus, the effectiveness of the leadership style are pre-determined by the environment in which they are favoured (Hernandez, *et al*., 2014), hence cannot be chosen haphazardly. Employees are not neglected under this theory, but are rather seen as a bigger factor affecting the leader and his choice of leadership style. The contingent factors, such as the calibre of the working group, the structure of the task, its clarity, formal authority system of the organisation and the leader-follower relations (Martin, *et al*., 2014), influence the leadership style a leader must adopt to get the best out of his subordinates.

Highly qualified employees are more satisfied with participative kind of leadership style (Hernandez, *et al*., 2011). Such employees are presumed to be content in their own ability to meet and even exceed the expectations of the task at hand. Leadership on expert driven approaches, concentrate on the logical dimension and, neglects the challenge of subjective integration (Zink, Steimle and Schroder, 2008) on the part of employees. This results in a passive or negative attitude against the proposed change by the employees. This, therefore, clarifies the position that a leader, under various

environmental conditions, will best get value from his/her subordinates when he adopts a befitting leadership style consistent with the contingent factors (Muthuveloo, *et al*., 2014). Should there be incongruence between the deep-seated aspirations of the employees and that of the leader as far as leading is concerned, such may create diversity which will lead to a challenging atmosphere and a decreased organisational efficacy.

The Likers' 4P model has been developed around factors such as Philosophy, Process, People and Partners, as well as Problem solving (Dombrowski and Mielke, 2013). This is one of the basis or a reference model which is effective to analyse the leadership style best fitted for a task. Further to this, a five basic model used by the Japan Motor Corporation is proposed. It looks at improvement of culture, self development culture, qualifications, *gemba*, and *hoshin kanri* to assist in the selection of leadership type to be employed. The model stresses that failure gives an opportunity for improvement. It proposes that the culture adopted by employees and management towards a problem determines how a company may thrive or fall and will certainly dictate the leadership style which must be adopted. Its success is premised on the notion that employees are a critical success factor for any project hence employee-leader relations are paramount. This position is best described by the fact that the leaders' success is determined by their ability to match their leadership style to the attributes of their followers (Zink, *et al*., 2008).

Several other theories linked to this theory of leadership have emerged. These are the goal-path theory. It posits that the main purpose of a leader is to break down the big complex picture into small particles which employees can easily use to define and reach their goals (Martin, *et al*., 2014) in an effective and efficient manner. Another theory is from Vroom's expectancy theory of motivation. It postulates that people will stretch themselves and surpass their limitations provided they perceive the probability of return to be higher and better if the goal is achieved. These two theories position a leader as a central player, motivating and directing employee behaviour. In essence, a leader assumes the role of a coach (Drombosky and Mielke, 2013), while

the employees are the players who create the scores. Therefore, the situation at any point in time influences the position the leader takes. On the other hand, employees work to fulfil the goal ahead with the leader playing a central role. This leadership approach proposes three leadership styles, namely; directive, supportive and participative. They are explored below.

Directive Leadership: is predetermined when the task is unstructured and when the subordinates are inexperienced and suffering from lack of formal routine. Leaders rely on such principles as command and direction, punishments, and assigned goals to make his/her subordinates do their work. Little discretion is allowed and employees are rarely allowed to participate in the decision-making process. The leader commands authority (Liu, *et al*., 2013), and is the brain behind the plan and work flow (Ishola, 2014). He/she uses specific instructions, reprimands and punishments (Muthuveloo, *et al*., 2014), and assigned goals (Brüggemann, 2014) to direct output or task performance of the subordinates. Directive leadership is relative to the mode of employment (Liu, *et al*., 2014) and works best when suited with job requirements. This type of leadership mode is most appropriate to the contract model of employment (Liu, *et al*., 2014). Contract employees are not expected to invest time in bonding with organisational culture, but rather to deliver their contractual obligations. It is particularly effective as it threatens the termination of contract and withdrawal of certain benefits as a motivational factor for the performance of an employee. This is a necessary condition which must exist for a directive leader to maintain control and command.

Supportive Leadership: This style is predetermined by highly structured tasks which are routine in a formal authority setup of an organisation. The underlying factor is the socio-emotional support which is linked to effective outcomes (Ishola, 2014). It also leads to increased favourable effect and happiness in the work place (Brüggemann, 2014). The leader under this mode provides emotional, instrumental and appraisal support and informational support to his/her followers (Liu, *et al*., 2014) with socio-emotional support, the latter being the cornerstone which fosters and provide

intuitive meaning to followers. In making decisions, a leader under this mode shows sympathy or concern (Brüggemann, 2014) to the followers' preferences and needs. Its requirements are constant feedback to employees (Ishola, 2014) which is the most effective value creating sign (Muthuveloo, *et al*., 2014) and a motivator to employees.

Participative Leadership: change accommodation, acceptance and effectiveness during organisational change are most supported by this leadership style (Muthuveloo, *et al*., 2014). This increases commitment to organisation and leads to job satisfaction. When a task falls under an employees' purview, and are consulted for input when change is envisaged in that area, they feel valued and empowered as opposed to when they are told what to do which makes them feel belittled and unimportant (Drombosky and Mielke, 2013). It is often argued, however, that employee participation in the company activities is reliant upon the trust they have towards their managers (Muthuveloo, *et al*., 2014) which bears significantly on their job satisfaction (Gruman and Saks, 2011). This style thrives where there is rapport, mutual trust and respect between leaders and followers.

2.4.4 Visionary/ Charismatic Theory

This theory is used to study the leaders who have successfully seen their companies through change (Jiang, 2014). The theory attempts to analyse how leaders develop a vision which is beyond the followers' conceptualisation and yet still are able to make them realise the value in the vision through their charisma. Consequently, they make their vision to be owned by everyone as if it is their own making. This is often regarded as extraordinary leadership (McDeavitt, *et al*., 2012). It permeates and transcends layers of resistance to bring about harmony and unity behind the vision as if everyone was clear and involved from the onset. Styles under this theory include:

Transactional Leadership: this leadership style is characterised by goal setting where the performance standards are jointly set with a view of holding

the employee to delivery of such goals. Unlike autocracy, which relies on coercion, this leadership style involves the creation of value system (Liu, *et al*., 2014) under which exchanges are set and agreed upon. In this way, employees have a privilege of determining what makes value in exchange of their service which is bought by the company. This condition underpins a contractual model between the leader and subordinates (Jiang, 2014) where each party is tightly bonded by the deliverables and time lines commensurate with benefits or the rewards system negotiated.

The strength of a leader is derived from his/her control of rewards (Muthuveloo, *et al*., 2014) and is used to motivate and align the followers to the agreed performance objectives. The overall objective of this style is to ultimately channel the followers' commitment to the leader or the job allocated to them. Appropriate economic and social rewards are contingent rewards utilised (Liu, *et al*., 2014) depending on the nature of performance expectations agreed upon. This also anchors itself on the clarification of the link between performance standards and rewards (Ishola, 2014), setting of goals (Jiang, 2014), and constant feedback (Martin, *et al*., 2014) to keep employees on track. It is often argued, however, that a leader does not voluntarily get involved with employees (Muthuveloo, *et al*., 2014) in their day-to-day work up until such time that failure has occurred.

Performance and rewards are rationalised with the goal of motivating employees through incentives (Liu, *et al*., 2014). It is, however, not clear how this is achieved under a system where a leader does not have authority to determine which incentives to use. In this case, leaders find themselves lacking on their power to keep the employees motivated and aligned to their performance standards. For employees to keep performing higher and better, there is a need to have equitable exchange to sustain the motivation. A decline of such exchanges will automatically lead to dissatisfaction, and consequently a move to the companies with better exchanges. Therefore, if the price or exchange is right, the followers will voluntarily comply with the leaders' wishes. Following from this reasoning, transactional leaders will thrive under job-based employment (Liu, *et al*., 2014) as it meets employees'

fair exchanges. Moreover, this is a motivation enough for the efficient achievement of organisational objectives.

Liu, *et al*., (2014) further argue that this kind of leadership style will be more suited to employees that are not unique to the organisation. This is because it creates a less utilisation of staff as it does not tap from their psychological ownership of the company's vision (Martin, *et al*., 2014). Transactional leadership is thought of as composing contingent rewards, passive management by exception, active management by exception, and laissez-faire (Ali, *et al*, 2014). These form a good basis for its measure of existence. Drawing from these tenets of transactional leadership, one can predict and, indeed, get organisational commitment, less turnover intentions and commensurate performance level.

Transformational Leadership: While transactional leadership is concerned with the exchange of inducements to achieve the desired performance, transformational leadership concerns itself with captivating followers to go beyond their own self interest and work for a collective purpose, giving their all towards the achievement of company mission and vision. Long-term focus is characteristic of this leadership style, emphasising company vision, and using it to inspire followers to transcend their self limitations (Liu, *et al*., 2014) and bring about commitment and trust to the organisation. This exercise is achieved through charisma (Jiang, 2014), which exudes to employee as the leader engages with them.

This kind of leadership, through charisma, is capable of communicating ideological goals. It instils high confidence and contentedness in employees, and ultimately inspires them to rise to higher levels in the Maslow's hierarchy of needs such as self actualisation (Hernandez, *et al*., 2011). In the process, this leads to achievement and alignment with leaders' vision through derived consensus, collectivism, innovation and identification. The leader, however, is still the custodian of power as participation in the creation of company vision rests with him/her and the employees are not participants in its creation. This may reduce ownership of the vision. This may also stifle the

progression to higher standards necessary for the creation of competitive advantage within an industry and may also de-motivate followers on their quest for continuous self-improvement.

To analyse the existence of this leadership style as well as the conditions which make it thrive, scholars have used such aspects as workplace flexibility, job autonomy, job security, and salaries. In analysing the results of these measures, transformational leadership was found to be strongly tied to job satisfaction (Nanjundeswaraswamy and Swamy, 2014), and improved job satisfaction through changing the employees' motives and aspirations. Its characteristics were many with individual influence, intellectual stimulation, and spiritual encouragement topping the list (Ali and Ibrahim, 2014). Other aspects provided for is the creation of a transparent culture (McDeavitt, *et al*., 2012), individual consideration (Wallace, de Chernatony and Buil, 2013), mutual trust, and opening the playing field (Zink, *et al*., 2008) for employees to exercise their potential. The leaders act as role models for employees, and cultivate intellectual creativity as well as innovation (Muthuveloo, *et al*., 2014); hence elevating leadership to the next level.

Through this leadership, leaders are created and nurtured through couching, support, encouragement and *esprit de corps*. It follows from this notion that transformational leadership can also be diagnosed using idealised influence, intellectual stimulation, inspirational motivation, and individual consideration (Ali, *et al*, 2014). Using this model, Ali, *et al*., (2014) conclude that transformational leadership is a necessary leadership strategy for job satisfaction and appropriate organisational behaviour.

2.4.5 Competency Theory

This kind of theory is premised on the notion that leaders who achieve astonishing records (Zheng and Wu, 2014) in their work do so as a direct manifestation of the unique characteristics they possess. Once again, trait theory is intertwined in the analysis of leaders, a further negation to an earlier notion that such a theory exists in the Stone Age error. This model speaks to

a number of competencies required for a particular work. Such competencies are not limited to individual skills (what an individual can do well), knowledge (specifics of in-depth understanding), social role (public image portrayed, which reflects on the individuals' value system), self image (indicating self regard), traits (enduring characteristics possessed by an individual) and motives (drivers of a behaviour shown) as proposed in the Iceberg's competency model. The theory is premised on the following:

Engaging: under this style of leadership, employees are encouraged to take part in decision-making, targeted for own self composure, by and large, given leverage to exercise innovation on their own. The leader provides a base that nourishes self discipline, constructive thinking trends, motivation at work and, to a greater extent, self discipline and happiness at work (Liu, *et al*., 2003). This higher involvement approach to work requires trust in one's capabilities, commitment to organisation, and a sense of responsibility towards the company's vision and output.

The following culture is emphasised in the organisations' practicing this style. These are, but not limited to, security of employment, increased opportunity for training and development of employees, high staff retention, increased participation in the production methods and problem solving (Zheng and Wu, 2014). Own motivation for self actualisation is the basis for success fostered by involvement in the development of strategic plan and overseeing its implementation. This style can be identified by looking into the presence of opportunity thinking, teamwork support, emerging new leaders, self leadership and participative goal setting. This leadership creates a culture of self intuitive, common values, and beliefs as well as self improvement which is generally very difficult to imitate or transplant (Dombrowski and Mielke, 2013). This consequently creates a uniqueness that is difficult to do without. Thus, these kinds of employees are not easy to poach.

2.5 Performance Management

In the advent of globalisation, performance management has been a central issue in the contemporary business world (Sull, Homkes and Sull, 2015). It has also been heightened as a focal point by leaders, board of directors, shareholders and customers alike. It is a subset of the Management Control Systems (MCS), defined as a system which formally and informally gathers information used in the evaluation of performance by different organisational resources like human, financial and other non financial aspects in reference to the organisational strategy (Aliyu, *et al*., 2014). It covers the interaction of the organisational policies, practices, and design features to provide the environment which stimulates employee performance. Performance management, in essence, requires a holistic review of the whole organisation. Ultimately, it comprehensively addresses the components of performance. The leadership strategy and the business strategy must strive for congruence with the human resource practices an organisation adopts (Gruman and Saks, 2011). This brings about an organisational culture which fosters a culture of commitment, coordination, innovation and cooperation (Delaney and Huselid, 1996) performed within a clearly laid out framework. Performance Management Systems (PMS) are, therefore, a collection of financial and non-financial indicators of performance which managers use for the evaluation of their own performance. They also use it for the evaluation of their subordinates and the overall performance of their respective units (Aliyu, *et al*., 2014).

Many companies have been focusing on the financial indicators as the only sign of performance deviation. With the introduction of performance measurement frameworks or diagnostic tools such as the Management by Objectives (MBO), Levels of Control (LOC) and the Balanced Score Card (BSC), performance management has been greatly enhanced (Pandey, 2005) to incorporate evaluation from both the financial and non-financial aspects of the business activities (Rae, *et al*., 2014). These diagnostic frameworks have been successfully put to use in the Nigerian banking sector to evaluate the commercial banks which were facing possible collapse in the

advent of globalisation. The frameworks revealed the breaches of corporate governance principles (Aliyu, 2014). This is consistent with Caggiano, *et al*., (2014), who observed that poor governance systems resulted in most of the African banking sectors collapse two years before the world economic recession signs were picked by the global players.

The focus on the PMS has come with a down-side as a result of lack of flexibility by most organisational executives (Sull, *et al*., 2015) to adapt to the constantly evolving economic order. Snull, *et al*., (2015) point to the five common misconceptions (myths), which he observed will ultimately lead to the failure of performance management frameworks. These myths are described below.

Myth 1: Execution Equals Alignment

Once the objectives have been cascaded down the hierarchy, people within the different units are expected to align and commit their daily activities seamlessly to the set objectives. It is believed that commitment will follow automatically. Little time is, therefore, spent on building commitment and ownership to the framework. Upon the realisation (usually at critical times) that units are working at cross purpose due to the lack of coordination, managers begin to react impulsively by duplicating efforts, pass up attractive opportunities and even delay their deliverables in an attempt to salvage the company reputation. This derailment and confusion mostly spell the beginning of a downfall of a company.

Myth 2: Execution Means Sticking to the Plan

The performance measurement frameworks are usually planned in detail to the extent of developing a work plan in an attempt to avoid waste of time and deviation. In most cases, the focus is on building the framework so much that it fails to respond to the dynamism of the evolving business world. Hence, every member of the organisation is expected to keep focus on the framework ultimately being oblivious to the opportunities that may arise outside the developed framework. Thus, the framework becomes a trap in which the organisation is bottled. It becomes unresponsive to the

opportunities that would have, otherwise, defined a new opportunity for growth and expansion.

Myth 3: Communication Equals Understanding

The executives and managers adopt, as a way of keeping the company strategy and performance frameworks alive, a practice to recite the company commitments before every meeting starts. This is done with the hope that the units will remember and keep the commitments alive in their daily work. Little or no effort is made to breakdown the business strategy and performance management frameworks into easily understandable and practical goals which are easy to implement by staff. Ultimately, a challenge of subjective integration emerges as no ownership has been cultivated. Deliberate efforts are not made to check the understanding of implementers and their deep-seated feeling on the strategy and the performance evaluation frameworks.

Myth 4: Performance Culture Drives Execution

Performance is mostly based on a culture that rewards past performance. Little attention is given to other aspects which expand the horizon of the business such as innovation, agility, teamwork and ambition. In essence, a culture which accepts a comfort zone breeds development of objectives which are not stretching enough for people to challenge their innovative nature and strike cooperation. Instead, such objectives will be accomplished in silos without need for extensive research and collaboration. Ultimately, the functional/performance objectives are met, but do not translate into the accomplishment of broad company objectives.

Myth 5: Execution Should be Driven from the Top

The leaders who are closest to the situation can best respond to business opportunities quickly and make timely decisions. However, concentrating power at the top may only boost the company in the short-run and negates the organisation’s ability to realise long-term growth. This is precisely because the middle management loses its agility to solve problems and analyse situations. This ultimately breeds dependency syndrome, hence without top management nothing gets done.

2.5.1 Performance Management versus Human Resource Practices

The way an organisation manages people can have a direct impact on their ability to perform. Competitive positioning and effective strategy implementation are, therefore, cornerstones of corporate sustainability (Rae, *et al*., 2014), especially in the increased competition and evolving consumer base brought about by globalisation. Delaney and Huselid (1996) observed that performance contingent incentives, compensation, employee participation and empowerment, training opportunities and job re-designs are such practices within organisations at large that are believed to enhance the performance of an organisation. All these aspects speak to the Human Resource Management (HRM) practices a firm uses (Ionut, 2014). They show a rather clear positive correlation between HRM practices and the performance an organisation experiences at any point in time (Gruman and Saks, 2011). In essence, HRM strategy must make people feel valued and needed within an organisation. This ultimately denotes that an effective HRM strategy should be aligned to the overall leadership and business strategy.

Furthermore, the ultimate objective of the strategic development is to align the HRM strategy to the organisational culture and the business strategy hence striking for vertical integration. This also makes it equally useful across departments (horizontal integration) as well as responsive to the environmental changes (Armstrong and Taylor, 2014). For these reasons, Inout (2014) concludes that HRM practices are complex systems that lead to competitive advantage. This study, therefore, observes that organisational performance is not a coincidental achievement, but a result of carefully orchestrated systems which interlink to reap the benefits of synergy, *espirit de-corpse* and seize environmental opportunities. At an indication of capital base erosion, a holistic approach in the form of financial and non-financial indicators (HRM strategy, leadership strategy and business strategy) must be reviewed for coherence and complementarity (Rae, *et al*., 2014) in order to feed the development of new strategic direction and/or re-alignment.

2.5.2 Performance Management Frameworks

These are the diagnostic tools which are used to guide the implementation of strategy with matrices used to gauge and analyse performance improvement of both employees and the company. There are several of such frameworks: LOC, MBO, Levels of Operation (LOP), BSC and Total Quality Management (TQM). This study, however, only examines the BSC model. It is assumed relevant for use as a guiding framework in this research paper.

Balance Score Card (BSC)

This is a performance enhancement tools. It combines a finer blending of financial and non-financial measures (matrices) in one score card (Pandey, 2005). It focuses on many perspectives which may be financial, customer, internal business process, social responsibility, learning and development and environmental concern (Kaplan and Norton, 1995). It also helps to develop appropriate objectives, measures/metrics, target and initiatives needed to achieve the set targets for all the perspectives mentioned above. The number of perspectives to consider is not exhaustive. It depends on the scope of the researcher. Gibbons and Kaplan (2014) observe that the BSC is a framework which aligns business and leadership strategy. Ultimately, it strives for enhanced communication, implementation, and quick feedback mechanism for control and evaluation purposes.

The BSC denotes the financial health of a company as lagging or after-the-events indicators, which are heavily reliant on events that might have occurred a long time back. For example, Lawrie, Shulver and Antarkar (2015) note that some short term capital base returns may be a conflagration for long-term effective customer relations and employee satisfaction. Therefore, projecting capital growth on the basis of short-term gains may be a totally wrong starting point. Aliyu, *et al*., (2014) provide an example of such a case where certain banks in the Nigerian banking sector were doing very well, but were shaken adversely by globalisation contrary to the other banks in that country. The BSC is viewed as facilitating translation of strategy and strategic

objectives into actionable goals and initiatives (Pandey, 2005), communicating strategy and strategic objectives throughout the organisation (Aliyu, *et al*., 2014), setting attainable targets and facilitating realisation of those targets (Lawrie, *et al*., 2015), and evaluating performance and relaying feedback to the leadership (Kaplan and Norton, 1995). The leadership strategy developed must fully commit to and support the implementation of the BSC.

2.6 Conceptual Clarification

Conceptual framework narrows the scope of the study to a particular theory. This theory forms the core of the study. In this study, the contingency theory is used to analyse the leadership and governance challenge at Bank Alpha. Bank Alpha is the only bank struggling to overcome industry related hurdles which even threaten its survival. This challenge has led to the bank's temporary management by the regulating authority. The theory looks into the prevailing contingent factors which challenge the leadership strategy and ultimately the survivability of Bank Alpha. Its leadership is challenged to come up with an effective and efficient performance measures consistent with a robust business strategy. Since the major concern is how the bank has reacted to globalisation, the BSC framework is used to guide as it is consistent with the contingency theory (Aliyu, 2014). The BSC framework also presents a holistic analysis of the financial and non-financial aspects of the company (Pandey, 2005). In a globalised world, setting and defining trends has become an order for market capitalisation and the creation of competitive edge. It spells out process re-engineering which streamlines services to appeal to the customer base or the target market. This calls for skilled, energetic and focused workforce. However, in setting trends and harnessing the opportunities presented, a company must not lose focus of its business strategy. This requires the creations of responsive, yet holistic business objectives which bring synergy, innovation and vibrancy in an organisation. Therefore, the BSC framework will help to analyse the systems

of Bank Alpha; that is leadership, HRM and business strategy for coherence and responsiveness to the market and changing business environment.

2.7 Conclusion

Scholars have shown how leadership, as a concept, is a constantly evolving field. They have also shown how leadership, business and performance management strategies interact to bring about a holistic organisational coherence and achievement. They, however, agree that leadership is not dependant on power (Landis, *et al*., 2014), but is conditional on the leader's ability in various platforms (Jiang, 2014). Scholars have hence developed scenarios which provide a theoretical lens under-which people may choose as the basis of evaluating leadership. The literature shows that no single approach is sufficient for every follower hence identifying and mastering a mix of all the styles available is critical. It is, nevertheless, not clear which mix is optimal at any point in time (Ali, *et al*., 2014). Some researchers have attempted to solve this by showing the relevance of each style according to employment mode (Liu, *et al*., 2003). Others have considered situation and contingent factors as key in assigning leadership styles. It remains clear, however, that leadership skills are better if known across the continuum (Brüggemann, 2014). This may help the leader to manoeuvre different encounters and amass followership along the way. Studying the contingency theory to understand why it has become so important in the era of change lends impetus into the quest of seeing its effects on effective leadership in the 21st century.

CHAPTER 3: RESEARCH METHODOLOGY

In the reviewed literature, authors used different techniques in their methods of data collection, sample selection, and research design. This chapter explains the methodology used to conduct this study.

3.1 Introduction

The chapter explains the methods used to conduct this research. It starts by discussing the various approaches to research. It then identifies and explains the approach followed when conducting this study. A detailed explanation of the strategy, design and the modalities followed in this study are discussed. It concludes by showing the limitations to this study, ethical considerations, and how the study was generally managed.

3.2 Approaches to Research Methods

3.2.1 Quantitative Method

The emphasis of this research method is on quantification when collecting and analysing data. It finds its definition on the scientific approach it takes to solve a social phenomenon being investigated (Bryman, 2014). Its basis is on testing the theories that have been developed in a manner that is consistent and replicable. This is brought about by the reliance on the measurement concept which is thought of as a means of eliminating the researcher's biasness, characteristics, expectations and values on the phenomena researched. This is said to reduce personal feelings which may affect the results. The researcher does not mingle with the participants. This reduces undue influence the participants may have as a result of a relationship with the researcher. In this approach, the researcher is also interested in establishing the causality effects; the relationship between the variables measured. The researcher wants to attribute a cause of behaviour (dependent variable) to a social setting (independent variable) as responsible for the behaviour observed (natural science). The end result of a quantitative

research is to explain an observed behaviour in terms of a social setting causing it. The causal inferences are the cornerstones which bring about confidence to a research under this approach.

As a result of this observation, the quantitative approach relies on a huge sample size to allow for clearer analysis of causal effects. Not only that, but to afford the opportunity to generalise the findings to a wider society. It strives to achieve representativeness for the population in question when picking a sample size. This is as a pre-requisite to making inferences on the population being surveyed. Following this point is the issue of reliability, which refers to the consistency of a measure employed, and its stability over time. Given the results of the population now, there would not be much variation if the same measure is used later on in the same population. It also strives for consistency of indicators, which make up a scale used to measure the related scores of one indicator being consistent with scores on another indicator. Another concept that becomes paramount is the validity of a measure, whether an indicator devised as a measure of concept really measures that concept. It is possible sometimes to create an indicator with an intention of measuring a concept only to realise later on that the indicators are divergent to the concept being measured hence leading to a wrong diagnosis of the concept. It is for this reason that the validity of measures forms an important part of the quantitative approach to research.

The quantitative approach has, however, faced a number of criticisms, especially in its foundation of quantification. It is said that such a drive fails to take into consideration the complexity of a social setting which has many elements that are not quantifiable. Scholars reason that the isolation of researchers reduces the ability to gather in-depth knowledge of patterns of life. It does not base its findings on the perspectives of the population it is researching, but on the measurement tools employed. This divorces subjects of investigation from their social settings as well as the effects and context of the environmental influences. The measures developed narrow the choices of the respondents and does not reflect their point of view, but the view of the world as the researcher wants it to be seen. Respondents interpret these

measures differently and may thus differ with the researchers' interpretation of the measures. Critics reason that this method seems to assume a static approach to the social setting which, in actual fact, do change as environmental factors change. The observations and how the world is seen changes as the world around respondents' changes. The researcher is isolated from the world being investigated hence interpretation may suffer from contextual disorientation. By limiting to causal effects, this approach fails to acknowledge the meaning of events to individuals.

3.2.2 Qualitative Method

This research approach emphasises the need to understand the individuals' side of the things, their position on issues and to appreciate the world as a dynamic platform which is influenced by many socio-cultural and environmental factors. It also emphasises on the researcher taking an active role as a leading person going to the individuals and interacting with them. It also aims to develop a theory based on the information received and in context with the world the population lives in. This approach rejects the notion of natural science. It epitomises its existence on the fact that social interaction of individuals brings about change in how the opinion of the world is constructed. This approach, therefore, emphasises the use of words rather than quantification in the collection and analysis of data (Bryman, 2014). Its proponents argue that some social phenomena cannot just be understood by devising measurements, but rather by understanding the deep-sited views of individuals in context. Understanding in context, therefore, underlines the need to study individual's language, analyse it and interpret it. This means that a position cannot be taken before visiting the population to see how they will respond or by limiting their responses to what the researcher presumes justifies their deep-sited views of the world. It emphasises getting as much information as possible to help get to the root cause of the phenomena being observed or investigated.

The aim is not to find the causal effect which is the object of natural science, but to understand meaning from the individuals who are more than capable

of clarifying it or bringing meaning to their social context. It is under this notion that the emphasis is made for face-to-face interaction with the population in order to tap deeper into their minds and bring out their social understanding of the world. Therefore, it is the responsibility of the researcher to come to a social scientific account of the social world without losing touch with the views of the population. In this approach, many perspectives which may not normally make sense can be understood when contextualised, and can even lead to a conclusion which is more reflective of the social spectrum of human interaction with the world. As a result, qualitative researchers are more inclined to provide a detailed description when reporting results in response to questions. Following this description, it can be understood why social research is a process (sequence of individual and collective events, actions evolving over time) rather that a static event. This shows why pre-determined formats are not preferable under this approach.

This approach conclusively resists the temptation of delimiting areas of investigation. It is more inclined to a general approach. This approach, however, suffers the need for more time and is expensive in comparison to quantitative approach. It may not be ideal where time and money are big constraints. Since the researcher is more involved, his/her views may be difficult to keep aside. It may also lead to the researcher being carried away as there is no structure to guide data collection. Moreover, more data may be collected which may ultimately not make significant contribution to the understanding of social life and this may also not inform theory development. Since this approach is restrictive in terms of the sample size, its conclusion cannot be inferred to other settings hence its findings cannot be generalised and replicated. The respondents need more time to satisfactorily field and respond to the researcher. This may cause many respondents to decline an interview.

3.3 Research Strategy

3.3.1 Basic Interpretive Qualitative Study

Qualitative research strives to understand how a phenomenon affects a situation from the perspectives of the people within an area of concern. In this study, the problem of leadership and good governance would best be explored from the perspectives of the employees of Bank Alpha. Bank Alpha has undergone two temporary management phases by the supervising authority in a space of four years (Bank of Botswana, 2013). This signalled a problem that was deep-seated and that needs to be critically examined and uprooted for a proper solution to be devised. It is, therefore, unlikely that the reason behind the failure or poor performance could be seen from the figures (Quantitative approach). The figures indicated a problem, but what caused that can be traced by engaging the people and the philosophy they have adopted in a social setting; and in this case, the banking environment/sector.

The banking sector, in general, had seen a rise in Botswana (Bank of Botswana, 2013) except for Bank Alpha which experienced a decline forcing the regulator to intervene. Suffice to say that leadership and governance orientation may well have been a cause for concern at Bank Alpha. Leadership and governance are intangible social settings and are able to permeate the entire organisation to create a culture, which too is intangible. They both have an impact on the processes adopted by the bank. To fully understand the impact of these social settings, it is important to seek the contextual understanding of individuals in the organisation. It is also important to create a setting which will allow for in-depth information gathering. Faults in leadership discourse and governance gaps are better revealed when people, who have experience, are given a platform which is not restrictive.

The effects of the developments at Bank Alpha, coupled with temporary management phases by the regulatory authority, brought a dimension which can only be explored through engaging with Bank Alpha staff to uncover the

issues/problems that led to a declining performance in an era where the banking sector in general was doing well and on the rise. A holistic approach will assist in understanding the issues involved and which in turn would aid in brainstorming the possible solutions rather than making inferences, which may not address the deep-seated problems. Therefore, the qualitative design was better suited to understand problem issues from the viewpoint of those involved in the process daily. Since this study aims to explore further the issue of poor performance, its analysis would best be suited if given with direct reference to the words provided by the participants/respondents.

3.4 Research Design

3.4.1 Case Study Design

The study represents a banking sector which is vibrant with smaller banks competing with the bigger banks for market share except for Bank Alpha which has poor performance. Bank Alpha underwent two temporary management phases in 2011 and 2015, making it the only bank which experienced this intervention. Over and above, it was the only bank which had recorded the highest staff turnover of 24 per cent. It also imposed withdrawal limits which were very low and inconsiderate to the customers' needs. These scenarios made Bank Alpha peculiar showing a need to be assessed on its merit. Thus, Bank Alpha is a case study. It has a peculiar problem in contrast to the general banking sector performance. Although the banks generally have a similar setup, their service delivery, processes, leadership strategy and governance approaches differ. Hence a problem for a certain bank cannot be defined by investigating other banks. The unit of analysis would be staff members with regards to leadership and governance issues. The staff members were investigated solely because they reflected the culture, philosophy and principles of leadership and governance their organisation adopted from time to time. They are making social impression of the organisational strengths and weakness as regards to the position it takes and may well be positioned to point to where the problems emanated.

3.5 Sampling Techniques

3.5.1 Purposeful Sampling Method (Non-Probability)

This method was used to select the sample. The employees of Bank Alpha, having experienced leadership and governance approach the bank adopted, were in a better position to give insight into the problem. They have information necessary to help derive some theoretical perspective of understanding the leadership problem at Bank Alpha. Leadership role is practiced at all levels of the bank as banking is a specialised field whose services are useful to the whole population. Interaction with customers is an issue for everyone involved in banking business and can determine success or failure of an entity. Hence, listening to the people directly involved within an entity would provide relevant insight or in-depth appreciation of the situation from which a logical conclusion could be drawn with regards to explanation of leadership and governance dilemma faced by Bank Alpha.

3.5.2 Quota Sampling Technique

A quota sampling technique was used to collect data. This technique recognised the constraints faced by the researcher in terms of budget, time and availability of the participants. Leadership and governance are permeable dispositions which are reflected in a culture of an organisation through systems as well as checks and balances that are put in place. Thus, they are experienced by every member of Bank Alpha. As a result, the staff members were divided into supervisory and management cadres. Thereafter, a sample was picked from these quotas. Furthermore, the sample was selected such that it cuts across departments.

3.6 Research Measures (Data Collection Methods)

3.6.1 Semi-Structured Interviews

A semi-structured interview format (Annexure 1) was favoured as it provided a broad framework (interview guide) in which key research issues would not be left out. It also provided guidance to avoid derailment when probing. The participants were asked questions almost on the same issues which were viewed critical to this study. The general duties defining leadership and good governance were grouped into topics using the BSC as a reference framework that gave direction to the interview guide. To avoid losing eye contact and flow of interview, the interviewer made use of a recording device. The participants were notified before hand and their consent sought in this regard. This allowed for information to be captured in exactly the same words that the interviewee used when responding to questions. This method was also preferred because it brought in the balancing aspect to cross check the sincerity with which other respondents had employed in responding to questionnaires.

For the interview process to be smooth and to ensure that it covered the critical points as well as to assess it for its flow, a pilot interview was conducted on a small convenient sample, not necessarily the staff of Bank Alpha. This enabled the researcher to understand the expectations of a real interview and to prepare for the unexpected contingencies (Bryman, 2012) that could arise. This also enabled the researcher to gain a broader view of what it would really take to build the necessary rapport with the participants and the confidence to steer the participants towards volunteering information. The interview guide was structured such that the sensitive issues such as the role of gender in leadership and governance came last. The participants were given the questions a few minutes before the interview to read through and fill in the personal information section.

3.7 Validity and Reliability

3.7.1 Validity

This was achieved through rank and department triangulation. Triangulation refers to the use of more than one method or source of data when examining a phenomenon (Bryman, 2012). It was brought about by dividing staff into quotas (supervisors and managers) from which information was collected. The information received through interview had the same sentiments and (common) themes. The inclusion of two ranks in the sample size crosschecked and refined each other through information synthesis. This was less likely to be achieved if the focus was on one particular cadre of Bank Alpha employees. The generalisation of the findings to the banking sector as a whole was not possible due to a small sample size and peculiarity of each bank. The conclusions reached were inclusive and assisted in deriving a theory which was highly informed for the particular and similar banking environment. The purposive sampling technique ensures that the critical participants were picked for sourcing information. This method brought credibility to the case study and led to in-depth knowledge acquisition around the phenomenon being studied.

3.7.2 Reliability and Replicability

The researcher found emerging themes and used these themes to collate major themes. For the research to be replicable, a prospective researcher will have to adopt the same approach used in this study and the same context.

3.8 Sample Size

A sample of six staff members was selected for interviewing. Three staff members were selected from each rank of supervisor and management quotas cutting across departments. This was to avoid biasness which may have aroused if the population was from one department.

3.9 Data Analysis

3.9.1 Thematic Analysis

Thematic analysis is an analytic method used mainly under qualitative research for identifying, analysing, and reporting patterns/themes arising within a data set (Braun and Clarke, 2006), or behaviour (Aronson, 1995). It is a flexible method (Braun and Clarke, 2006). It is dependent on the researchers' understanding as they read through a data set (Ely, 1997) to minimally organise and describe data in rich thematic detail (Aronson, 1995) without departing from the perspectives of the respondents (Leininger, 1985). In essence, thematic analysis works to simultaneously reflect reality, pick or unravel the surface of reality (Braun and Clarke, 2006). In this study, thematic analysis followed the latent analysis approach. It goes beyond the semantic content of the data to identify/examine the underlying thought process, assumptions, and conceptualisation leading to ideologies/themes that were derived from the semantic content of the data collected.

This method followed the process below.

- **Transcription:** This is a stage where the data collected during the interview session in the form of audio was transferred by writing it down on a piece of paper in its original form. This was inclusive of punctuations, giggles, sighs and chuckles.

- **Familiarisation:** At this stage, the transcribed data was read through to familiarise with the content and get a general feel of how the respondents related their feelings and ideologies. This was a crucial stage as it provided an early conceptualisation phase which was necessary to assist in the formulation of coding.

- **Generation of Initial Coding:** The transcribed data was assessed for the production of initial patterns referred to as codes. The codes retained the extracts from the transcriptions to keep the "voice" of the

respondents which would buttress the analysis. Codes identified a feature of data that was important to the study, while retaining the essence of the raw data (Boyatzis, 1998). The codes are synonymous with information which was deduced from the raw data, meaningful to the researcher, with regards the phenomenon under study.

- **Searching for Sub-Themes:** Themes carry the interpretive conceptualisation of the codes in relation to the arguments made on phenomenon under study by the respondents (Braun and Clarke, 2006). The themes were developed by the researcher as he engaged with the codes. The importance of the theme was not dependent on its measurability, but rather in terms of its essence in relation to the overall research questions.

- **Reviewing Sub-Themes:** This was a stage where the themes made were reviewed for coherence and compatibility/congruence. Establishing whether sub-themes had sufficient extracts from the data to substantiate them. This was also assessed to see whether some codes were better as stand-alone rather than grouping them. It also assessed whether they could be removed altogether or group them under miscellaneous for later use.

- **Defining and Naming Themes:** This refers to the analysis of sub-themes for congruence and grouping them to come up with overarching themes (Braun and Clarke, 2006). Overarching themes show the meaning that the reader would most certainly associate. This ultimately helps the researcher to understand easily when writing a story line (Aronson, 1995). This also helps to drive home the holistic feelings of the respondents about the phenomenon being studied, in this case the leadership and governance challenges at Bank Alpha.

3.10 Presentation of Data (Chapter 1 – 6)

The outline of chapters in this study is as follows:

- Chapter 1: Introduction
- Chapter 2: Literature Review
- Chapter 3: Research Methodology
- Chapter 4: Presentation of Data
- Chapter 5: Data Analysis and Interpretation
- Chapter 6: Conclusion and Recommendations

Chapters 4 and 5 had to be split, contrary to the research proposal made. They were too large to be grouped together. Separating them was good to help the reader distinguish the transition from presentation to analysis.

3.11 Limitations of the Study

The study was confined to the perspectives of the employees of Bank Alpha. It was not extended to the subcontractors and business partners of the bank being researched, nor the regulator. Bank Alpha could not avail information on its clients, without a court order, as a result of confidentiality clause which enforced by the regulator on all commercial banks. Due to time constraint, the information was limited to a one time survey which was not corroborated through documents, observations or involvement in day-to-day operations. Thus, the study is limited to the views and feeling of the sample.

The study, however, acknowledges these shortfalls. They, nevertheless, do not make the study less valuable. This is because the respondents are well versed on the day-to-day work of Bank Alpha, thus had the knowledge of events over years, which would otherwise not be reflected in the documents. Also, what happened within the walls of the bank, which is intangible yet worthwhile, could only be known and narrated by the employees. This could be the real reasons for high staff turnover, unprofitability and operational glitches experience by the bank.

3.12 Ethical Considerations

This study was undertaken in partial fulfilment of the requirements for the completion of a Masters Degree programme with the University of the Witwatersrand. As such, the project was subject to the code of ethics of this university. It was, therefore, purely an academic research with no relation to the supervising authority. Thus the regulator has no cause to use them without authority of the researcher and/or the university. The University of the Witwatersrand issued a letter to attest to this study. Thus, this further showed no ulterior motive by the researcher and distancing the supervising authority from the study. This letter was shown to the interviewees to free their conscience. No disadvantaged group was used or implicated in this study. The data collected was handled with strict confidentiality and would not be disclosed to anyone except the University of the Witwatersrand on request. All the participants were involved on anonymity status and were not named anywhere in the study. For every participant involved, consent was sought to record the whole interview process. All the respondents participated freely on their own will. Thus, they were not forced, coerced or led in their responses.

3.13 Research Management

The study was conducted following the time lines below:

- Introduction and Literature Review : 02 February – 13 March 2015
- Defence and Approval : 13 – 31 August 2015
- Data collection and transcription : 24 September – 10 October 2015
- Analysis and findings : 12 - 20 October 2015
- Conclusion and recommendations : 21 October - 2 November 2015
- Write up and proofreading : 4 – 21 November 2015
- Draft circulations and Review : 26 November 2015

- Refinement and final submission : 1 December 2015 – February 2016

CHAPTER 4: PRESENTATION OF DATA

This chapter presents the data that was collected through the semi-structured interviews from six respondents.

4.1 Introduction

All the respondents in this study are members of Bank Alpha. Three are supervisors and the other three are managers (Annexure 2). They were from three different departments and/or divisions. The respondents had been with Bank Alpha for quite some time, hence they were knowledgeable about the bank's operations. They have, as a result, provided insightful information which helped diagnose the real reasons behind the leadership challenge at Bank Alpha. This was achieved by structuring the interview questions using the BSC performance evaluation framework. The leadership's philosophy at Bank Alpha was broken down into several key activities. These were limited to ten in this study, for the purposes of understanding how the leadership responded or otherwise influenced the business objectives of the bank on a daily basis. These areas were qualification/personal information, leadership strategy, performance appraisal and reward system, business strategy, corporate social responsibility, environmental performance, learning and development, research and marketing, customer satisfaction, and internal processes.

The BSC framework, as suggested by Gibbons and Kaplan (2014), shows the interconnectivity of these various business/leadership activities in building a successful and robust business entity which is resilient, yet agile to its surroundings. These activities were scrutinised for adherence to the tenets of contingency leadership at Bank Alpha.

4.2 Data Presentation

4.2.1 Qualifications/ Personal Data of Respondents

Table 1 below presents the credentials used to assess whether the respondents were qualified in terms of age, experience and qualification to give information on the bank operations. This information was used as credible enough to assess the current bank disposition. It, subsequently, assisted in coming up with conclusion and recommendations. All the respondents confirmed their longevity with the Bank Alpha in various positions within their respective departments.

Table 1: Personal Information

Interviewee no.	Position	Experience	Qualification	Age	Employment Mode
1	Supervisor	19yrs	Diploma in Human Resources	45yrs	Permanent and pensionable
2	Supervisor	16yrs	Degree in Security Risk Management	43yrs	Permanent and pensionable
3	Manager	17yrs	Masters Degree in Project Management	47yrs	Permanent and pensionable
4	Manager	12yrs	Degree in Risk Management	45yrs	Permanent and pensionable
5	Manager	15yrs	Diploma Holder Electronic and Electrical	50yrs	Permanent and pensionable

			Engineering		
6	Supervisor	10yrs	Post Graduate Diploma in Management	41yrs	Permanent and pensionable

4.2.2 Leadership Strategy

The respondents were asked to evaluate the leadership's accommodativeness in the aspects of creativity and innovation of its staff members, support, ability and willingness to engage on consultative platforms on major policy reforms and general change management issues within the bank. The aim was to understand the leadership's approach to the principles of participation and transparency. It also aimed to see its response when faced with contingent factors which necessitated it to respond/act to keep the business afloat, relevant and profitable. The objective of the question was to evaluate how the leadership brought about change and motivation on its employees, and harmonise their efforts while pushing them to achieve greater performance standards and proportionate output.

a. Innovation and Creativity

Respondents 1, 3, 4, 5, and 6 were of the same view in that they all saw the bank leadership as not encouraging innovation and creativity. They alluded to the rigid policies and detailed step by step procedures, which are used to direct their actions. Respondent 4 believed that they were more like "programmed to work in a certain manner, a certain way. It is like the culture is that we have been doing this thing like this and for so many years". They could not, therefore, depart from that practice. According to respondent 3, the bank does not allow anybody to work outside the policies, processes, and procedures that are there. It wants staff to work within the set parameters to achieve the set objectives. Furthermore, respondent 5 alluded to "lack of devolution of power and delegation of responsibility", which he says had seen "some decisions that are on paper which should be done somewhere else

still being done at the highest offices". He felt that "even if a manager was an innovator, they are going to be muzzled because his/her responsibility has been usurped by his/her superiors". He buttressed the sentiments echoed by an earlier respondent when saying that the bank had a way of doing things the way it has been doing, and no one wanted to deviate from that. He called this "rocking the boat". Respondent 1 saw this as a problem brought about by the "decisions made at the senior management level which do not incorporate people at the lower level". Notwithstanding, respondent 6 observed that "most of the things you cannot do without referring to the policies and regulations in the Bank".

On a different perspective, respondent 2 believed "the bank supported creativity and innovation in the sense that it always wanted its employees to further their education". In justification, he argued that "the more the education is furthered that is the more a person can be creative" and that "there will always be a room for improvement on everything that someone does in the bank". This contrasted sharply with the sentiments of other respondents in that he saw no policies and procedures as restrictive or a barrier. Furthermore, he added that they have the potential to improve their work, and this is an on-going process.

b. Communication of Change

The respondents were equally divided on this issue. Respondents 1, 2 and 5 agreed to the presence of some form of consultation made by the bank on changes, especially policy issues. The respondents, while in agreement, were, somewhat, of the view that such communication was made not necessarily to solicit ideas, but to pass across what the management had decided. Respondents 1 and 2 pointed to the medium of communication used to reach out to the general staff. First, emails are used to communicate the idea from the management for the staff to read through. Second, the election of representatives (union and member trustees), who represent the views of the staff in various platforms. Third, the use of external consultants, who conduct internal surveys on specific needs assessment areas and

present the findings to the management. Last, the use of internal hierarchy which hold departmental meetings to discuss important issues which are then forwarded to senior management for consideration.

Respondent 5 concurred with respondents 1 and 2. He, however, departed when saying that the proposed changes, especially by staff, which were not favourable to the senior management, though good to the bank, were thwarted without further discussion with the proposers. To him, this defeated the purpose of consultation. Respondents 3 and 6 concurred that in the recent past, communication was nonexistent. They argued that some policies appeared from nowhere without enough consultation or contribution from the various stakeholders. Respondent 6 continued to attribute these actions to the low staff morale. This is due to no better alternative for job change, and the disgruntled employees stay because of the fear of the unknown. Respondent 4, however, rejected the notion that consultations are ever held. He cited a recent amendment to the working conditions which was ratified and circulated engaging staff. He pointed out to the lack of participation of staff in policy development. He attributed it to “up-down approach” synonymous with the bank’s leadership for years.

c. Flexible and Supportive Leadership

Respondent 3 appreciated the support and flexibility availed by the bank. He pointed to the mechanism put in place, which allow them to develop the business case. This, he said, was a way of bringing forth ideas either to improve or propose a change to the status quo. He reasoned that “Management wants to understand why we are embarking on a project, the benefits and all that.” This, he pointed, shows a room for flexibility and support. Commenting on the business case mechanism, respondent 4 lamented that the support “is kind of lukewarm, not a clear cut scenario whereby I know I will be supported as a manager.” Respondent 3, however, had a different opinion in relation to the assistance on personal/social problems believing “the attitude is that I should solve my own problems.” This position is held by respondents 1, 2, 5 and 6. They even extended the

position to both official and social support. Respondent 5 summarised this position as follows:

> "Ahhhmmm.. My opinion ehhhh our managers unfortunately in the larger percentage are in essence slave drivers masquerading as managers... why.. ehhmm there are issues which demand a manager to stand and think for his subordinates. But in that regards a lot of managers are failing. Truly and suddenly the issue of concentration of power becomes a very good excuse for inertia on the part of manager. ehhh this ehhh that . to say ahhh... I am not the one to make a decision on this... in fact people abdicate responsibility on an excuse that powers are concentrated. But the same people when it comes to same issue of concentration of power…… when it comes to an employee erring, suddenly they have power to punish, to arraign before disciplinary hearings. Suddenly they can do that. That's why I say we do not act as managers but as slave drivers because a slave driver will be concerned on that work must be done but welfare is not his concern, this is slavery; a slave has nothing to be concerned about. Managers fear the senior management and people resent it, but instead of dealing with the problem, they now kind of vent out and that still brings out the same thing they do not like. It's kind of an abused person coming an abuser... you see this."

4.2.3 Performance Appraisal and Rewards System

This question sought to understand how the bank evaluated performance. It also wanted to find out how performance evaluations are used to enhance performance. The objective of the question was to understand if these efforts were actually benefiting the bank.

a. Performance Measurement and Reward System

This was an area where most respondents raised complete dissatisfaction alluding to lack of objectivity in the appraisal tool and secrecy surrounding the allocation of rewards. Respondent 1 mainly decried the reward aspect, especially the lack of transparency on how the rewards are calculated. He further pointed to the performance measurement indicators saying they are not clear. He called for the evaluation forms which varied from one

department to another. Respondent 2 mostly complained that the performers and non-performers are rewarded the same. He said the system failed to make any discernible difference between the ratings. This makes rewards the same despite the employees having scored differently on performance.

Respondent 3 decried lack of correlation between performance, rewards, and the evaluation system. Furthermore, he pointed out that "the appraisal system is mainly about my behaviour not errrr on my performance as such", hence it does not motivate hard work amongst staff. To add on to this, respondent 4 said; "The performance appraisal is so rigid that you are constrained to a few attributes, which does not support the overall objective of having a very objective performance review." He advocated for a well-rounded system which could holistically and objectively evaluate the performance. Respondent 6 reiterated that the performance measurement tool does not assist in seeing or assessing the actual ability and capability of individuals. Respondent 5 shed more light on the general view expressed:

> "Ahhhmmm the performance assessment tool, if I were to use the word that comes to my mind immediately, is rubbish.... that's what comes. Why am I saying that? Ehhhhhh it very very subjective, you can be appraised over an incident. If you had an incident yesterday and the appraisal comes today that's what is going to form the basis of his view about you. Ahmmm and you would understand why... if you look at the form, there is nowhere where it allows for objectivity. Questions like how does he relate to people, how does he ehhh look after equipment. What do you mean by relate to people? The measurement instruments are not there... what does it mean to look after equipment? ehhh he does well in his job, what does "does well" mean? What is this does well. He is a good communicator. What does communicator mean? So if you have those things, if I have differences with you maybe I am a bad communicator, if you assign me some duty and I did not finish on time, I am a poor performer... so this is subjectivity... ehhhh so there are no measuring stick... Sir when I say you are a good performer this is what I am referring to exactly. To the point that somebody can come and read and be satisfied that I am a good performer and even pick that this is what you said about this man but you gave him excellent, but you had this mark but when I add marks, the total does not tally this is too much. Where is the discrepancy coming from, did you intend to put 36 instead of

> 86? There is no person who can come and do a check and say this is ok or this is not."

Respondent 6, thus, concluded that, "It doesn't reward the rightful people really. It's the opposite way."

4.3.4 Business Strategy

The respondents were asked two pronged questions which were aimed at finding out if the respondents knew and could recite the business strategy of their bank. The business strategy forms the central/focal point directing and informing every decision that is made. The questions also sought to see if the yearly objectives formulated were linked to the business strategy, and whether the bank has a mechanism in place to ensure horizontal and vertical integration in its strategy.

a. Staff Understanding of the Business Strategy of the Bank

All respondents did not know the business strategy of their bank and could not recite it. The recitation varied from one staff to another. It proved to be difficult for them as they took time to answer the question. Respondent 1 was asked whether he understood and could recite the strategy. He said "not exactly" and that he cannot go deep into that as he knew very little of the strategy. Respondent 3, on the other hand, was frank to say:

> "To tell you the truth no, and for one reason; this strategy is not communicated very well in the bank. Ehhh I only understand or try to understand the business unit strategy. But not the corporate strategy and how I can link the business unit strategy and the corporate strategy, that link is not there. The business unit strategy and the corporate strategy are not aligned, there is no link there and it's mainly because there is no communication."

Respondent 4 confided that he did not understand it. He added that if at his rank he does not understand what more of the junior officers? He could not give an overview of it. Respondent 5 cited what he thought was the business

strategy and when asked if he was affirmative on his knowledge of the strategy, he said, “Ahhmmmm I think I am just making this up, as I am 15 years working here so I am part of the furniture and I know where we are trying to go as the bank”. Respondent 6 said the business strategy of the bank comes from the “different units up to the divisions and departments.” He added that “these things make the overall business strategy of the bank.”

b. Linking Objectives to the Strategy

The views were effectively and conclusively summed up for all by respondent 4 who said:

> “You know it’s really difficult, like the other time we were trying to come up with a work programme, you know it was theoretical to say, link the work programme to the strategy, the strategy that we do not know. And it was really difficult, it’s really difficult for us to achieve given that there is no linkage between what we do and the strategy so the balancing is not there.”

Adding to this, respondent 3 linked the lack of strategy knowledge to the “Physical Planning Department”, which he said was responsible for the horizontal coordination and communication of the business strategy. He said that this department was supposed to ensure that the corporate strategy was communicated, and the business units should align theirs to the corporate strategy. But they seem “not to know what they are doing or simply don’t understand what they are supposed to do”. Respondent 6 said that “as a Division we are supporting the vision working with other departments and divisions so that their objectives and goals are achieved.”

4.3.5 Corporate Social Responsibility Policy Framework

The respondents were asked whether the bank had any corporate social responsibility policy and how that affected its community relations. The questions aimed at gaining an in-depth understanding on the efforts made by the bank to build rapport with its community by investing in beneficiation programmes, and supporting environmental and social development

initiatives. It wanted to find out whether the bank sees itself as part of the community and whether it deems it necessary to be seen by its clientele as a caring, compassionate and development driven entity. This helps gauge the community knowledge of the existence of Bank Alpha.

All the respondents made no recollection of ever seeing the corporate social responsibility policy framework in the time they have been under the employ of the bank. Respondent 4, however, had a recollection of the bank having undertaken a community relations initiative through the “Lephoi Centre for the Deaf”. Respondent 2 recalled the outreach programmes made during the International Trade Fairs to interact with the community on question and answer sessions. They, however, had no clue on what informed neither the selection process nor the criteria used as a guideline. However, respondent 3 alluded to the bank as “working in isolation and secrecy”. While respondent 5 noted that, “If the bank was to have an issue for any reason, it was likely to have a negative reaction as it was not known for anything”. Respondent 6 observed that “even if you try to source some donations from the bank they will say that they do not want to participate in anything of that sort.” He associated this with the bank not wanting to be seen as supporting one particular community than others. All respondents, however, were aware of the benefits of corporate social responsibility. They would thus very much wish to be seen as part of their community and also to see developments which they could be proud to relate with as the employees of Bank Alpha.

4.3.6 Environmental Performance

All the respondents were asked whether they were able to depart from the set work objectives to harness the opportunities that arise in the market/environment and whether it was possible to shift or acquire funds for that purpose. The purpose of this section was to assess how the bank reacts to the unforeseen environmental or contingent factors that are not part of the work programme, yet bearing significantly on the operations and survival of the Bank. The question took note of the versatility and volatility of the business environment and the opportunities that are presented on a daily

basis to the business because of the political, environmental, social, technological, economical, and legal (PESTEL) shifts due to globalisation.

a. Market Opportunities not Reflected in the Work Programme

Respondent 1, 2, 3 agreed that it is permissible to capitalise on market opportunities. Respondent 2 said that as long as a presentation was made on the pros and cons of pursuing the opportunities, and is understood and approved, the implementation was possible. Everyone "is always given a room to go an extra mile." This is contrary to respondent 1, who said that one can go ahead and act on the opportunities, but must later explain to the management why he/she took that decision. Respondent 3, however, said that though possible, this has never happened as the system has made them myopic, hence never thought of "expanding their thinking horizon." Of concern was the fact that "even plans or projects that are set for the financial years are never reviewed for success or failure due to lack of serious programme reviews", said respondent 3. The latter's views were shared by respondent 5, who lamented that:

> "Opportunities that arise sometimes are not going to be easily discernible as they need somebody who has freeness of thought, freeness of innovation ehhhh and know that deviation does not necessarily mean disorderliness. But if you take the culture here is such that you have to fall into line."

The above observation was reiterated by respondent 6, who compared the bank to other organisations he had previously worked for. He said, "When you are given responsibility you can make your own discretion. You can do anything as long as you can justify why you have done that. But with the current situation in the bank, you cannot do that; you can do that at your own risk." To add on, respondent 4 concluded that they were "so programmed" and not innovative. If "you are not innovative you are not creative."

b. Reallocation of Funds/Budget

Respondents 1, 2, 5 and 6 agreed that it was possible to shift funds anytime. Respondent 2 still held that as long as the proposition was approved, shifting or reallocation of funds was automatic. Respondent 5 added that it did not happen daily because there was a feeling that it could breed extravagance, waste and ultimately loss of control and focus. He pointed out that sometimes, even when the proposal was logical and befitting in all senses, it was rejected to just to pass a message, and to show who is in charge. On the contrary, respondent 3 and 4 thought it would never happen. Respondent 3 said, “Ehhhhhh, it’s not easy. In fact, it won’t happen.” While respondent 4 said:

> “Ahhh, my experience working here in the Bank has taught me that it is really really really difficult to divert funds that were meant for something else to do something that you could maybe take advantage of its availability in the market. Maybe it’s a new thing but my experience has taught me a lot of things regarding how rigid we are, as such I don’t think we can be able to take the advantage of the opportunities.”

4.3.7 Learning and Development

Here, the questions asked the respondents were aimed at finding out whether there was a learning and development policy. If the policy was effective in ensuring that credible candidates were trained in specific areas of broader organisational need. The questions also sought to understand whether the respondents saw the value in this policy, and whether it motivated them enough to continue working for the Bank. This section looked at how the training policy influenced staff development across the organisation and whether it could act and be used as a retention tool by the bank. It also sought to examine whether the implementation of this policy by the HR was transparent and generally accepted by the staff.

a. Availability of Learning and Development Policy

All the respondents were aware of the learning and development policy. They even commended the bank in this area for providing a guiding framework.

b. Implementation

Respondents 1, 2 and 6 were in agreement that the policy did ensure that staff members were trained on the right programmes that meet the organisational broader strategic needs. Respondent 1 complemented the bank in this area; especially that it trains employees at Masters and PhD levels. He said, “The training policy is there and effective. It encouraged specialisation in the field of work.” On the contrary, respondents 3, 4 and 5 felt the policy implementers did not consider the wider organisational needs when sponsoring staff members for training.

Respondent 3 observed that:

> “Is not effective.. eehhmm even the way the identification of training programmes is done, it is suppose to be based on the need analysis to say we want to achieve this objectives and for us to do that we need to train our people in this area so as to enable them to do this, but they don’t. They rely on, that’s what I think, they rely on the department. That’s a problem because ideally you want HR which is capable of assessing the needs of the organisation, looking at the strategic goals where the bank wants to go assessing the gaps and how staff can be trained so that they could work towards achieving the goals of the organisation.. But no.... to me I do not think they are doing it the proper way.”

Respondent 4 reiterated that the bank, indeed, in a number of instances, took staff for training on a “totally different programme to the work they were normally expected to do”. Furthermore, he wondered how these staff members could be expected to “give superior output” while having undergone training on a different area altogether. Worth noting also, respondent 5 said:

> “You see the policy exists, but the implementation is where the bottleneck exists. We realise that we have to train so many officers in this area ehhh we budget for it, it is approved. We even apply, but when the time comes to releasing the funds, we have to kind of re-apply. And because of that, the process of approval becomes so long that even the deadlines have been missed and sometimes the money just disappears”.

c. Encouraging Policy

All the respondents concurred that the training and development policy was not encouraging and could not be seen as a retainer. Respondents 1, 2 and 4 showed concerns on the imposed age limit of the policy. According to the policy, one is only eligible for training if less than 35 years and should have served the bank for four successive years. The person should also hold a first degree. Respondent 2 alluded to the fact that in some organisations, the training is extended to people who are 40 years and older. They lament that this age restriction cuts most staff from benefiting. Inevitably the bank would have employees whose skills were far left behind due to lack of skill upgrade which the policy was meant to address, observed respondent 5. He noted that “because of that, some decisions that you are going to make are not informed by what is prevailing at that time. So it is just informed by history, even personal experience and that obviously will affect the performance.” Respondent 3 decried the lack of transparency on the selection process for training. He thinks that there was favouritism involved because it is not open. Respondent 6, on the other hand, lamented that self-trained individuals do not get the same recognition as staff sponsored by the bank in that they were not deployed according to their qualifications. He called for the redeployment which he said can help retain staff and avoid disgruntlement across the organisation. All the respondents conclusively declared that they would leave immediately should a better opportunity arise in the market.

4.3.8 Research and Marketing

This section aimed at establishing whether the research and marketing were effectively and efficiently used to aid production. It sought to understand the

extent to which such functions were undertaken at the bank and how the respondents viewed them.

a. Dedicated Departments/Division

All the respondents expressed no knowledge of a marketing department, but knew of the research department. In place of marketing was a one-man office in charge of communication. This was summed by respondent 4 when saying:

> "Unfortunately no. Uhhhmm..for starters we do not have a marketing department or marketing as a unit. You know its ahhh sort of overlapping in other departments so it's really difficult for the marketing to be as clear as you would think of other organisations whereby they have a marketing dept, or marketing team or division. We do not have that."

b. Marketing Function

All the respondents showed that not much marketing was undertaken by the bank. Respondent 2 exhibited knowledge of the previous use of trade shows and pamphlets. While respondent 3 pointed to the seldom use of radios and television as mediums to reach out to the public. However, respondent 6 noted that such efforts were undertaken mostly to clean the bank's reputation on bad publicity or when there is a problem. Generally, the bank does not do a lot in the marketing area. Respondent 3 further indicated that this was a grey area where much is needed to be done. To this, respondent 4 said:

> "Ahhh you know one thing that I know and that I have observed, the banking industry in itself is very complex and for us to educate people we need to do a lot more.. Unfortunately we are not doing that. We are operating in a very complex environment or industry. So for us not to go there is very disadvantaging because already the public out there are clueless about the banking industry. We are not doing enough in that aspect."

4.3.9 Customer Satisfaction

This section sought to understand the efforts made to solicit ideas and conduct satisfaction survey. It also wanted to find out how such was factored into the corporate wide operations. It focused mainly on what the organisation did to ensure that the customer was satisfied with the products and services it offers.

a. Customer Expectations

All the respondents recalled no survey ever undertaken on customers' expectations and their satisfaction or lack thereof in relation to the bank services. Respondents 5 and 6 ascribed this reluctance to the absence of customer complaints which they said was a sign of all being well. They believed that the bank was comfortable with the status quo and did not want to open a can of worms where there was none. Respondent 4 said, "We do not deliberately go out there to do a deliberate research, maybe a survey to get to know the feedback from our customers." Respondent 1 added that the bank neither has a "suggestion box nor anything that they use to get feedback." Furthermore, respondent 5 concluded, "Because there are no complaints we believe customers are happy."

b. Assisting Customers

Respondents 1, 2, 3, 4 and 6 said they are empowered to assist customers to the best of their ability. They said they could go an extra mile to make sure that the customer gets assistance. Respondent 5 was the only one who said he was constrained in that he had to follow the hierarchy of command in trying to assist customers. In such instances, a customer may wait longer to be assisted.

4.3.10 Internal Process

This section aimed to understand the nature of the job itself. It also wanted to find out whether the methods used to deliver the job mandate were challenging enough to the respondents. It looks at whether they feel that the skills they acquired were utilised effectively in the line of their duty. It also sought to understand whether the bank realises the value of benchmarking, and, if so, how it utilised the experience gained to upgrade itself to meet the industry's best practices.

a. Skill Utilisation

Respondents 1, 3, 4, 5 and 6 felt that their skills were not effectively utilised. They attributed this to the hostile working environment. Respondent 6 added that to demonstrate expertise and in-depth knowledge exposed one to ridicule by superiors. This results in one withdrawing and toeing the line.

Respondent 3 said;

> "No. They are not fully utilised. I believe I could be doing more to improve or to advance the mission of the organisation. Its mainly because of the way we work. We work in silos and because of that I have to concentrate on my area only. Whereas if we could be working with other departments, in projects and all that, I could be contributing more to the organisation using my skills."

Respondent 6 added: "From my knowledge base, and from what I know, I could be doing more, if they are using 30% of that they (bank) will be lucky. Actually, in essence, to tell the truth, if I were the Bank, ehhh the way it wants to work not only in my area but in many areas, they should be getting people of lower qualifications with more experience."

Contrary to this, respondent 2 noted that while his area of specialty was not utilised, he, nonetheless, gained a lot from his job. He observed that:

> “What I am doing right now is totally opposite to what I was doing at school, so I would say my skills are not that much used in my area of responsibility. Ahhmm this makes me grow however as a lot of work I do now is sort of managerial work, in a lot of times when you are doing a managerial work you have to come across a lot of things that you have to solve yourself that you have to consult other people. What you have to do to broaden your scope of looking at things. I would say it helps a lot for me to grow.”

4.4 Conclusion

The respondents were given an opportunity to highlight the areas where they thought the bank really had to do more as a way of concluding the interview. Respondent 1 brought forth benchmarking as a concern. He said it should also be done on the salaries as he believed people work because they want to better their lives. Respondent 2 appealed for a general departmental meeting with the head of the bank. This, he said, was a good way of understanding the health of the organisation from the operator’s view. This, he added, would help them better appreciate the status quo. This would assist them as and when they refine and refocus the strategic goals of the bank. Respondent 3 brought the issue of leadership training and change management as pivotal to the survival of the bank. He also mentioned corporate social responsibility. Respondent 4 reiterated the sentiments of respondent 1 by saying that the overhauling of the pay structure was necessary as it is not attractive to young and vibrant employees. He added that the bank pay structure was over 10 years old. Respondent 5 appealed for the concerted efforts to be focused on redesigning the appraisal system. He said “the Bank should use a more objective appraisal which had measurable outcomes.” He singled out measures as an area of concern and said leadership must bring-out the objectivity in the appraiser to develop their subordinates. This, he added, would effectively address the performance appraisal issue. Last, respondent 6 called for the effective labour redeployment to enable employees to effectively apply themselves. This, he said, would help alleviate disgruntlement and low morale as there was little progression.

CHAPTER 5: DATA ANALYSIS AND INTERPRETATION

This chapter focuses on deriving meaning from the data. It analyses the data, and places it within a conceptual framework adopted in this study.

5.1 Introduction

The contingency leadership theory is used to analyse the data. The analysis follows the BSC framework. The contingency theory entails the analysis of how leadership responds to the contingent factors and the business environment. The rationale is that the leader's success is mostly a result of how a leader is able to match his/her leadership style against the attributes of their followers (Zink, *et al*., 2008). Following the leadership perspectives derived using the BSC framework, an assessment is made with particular attention to compliance with one or more of the six measures of leadership (Jiang, 2014). These are regard for people, production, authority, involvement in the decision making of the team, decision taking, and the flexibility against rules. These leadership measures followed closely the principles of good governance which were also assessed. These are participation, transparency, fairness, rule of law, democracy and accountability. The contingency leadership model is often ascribed or applied to businesses confronted by eminent change, which could make or break them.

5.2 Analysis and Interpretation

5.2.1 Qualifications/ Personal Data

Scholars, by and large, argue that organisational leadership strategy is often influenced by the calibre and compositions of the skills, experience and maturity of personnel in an organisation. Another aspect considered is the model under which staff members have been hired. This is believed to determine whether staff members need to bond with organisational ethics and code of conduct or not. According to table 1, the respondents, who were

from the management and supervisory cadre, are some of the longest serving members of Bank Alpha. Their qualifications enable them to make credible, informed and balanced decisions. They have been with the organisation for years as it goes through various phases of the business cycle. Thus, they amassed experience which is valuable when tracing the pitfalls their organisation had gone through as well as the strategies it adopted in all the phases. Considering their duration in the company, they would also be able to reveal the socio-cultural ideology of the organisation. This would be like second nature to them.

When respondents are analysed in reference to their academic background, they represent an average Botswana citizen regarded as an intellectual. They are endowed with proper foundation and innate ability to make professionally sound decisions on the present and future direction of the bank. They were also employed as permanent and pensionable signifying the organisation's trust in them. This also shows its willingness to invest in their further development, and its reliance on them to drive the business strategy further. They represent a cadre which was entrusted with the ability to disseminate information both downwards and upwards. They also disseminate the business philosophy of the bank's leadership to their subordinates. In the process, they are supposed to ensure the proper execution of the policy decisions/frameworks. With the foregoing, it is clear that the respondents were better positioned to take part in this study. Their views were credible and gave a holistic picture of the bank's operations. This study, therefore, considers the information derived through the interview process as credible.

5.2.2 Leadership Strategy

The leadership strategy must be radical, yet delicate and appropriate (Dinwoodie, *et al*., 2014) to avoid triggering negative consequences resulting in the employees feeling inferior to the organisation they work for (Hamilton, 2014). The leadership strategy must be supported by the relevant HR policies. It must also be consistent with the business strategy. Incongruence in this area leads to cross purpose results. This stifles the work flow and

ultimately breeds disgruntlement on the employees. The leadership strategy acts as a human enabler (Gonzalez, 2014) catalysing human ingenuity to reach the organisation's full performance potential (Gruman and Saks, 2011). The HR policies are stimulants which provide for an environment which is purpose conducive and easily understandable. The bank does not seem to support its efforts to sustainable growth in the context of globalisation. This is supported by the respondents, whose majority feel the leadership strategy was counter innovation, not creative and did not offer support to staff on social problems. These polices provide a broad framework. They are, however, stifled by the procedures which seem to be structured, leaving no room for individual thinking. As a result, this prevents creativity and innovation. In essence, procedures were trying to narrow the employees thought process and to do things in the same way so that the generation of ideas was predictable. This ultimately crystallised into a culture that is now deep-seated in the minds of the respondents and perhaps extended to all the employees (respondent 4). This has a potential of making the bank unresponsive to the business environment.

The fear of deviation from the norm (respondent 6) which is linked to lack of devolution and delegation of power (respondent 5) generally created a culture which is oppressive to the subordinates, especially those who questioned the status quo. The deviants are labelled anti-establishment and ignorant to protocol. Those who remain silent and obedient are regarded generally as good employees. This, in essence, does not support the good governance principle of participation. In good corporate governance, there is a call for the development of a mechanism which allows everyone to air their views (down-up approach as noted by respondent 4). This would see the organisation becoming versatile and dynamic in a quest to meet the demands of and even surpass the expectations of the current genre of customers.

Fulfilling the customer expectations requires those who interact with them to be able to give feedback to the decision-makers on the needs and expectations of customers. Their personal observations will feed into the

leadership's general analysis of the business environment for better and all-encompassing decision making. While respondent 2 believed there is room for creativity and innovation, his position, which equated educating staff to opening their creative minds, was undermined by the fact that innovation and creativity were possible to the extent that policies and procedures make it possible. In the current scenario of procedures and culture of tried and tested, creativity would be stalled and even killed by the hierarchical nature of the top-down approach leadership style which short circuited any attempt of a new business approach that was contradictory to and/or disturbed the status quo. Eventually, the organisation would become highly endowed with skilful personnel, but lacking in professionalism which is ideal for creative leadership. Considering the observations of respondent 4 that the majority of employees were around 42 years old, it meant there was little to no change in the leadership structures. This would imply that the youthful employees were unable to penetrate the layer above to reach the management positions. They either resigned or joined more conducive and responsive organisations.

Respondents made mention of lack of supportive structures, especially on personal problems. Globalisation does not only affect organisations, but the people in it too. Thus, for the effective contribution of employees to the organisational wellbeing, an arrangement must be made for psychological training and moral therapy such that the employee are not overpowered by the unprecedented environmental changes. Organisational change may create a shock and a sudden change which, if not managed and communicated well, may affect the morale of employees. Respondent 3 spoke of change management as a critical area of concern at Bank Alpha. This is surely an area where the leadership should adopt both up-down and down-up leadership approach. This may help the whole organisation to move forward as a unit, rather than have the executive operate at a level whose strategic significance is not shared by the majority of the implementing officers.

The leadership hold the right to make a ruling on any proposition brought to their attention for consideration. However, to promote fairness and participation, a veto must be followed by a thought process analysis to clarify points of departure on the leadership and business strategy such that the proponents were better equipped to understand the way forward (Gonzalez, 2014) as opposed to thrashing a proposal without clarifying the grounds for rejection (respondent 5). Any rejection without reason may create abdication of responsibility on the part of employees for fear of being sidelined and labelled anti-establishment. This was already creeping in as shown by respondent 5, who feared being labelled “a deviant”; while respondent 6 said “you differ at your own cost.”

5.2.3 Performance Appraisal and Reward System

Performance appraisal is often used to gauge the ability of staff to cope with the work demands on various aspects of their job mandate. It provides an opportunity for the appraiser and the appraisee to share on the performance under the year being reviewed. It also identifies the factors that may have either influenced or hampered the ability to deliver as agreed in the work programme or objectives. Its essence is to see if the efforts made by both parties to the appraisal are consistent with the objectives which, in turn, feed into the cumulative achievement of the divisional/departmental strategy and ultimately the business strategy. It is through this exercise that the feedback is received by the HR department for broader organisational need analysis. In the process, this informs the strategic intent of the HR. In rolling out its plan, either on training or welfare development programmes, these appraisals form the supporting documents for the decisions made. Performance appraisals are also often used to identify the good or outstanding performers and reward them accordingly. These rewards are merely meant to recognise good performance, and stimulate the recipient to work even harder. For those who have not performed, the awards are hoped to set an example of how good performance is rewarded. They would feel motivated to review their performance appraisal comments and work on developing the areas they have fared badly in so that they stand a chance of

getting rewards on the next cycle. In essence, the performance appraisal and the rewards systems must produce the desired results.

According to respondent 1, performance appraisal forms were generic across departments. This, he said, made the appraisal system fail its mandate of considering the job the appraisee was doing in its totality, and to objectively point to the areas where the appraisee had done good and where he/she has under preformed. Making the forms generic had, in essence, brought about face value job evaluation without delving into what the employee was hired for. There is so much subjectivity, which all the respondents are against. The appraisal structure must cause the appraisee to introspect objectively by pointing out to the critical issues which, by nature, would reveal behavioural aspects needing attention without necessarily making behaviour the subject of discussion (respondents 4 and 5). The appraisal form must break down the job requirements into key discernible areas and show the underlying areas of observation under such key areas, indicating what an achievement under such requirement would equate to. This would address the key issues of lack of clarity in the performance measures (respondent 5), and of the system not being able to pick the biasness of the appraiser (respondent 1).

The ability to clearly indicate what an achievement or a well-done assignment entails would automatically bring the appraisee to self evaluate and pick the areas of deviation easily and this would reduce the disagreements. This would also do away with the appraiser's biasness of favouring sympathisers. It would embed an element of objectivity in the process. This would also make the staff to have confidence in the system and embrace it as their own tool which helps them to do their job well. It would make the respondents to believe that the appraisal was, indeed, about their work rather than one's behaviour as respondent 3 alluded. As it is, the respondents undergo the exercise as a matter of procedure and have little to no confidence in it (respondent 5). An appraisal must bring a sense of responsibility and force appraisees' to account.

To stimulate a continuous urge to outdo oneself, performance appraisals must be accompanied by a clearly outlined rewards system. Thus, the performance appraisal and the rewards system must be aligned. According to respondent 3, alignment is not there. This was reiterated by respondents 1, 2 and 5 who observed that non performers and good/superior performers were rewarded the same. Respondent 5 further says, “The Bank separates the performance from the rewards system despite calling it performance based reward.” A question arose on the methodology followed to award rewards once performance had been appraised. The respondents pointed out that the rewards had been enjoyed by non-performers hence they never served the purpose of incentivising them. In fact, it supported non performance since a manager could have many underperforming subordinates and yet still, benefit from the reward system (respondent 5). For the confidence in the system to arise, fairness and transparency must be built into the system to eliminate a haphazard reward distribution. This is lacking as opined by all the respondents. A score in performance evaluation must automatically equate to a particular score on the rewards.

5.2.4 Business Strategy

The business strategy of an organisation must be clear and well understood by all the stakeholders. It forms a spring board or a foundation from which all departments derive their strategy, and consequently their objectives and procedures. The leadership strategy adopted is highly influenced by the business strategy. In fact, the realisation of the business strategy is predicated on the leadership strategy. While the business strategy is the spring board, the leadership strategy is the indicator of success or otherwise of the business strategy. The HR strategy, which is a lubricant of performance and leadership ideology, has a significant bearing on leadership strategy. It is reliant on leadership strategy and its impact is directly felt across the business through the policies made. It is seen as rolling out the leadership strategy so as to enable staff to adhere/align to the ideological mindset of its leadership. Consequently, the business strategy, departmental

strategy, leadership strategy, and the HR strategy must be aligned to bring harmony and collectivism in an organisation.

Bank Alpha established a Physical Planning Department, whose aim is to disseminate the business strategy of the bank such that its knowledge is standardised across departments (respondent 3). Its role has not yet shown fruits as no respondent could recite the business strategy. Respondent 3 showed a theoretical understanding of how the business strategy, leadership and departmental strategies link. This is a good sign that communication of the strategy would be understood with all its linkages should it be made. However, he confirmed ignorance on the business strategy. Respondents 1, 2, 5 and 6, who attempted to recite the strategy, were stuttering indicating an attempt to make sense, first to themselves and then to the interviewer. They later acknowledged to be making it up as they had been with the bank for a while and hence have a sense of where it was trying to go. Respondents 3 and 4, out rightly, indicated ignorance of the business strategy. With managers not knowing the business strategy, yet being responsible for ensuring the formulation of departmental strategy, work programmes and objectives, raise the issue of objectivity and their management philosophy. Respondent 4 added that it was theoretical to expect them to align the work programme to the business strategy they do not know. In overall, the departments ultimately formulated what made sense to them. Respondent 3 only knows the departmental strategy and frankly declared his ignorance on how it links to the business strategy. Considering that the managers are a go-between the leadership and general staff, their representation was, somewhat, questionable. It may well be true that they are slave drivers and benefit more from the concentration of power (respondent 5).

Lack of business strategy knowledge impacted all other related strategic intentions. It consequently makes units to work in silos (respondent 3). Ali, *et al*., (2014) observe that strategy capitulates individuals to a coherent and holistic body of knowledge. They become motivated, dedicated and self-driven to work towards a collective achievement. This act, on its own, brought unhealthy competition between departments leading to confusion and loss of

focus rather than collaborative efforts which align departments towards one objective. Cross-purpose objectives would lead to duplication of efforts and unnecessarily high cost of production. This would consequently make the services costly to the customer, whom the business was trying to attract. This was consistent with respondent 4, who acknowledged the difficulty of achievement given that there was no balancing or linkage between what they do and the business strategy. This relates to the view on the performance appraisal which painted the process as bogus and subjective; hence rewarding non performers (respondents 1 and 5). The inability of the Risk Planning Department to harmonise strategy formulation and promote overall business strategy should not have gone that long without being noticed. This showed the laxity on the measurement tools in the appraisal system which was unable to pick the weaknesses and rectify them.

5.2.5 Corporate Social Responsibility

Organisations often interact with the community it operates in to build rapport and work on environmental preservation. This portrays an image of caring about the community and makes the company to be seen as one with its clientele. The efforts such as funding community initiatives, open-day activities and other social development initiatives make the company visible to the public and appeal for business support. It is also a branding exercise. It gives the employees a sense of responsibility to the community, and makes them know their clientele better and what the community expects from their company.

The absence of a corporate social responsibility framework which outlines how the bank want to support its business strategy and the type of engagements worth consideration, makes the identification process of community projects a haphazard exercise. This absence does not make the bank to commit. It makes the employees find community relations less necessary for the business to develop. The respondents said they had never seen the policy framework. In all the interviews, only respondents 2 and 4 recalled an outreach programme rolled out during public trade fairs. They

also recalled an initiative made by the bank to reach out to Lephoi Centre for the deaf in their entire 12 and 16 years respectively with the Bank. The rest had no recollection of any community relations initiative.

Respondent 5 generally felt that the bank had little regard for this exercise. It may be that perhaps he saw it as an unnecessary cost to the bank and having little impact on how the customers viewed it. The absence of this framework also went on to show the lack of transparency on how a determination was made on where and what to do for the community. The bank is a closed book shutting the public outside and showing no willingness to engage with it (respondent 6). Lack of any further community engagement on social grounds may leave the bank with no sympathisers upon the occurrence of an unprecedented negative event. Since the word of mouth is very strong, such an occurrence would taint the bank's name and make any further business development attempts and new products difficult to penetrate the market. In line with this, respondent 5 added: "If the Bank was to have an issue for any reason, we are likely to have a negative reaction because we are not known for anything." Transparency and the ability to show adherence to some semblance of democratic ideals, when dealing with the community, is important to winning the hearts of the customers/ people.

5.2.6 Environmental Performance

The environment forms the context in which the business operates. It is an atmosphere which is highly influenced by several factors in the PESTEL model. A change in any aspect/activity mentioned in this model changes the course of business operations. It invariably forces the leadership to change its business and leadership strategy to adapt to the changing business landscape. The organisations that are able to anticipate these transitions and develop action plans to effectively counteract are usually trendsetters and enjoy the competitive advantage. Some businesses may respond through partnership building, while others respond by outsourcing some of its services. By and large, the opportunities arise in the business cycles which are lucrative. These opportunities are harnessed effectively and efficiently by

those businesses whose interactive capability is structured, understandable and easy to follow. However, due care must be made in deciding which opportunities should be pursued and which to forego. This is encapsulated in the business strategy and the policy frameworks an organisation adopts from time to time. Central to this is the rationalisation of budget and its requirements to respond efficiently to these market opportunities.

Bank Alpha has a provision to initiate a business plan as a way of presenting reasons for going after an opportunity. Respondent 2 also showed that no restrictions were made on who could develop a business case as long as the due process was followed. This made the concept of participation easy to the extent possible and brought in the aspect of creativity on the employees. Further to this, once a business case was approved by the leadership, the provision of budget became automatic. This model should make the bank responsive and able to advance the strategic intent easily. In an event where the decisions which needed no financial backing, respondent 1 point to the ability of an employee to act and inform the leadership afterwards. This act shows trust on the employees and points to the availability of a framework, which guided the type of decision which could be made without any need for further consultation. In the absence of a framework, such as the business strategy, this act would be more detrimental if liberalised (Gruman and Saks, 2011).

Over reliance on the traditional banking platform by Bank Alpha, was worrisome (respondent 5). This made the adoption of modern ways of doing business, especially on the electronic platform and with streamlined processes, a mammoth task. Therefore, the development of a new business case, which bears heavily on technological platform, will be a forbidden proposition. Thus, the organisational culture is a major impediment to the adoption of new global trends (Breevaart, *et al*., 2014). Respondent 5 added that the opportunities are seen and acted upon by someone who has a free mind and is innovative. This brought the aspect of organisational culture as an enemy to moving with times. Respondent 4 noted that the employees were programmed to think and act in a certain way. Therefore, if that way

was an up-down process, the responsiveness was restricted to the leadership intuition. In the extent that the leadership is not privy to certain information, this approach would see the organisation failing to respond if such important information was with the lower staff.

Respondents 4, 5 and 6 felt that it is impossible to react to the market opportunities. They associated this with the regimental nature of the organisational structures. With step by step procedures and many policies, the ability to think outside the box is eliminated. This tendency constrained the staff from willingly sharing what departs from the norm. This makes the bank unresponsive to opportunities (respondent 3). It also causes fear of victimisation. Respondent 6 says that, “If something goes wrong you will be on your own.” He said that as long as what one does was in line with the standard practice and brought rewards to the organisation, such an initiator would receive laudation. But the same would be reprimanded quickly in an instance where the contrary happened. This is indicative of a platform where a mistake was not seen as a learning curve, but a failure, which is punishable and shunned. This platform cannot build a resilient organisation in that with innovation and creativity there is always a risk of failure. But if the staff members know that failure creates an opportunity for improvement, then more ideas would be generated and debated democratically (Mosley, 2014). This would eventually build an environment for innovators and winners. This process would build teamwork and encourage a learning environment as a way of mitigating against failure. It is good that a regulated reallocation of funds was provided for. This ensures that the money spent is justified by the proven business case which the leadership approved. Unregulated funds re-allocation can build extravagance which is counterproductive.

5.2.7 Learning and Development

Organisations exist in a versatile and constantly evolving environment. Critical to the success of any organisation is the presence of staff whose current knowledge is consistent with its environmental changes. Effects of technological advancements, legal changes, environmental awareness and

social developments continue to bring change that cannot be ignored. Therefore, an organisation has to constantly develop its staff for it to confront and even anticipate these developments. Such kind of education would be beneficial in areas such as process re-engineering, product/service development, policy formulation and management/leadership strategies and so forth. Through learning and development, the knowledge and analytical ability of the staff is enhanced.

All the respondents were aware of the learning and development policy. This showed its significance to them and the bank. It also showed that the policy had been widely communicated and constantly applied in pursuit of fulfilling the broader organisational needs. All the respondents recalled the incidents in which some employees have been trained. They were also aware of the criterion followed in selecting those eligible for training. This showed the interest generated by this policy and how closely respondents follow its implementation.

According to respondent 4, most of the staff members were around 40 years. This means that they could not be trained especially if it is long-term training. Respondent 2 pointed that in other organisations, staff members are considered for training even if they are above 35 years. When considering the average retirement age of 60 years, an employee still has 25 years to work for the Bank. Given this rationale, the set age limit, indeed, disadvantages many. On the contrary, the bank still relied on these aged employees to advance its strategic intent within an ever changing environment. If the age limit is not revised, it may generally cause employees who wanted to further their education to consider the organisations that covered their age. This may also make staff feel that they are not considered trainable and valuable to the organisation. This may cause disgruntlement. Those who are considered may acquire higher qualifications superior to all staff members not considered for further training. Since the average age of the employees at the bank is 40 years (respondent 4), this means that progression is quite slow for the new youthful employees. These are highly mobile employees, and are hard to retain. Those with higher qualifications

yet reporting to those with much lower qualifications may get frustrated and consider leaving the organisation. The highly subjective appraisal and rewards system may aggravate this situation.

While respondents 1, 2 and 5 were fine with the implementation of this policy, respondents 3, 4 and 5 held a view that its implementation lacked a guiding principle in terms of the business strategy. This may explain why the selection was haphazard and somewhat secretive. The training of staff on programmes not correlated to their work, and expectation of superior performance on their normal work, also points to lack of both environmental awareness and future plans embodied in the business strategy. Respondents 1, 2 and 6 have an opinion that training is relevant and befitting, which is contrary to what respondents 3, 4 and 5 observed. The difference may well be explained by lack of business strategy knowledge. Without this knowledge, any road will lead you somewhere. Staff members with Masters Degrees or Doctor of Philosophy degrees (PhD) add to the profile of their organisation. They, however, have very little relevance to its success unless trained in relevant programmes as guided by the business and strategy. Linking this to business strategy, it would seem that lack of a clearly communicated strategy brought about disharmony within the HR strategy.

The efforts made by the HR, in terms of training, seem to be parallel to the wider organisational goals although they may be reflective of the leadership wish and strategy. The vertical integration appeared to be illusive and non-existent. Furthermore, even the training identification process relegated to the departments by the HR seemed ambiguous. This is shown by the approval of training programmes and budget, whose implementation become evasive and frustrating to the departments (respondent 5). Those not eligible for selection made efforts to train themselves, but were, somehow, not properly placed after completing their programmes. Maybe the programmes where not valued by HR hence considered irrelevant. In the end, the purpose of training becomes an unpalatable exercise, which, even if clear on the policy, was vague on its implementation. This has the potential to cause disgruntlement amongst the employees and a system malfunctioning. As it is,

no respondent felt this policy was a retainer. They all made it clear that they would leave should the better employment opportunities present themselves.

5.2.8 Research and Marketing

This division aids production and services. It makes them known to the public in a manner that generates customers' interest to purchase products or consume services offered. It also assists in understanding the consumers' needs and expectations. These result in designing product packages that appeal to the needs of the clients. The research function develops product concepts which best meet the market needs and hand them to the production department for processing. The marketing function is also closely tied to almost all departments as it tries to understand how best it can assist them in the best ways to make their products known by the consumers. In other words, this department aids departments to do their jobs better, efficiently and effectively.

The absence of a research and marketing department is worrisome. All the respondents recalled an office called communication and public education. It is a one-man office. They also recalled such instances where radio advertising, production of pamphlets and television were used to introduce new product lines to the public (respondents 2 and 3) but were not aware of marketing made to drive sales of current products. Given that there was still a larger population that did not use banking facilities (Jefferis, 2007; Mohohlo, 2013), and the not so good services provided by banks in Botswana despite high costs (Mohohlo, 2013), there is market potential for the bank to explore. It is a research function to find out customer expectations, needs and preferences. This information would then be used to develop product prototypes which the marketing function could use to conduct a marketing survey. Marketing function also needs to conduct more campaigns to make the population aware of the banking benefits. This is especially relevant given the aftermath of the Zimbabwean banking environment, a country that shares borders with Botswana, which has caused fear (Muwando and Webb, 2014). This fear could be the one making a larger population not to use banking

facilities, thus making marketing and research relevant. If word of mouth is expected to help market the bank, it may turn very ugly in the presence of disgruntled customers. This will push away potential customers to use the bank.

Respondent 4 conceded to the bank not doing enough in this area more especially that the banking industry was a complex business misunderstood by many potential customers. In consideration of the moratorium made by the regulator on bank charges (Bank of Botswana, 2013), a lot of people outside the banking coverage and not so good product packages in the sector (Mohohlo, 2013), and the presence of 13 commercial banks of whom 4 were major banks dominating the market (Bank of Botswana, 2013), there was clearly a need to intensify the research and marketing function. The majority of the population was still sceptical about using banks for deposits and other electronic transactions. This showed lack of confidence in the banking services, especially given the banking situation in Zimbabwe of hyperinflation (Muwando and Webb, 2014) and Greece where the banks could not give the depositors their money (Mitsakis, 2014). For those using banks, there was a heavy reliance on the physical use of money to transact (Capital Resources, 2010). This is contrary to financial liberalisation which offers global convenience. This banking environment provided opportunities which required a vibrant research and marketing function to explore.

5.2.9 Customer Satisfaction

This is an area where the view of customers is appreciated in terms of how they value the assistance, service delivery, products packages, expectations and general leadership of the bank. An organisation must develop systems under which this information can be gathered without necessarily taking much of the customers' time. The information gathered is important in assessing the value chain and the processes a company use to reach out to its customers. Valuable information may arise, and this can inform new product lines or modification of the existing packages or process re-engineering. Tools such as survey or feedback boxes or electronic

questionnaires are utilised for this purpose. These are means valuable to the research and marketing. This may also appraise the leadership on the areas of strategic importance, which the bank may have overlooked in designing its business strategy.

According to the respondents, the bank had no system of getting feedback from customers. All the respondents seemed to have the feeling that the bank deliberately refrained from making a provision for this, solely because it could be open for abuse and ultimately create a problem which could have been avoided (respondent 4). They felt that this may be attributable to the absence of or relatively negligible customer complaints (respondent 5 and 6). The fact that there were no customer complaints seems to be equated to happy customers (respondent 5). Notwithstanding this, the regulator did establish rising customer complaints about Bank Alpha (Bank of Botswana, 2013). If the customers are not given a platform to evaluate the bank service, they may begin to conspire, and this which could have bad repercussions on the bank. This may manifest in the customers slowly and progressively pulling back, probably at a rate which is not worrisome, but which would ultimately cause loss of consumer confidence. This kind of backslides are often synonymous with unfavourable word of mouth, a silent killer in the business industry. While there may be some loyal customers, the damage may show with the progressive reduction of new customers. As the bank has no research and marketing department, the realisation of this may come very late. The attempts to salvage the company reputation may even be futile. At this stage, a crisis for the bank may be declared. This would begin with high staff turnover and the loss of investor confidence leading to disinvestment. This may ultimately lead to forced closure and liquidation.

5.2.10 Internal Process

This business aspect has a direct bearing on the calibre of the service delivered and how efficiently and effectively its value is realised by the end consumer. The components include the nature of the job done in the company, the skill requisites, and the ability to keep the employees motivated

and innovative. It involves a review of processes and policies to see if they are aiding workflow or stifling it. This is achieved through the process of comparative analysis of similar institutions to identify similarities and differences. Thereafter, an evaluation of the impact of the differences on the status quo and future path of the organisation is done. The end results are proposed for adoption. Modifications can be made to aid the business strategy of the company so as to render its services better, and within the confines of budget and staff skill complement. Through this business aspect, the HR gains knowledge which assists its strategy formulation, especially in the areas of staff training and development as well as performance appraisal and rewards system.

It was evident that most respondents (1, 3, 4, 5 and 6) conclusively agreed that their skills and experiences were not utilised effectively in the bank. This is associated with the culture that has been embraced by the bank, which is not supportive of the creative and innovative staff (respondent 6). This culture kills the human ingenuity and creates the followers who are not free to advice on issues of strategic importance. This follows closely the leadership strategy that was not staff focused. The leadership keeps the decision-making solely to its-self, consequently stifling the work flow. This could also be seen under the training aspect which had been delegated to the departments (respondent 5). Its implementation is, somewhat, made ambiguous by the lengthy procedures, especially that the eligible employees are required to seek re-approval, even after they had been initially approved.

Ideally, once a budget and programmes have been approved, the departmental head should be able to just oversee the implementation rather than seek authority again from the head of the bank. As a result, the bank remains with employees whose worth was not utilised (respondent 5) and is not matched to their educational qualification and skills (respondent 6). The lack of overseeing horizontal coordination of strategy by the Physical Planning Department may have led to the departments working in isolation (respondent 3) as opposed to reaping the benefits of synergy through collaboration. It emerged that the kind of work done in most departments did

not qualify to be done through the skills and qualification of the office bearers (Respondent 5), but that of lower skills. On the contrary, the job may be demanding, but constrained by the policy decision of the HR (respondent 3) and detailed procedures. This ultimately made the employees to use little of their skills. Only respondent 2 seemed satisfied with the job he was doing and was challenged enough by it, probably because it seemed to teach him managerial skills. This showed a general concern which needed further examination as it was another area where the disgruntlement emanated.

5.3 Conclusion

In this study, chapter 1 considered banking and governance on a global, continental, regional, country and particular organisational context. The problem under investigation was the inability of the leadership at Bank Alpha to bring stability and profitability to the bank. Key questions for consideration were focused on the key leadership and governance change at Bank Alpha, the impact of the leadership and governance strategies adopted, and coming up with the leadership and good governance strategies for consideration by Bank Alpha. Chapter 2 focused on the theoretical framework. This entails going through the works of various scholars to broaden the researcher's knowledge on the major debates around the topic of the study undertaken. It narrowed down to the development of a conceptual clarification adopted in this study. Chapter 3 focused on the methodology. This study was designed as a case study with Bank Alpha being the case and its employees the unit of analysis. Bank alpha was the case as it was the only bank experiencing problems within the Botswana banking sector. The qualitative study design was used to probe the reasons leading to the problems experienced by the bank. The data was collected through the semi-structured interview, on a sample of 6 staff members. The staff members were divided into 3 supervisors and 3 managers all from the different departments. Thematic analysis was used for the data analysis.

Chapter 4 presented the collected data. It focused on the key issues which were derived using the BSC framework. The key issues were personal

information, leadership strategy, performance rewards, business strategy, corporate social responsibility, environmental performance, learning and development, research and marketing, customer satisfaction and internal processes.

Chapter 5 analysed the data collected. It emerged that the respondents knew little to nothing on the business strategy. This seemed to be the major problem from which all other identified problems emanated. Areas such as performance rewards also came out as the problem. The learning and development policy, which was known by all respondents, also seemed not to be encouraging a learning environment. In overall, the vertical and horizontal integration of the business and leadership strategy was lacking. It emerged as an area which needs immediate attention for all other areas to function properly.

CHAPTER 6: CONCLUSION AND RECOMMENDATIONS

The chapter synthesises the presentation and analysis of the data. It summarises the dissenting voices from the respondents; the voices which explain what is happening at Bank Alpha. The chapter also puts forward the suggestions and recommendations that could help mitigate the challenges faced by Bank Alpha.

6.1 Introduction

This study was motivated by the realisation that the leadership of Bank Alpha was struggling to bring stability and profitability to the bank. The bank experienced financial difficulties in an environment where other commercial banks were generally thriving with opportunities to expand the business within the country. It was the only bank which underwent two temporary management phases by the regulator in a space of five years (2011 to 2015). This study, therefore, investigated the leadership actions and governance practises adopted by the bank. It provides feedback on how such actions contributed to the declining profitability. The study ends with the provision of recommendations for consideration in an effort to rescue the bank.

The BSC framework used here has considered the non-financial areas regarded as key to business operation. These are leadership strategy, business strategy, learning and development, research and marketing, performance appraisals and rewards system, corporate social responsibility, customer satisfaction, internal processes, personal data, and environmental performance. The financial areas were not considered as it was already public knowledge that the bank was experiencing financial difficulties. Hence the study seeks to find the reasons behind the financial challenge by assessing the non-financial indicators.

The results indicate major flaws on the foundation of the bank's settings. This may explain why it was even difficult for it to stabilise despite the successive interventions by the regulator. It goes further to show the building blocks

necessary to consider once the foundation has been fortified. The bank was not proactive. As globalisation continues to shape the order of the business, especially the banking sector, lessons drawn from Bank Alpha will be critical for consideration by all start-ups in the banking sector and other sectors alike.

6.2 Summary of Findings

6.2.1 What are the key leadership and governance challenges at Bank Alpha in Botswana?

a. Lack of a Robust and Communicated Business Strategy

The business strategy is the bedrock of any organisation and acts as a springboard or a cornerstone for all subsequent strategies and initiatives (Aliyu, *et al*., 2014). It was established that most respondents new little or nothing about the business strategy. This is worrisome in that the respondents are charged with the creation of respective departmental strategies, which flow from the business strategy, as well as to oversee their implementation. Lack of business strategy also eliminated transparency. Transparency opens up avenues for constructive thinking and coordinated efforts. This appeared to be the main challenge yet to be overcome by the Bank Alpha. All other factors discussed below are directly linked to this challenge.

b. Poor Response Mechanism to the Business Environment

The bank has no mechanism to gather information from the lower staff, a down-up feedback line. While the procedures detailed in step-by-step process benefited the leadership through aligning staff, they also made them narrow minded in that they could not think outside the processes. Given a problem, they would all approach it the same way and were predictable to their leadership. This stifled diversity, ingenuity and versatility of the employees (Hamilton, 2014). This also eliminated the principle of

participation, a good indicator of good governance. This was also linked to a weak research and marketing department, which ideally should be spearheading the process of market forecasting and new product development agenda. The marketing department should be constantly presenting scenarios of anticipated trend changes. Such would act to stimulate new thinking on how best to prepare for such trends, be it in new product development or process re-engineering.

C. Lack of an Accommodative Learning and Development Atmosphere

The policy framework on the subject was pivotal to ensuring a versatile organisation. However, the document excludes the majority of staff members who are still able, have the time to work and are holding strategic positions critical to the organisational success. With a restriction of 35 years and below, the staff members, who are above the age, yet with over 25 years to retire, were not considered for training. Consequently, the majority of staff members are left out of this training benefit as most staff members are above 35 years old. The double approval of those eligible for training came out as a concern too. A training programme is selected, budgeted for and defended successfully at the training committee. But once its implementation began, the same process of seeking approval was followed again. This is duplication of efforts, which, as per respondent 5, may see the implementation delayed or rejected notwithstanding the earliest approval by the training committee. This problem may be linked to the business strategy. For example, how the programme was approved in the first place if it was not in line with the needs analysis or strategic direction of the bank. This may also have resulted from the inadequacy of the Risk and Planning Department, which was dysfunctional due to lack of staff training on the appropriate programmes.

d. Lack of a Corporate Social Responsibility Framework.

This acts to create an image of a bank that cares about, and interacts, with its community. This brings rapport which would ultimately bring goodwill to the business. Some communities value social development and would want

to associate with organisations that have a provision for community social responsibility. The bank has been inactive in this respect. It probably sees it as an unnecessary cost. As respondents pointed out, the bank was not known for anything in the community. The bank seems to isolate itself from the community it solicits business from.

6.2.3 What impact did the leadership and governance strategies adopted have on the performance of Bank Alpha in Botswana?

Failure to establish a business strategy, which is communicated to staff, has led to little knowledge of the business strategy. The respondents relied on personal experience to come up with departmental strategies. These strategies may not support the overall business direction. The end results are departments working at cross purpose, lacking coordination and coherence. This is quite costly to the bank's operations in that it creates units which work in silos yet seeking to pursue the same objective. Rather than benefiting from synergy, the bank incurs costs through duplication of efforts and budget requirements. These consequently impact on the total cost of services rendered to the customer and delay service delivery. Vertical and horizontal integration are key concepts to effective and efficient business operations. From the business strategy follows the leadership strategy. The leadership strategy seeks to give the general direction of the leadership intentions on how best to meet the business strategy. This would be reflected or rolled by the HR strategy in the way it develops policies, especially in the areas of learning and development, performance appraisals and rewards system, and staff welfare programmes. The HR strategy, in turn, assists other departments to develop strategies aligned to realising the value out of the bank's staff in a quest to meet the prevailing business activities of the bank.

The creation of an inflexible bank was the result, which, rather than creating a versatile workforce, focused on creating excessive control mechanisms in terms of policies and operational instructions/processes. These took out the human ingenuity and created a rigid process. This worked for the leadership in that it brought about predictability of its staff and also ensured that staff

stick to exactly what they were told. This made a process of performance appraisals, which should be objective and leading to the development of staff, to become a tool used to reward those loyal to the system while subjugating those considered anti-establishment. In the end, the system took away accountability from the office bearers and placed it on processes. In business, finding the new ways of doing business and enhancing customer satisfaction is imperative and should be a process left for the business management and supervisors to develop; and hence hold them accountable to the results. According to the current processes, emphasis was made on aligning staff to work within the box than outside the box.

Close assessment of the preceding scenario points to the lack of consideration of the bank as a going concern. Otherwise, its focus would not have been put in aligning staff, but in various interlinked business perspectives as suggested by the BSC, which provides for a holistic evaluation of the broader organisational mandate. This would have quickly picked business aspects which were neglected. It would systematically assist with designing of strategies, which would bring balance, resilience and profitability to the business approach of the bank.

6.3 Recommendations

6.3.1 What are the leadership and good governance strategies for consideration by Bank Alpha in Botswana?

a. Development of the Business strategy

The bank should develop, as a matter of urgency, a business strategy. This would influence the subsequent strategic subsets of the leadership and departmental strategies. Through a well organised programme, rollout the strategy to the rest of the organisation. Participatory approach should be embraced throughout as a way of gauging staff understanding of the strategy.

A Risk and Planning Department should be capacitated to continuously work with the various departments to assess the understanding of the strategy and to offer coaching services. This would ensure a horizontal and vertical coordination of the strategy and collaboration of the departments to reap the benefits of synergy (Gruman and Saks, 2014). Efforts for team building should be made to break the barriers which exist, barriers that have led to departments working in silos.

b. Adoption of the BSC Framework

The BSC is a performance evaluation framework. It would assist in ensuring that all business functions of the bank (financial and non-financial) are considered comprehensively, concurrently and systematically when assessing the overall performance of the bank (Rae, *et al.,* 2005). It will eliminate the current practice of overemphasising one aspect of the business model at the expense of other critical components necessary for the creation of a sustainable, profitable and resilient Bank. The absence of this framework has seen the bank fall into the traps or myths many organisations go through (Snull, *et al.,* 2015). These myths are; execution equals alignment, execution means sticking to plan, communication equals understanding, performance culture drives execution, and that execution should be driven from the top. This reflects lack of flexibility to resuscitate the bank within the global context and consistent with the evolving economic order.

c. Adoption and Implementation of PESTEL model

If the bank adopts the proposed BSC framework, it is important to subject each of the business aspects under the balanced scorecard to the PESTEL model. This would ensure that the complete environmental sphere is appreciated in-depth, allowing for context and rationalisation (Muthuveloo, *et al.,* 2014). Leaders should constantly scan the business environment (Ali, 2014) to adjust business focus and, thus, maintain its relevance to the market demands.

d. Adoption of a Leadership Strategy

The leadership strategy is important. It sets the tone of what needs to be done and how. This study recommends that the leadership strategy be established within the context of contingency leadership. This would allow the bank to be responsive to the contingent factors indicated in the proposed PESTEL model. The leadership strategy should be flexible enough to allow the staff complement of the bank to explore its creativity and innovation (Bruggemann, 2014). These are all important elements to consider in the global context. The leadership strategy and the HRM practices must strive for congruence with the business strategy an organisation adopts (Gruman and Sacks, 2011). This would bring about an organisational culture that fosters a culture of commitment, coordination, innovation and cooperation (Delaney and Huselid, 1996). This strategy would also enable the HR to focus its strategy in the facilitation of creativity and innovation, as well as good staff welfare.

e. Research and Marketing

The Research and Marketing Department is necessary for the development of customer focused services and product packages. This is particularly important in this era of globalisation where customers are versatile and highly aware of their rights. Companies are faced with a volatile market which is highly elastic. Good market analysis and an in-depth research on possible product development are imperative for the organisation to stay afloat and competitive (Ali and Ibrahim, 2014). With fierce competition brought by globalisation, a company cannot afford to rely on the word of mouth as its marketing strategy. Serious thought has to be made with regards to attracting new customers through various product marketing mix as well as social responsibility programmes. This would ensure customers are able to build rapport with an organisation. By so doing, the bank's name would resonate in their minds, and the bank would be a destination of choice for banking services. The creation of this department would take away the unnecessary

burden from other departments and would help them to focus on their core mandate.

f. Review of the Performance Evaluation and Reward System

Once the leadership strategy has been developed, the HR will work with other departments to develop a performance appraisal and rewards system. This would be extensive and elaborate enough to test the creativity and innovation wanted by a progressive bank and its leadership strategy. The measures used should be clear and unambiguous, clearly showing how an aspect is assessed and scored. This will bring objectivity, and it would make the staff to have confidence in the system and embrace it. The rewards must be clearly linked to performance so that they create the desired effects (Liu, *et al*., 2014). The system would be given the seriousness it deserves. This would contribute immensely to the performance of the bank. The departments must be measured on the specific mandate they are tasked with, hence the appraisal must be peculiar to that mandate. Ultimately, all the departments will have different appraisals, yet with similar scores for homogeneity.

g. Review of the Learning and Development Policy

The learning and development policy can act as a retainer in an organisation (Rae, *et al*., 2014). Currently, the respondents indicated that it is lacking in specific areas considered important for it to be a retainer. A serious review must be done with consideration of staff participation so as to develop a policy which will not only be good, but fulfil the challenge of developing an innovative and creative staff. The transparency component must be factored in the selection process. The approval procedures need to be streamlined. This will bring confidence to staff and expediency in the implementation of both long-term and short-term training programmes. In this way, the HR can also use it to retain staff and keep them motivated.

6.4 Future Research

The recommendations point to a need for policy review, especially the Learning and Development Policy. Since all the respondents expressed dissatisfaction with the policy, a policy analysis is needed to ascertain the basis of their dissatisfaction and recommend a model for consideration. Also, the assessment of the performance review and rewards system has to be conducted for possible recommendations of a good monitoring and evaluation system to be considered for adoption by the bank. Another area for possible research is document analysis. It was excluded from this study due to time constraints. Future studies may also extend to the customers of Bank Alpha.

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8.0 Annexure

Annexure 1: Semi – Structured Interview Questions

1. Personal Information

Date	
Venue	
Interview no.	
Position	
Experience/Duration	
Age	
Qualification	
Employment Type	

2. Leadership Strategy

- How accommodative and flexible is the culture of the Bank towards creativity and innovation of its staff?
- How effectively has the leadership consulted and communicated major changes in the Bank which had policy implications? E.g. Pension, Training, rewards, etc.
- How flexible and supportive is the leadership within the Bank?

3. Performance rewards

- What is your overall evaluation of the performance evaluation and reward system in the Bank?
    - Is it awarding the rightful personnel?
    - Does it reinforce creativity and innovation?

4. Business Strategy

- What is the overall Bank strategy?
- How do your yearly objectives link or contribute to the overall Bank strategy?

5. Corporate Social Responsibility

- Does the Bank have a corporate social responsibility policy framework?
    - How does this affect the Bank- community relations?
    - Do you think this enhances the image of the bank?

6. Environmental performance

- Is it possible to act on opportunities which were not set as your objectives but falling under your purview?
- How flexible is it for the funds within the bank to be reallocated to seize the

7. Learning and Development

- Is there a training policy framework in the Bank?
    - How effective is it in terms of ensuring that people are trained on the right skills necessary for growth of your Department.
    - Do you perceive it as fair and encouraging to the employees to learn and develop themselves?
    - Does the current policy motivate you enough to continue serving the Bank?

8. Research and Marketing

- How does your bank sell itself and its products to the community?
- Does it have a dedicated marketing department?
- Is it able to reach out to the ordinary citizens in the language they understand?

9. Customer Satisfaction

- What efforts are made to understand the customer's expectations of the Bank?
- How are the expectations factored in the daily bank operations?
- How empowered are you to make on the spot decisions in line with customer service standards?

10. Internal Process

- Do you feel your skills and abilities are effectively utilised in the line of your work?
- Have you undertaken benchmarking exercise in your organisation as a way of identifying industry related best practices?
- Do you think it's important to undertake it?

11. Conclusion

- What is your view on gender contribution towards effective organisational performance?
- Who occupies most positions between men and women?
- How will that benefit the performance of the Bank Business?

THANK YOU.

Annexure 2: Respondents

Date of Interview	Number	Position
05 October 2015	1	Supervisor
05 October 2015	2	Supervisor
06 October 2015	3	Manager
07 October 2015	4	Manager
08 October 2015	5	Manager
08 October 2015	6	Supervisor