

# Transformational Leadership, Learning and Growth of Zenith Banks in Rivers State

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**Abstract:** *This study examines the relationship between transformational leadership on learning and growth of Zenith Banks in Rivers State. A population of one hundred and sixty-three (163) employees from six (6) zenith banks in Rivers State were covered. A sample size of one hundred and two (102) respondents were drawn from the population and the simple random sampling was used. Data were collected using copies of questionnaire and the data were analysed using Multiple Regression Analysis so as to ascertain the relationship between the dimensions of transformational leadership (inspiration motivation and intellectual stimulation) with the measures of learning and growth (employee capabilities and information systems capabilities). It was observed that there is a significant relationship amongst the variables. It was concluded that inspiration motivation and intellectual stimulation are important transformational leadership characteristics that can improve employee capabilities and hence banking operations effectiveness and efficiency. It was recommended that bank managers should develop a transformational leadership style that will improve employee capabilities.*

**Keywords:** Inspiration Motivation, Intellectual Stimulation, Employee Capabilities Information Systems Capabilities

## 1.0 Introduction

Prioritisation is required as a result of the fast-paced changes in the environment, business sector, customers, clients, competitors, partners, and products and services. Traditional management techniques, on the other hand, make it impossible to grasp the environment, modifications, and be conscious of the possibilities risks, limits, and possibilities—all of which are thought to be necessities for emerging organisations. The enormous changes and globalisation in today's world necessitate consideration of transformational leadership style, one of the most recent leadership philosophies. Numerous benefits of this leadership approach include enhancing organisational learning and development. The goal of organisational development and education, which is to ensure the success of both the individual and the organisation, is to be conscious, intentional, collaborative, dynamic, perpetual, and ongoing processes that result in perpetual, quick, and effective criticism at one's personal, group, and organisational levels. By promoting grouping and changing procedures fostering intellectual thrills, inventiveness, and increased self-confidence, innovative management enhances organisational development and learning (Nekoie-Moghadam et al., 2012).

Both in the realm of investigation and among experts, the idea of organisational development and education has grown significantly in recent years. The new dynamics of the corporate environment are one of the primary causes of this increase in relevance (Nekoic-Moghadam et al., 2012). Numerous studies have established the significance and value of the concept of organisational development and education in the study of organisations. The growing trend of knowledge and economic understanding playing an increasingly important role in organisations in a competitive environment created new demands and a new environment in the field of organisational activities, which led to the development of the theory of leadership that transforms in order to bring about changes and remodelling in organisations. It is a style of leadership that can help activities with dynamic possibility and untapped capital grow. Without putting a strong emphasis on transformational leadership, organisations cannot build such a strategic alliance (Braun et al., 2006). In times of crisis and change, Kanger and Canango assert that transformational leaders convey an outlook to create novel concepts and facilities for the future and frequently develop new strategic dimensions (Berson and Avolio, 2004). Burnes demonstrated that transformative leaders have understanding, inspire others to achieve remarkable things, and challenge them to do so. According to Burns, only transformational leaders are able to map out the crucial paths for brand-new organisations. They are causes of modifications, have a solid awareness of organisational changes, and are well-versed in changing cycles (Mughiezi, 2003). Transformational leaders articulate the business's future potential, provide a template that is consistent with that potential, foster embracing group objectives, and assist each individual (Spreitzer et al., 2005).

According to several studies, transformational leadership may influence organisational learning and development. According to Andersen (1999), for instance, organisations that have established leadership structures can access the resources they require by connecting to social networks that have successfully advanced organisational learning and development. Historically, it was believed that organisational learning and growth and transformative leadership were two distinct things that required unique approaches. The current study is an illustration of the rising understanding that the evolution of an organisation is multidimensional and multifarious. As a result, we will attempt to study organisational learning and growth and transformative leadership independently before analysing how these two factors interact in the Zenith Bank Pie.

### Statement of the Problem

There are few studies linking leadership, particularly transformational leadership, and learning and growth in organisations. Through creating information, transferring knowledge, information exploitation, and individual and organisational performance, a few studies examined the impact of transformational leadership styles (Politis, 2001). In a couple of studies (Soros, Gray & Duncanson, 2002 and Felfel, Tartler & Leipmann, 2004), the association between transactional leadership and social assets is the only focus.

There is a gap in the literature, which is the main issue. The majority of research either looked at learning and not learning and growth, or at the impact of transactional leadership on organisational culture. The effects of transformative leadership on the three variables considered in this study have not been explored in one study. For instance, according to Zagorsck (2009), transformative leaders foster an environment of cooperation and open communication. According to Singh (2005), transforming an organisation into a learning organisation necessitates extensive systemic changes, and this shift is not achievable without transformational leadership. Trotman (2004) came to the conclusion that successful learning via expertise adequately predicts transformational leadership in an inquiry aimed at examining the managers' learning practises and the latter. After examining the findings of studies, Vera and Crossan (2004) proposed that change agents promote organisational learning by establishing the vision, and that environmental dynamics play a significant mediating role in people's views of the association between organisational instruction and leadership. According to Noat, Lipshitz, and Popper (2004), leadership is a crucial tool for enhancing organisations and transforming them towards efficacy and effectiveness. Newberry (2004) also makes this point, stating that human resources are viewed as the primary component in any changes, whether they are transformational or evolutionary. Given the foregoing, this study makes an effort to fill this vacuum in the literature.

### Research Objectives

The objectives of this study are to examine the relationship between;

- i) Inspirational motivation and employee capabilities.
- ii) Inspirational motivation and information systems capabilities.
- iii) Intellectual stimulation and employee capabilities.
- iv) Intellectual stimulation and information systems capabilities.

### Research Hypotheses

The following null hypothesis were formulated in this study;

**HO<sub>1</sub>:** There is no significant relationship between Inspirational motivation and employee capabilities.

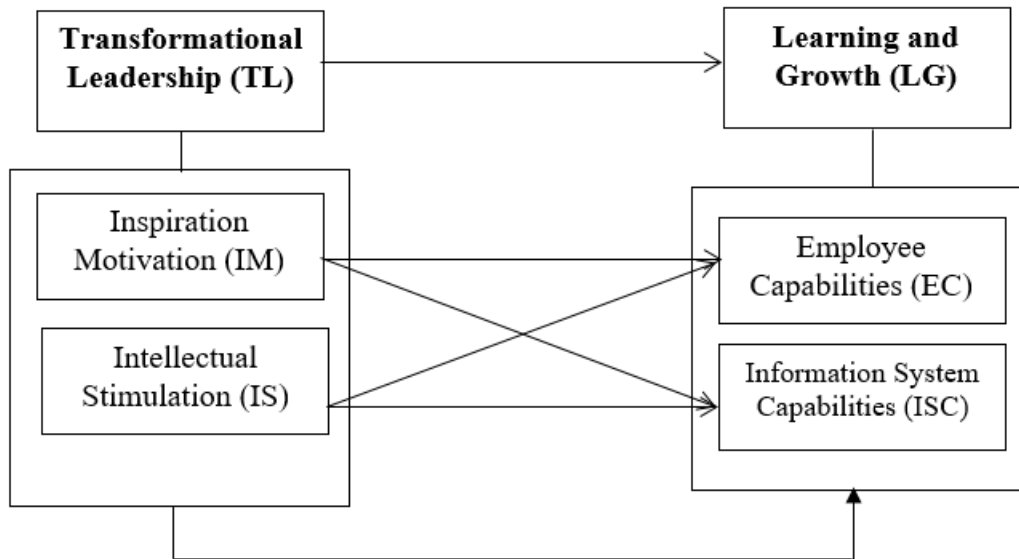
**HO<sub>2</sub>:** There is no significant relationship between Inspirational motivation and information systems capabilities.

**HO<sub>3</sub>:** There is no significant relationship between Intellectual stimulation and employee capabilities.

**HO<sub>4</sub>:** There is no significant relationship between Intellectual stimulation and information systems capabilities.

### 2.0 Review of Related Literature

The foundation of this work is the philosophy of transformative leadership. Scientists have considered Bass' transformational leadership paradigm as a means of motivating staff members to act above and beyond expectations. Real transformational leaders, according to Bass, inspire their followers to achieve the big goals in order to move beyond their own immediate, achievable interests and shape up in accord with the ideal group, organisation, or nation. The theory of transformational leadership states that a leader must utilise insiders to complete organizationally necessary duties in order to reach his intended goals. This theory is pertinent to the activity at hand because it has the potential to improve organisational development and learning.



**Figure 1:** A research model showing the link between transformation leadership, learning and growth.  
 Sources: Operationalized by the Researcher

### Concept of Transformational Leadership

Naylor (1980) defined leadership as the process intended to exert a direct impact on an individual's or a group's behaviour, coordinate their interactions, and set an example for others by modelling actions and behaviours that achieve the desired outcomes. High levels of customer and employee satisfaction support the paradigm of leadership known as transformational leadership in organisational psychology (Kuratko, 2002). Transformational leadership is a kind of leadership in which the leader uses a divine gift to motivate and elevate their followers on a spiritual level while also exerting control and direction over them by entering their hearts. Developing a dynamic organisational viewpoint requires transformational leaders to modify the cultural values of their organisation to reflect more innovation. To enable employees to strive towards the objectives of the organisation, this style of leadership also aims to create a relationship between individual and group interests (Eisenbach, 2003). The four I's are how Avolio and Bass (1995) categorised transformative leadership abilities. Idealised influence (attributes and actions), inspiring drive, intellectual emulation, and concern for oneself are these four components.

### Inspirational Motivation

Inspiring leadership is "conveying an idea with eloquence and assurance, growing confidence and excitement, and giving stimulating discussions that energise others" (Yammarino and Dubnisky, 1994). According to Bass and Riggio (2006), transformational leaders "involve members in imagining desirable future conditions; they develop unambiguous aspirations that members want to accomplish; and they likewise show devotion to goals and their common vision." A major aspect of inspirational motivation is encouraging employees to become more aware of the organization's goal and vision and to commit to that vision. According to Sarros & Santora (2001), "organisational vision, communication, challenging to workers' reassurance, working with workers, and giving independence are the fundamental principles that underlie inspirational drive" are the major markers of this type of motivation. The capacity to inspire and motivate followers to behave appropriately is known as inspirational motivation. Such conduct involves subtly demonstrating passion and optimism, encouraging teamwork, concentrating on successful outcomes, and emphasising goals to energise followers. By appealing to frequently unmet human wants, values, and emotions, this aspect of leadership elicits followers' enthusiasm and a sense of teamwork (Kotter, 2001).

### Intellectual Stimulation (IS)

According to Lewis (1996), intellectual stimulation—also known as intellectual challenge—is the process through which transformational leaders push their followers to question their preconceived notions, stretch their capabilities, and change the way they think about problems. Leaders should enable individuals to encounter reality and accept responsibility for problem-solving rather than shielding them from external challenges. They are confused by leaders so that new connections can be made. Leaders challenge the way we conduct business rather than upholding traditions, and they assist others in separating immutable principles from outdated customs that need to be abandoned. This type of leadership shows a willingness to take risks and gives the company

dynamism (Khandwalla, 1984). According to Muenjohn (2011), intellectual stimulation refers to leaders that push their people to question their beliefs and methods for approaching issues. Transformational leaders were able to introduce fresh perspectives on issues to their followers through intellectual stimulation. These leaders supported their followers in using unconventional thinking to solve conventional challenges, and they were open to their subordinates' opinions, even when they differed from their own (Muenjohn, 2011).

### **The Concept of Learning and Growth**

The idea of organisational learning and growth is significantly influenced by the theories of individual learning and growth. In the modern workplace, when people may frequently move positions or hoard information out of fear that doing so could hurt their chances of success, organisational learning is especially important (Moghadam, et al., 2012). According to Watkins and Marsick (1993), a learning and growing organisation is one that collects, disseminates, and uses knowledge to alter how it responds to issues and continuously improves on such knowledge for organisational advancement (Pimapunsri, 2008).

### **Employee Capabilities (EC)**

Employee capability refers to a worker's capacity to carry out tasks to the necessary standards. According to Kaplan and Norton (1999), this can be determined by looking at an employee's knowledge, abilities, physical and mental well-being, and any other characteristics relevant to the work they are hired to do. The Capability Policy establishes a mechanism to address inadequate results where this tends to be attributable to an employee's competence to do their job rather than attitude or behaviour i.e. in broad language the employee 'can't' rather than 'won't' do something (Kaplan & Norton, 1999). Using the organised expansion programme, the worker would be competent to strengthen their skill and proficiency requirements fulfilling the requirements and organizational anticipation.

### **Information System Capabilities (ISC)**

It is commonly understood that, if made with the right focus, investments in IT infrastructure and resources could produce worthwhile commercial results (Barua & Mukhopadhyay 2000). One of the arguments is that making IT investments paves the way for the creation of adaptable and agile IT-based business or operational procedures, which have been shown to improve firm performance. The ability of information technology (IT) to provide visibility, traceability, and real-time information is what gives it its strength in operations management (Sanders 2008). This contribution's effectiveness primarily depends on two information system (IS) development outcomes: how well various databases are integrated to support cross-functional and multi-layer querying. As a result, the level of organisational support, particularly top management commitment (TMC) towards IT use and c-business development, has a significant impact on the dynamism of IS capabilities. Dynamic organisational IS skills are sources of competitive advantage in a rapidly evolving IT environment because they provide unmatched distinction in service responsiveness, which is essential for obtaining sales in a market that is becoming more and more centred on the needs of the customer (Dicrickx et al., 1989).

### **Relationship between Transformational Leadership and Learning and Growth**

The theory of transformational leadership is an alternative to the theory of managerial traits according to unpredictable necessities and includes features like: The vision, enticement, capacity to inspire, better relationship with upper management, referral authority, stimulating thinking, paying attention to the person distinctions, and the tendency towards making fundamental changes. So, according to Mortazavi and Nazemi (2006), the goal of transformational leadership is to enhance organisational learning through intellectual stimulation, inspirational drive openness, open trust, and relationships while also fostering communication and cooperation among colleagues. According to Zagorsek (2009), transformational leaders promote openness, trust, open relationships, and a culture of cooperation and dialogue among team members, which significantly aids in the acquisition, distribution, and interpretation of knowledge. In addition, transformational leaders support the organisational members' cognitive and behavioural changes that arise from organisational learning.

According to Kavita Singh (2005), in order to transform an organisation into a learning organisation, systemic changes must be made in their entirety. Without transformational leadership, these changes are not achievable. The goal of this study is to better understand how transformational leadership contributes to the development of learning organisations. According to him, the vision and intellectual simulation that make up transformational leadership are what encourage creative thinking and, in turn, organisational learning (Singh, 2005).

Trotman (2004) came to the conclusion that successful learning via experience adequately predicts transformational leadership in a study aimed at examining the managers' learning practises and transformational leadership. Additionally, this study's data analysis revealed a positive and satisfying relationship between transformational leadership and the ongoing use of thinking and practical learning strategies. According to research by Kurland, the transformational leadership style can also anticipate the organisational learning procedures and the vision that the transformational leader develops. The strongest influence on the growth and establishment of organisational learning is other employees (Marquardt, 1996).

After examining the findings of studies, Vera and Crossan (2004) proposed that the environmental dynamics serve as an important mediator in one's view of the association between organisational learning and leadership and that transformational leaders facilitate organisational learning by establishing the vision. The findings of the study by Newberry (2004) also show that human resources are regarded as the key component in any changes, whether they are evolutionary or transformational, and that leadership is a crucial tool for enhancing organisations and transforming them towards effectiveness and efficiency (Noat, Lipshitz, & Popper, 2004). He came to the conclusion that organisational learning differs between men and women but that work experience does not; in addition, he confirmed the importance of transformational leadership in organisational learning in response to the question of whether gender and work experience have an impact on organisational learning. Additionally, according to Ash (1997), transformational leaders frequently stimulate individual, group, and organisational learning (Barghi et al., 2012). According to his research, businesses should train their leaders to understand the critical roles they play in systematic thinking, organisational learning, and the development of learning organisations. Additionally, Correa asserted that leadership, particularly transformational leadership, has a favourable impact on organisational learning by way of innovation. They argue that the transformational leadership and organizational learning lead to the creativity and the transformational leadership focuses more on the group decisions and individual competencies than the traditional one (Donough, 2000).

### 3.0 Methodology

Six (6) zenith banks' workers totaling 153 people were included in the cross-sectional survey, which was conducted in Rivers State. A sample size of 102 respondents was determined using the Yamane (1967) formula. The respondents were given copies of the questionnaire using a straightforward random sample method. Inspirational motivation and mental stimulation were used to gauge transformational leadership. On the other hand, employee capabilities and information system capabilities were used to gauge learning and growth. The responses were given on a 5-point scale with strongly agreeing being the highest and agreeing being the lowest. The data were analysed using multiple regression analysis with a 95% confidence level.

### 4.0 Results

The retrieved data were analyzed in this section and the findings are presented as follows;

#### Testing Hypothesis 1

Ho<sub>1</sub>: There is no significant relationship between Inspirational Motivation and Employee Capabilities.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	– 4.352	.099	–.105	–43.948	.014
IM	–.144	.046	.635	–3.165	.195
IS	.779	.035	.635	22.380	.028
IC	.594	.045	.470	13.071	.049

a. Dependent Variable: EC

Since  $r = 0.998 > p\text{-value} = 0.05$ , it is concluded that there is a significant relationship between Inspiration Motivation and Employee Capabilities and t-statistic for IM indicates that the parameter estimate is statistically significant given that the t-calculated is greater than the t-table value in absolute terms. That is  $-3.165 > 1.96$ . Therefore, we accept the alternative hypothesis which states that there is a significant relationship between Inspirational Motivation and Employee Capabilities.

#### Testing Hypothesis 2

Ho<sub>2</sub>: There is no significant relationship between Inspirational Motivation and Information Systems Capabilities.

	Unstandardized Coefficients	Standardized Coefficients		

Model	B	Std. Error	Beta	t	Sig.
1 (Constant)	- 5.422	3.119		-1.738	.323
IM	.537	1.433	.397	.397	.772
IS	-.028	1.096	-.023	-.023	.984
IC	.779	1.432	.625	.625	.684

a. Dependent Variable: ISC

Since  $r = 0.998 > p\text{-value} = 0.05$ , it is concluded that there is a significant relationship between Inspiration Motivation and Information Systems Capabilities. The t-statistic for TM indicates that the parameter estimate is not statistically significant given that the t-calculated is less than the t-table value. That is  $0.375 < 1.96$ . Therefore, the null hypothesis is retained, which states that there is no significant relationship between Inspirational Motivation and Information Systems Capabilities.

### Testing Hypothesis 3

Ho<sub>3</sub>: There is no significant relationship between Intellectual Stimulation and Employee Capabilities.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	- 4.352	.099		-43.984	.014
IM	-.144	.049	-.105	-3.165	.195
IS	.779	.035	.635	22.380	.028
IC	.594	.045	.470	13.071	.049

a. Dependent Variable: EC

The t-statistic for Intellectual Stimulation (IS) indicates that the parameter estimate is statistically significant given that the t-calculated is greater than the t-table value in absolute terms. That is  $22.380 > 1.96$ . Therefore, we accept the alternative hypothesis which states that there is a significant relationship between Intellectual Stimulation and Employee Capabilities.

### Testing Hypothesis 4

Ho<sub>4</sub>: There is no significant relationship between Intellectual Stimulation and Information Systems Capabilities.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	- 5.422	3.119		-1.738	.332
IM	.537	1.433	.397	.375	.772
IS	-.028	1.096	-.023	-.026	.984
IC	.776	1.432	.625	.542	.684

a. Dependent Variable: ISC

The t-statistic for Intellectual Stimulation (IS) indicates that the parameter estimate is not statistically significant given that the t-calculated is lesser than the t-table value in absolute terms. That is  $-0.026 < 1.96$ . Therefore, we retain the null hypothesis which states that there is no significant relationship between Intellectual Stimulation and Information Systems Capabilities.

## 5.0 Conclusion and Recommendations

The study came to the conclusion that, with reference to Zenith Bank Plc, there is a significant association between transformational leadership and learning and growth in organisations. The study came to the specific conclusion that Inspiration Motivation and Intellectual Stimulation are significant transformative leadership traits that can enhance employee capacities and, as a result, the effectiveness and efficiency of banking operations.

It was advised that bank managers adopt a transformational leadership approach to enhance employee capacities.

- Bank managers should collaborate with IT specialists who can find and choose the best IT infrastructure to create a user-friendly, flexible front end and a task-oriented backend.
- Banks should also explore employee empowerment because it can encourage workers to work hard and efficiently.



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