

## Effective Leadership and Organizational Performance: A Case Study of Dutch Bangla Bank Limited (DBBL), Bangladesh

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### Abstract

This paper focuses on the effects of leadership on organizational performance considering DBBL as the prime case in Bangladesh. The methodology adopted both qualitative and quantitative approaches where data collection techniques focused on various primary and secondary sources. To be specific, in order to collect primary data, face to face interviews through structured questionnaires and telephone interview instruments were used and, in case of secondary data, various articles, journals and reports were considered. The researchers selected employees from different cadres to represent the different groups of employees of DBBL to get diverse views in leadership and their relation to organizational settings. The outcome of this research discovered the leadership actions at DBBL and the consequences of the leader's actions for followers, organization stakeholder and organizational performance. The research findings would be incredibly useful to both financial and non-financial institutions in Bangladesh and the Academia. Particularly, the findings recommend correcting all the negative aspects of the leadership style and, hence, advocate for effective leadership styles with respect to the issues identified in the case study.

**Keywords:** Effect, Effectiveness, Employees, Leaders, Leadership, Organization, Performance.

### 1.0 Introduction

Most of the organizations are troubled by inefficient leadership in Bangladesh. Transparency International reported that Bangladesh ranked fourteenth in the most corrupted countries listings in the world (Star report 2014). Even financial analysts have argued that poor leadership had led to the demise of weak banks such as Oriental Bank Ltd, BASIC Bank Ltd. Despite these observations, some experts have argued that several organizations perform well in Bangladesh due to good leadership and management. Analysts claim that an organization's performance and productivity increases because of the type of individuals leading the organization. Many hold the opinion those other factors than leadership are responsible for the performance and growth of an organization. Such factors include – government policies, the global economic condition, consumer purchasing power etc. because leadership is responsible for developing strategies to effectively deal with external factors that are likely to affect organizational performance.

Thus, the research tried to find out whether the leadership of an organization affects organizational performance or not. It critically analyzes the different effects of leadership, focusing on how leadership can affect an organizations financial performance. The research is based on a case study of Dutch Bangla Bank Limited (DBBL). With the gradual evolution of the global market and increased interdependence on good leadership that cuts across organizations in different parts of the globe, it appears that issues regarding leadership have become one of the core concerns of organizations. This is because the effects of effective leadership on employees and organizational performance could be either positive or catastrophic. Therefore, it has become imperative for organizations to assess leadership performance and its likely effects on organizational success. As leaders and managers have very important roles to play in the success of organizations, there is a need to have a thorough understanding of what leadership is all about and to examine how effective leadership affects productivity and organizational performance so that organizations know how to effectively manage their human and non-human resources to achieve desired goals. As acknowledged by Mintzberg (1979: 112):

*“No job is more vital to our society than that of the manager. It is the manager who determines whether our social institutions serve us well or whether they squander our talents and resources. It is time to strip away the folklore about managerial work, and time to study it realistically so that we can begin the difficult task of making significant improvements in its performance.”*

The Bangladesh Bank (BB), the apex bank in Bangladesh, has demonstrated the importance of effective leadership to the performance of banks through the removal of Muhammad Yunus of Grameen Bank, Bangladesh. It was also responsible for the board dissolution and removal of the former MD of Oriental Bank – mentioning poor leadership and financial recklessness as reasons for the Bank’s failure. Interestingly, the same institution recognized DBBL as a stable and sound institution.

Considering BB’s recent goal and campaign towards maintaining strong and reliable banks in the Bangladesh, the research aims to explore and examine the importance of effective leadership for organizational performance. Initially, it finds out the leadership style and strategies adopted by DBBL and, hence, it critically looks at existing model in comparison to other different factors (if any) have really contributed to the organization’s performance. This research will help BB and other regulatory institutions to consider leadership style issues alongside existing government policies in monitoring the performance of management of banks. Furthermore, as organizations differ from each other in terms of its scale, structure and management style, it is of utmost important to critically examine the usual human issues associated with leadership - followers, abuse, derailment, power and influence, conflict, etc affects leadership performance in organizations. Finally, this research will enable the researchers and practitioners to understand whether these leadership issues occur naturally in all organizations or just for specific institutions.

## **2.0 Background Information of the Case Study Organization**

Dutch Bangla Bank Limited (DBBL), Bangladesh has been considered as case subject in this research. DBBL was set up in 1991 by M M Sahabuddin Ahmed (founding chairman) and FMO – Dutch organization. It started operation as public limited organization in 1994 but

opened to the public on 03 June 1996. It is listed on the Dhaka Stock Exchange Limited and Chittagong Stock Exchange Ltd. It operates over 850 ATM's countrywide and is known as Bangladesh's first joint venture bank, as well as the first indigenous bank to run automated banking systems. It is also the first bank to offer SMS banking services. DBBL offers retail banking services, and is in partnership with approximately 17 other banks (indigenous and foreign). Other products and services offered by the Bank include project finance, working capital finance, syndication and structured finance, Fast Track mini banking, Mobile banking, Internet payment / internet banking, Trade finance, Equity finance, Social and Environmental Infrastructure finance, Custom-electronic banking projects. It does not engage in Investment and Merchant banking activities. DBBL is also known for its contribution to the society through Corporate Social Responsibility and charity activities. In return, the Bank has been recognized with many awards for being the largest donor bank, and one of the most ethical banks. It believes in its uncompromising commitment to fulfill its customer needs and satisfaction and to become their first choice in banking. Taking cue from its pool esteemed clientele, Dutch-Bangla Bank intends to pave the way for a new era in banking that upholds and epitomizes its vaunted marquee "Your Trusted Partner" (Dutch-Bangla 2015).

In spite of being the recognized for its contributions to social causes and financial success as an organization, the Bank is known to have suffered instability and frequent management changes in its early years. The Bank got through the challenges and has experienced a lot of successes and growth since 2000 with modest but steady growth and profits declared. The Bank's success has been attributed to the leadership style and long term business strategies of the founding chairman, and its extremely conservative banking practices.

### **3.0 Research Objectives**

This research aims to identify the different leadership styles and approaches that can be adopted by leaders and how they can contribute to leadership effectiveness and in turn organizational performance. It focuses on providing relevant information on leadership. The other specific objectives are;

- To identify the different leadership styles adopted by individuals at DBBL.
- To find out how leaders at DBBL use different leadership approaches.
- To find out the effect of the leadership styles on DBBL's financial performance.

### **4.0 Literature Review**

Though the term leadership has been widely researched and many definitions provided in the field of contemporary leadership studies, certain similarities exist between the definitions to permit a rough scheme of classification. As observed by Kouzes & Posner (2007), over 225 definitions of leadership exist in management literature. However, despite the differences, most authors agree that leadership has to do with certain concepts like influence, authority, power and control over others. In other words, most studies conducted by experts agree that it a process, an act or type of influence that gets individuals to do things in a certain way to achieve specific objectives (Blake and Mouton, 1964; Roost, 1991; Roost and Smith, 1002; Yukl, 2006). House et al (1999: 184) define leadership as the "ability of an individual to influence, motivate, and enable others to contribute towards the effectiveness and success of the organization." Also, Jacobs & Jacques (1990: 281) state that leadership "is a process of giving purpose (meaningful direction) to collective effort, and causing willing effort to be expended to achieve a purpose". A similar definition is provided by Richard & Engle (1986:

206) who confirms that “leadership is about articulating visions, embodying values, and creating the environment within which things can be accomplished”. The definitions by the authors suggest that leadership is broad and complex.

#### **4.1 Investigative Leadership Effectiveness Using Different Theories**

##### **4.1.1: Trait theory**

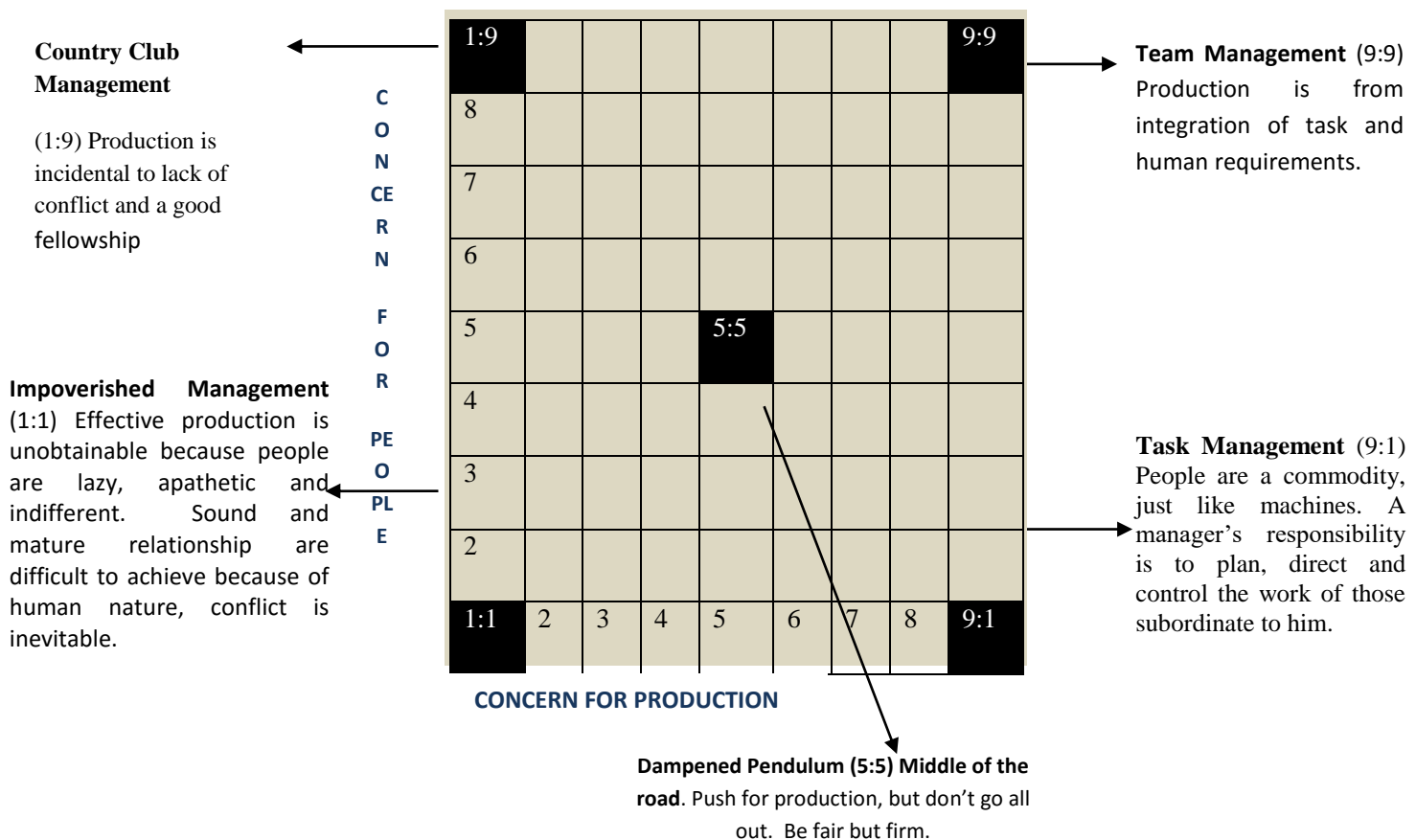
In this theory, Stodgill (1974) argued that people were born with specific traits and some traits aligned with strong leadership. People with the right traits would become the best leaders. The implications of this arguments is that there is no need to invest in training and development of managers in the organization, but rather the organization should seek to recruit employee possess certain leadership qualities. Heights (1979 3, 9) also proposed that effective leaders have the certain qualities (Yulk 2006). However, there are certain criticisms leveled against the trait theory. It is useful for this research in the sense that if used properly. It could serve as a useful framework that can be used by individuals to assess whether the respective employees in leadership positions posses qualities that will enable them lead DBBL effectively. It can also help managers have a better understanding of the type of leaders that they are – effective or ineffective? As well as how they can make necessary adjustments to make effective use of their traits to achieve organizational goals.

The authors of the trait models appear to have listed similar, (in some cases the same) attributes with few notable differences. Even where some differences exist, it seems the authors have only relabeled some of the traits. Although one can argue that this gives validity to the research as they have similar findings, it is also possible that the authors have not expanded on earlier research. Neither have they conducted their studies with the intention of providing new findings. Also, Lord et al (1986) argue it can be used as an excuse to discriminate against individuals perceived as leaders and non-leaders. It can also be argued that the fact that the authors have not agreed on a list of common leadership attributes that can be used to assess effective leaders globally, it leaves the trait theory open to different interpretations and application by organizations. Further, the authors did not provide a universally acceptable list of traits that can used to distinguish between effective and poor leaders. As underpinned by Jennings (1961: 45) “fifty years of study have failed to produce one personality trait or set of qualities that can be used to discriminate between leaders and non-leaders.” It seems that advocates of trait theory did not consider how these traits fit within different cultural and social settings in the world. For example, in Africa and Asia, leaders that are assertive and ‘self-confident’ may be perceived as arrogant and domineering, as such may not be regarded as effective leaders. Another criticism is that the authors seem to have listed some traits that appear to be incompatible and they do not suggest the extent or how the leaders should use these traits optimally. For example, it can be argued that it is very unlikely that an individual that is very Persistent, Dominant, and Assertive, and Decisive is “Cooperative” and “Agreeable”.

##### **4.1.2: Managerial Grid**

The behavioral approach examines the kinds of behavior associated with individuals in leadership positions and suggests that effective leaders behave in a particular way. Blake & Mouton (1984) developed a framework called the Managerial Grid. The findings of their studies conducted at the Ohio State University and University of Michigan during the 1940s

identified the behavioral attributes of successful leaders. The authors established that the two major factors responsible for effective managerial behavior are; 1) the concern for the job being properly executed within a specified time; and 2) The concern for people who do the job. That is to say leadership is all about the concern for “Production” and “People”. They argued that leaders need to focus on managing the tasks at hand and the people who execute the jobs. Any attempt to focus more on one of the two factors (either Production or People), while neglecting the other negatively affects leadership and organizational performance. The frame work also provides a guide on what a leader should focus on and it lists the implications and results that may be achieved by focusing on the factors. Organizations can also use the framework to assess and profile potential leaders and those already occupying leadership positions to determine whether their behavior is appropriate to achieve the desired group / organization results. The Grid principles may also be applied to other areas such as change management and team building (Roe, 2009; Northouse, 2010). The diagram below summarizes the views of Blake and Mouton.



Source: Blake and Mouton, 1964

It has already been discussed in the preceding sections that scholars have different opinions of what leadership is all about. Some define the concept using the trait approach; others use the situation theory, whilst a few champion the styles approach. The approaches will be reviewed in details to enable the researcher identify and determine the leadership styles adopted at DBBL. It will also be used to evaluate and establish whether DBBL's leadership effectiveness. It is found that DBBL emphasizes on people. It assumes that service

organization is related with customers. On the other customers are related with employees of the organizations. If employees are more skilled and efficient, they will produce better service to customers/clients. Therefore, the management of DBBL emphasizes on employees.

#### **4.1.3: Tannenbaum & Schmidt Approach**

Tannenbaum & Schmidt (1958) in their article “How to choose a leadership pattern” presented the Leadership Continuum, a framework, which identifies a leader’s degree of autocratic or democratic tendencies. The model not only suggests different leadership styles an individual can adopt, but also suggests that most leaders’ behavior varies along a continuum. They argue that the more autocratic a leader is the less likely he is to involve his followers while taking decisions. The autocratic leader is inclined to be task oriented, whereas a Democratic leader is relationship oriented. Also the authors identified the three factors that could influence a leader’s behavior as: 1) forces in the situation: 2) forces in the followers and 3) forces in the leader.

The model can be a useful guide for effective leadership, as it is not only presents leaders with a range of choice regarding follower involvement but also discusses the criteria for the level of involvement to be used. It also highlights critical areas that impact on effective leadership: Time, Ability to delegate, employee development and empowerment and knowledge of the followers. This model would be used to identify the leadership styles adopted by leaders at DBBL, while the critic’s arguments will be used to criticize the styles identified and their effect on performance.

The model appears flawed because just like Hersey and Blanchard’s model, the authors assume that leaders know their followers and themselves very well, which is usually the reverse in real life situation. Also, it appears the authors have only identified the initial steps of delegating tasks to followers. The model does not emphasize the importance of follow-up actions to ensure the leader achieves the desired results. After all, one can argue that achieving desired results is what effective leadership is all about (Bolden, 2003). Northouse (2010) has a similar opinion; he argues that the model is quite unrealistic because the authors oversimplify decision making process by leaders and organizations. They argue that in real life situations leaders make sensitive and quick decisions. Furthermore, they believe that the authors assume that leaders operate in a neutral environment devoid of social bonds, power tussle, ego, conflict and politics.

#### **4.1.4: The Situation(S) Approach**

Research shows that there is no particular leadership style that could be said to be the best; rather it could be argued that effective leadership is about having the ability/behaviour which is most appropriate for dealing with specific situations that arise. This is the theory Hersey and Blanchard (1977) advocate in their book *Management of Organizational Behaviour*. The authors assumption is based on two main factors: 1) the level of direction and work behaviour as well as the amount of personal support, acknowledgment and encouragement a leader has to provide. 2) The degree of “development” observed in the followers attitude. However, the scholars argue that these two factors depend on the following four factors, which they argue an effective leader must be aware of. a) the current behaviour of the followers; b) how the group or followers are reacting to the immediate situation c) whether the appropriate behavior being demonstrated will achieve the objectives hoped for by the

leader; d) The actions an effective leader should maintain to achieve the behavior that will inspire the team to achieve the desired objective.

The authors have provided useful models which may help leaders evaluate the behavior of followers with a view to enable them decide on the most appropriate way to lead a group to achieve desired objectives. The model also has limitations. Given that the assumption is based on the implicit ability that a leader knows their followers very well, some experts have argued that it is an elusive idea, given that individuals are complex and not easy to understand. A leader may assume that they know a follower but in reality the leader does not. It could be argued that leaders know their followers based on the impression created by subordinates (Bolman and Deal, 1991; Northouse, 2010).

#### **4.2 Leadership and Organizational Performance**

Geoff, Kakabadse & Kakabadse (2009) in their book *Leadership Teams: Developing and Sustaining High Performance* asserts that effective leadership is a function that is crucial for the achievement of organizational goals and survival. They observe that the effects of leadership on organizational performance could be either good or bad. The authors stress that the effect of bad leadership is alarming, and usually turns out to be an expensive experience for an organization. Conversely, the reverse is often the case when an effective leader takes charge of the affairs of an organization. As underpinned by Radcliffe in his book *“Leadership: Plain and Simple”*, “effective leadership is one of the ingredients above all others that enables organizations prosper and people to be at their best most of the time (2010:159)”. In addition, he claims for a leader “to be fully effective, you’ll need to engage people in yourself, as well as in the future you want to create, and this calls for qualities like integrity, openness and consistency”. It is also important to note that he argues that leaders need to possess certain traits to succeed and anyone can be an effective leader. To summarize his argument Radcliffe concludes that: “future-engage-deliver. It’s as simple as that. Don’t believe that this leadership stuff is more complicated whether you are leading a full organization, a team or just yourself. You already have all the fundamental Leadership Muscles. And you can grow each of them further with practice.”

The above argument by Radcliffe could be faulted. The author has provided a very simplistic argument. He gives the impression that being an effective leader is easy to achieve, and it is also very easy to train and develop leaders by strictly following his principles. However, this is rarely the case – in reality leadership is complex, therefore, to be an effective leader requires more than what he suggests. This also contradicts his assumption that effective leaders must possess certain traits, which cannot be learnt. Thomas (1988) provides a counter argument in his article “Does leadership make a difference to organizational performance?” He contends that organizational performance is not exclusively because of effective leadership, there are other external forces that affect performance. He comments: “conventional views of organizational leadership have generally assumed that leaders have significant and possibly crucial impact on performance of organizations they head but this ‘individualist’ view has been increasingly questioned by ‘conceptualist’ who emphasize the constraints that are placed on leaders by situational forces.”

## 5.0 Research Methodology

The study is based on the philosophy of subjectivism because the research deals with complex constructive rather than objective concepts. It allowed the employees provide information as to how leadership affected the DBBL's performance. However, in few cases, efforts have been given to quantify relevant qualitative constructs (i.e. rating satisfaction of employees regarding their managers' leadership approach towards them)

The sources of information for this research are both primary and secondary data. Primary data was collected via face to face interview of 50 employees in five different branches and secondary data was composed from newspapers, magazines, journals, published, internet sites, articles, video recordings, company annual reports, bulletins, monographs, textbooks, etc. The employees are from different cadres (junior management, middle management, and senior management) as shown below:

Table 4.2: Sample details

5 Junior level employees (Supervisors and officers)
1 Team Leaders (Middle management)
2 Line Managers (Top management)
2 General Managers (Executive level).

The interview followed the a mix of structured and open ended questions that allowed the interviewer to obtain in-depth information guided by the research objectives and description about leadership effectiveness at DBBL. Not only it allowed the interviewees to provide relevant information, it prevented participants from deviating from the topic. A total of 10 questions regarding leadership techniques, performance, employee satisfaction and organizational performance were asked. The analysis part considered both descriptive and qualitative techniques where, in one hand, focus given to articulate a detail picture of the constituents that are integral part of the leadership model of an organization, and, on the other hand, qualitative analysis focused on relating thematic analysis of the interview data in relation to the respective leadership theories that have been highlighted in the literature review part. However, it has mentioned earlier that, in many cases, qualitative analysis are backed by some quantitative measurements.

## 6.0 Data Analysis and Findings

75% of the employees at DBBL are male and, particularly, management team has 172 members, of which only 3 are women. However, there are no women at the board level. This shows that male workers outnumber their female counterparts. 15% of the total number of employees fall between the age of 20 and 30, whereas 38% fall within the age group of 31-40. While employees aged between 41-50 accounted for 42% of the employees. However, age 51 and above took the bottom position with 5%. At DBBL, 96% of employees have acquired tertiary level education. While 28% possess first degree and additional qualifications. Therefore, it can be argued that one of the Bank's strategies is to attract, recruit and retain highly skilled professionals. Information provided by the participants revealed the following about the nature of leadership at DBBL.



### 6.1 Leadership Influence

Employees believe that the founding Chairman, who is also the current Dutch Bangla Bank foundation chairman, M M Sahabuddin Ahmed, influenced the standard and leadership approach adopted by the management of the Bank. His leadership style determined the choice of banking; types of individuals employed; short -long term objectives and strategies to adopt; as well as the culture of the organization.

### 6.2 Leadership Affect the Organization's Financial Performance

To critically analyze the effects of the nature of leadership at DBBL, and determine whether the leadership approach adopted by the Bank was effective.

### 6.3 Employee (follower) Satisfaction

It appears that employees at all levels of the organization were satisfied with their leader's style and performance. The information provided by employees at the junior, middle and senior management grades revealed they were happy with their respective leaders. All the employees interviewed suggested their leader's work style was very encouraging. They also hinted that their manager even though a bit commanding, led by example and still listened to their suggestions. One of the interviewee gave this example:

*"My manager is one of the best – he always puts everything about our team members first. He pays attention to us. For example, we always have regular weekly meetings where we can discuss anything that bothers us about work. This year, he even arranged for us to have one-to-one private discussions about our performance with the VP private banking, and we are about 34 in our department He encourages us to make suggestions about how to move things forward. He's the ideal leader - religious, considerate and intelligent. He doesn't fail to correct you."* (Senior officer – Private Banking).

Also another employee at a senior level had this to say about his manager:

*"He's a very detailed person. He actually takes time to read every weekly report and sends weekly comments. He never ignores your emails and as a rule, which we all now practice in my branch - he never fails to return your calls, even when he's on leave!"* Likewise, a line manager mentioned that *"the success of his team was due to their willingness to go the extra mile to meet quarterly targets. They are very determined- they always look for a way to solve emergency problems even when I'm not at work."* (Interview, Responent no.2)

When participants were asked to rate their satisfaction with their leaders style and performance, and how it helped them to enhanced their performance. Most of the employees rated their leaders 8/10, with the lowest score being 6/10. And many mentioned their manager "is a good role model."

### 6. 4 Effective Team Performance

Although loyal to their individual Managers/VP's, the bank valued the team over individual performance and encouraged team success at the branch and regional levels. Lower level employees are allowed to voice their opinion and make recommendations through quarterly

employee surveys and by appraising their team leaders, line managers, branch managers and regional presidents. Also, although individuals are recognized for their performance, teams are usually rewarded. For example, DBBL has a tradition of giving out different awards to teams for their achievements. It appears this leadership approach was effective, as it resulted in employee satisfaction, stronger teams, cooperation, reduced absence and exit rates, high productivity, and group focus.

### **6.5 Cooperation**

Data revealed that employees worked in close cooperation with their Team leaders or Line or Branch managers. At the team and departmental levels where most of the work is done, employees worked to meet monthly sales target and effective marketing strategies were willingly shared.

### **6.6 Skilled Workforce and Succession Planning**

The above response also suggests that employees had to possess certain leadership traits and skills, to be employed, retained and promoted at DBBL.

### **6.7 Reduction in Employee Absence and Attrition Rate**

Data provided by the HR manager revealed that in 2009 absence and exit rate were 11% and 6% respectively, whereas in 2010 it was 9% for absence and 6% for exit. It could be argued that these figures may have some link to effective leadership, which leads to employee motivation and job satisfaction.

### **6.8 Improved Performance, Productivity, Expansion and Profit**

Although some of the effects of effective leadership have been discussed in the preceding sections, it is pertinent to stress that the main focus of this research is on the effects of leadership on DBBL's financial performance. Primary and secondary data collected revealed that the leadership style at DBBL led to motivation, employee satisfaction, encouraged the appropriate employee attitude and behavior, cooperation, and a reduction in absenteeism and attrition. Accordingly, it could be argued these led to high levels of productivity and excellent quality customer service, which resulted in improved organizational performance in terms of increase in profits. In the area of physical and network expansion, the Bank successfully opened new branches in 2010. The MD's statement in the 2010 Financial Annual Report confirmed that "400 ATMs were installed in 2010 to increase the number of ATM units to 1100 along with 50 new Fast Tracks". In addition to this, the number of branches increased from 79 to 96 with the addition of 17 branches. As a result of management's continuous commitment to the vision and long-term strategies of the Bank's founding chairman, especially its interest in corporate social responsibility, discount /free banking services DBBL acquired a strong brand name and good reputation as an ethical, reliable and trusted bank. No wonder, the Bank adopted the slogan – "Your Trusted Partner"

In line with the above analysis, it could be argued that the leadership style adopted by the Bank's Management, starting from the founding chairman to the current MD, ShamshiTabrez has propelled employees to demonstrate the appropriate leadership behaviour and skills that

made it possible for DBBL to achieve their objectives for 2011: Physical expansion; Variety development; Excellent Customer Service; Innovation; Staff welfare and Margin growth.

It could also be argued that the advantage DBBL has over other banks like Orient Bank and Grameen Bank is the way the leadership has succeeded in getting employees to buy into the Bank's objectives and consistently channel their strength and core competencies to work productively to pursue common goals. Purcell, Kinnie and Hutchinson (2003) cited by CIPD (2003) points out that it is easy for organizations to copy each other's products, customer service delivery policy, etc. However, "what makes the difference is the way people work together to achieve objectives and overcome constraints. This is called "Organization Process Advantage." (www.peoplemanagement.co.uk). This writer is of the opinion that this is usually be achieved effective leadership abilities demonstrated by competent managers.

### **6.9 Negative Effects of the Leadership Style**

Although the current leadership approach appears to be working well for DBBL, because the Bank seems to be achieving its objectives, however, the following areas need to be attended to.

#### **1. *No Diversity***

The organization is in danger of lacking variety and diversity of skills and opinions, because most leaders have similar traits, skills and are expected to adopt one of the dominant leadership styles. Also, data suggests that managers who choose to adopt a different leadership style outside cultural norm may be penalized.

#### **2. *Inconsistency on the Part of Managers***

Two of the junior level employees interviewed were unable to quickly decide the leadership style of their manager. One actually observed that "his manager exhibited different leadership style equally", while the other interviewee felt his manager "had different ways of relating to each person." The effect of this action is that some employees could perceive their managers as partial. It could also imply that managers are creating in-groups in the department and this could lead to resentment and lack of motivation on the part of employees who consider themselves as out-group members.

#### **3. *Gender imbalance / Masculine Predisposition***

The HR manager confirmed that the Bank consists of mostly male employees' who make up 75% of the work force. Also, women are rarely promoted to senior management level as data revealed that there are 3 women and 169 men at management level. He suggested that the reason is "because women do not really work as hard as the men." It could be argued that DBBL does not have female friendly policies to make it conducive for women to remain in the Bank. The fact that there are no women at the board-level and only 3 at the management team, implies that issues concerning female employees are not considered at the strategic level as they are not properly represented. This could have negative implications for DBBL, as it could breed resentment and mistrust. Many female employees may feel they are carefully sidelined or a glass ceiling exists, and this could affect their performance.

Marchington & Wilkinsons (2008: 29) warn that such organizations are likely to experience “higher levels of conflict, lower interest in work-life balance.”

Even though the negative side highlighted above, data revealed that the positive effects of the leadership style outweighed the negatives. It also revealed that the negative effects were not very severe and may not immediately threaten the stability of the Bank. The investigation also revealed that many and various factors were responsible for DDBL’s leadership effectiveness.

## **7.0 Conclusion and Recommendations**

The research confirms that the leadership function is very important for any organization seeking to achieve financial success and competitive advantage. The investigation revealed that although other external factors, such as government regulations, globalization and the current economic climate of a country may be responsible for the performance of an organization, with effective leadership an organization can overcome these challenges. Using DDBL as a case, the Bank was able to overcome stiff government regulations and the global economic recession to achieve substantial growth in profit and rankings. The management team of the organization through effective leadership managed the internal and external pressures by developing the right strategies. The study revealed that DDBL’s had a 5 fold objective: Physical expansion, Variety development, Innovation, Staff welfare and Margin growth. It also ascertained that the strategy adopted was a combination of Innovation and Focus differentiation strategies. It was also discovered that the dominant leadership styles are the Participative, Functional and Situational styles, which confirms that the Bank adopted the Integrative leadership approach. An analysis of secondary and primary data revealed that leadership effectiveness can be measured in terms of group cohesiveness, cooperation, subordinate’s opinion/rating, employee satisfaction, leadership meeting objectives, organizational performance and growth e.g. profits. The research also showed that leadership could have either positive or negative effects on an organization’s performance. It also revealed that DDBL experienced more positive effects than negative effects. Some of the positive effects identified are: employee (follower) satisfaction, improved team performance, developing a skilled workforce and succession planning, cooperation, reduction in employee absence and attrition, improved performance, productivity and expansion as well as profit, trained and empowered workforce, increase in employee commitment and loyalty. It also shed light on some of the negative effects of the Bank’s leadership approach, such as: no diversity, inconsistency on the part of managers, imbalance / masculine predisposition. In conclusion, based on analysis in the preceding chapters, the researcher strongly believes the leadership style adopted by DDBL was effective as it has enabled the organization achieve its objectives. Findings showed Management provided effective leadership, the right kind organizational climate, guidance and direction to employees. They also set achievable objectives, developed the right strategies and policies to achieve the objectives. Using the “accepted definition”<sup>1</sup> for this dissertation, to evaluate leadership effectiveness at DDBL, it can be argued that the leadership was effective as it was able to influence employees to cooperate and agree about what needs to be done, and it was able to facilitate individual and collective efforts to achieve the following business objectives: Profit, Physical expansion, Innovation, Social cause, Variety development. The leadership style also passed the acid test set by Adair (1973)<sup>2</sup>, in the sense that it succeeded at developing individuals, building and maintaining teams, and achieving tasks. Participants’ responses confirmed that leadership was every one’s responsibility and each employee had a role to play in achieving the Bank’s

objective. Hence, it is reasonable to conclude that leadership was effective at the team, operational and strategic levels. Table 5.0 illustrates how DBBL’s leadership style checks off against some of the different leadership effectiveness theories. Also, summarized in table 5.1 are recommendations on actions to take to correct the negative aspects of the leadership style.

**An Evaluation of DBBL’s Leadership Effectiveness**

Theorist	Leadership Effectiveness Assumptions	Adopted Properly By DBBL
Stodgill	Leadership Traits	Used for recruitment / promotion
Hersey & Blanchard	Situational Leadership Approach	Used for assigning tasks and responding to different situations
Adair	Focus on team, task , individual	By creating leadership positions at junior, middle and senior levels so as to develop employees’ leadership skills
Tannenbam & Schmidt	Leadership Continuum: Concern for people and concern for production	Used to provide direction to employees on how to accomplish tasks.

**Recommendations for DBBL**

Problem Areas	Corrective Actions
No diversity	Recruitment and selection process; Although the leadership seems to particular about recruiting employees that can adapt to the organizational culture. It is recommended that employees with different views and attitude to work and life be recruited to avoid the danger of group think and “clones”. This is will enable DBBL have employees with different leadership styles.
Gender imbalance / Masculine Predisposition	Communication; Management should develop a more effective communication strategy. A two way communication system (Bottom to Top and Top to bottom) will prove more effective for DBBL leadership. Also, leadership should ensure that other media of communication are used. For example, emails, staff meetings, this appears to be rarely done. Recruitment and selection process Employee recruitment should be geared towards employing competent individuals from both genders. DBBL should ensure that recruitment is targeted at searching for women so as to achieve equal representation of both genders. Furthermore, competent women should be promoted to management positions and board level.
Inconsistency on the part of managers.	Formulating and implementing HR and leadership policies and processes that will establish and dictate acceptable standards of behaviour and ensure consistency in behaviour amongst employees. Also, include expected values in performance appraisal

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