ORGANIZATION DEVELOPMENT INTERVENTIONS ON THE GENERAL MANAGERIAL SKILLS OF COMMERCIAL BANK EXECUTIVES: A CASE OF KENYA COMMERCIAL BANK LIMITED IN KENYA, EAST AFRICA

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Abstract
This study aimed to determine the effect of organization development Interventions (ODI) on the general managerial skills of the Bank Executives at Kenya Commercial Bank Limited (KCB) in Kenya, East Africa. It utilized an analytical descriptive action type research. Ninety eight (98) executives of the bank were the research subjects who comprised senior managers from head office, branch managers, section heads and supervisors of the bank. Universal sampling was done in identifying research subjects. The study was based on the theory advanced by Kraut et al (1989) who theorized that managers to be effective, they must have a clear understanding of different skills that are important in managerial role. These skills enabled managers to effectively coordinate work, communicate expectations, delivery of feedback, job transitions, training and career development activities. Pre-assessment was conducted to assess the general managerial skills of the bank executives and diagnose problem. The instrument was administered to the ninety eight (98) subjects who are presently employed in KCB Nairobi Branches. The results of pre-assessments on general managerial skills were good as indicated by the factor average rating of (µ 2.816) but could be improved. Implementation of the planned interventions was guided by the schedule of activities. Seventy seven executives of KCB participated to improve performance. Understanding change through other people's eyes by Vicki Schneider was conducted to provide insight on what is the importance
of change. After the implementation of organization interventions, observation over a period of six months was done. Post assessment evaluation on the general managerial skills was done in January and February 2010. The result of the study revealed that there was a significant increase of the mean score in the post assessment in all the eight factors of the general managerial skills. There was improvement after the intervention in the general managerial skills as indicated by the increased mean from (µ 2.816) to (µ3.959). The organization development interventions implemented were successful in improving the managerial skills in KCB as reflected in the increase of the mean ratings after intervention. The obtained t-value in general managerial skills was 5.149, which was greater than the critical value of 1.960. This meant that the null hypothesis was rejected. The organization development interventions implemented were successful in improving the general managerial skills of bank executives. The Organization Development Interventions yields a significant positive change in all the general managerial skills of the Bank Executives.

**Keywords:** General Managerial skills, Organization Development Interventions, Bank Executives; Pre – assessment, Post assessment

**Introduction**

Organizations face multiple challenges and threats today. They could be threats to effectiveness, efficiency and profitability; challenges from turbulent environments, increased competition and changing customer demands; and the constant challenge to maintain congruence between organizational dimensions such as strategy, culture and processes. Individuals in organizations likewise face multiple challenges such as finding satisfaction in and through work and fighting obsolescence of one’s knowledge and skills, such challenges and threats can be solved through implementation of ODI.

French et al (2000) describes organization development as the prescription for a process of planned change in organizations in which the key elements relate to (1) The nature of the effort or program (2) The nature of the change activities (3) The target of the change activities and (4) The desired outcome of the change activities. According to Porras, Robertson & Goldman (1990) OD is “aimed at the planned change of the organizational work setting for the purpose of enhancing individual development and improving organizational performance, through the alteration of organizational member’s on the job behaviours”. Beer (1980) posits that the aims of OD are “developing new and creative organizational solutions; and developing the organization’s self- renewing capacity”. Bennis (1969) describes OD as a response to change and an educational strategy intended to
change beliefs, attitudes, values and organization structure - all directed toward making the organization better able to respond to changing environmental demands”. Cummings and Worley (1997) posits that OD is a planned long- range behavioral science strategy for understanding, changing and developing the organizations work force in order to improve its effectiveness.

The OD process is implemented through application of action research or diagnostic research model which is linear sequential and originates from the identification of a problem. The problem usually manifest in quantifiable and qualitative indicators (Meyer and Botha 2000). An appropriate intervention is identified to bring focus to the change process. Gibson et al (2000:455) posits that OD interventions should be classified according to their targets of change such as techno structural interventions which are focused on structural change or human process intervention which are focused on behavioral change. Some situations may require a combination of interventions which are referred to as multi-related or multi-targeted approaches. (Meyer and Botha 2000).

The Conceptualization of this Study was anchored on the theory advanced by Kraut et al., (1989) who theorized that effective managers must process multiple skills. This study was also grounded on system theory by Lewin (1946) which models organization as three overstepping and independent subsystems (Gersick 1997). The theoretical foundations on which organization development and action research are based on include organizational learning theory (March & Sutton 1997) and organization development theory and Dynamic capabilities theory (Teece et al., 2007).

These are underpinned by other theories such as industrial organization economics theory (Mason 1939; Bain 1956), knowledge based theory (Senge 1990) resource based theory (Barney 1991 and upper echelons theory Hambrick & Masan 1984). Action research which was conceptualized by Lewin (1946) forms the basic premise on which the process of OD is grounded. Action research which is a collaborative approach follows a scientific and cyclical process ( D’ souza & Singh 1998). Lewin (1946) also pioneered sensitivity training which he conducted with colleagues at MIT. It has been found to improve interpersonal relationships, increase self awareness and understanding of group dynamics among participants (French & bell 2001). Another pillar of OD is the survey research and feedback pioneered by Rensis Likert. It uses structured questionnaire surveys for diagnosing organization problems (French and Bell 2001).

The banking Industry in Kenya has experienced challenges since 1990s. First due to the government borrowing heavily from the domestic market which was as a result of the country's poor relationship with the
Bretton Woods Institutions and bilateral development partners. Secondly banks adopted an aggressive provisioning policy to provide for non performing loans (NPL). The provisioning policy resulted in Kenya Commercial Bank announce a pre-tax loss of Kshs 4.2 billion in 2002 the biggest in Kenya’s corporate history. The bank formulated a turn-around strategy that was implemented between 2004 to 2009. This strategic plan was to reconfigure the entire business of KCB and make it more robust, customer focused and growth oriented. The strategic plan included developing capacity to support technology based products and implementation of strategic Human Resource Development Programs to upgrade and enhance general managerial skills of bank executives within KCB. This study aimed to determine the effect of organization development interventions implemented to enhance the general managerial skills of bank executives.

**Literature review**

This study was anchored on the on the theory advanced by Kraut et al (1989), who theorized that managers to be effective, they must have a clear understanding of different skills that are important in managerial role. Kraut et al., (1989) posits that managers must have a mutual understanding of the skills and responsibilities necessary for other managers across similar and different organizational levels and functions. The appreciation of these skills and responsibilities are critical to every manager in all organizations for effective coordination of work, communication of expectations, delivery of feedback, to prepare for job transitions, training and careers development activities. According to Mintzberg (1973) managers perform ten different highly interrelated roles which can be grouped into three different categories of interpersonal, informational and decisional roles. Prior to Mintzberg’s research, managerial roles were understood to comprise planning jobs, staff and leading personnel (Pearson and Chatterjee 2003).

Katz (1974) suggests that education and experience help managers acquire three principal types of skills: conceptual, human and technical. Business training provides many of conceptual tools which are theories and techniques in functional areas that managers need to perform their roles effectively (Jones and George 2003). Conceptual skills are demonstrated in the ability to analyze and diagnosis a situation and to distinguish between cause and effect. Human skills include ability to understand, alter, lead and control the behavior of other individuals and groups. This includes ability to communicate, to coordinate and to motivate people and to mould individuals into cohesive team. Technical skills are job specific knowledge "and techniques required to perform an organizational role (Bobbins and Judge 2007).

Katz (1974) posits that although all three of these skills are essential to a manager, their relative importance depends mainly on the managers rank in the
organization. Katz (1974) recommends that top management of every organisation require conceptual skills because their primary responsibilities are planning and organizing while technical skills are most important in the lower or first line management but human skills is important for managers at every level.

Luthans (1988) who studied 450 managers concluded that all managers are engaged in four managerial activities which can be grouped into four categories of (1) Traditional management - Decision making, planning and controlling. (2) communication-exchanging routine information and processing paperwork. (3) Human Resource management -motivating, disciplining, managing’ conflict, staffing and training (4) Networking - socializing, politicking and interacting with outsiders. Konrad et al., (2001) conducted a five-country study of Australia Israel, Italy Japan and the United States and found out that Networking contributed greatly to success of managers in organizations.

Related Literature

Hunt (1991) posits that an individual manager however talented cannot posses all the managerial skills that are required for successful operation of a complex organization. An efficient and effective top management team possesses complementary managerial skills that are aligned with the organization's strategy and design that integrates external and internal elements (winter, 2000). Skills are said to be a strategic asset when they are specific, tacit and highly patterned to align with the overall organization system (winter 2003). Research on managerial skills suggests several typologies such as: Katz (1974), identified three types of skills; technical, human and conceptual. Christensen et al., (1978) suggested managerial skills which reflect two types of leadership, Taskmasters, mediators, motivators and leaders should possess human sensitivity and administrative ability, personal leaders should possess persuasion and articulation skills and architect leaders should possess creativity skills, intellectual ability and conceptual ability. Castanias and Helfat (1991) and Bailey and Helfat (2003) identified four types of managerial skills. (1)Generic skill (2) Sector-related skill. (3) Organization specific skills and (4) Industry-related skills.

Helfat (1991) posits that generic skills do not produce quasi-rents because they are easily transferable among users. Industry-related skills may be transferable across industries which make related products and have similar production processes. However if combined all four types of managerial skills may generate Ricardian rents. Proponents of resource based views have tried to link managerial skills to competitive advantage and rents (Mahoney 1995; Castanias and Helfat 1991; 2001). According to resource based views productive resources may exhibit differential levels of efficiency (Peteraf, 1993).

Managerial skills differentials may affect firm performance which may intern generate Ricardian rents. Managerial skills could also be explained in relations to external environment, size and age of the organization (Burns and Stalker 1979;
Scott, 1992). Managerial skills determine fit firms and firms that cannot withstand turbulent environment. Fit firms are in the advantageous competitive position and achieve above normal performance (Itami and Roehl, 1987). The modern organizations which are flatter and less hierarchical with fewer levels and more responsibilities have utilized downsizing and right sizing strategy to reduce cost and streamline operations. (Allen et al., 2001; Mckinley et al., 2000; Miller 1990; De Meuse et al., 2004). Due to improved technology which has seen the emergence of the internet as a major form of communication and e-commerce and a new source of business opportunities changes have occurred to the way managers perform their work and to the way they interact with internal and external clients (Wallance 2004). These changes have brought new challenges to the managers and reasons managers to seek better communication, co-ordination, improved performance, team working and trust (Saras et al., 2004; 2005, Zaccaro et al., 2004). Managers must appreciate their new roles and responsibilities and learn a variety of skills to perform their job effectively and efficiently (Ahearn et al., 2004; Halbesleben et al., 2003; Stockdale and Crosby 20004; Wallance 2004; Zaccaro et al., 2004).

**Supporting Studies**

Studies in organization development interventions, diagnosis of organizations effectiveness, general managerial skills development have been conducted by researchers in many countries where organization development is practiced. Hamark (2000) conducted a study titled "Personal and Professional qualities, interpersonal values and general managerial skills of administrators of Cebu City Division: A Correlative Study". The study sought to find out if the administrators practice general managerial skills of human, conceptual and technical as perceived by themselves and the teachers. Based on the perceptions of the elementary school teachers on the four administrator's attributes namely general managerial skills, interpersonal values, administrator's behavior and temperament. There was a low or slight yet significant relationship between managerial skills and temperament; interpersonal values and temperament and administrator's behavior and temperament. She recommended that an in-service training program is a must in order to develop the managerial skills of administrators of Cebu City Division.

Pfeffer (1998) proposes that there is evidence demonstrating that effectively managed people can produce substantially enhanced economic performance. Pfeffer (1998) in his research extracted a set of seven; dimensions that seem to characterize most if not all of the systems producing profits through people. Pfeffer (1998) named them the seven practices of successful organization such as an employment security, selective hiring of new personnel, self-managed teams and decentralized on decision making as the basic principles of organizational design,
comparatively high compensation contingent on organizational performance, extensive training, reduced status distinctions and barriers, including dress, language, office arrangements, wage differences across levels and extensive sharing of financial and performance information throughout the organization. Pfeffer's findings were that training is an essential aspect of improved performance and crucial in overall organizational effectiveness.

Ismael (2001) determined the effects of organization development interventions in the human resources development program for nursing service personnel of the Vicente Sotto Memorial Medical Center. Issues such as poor communication system, inadequate analysis of personnel needs, and lack of task groups were the main problems identified by the respondents. These problems were solved after the intervention scheme was implemented by the researcher. Another related study to this study was that which was conducted by Crux (2002). Cruz (2002) made a human-processual techno-structural diagnosis of Del Monte Philippines. The human-processual dimensions of the organization such as job description, recruitment and selection procedures, training and performance appraisal; promotions, transfers, and separations; management of people; and personnel department programs were analyzed. The study also diagnosed the techno-structural aspects of the organization, such as the formal structure of organization, administrative systems, and formal reward systems. The study revealed that the interventions created favorable changes in the organization after implementation.

Gentry, Harries, Bakes and Leslie (2008) in their study managerial skills what has changed since the late 1980s examined 14,000 managers in two distinct time periods revealed that many of the skills were similar in importance for both waves of managers. However, they found out that communicating information, ideas "and" taking action, making decision, following through" were the most important skills for all managerial levels. Castanias and Helfat (1991) have posited that managerial skills are not industry specific, industry related or firm specific because they are easily transferable among uses.

Conceptual framework

The conceptual model presents the conceptualization of the study based on the theoretical framework that form the basis of the input of the study, the processing which is the activities of ODI that conforms to Sasmans and Everedes (1978) five phase action research cycle which was implemented to bring the desired incremental or quantum change and the expected output of the study that indicate improvement of changes in behavior and significant positive change in managerial performance.
**Conceptual Model**

**Theories On**
- General Managerial Skills

**Activities**
- Preliminary diagnosis of the problems
- Action planning steps
- Implementation of ODI
- Understanding change through other people’s eyes by Vicki Scheider

**Desired incremental or Quantum Change**

**Results**
- Changes in behavior
- Improvement of performance of general managerial skills of Bank Executives

**Unfreeze**

**Refreeze New Conditions**

*Figure 1: Conceptual Model*
Schema of the study

STEP 1
Diagnosis
Pre ODI Assessment
Using a researcher development questionnaire administered to 77 managerial staff and 21 rank and file employees of KCBB

STEP 2
Action Planning
Senior HR managers of KCB and the researcher plan the implementation of ODI to improve general managerial skills

STEP 3
Action Taking
Implementation of the planned ODI, to be conducted over a period of six months

STEP 4
Evaluation
A post assessment will determine the effects of ODI after its implementation

STEP 5
Specify Learning
Computation of the mean is sued for comparison and t-test in the pre and post evaluation to determine the significant differences of the scores

Figure 2: Action Research Cycle

The schema of the study or study flow which action conforms to Susmans and Everedes (1978), action research cycle which follows five phase cyclical processes was conducted to determine the changes brought about by the interventions implemented.
**Research problem**

The study sought to answer the following questions:

1. What are the profiles of pre and post assessment evaluation on the ratings of the managers in terms of the following general managerial factors:
   1.1 Management of quality, innovation and crisis
   1.2 Training, sales and marketing
   1.3 Planning and organization
   1.4 Human relations
   1.5 Structuring organization and delegation
   1.6 Controlling and overall operations
   1.7 Research and development
   1.8 Customer services

2. Are there significant in the pre and post assessment data on the eight factors?

3. What transformation indicators resulted from the implementation of the organization development intervention (ODI)?

**Organization development interventions**

Implementation of organization development interventions was done using the model “understanding change through other people’s eyes” by: Vicki Schneider.

This was done to provide insights on what are the importance of change. To recognize and understand what each person is being ask to give up no matter how essential in the process of contemplating the change. The need for a change is obvious and the sacrifices that have to be made are necessary and reasonable. The Bank executives as trained in June of 2009 at the of Kenya Commercial Bank Leadership Center Karen this was conducted by researcher together with KCB Trainers.

**Overview:** This interactive exercise helps leaders and associates look at change and its related losses through other people’s eyes, understand better why people resist change; and develop insights that will lead to a more sensitive and successful change climate.
Materials and methods

The study used a survey research design. The sampling frame was computed from the list of all managerial staff of KCB branches in Nairobi County and KCB leadership center in Karen. It was an analytical descriptive action type research design involving 98 managerial staff that was conducted at Kenya Commercial Bank Branches in Nairobi and KCB Leadership Centre at Karen. A situation analysis was conducted by holding meetings with Senior Managers at KCB head office and at KCB Leadership Centre at Karen. The study utilized a researcher developed instrument which was refined after a pilot study. While studies such as Nunnally (1967) posited that an alpha coefficient equal to or greater than 0.50 is adequate to determine internal consistency later studies (Nunnally 1978, Kline 1998, Awino 2007, Ongore 2008) has used Cronbach’s alpha values of 0.70 and above. The researcher concur with these later studies and used a cut-off of 0.70 to ensure all measurements attained a high degree of reliability. A content validity index of 0.83 was obtained; this was judged to be acceptable, as it is more than the 0.70 value recommended minimum (Wynd et al., 2003). The Cronbach’s alpha reliability index was 0.81, also deemed acceptable in comparison with the 0.70 recommended minimum (Santos, 1999). Action planning was done by implementing planned intervention schedule, interventions covered eight factors of general managerial Skills. Data was analyzed using mean rating and t-test was done to determine the significant differences between Pre-and post intervention assessment.

Statement of the null hypothesis

This study was tested with 0.05 Alpha Level of significance:
H₀: There is no significant difference between the pre and post assessment data on the degree of performance by the bank executives of Kenya Commercial Bank Ltd in terms of the following general managerial skills factors:
   a. Management of quality, innovation and crisis
   b. Training, sales and marketing
   c. Planning and organization
   d. Human relations
   e. Structuring organization and delegation
   f. Controlling and overall operations
   g. Research and development
   h. Customer services
Results
This study revealed that there were significant increases of the mean scores in the post assessment evaluation in general Managerial Skills from (μ 2.816) to (μ 3.959) that is from good to very good. The table below represents the pre and post assessment mean rating on General Managerial Skills.

<table>
<thead>
<tr>
<th>Items</th>
<th>Before ODI</th>
<th>After ODI</th>
<th>Mean Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management of quality, innovation and crisis</td>
<td>Mean 3.100</td>
<td>Mean 4.786</td>
<td>1.686</td>
</tr>
<tr>
<td>Training, sales and marketing</td>
<td>Good 3.252</td>
<td>Very good</td>
<td>0.728</td>
</tr>
<tr>
<td>Planning and organizing</td>
<td>3.980 Good</td>
<td>Good 2.853</td>
<td>1.137</td>
</tr>
<tr>
<td>Human relations</td>
<td>Very good</td>
<td>Good 2.644</td>
<td>1.034</td>
</tr>
<tr>
<td>Structuring the organization and delegation</td>
<td>Good 2.759</td>
<td>Very good</td>
<td>1.257</td>
</tr>
<tr>
<td>Controlling and overall operation</td>
<td>Good 2.971</td>
<td>3.890</td>
<td>0.919</td>
</tr>
<tr>
<td>Research and development</td>
<td>3.122 Good</td>
<td>Good 2.202</td>
<td>0.920</td>
</tr>
<tr>
<td>Customer services</td>
<td>Excellent</td>
<td>4.222</td>
<td>2.02</td>
</tr>
<tr>
<td>AVERAGE</td>
<td>3.959 Very good</td>
<td>Mean 2.816</td>
<td>1.143</td>
</tr>
</tbody>
</table>

The table shows that general managerial skills improved from 2.816 which is good to very good with an average mean of 3.959 after intervention. The results show that Vicki Schneider’s activity in improving understanding change through other people’s eyes improved the managerial skills of the bank executives. The activity improved the participants way of looking at change and its related losses, understand why they and other resist change and helped develop insights that led to a more sensitive and successful change climate. The intervention improved the participants understanding the real expectations in the transformation process, the desired direction of the initiative and the improved their involvement in the transformation process. In the areas of management of quality innovation and crisis mean score increased from 3.100 to 4.786 and customer services increased 2.746 to 4.222 they improved from good to excellent.
sale and marketing increased from 3.252 to 3.980, planning and organizing increased from 2.833 to 3.987, Human-relations increased from 2.646 to 3.678, structuring the organizational and delegation increased from 2.759 to 4.010 while controlling and overall operation increased from 3.971 to 3.890. All these factors improved from good to very good. In research and development the increase was marginal as it increased from 2.202 which was fair to 3.122 which was good. This area requires to be given special consideration in the five year development plan and more funds should be allocated to research and development.

Table 2
The table below presents the comparison of the significant difference between the Pre and Post Assessment Computed t Value of General Managerial Skills.

<table>
<thead>
<tr>
<th>Items</th>
<th>Mean Before ODI</th>
<th>Mean After ODI</th>
<th>Computed T Value</th>
<th>Decision on Hoz</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>General managerial</td>
<td>2.816</td>
<td>3.959</td>
<td>5.149</td>
<td>Reject</td>
<td>Significant</td>
</tr>
<tr>
<td>skills</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NB: Critical value of t is 1.960 at 0.05 Level of Significance

With a computed t value of 5.149, with a critical value of 1.960, at 0.05 level of significance the null hypothesis is rejected, therefore there is significant difference between the pre and post assessment value of general managerial skills. Meaning, there is improvement Management of quality, innovation and crisis, Training, sales and marketing, Planning and organizing, Human relations. Structuring the organization and delegation, Customer services, Research and development and Controlling and overall operation.

Discussion of results
The appreciation of Managerial Skills and responsibilities are critical to every manager in all Organizations of work. In this study the mean on general managerial skills increased from (p2.816) to (p3.959) which was an improvement from good during pre-intervention to very good after the intervention, the intervention improved the managerial staff's way of looking at change and other related issues. Bank executives were able to apply managerial skills to solve routine employee problems and customer complaints.

The research relates these findings of this study to Robbins & Judge (2007) who posits that it is essential for a manager to possess conceptual, technical and human skills. The researcher also relates the finding of this study to Katz (1974) who recommends that top management of every Organization required conceptual skills because their primary responsibilities are planning and organizing while technical skills are most important in the lower or first line management but human skills are important for managers at all levels. The researcher also relates the findings of this study to Hill and
Pullen (2001) who states that effective communication between managers and subordinates should be considered vital component. The researcher also relates the findings of this study to Gupta (1993) who posits that customer defines the business of any enterprise including a bank. Findings on promoting team work have been collaborated by the researcher to Berger(1998) who posits that where people are used to working in teams and putting premium on' consensus, syndicate work will enable them reach to a collective view, quality result and to a strong commitment.

Conclusion of the study

The mean on general managerial skills increased from 2.816 to 3.959 which was an improvement from good during pre-intervention to very good after the intervention. The intervention improved the managerial staff's way of looking at change and other related issues. Bank executives are able to apply managerial skills to solve routine employee and customer complaints.

The Organization Development Interventions implemented were successful in improving the managerial skills in Kenya Commercial Bank as reflected in the significant increases of the mean assessment values after intervention. The Organization Development Interventions yields a positive change in all the managerial skills of the bank executives of Kenya Commercial Bank Limited (KCB).

The researcher recommends that organizations should organize training programs for internalization of vision, mission, core values, roles and responsibility for middle managers and supervisors so that they have a sense of ownership for respective branches and also impact those values to their junior staff. Organizations should also conduct strategic change management behavioral training to all their senior managers.

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