SUPPORTING BANK MANAGERS IN FACILITATING EMPLOYEES' CONTINUOUS LEARNING AS A PRECONDITION FOR ORGANIZATIONAL DEVELOPMENT AND INNOVATION: AN EMPIRICAL STUDY IN THE BANKING SECTOR

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Abstract

The financial sector is faced with fast moving and expansive changes in a dynamic environment and market. This situation is caused by current developments in the finance market, newly emerging competitors and less differentiation amongst existing banking services. However, bank organizations are under high pressure to deal with this increasing and changing competition on the market. Taking a look into future, banks need to tap new respectively further business areas and models, which don't (only) focus on traditional and typical banking services any longer but go beyond. Ultimately, the individual's continuous learning is an essential precondition for the organization's learning and development capability; which also implies handle organizational ambidexterity by adding exploration to exploitation.

In this regards, bank managers are key persons for the design of learning oriented framework conditions for individual employees and team members at their workplace. Thus, they need to take up an extended leader role and understand themselves as personnel developer. Based on organizational learning theories and the connected field of knowledge management, this demands managers for acting at four design levels, respectively, levels for organizational learning in order to contribute to the organization's enhancement of its learning and innovation ability: At individual level, employees need be encouraged for learning through appropriate workplace infrastructures which allow self-organization. At team level, collaboration and team learning needs to be afforded. At organizational level, generation, usage, sharing knowledge and experiences needs to be ensured, this is connected to supportive cultures, structures and strategies. Finally, openness to the environment is crucial for generating input "from the outside" and developing ideas and, at best, knowledge in collaboration with external actors. From an educational management perspective, we argue that an internal or external learning function can effectively support bank managers in this extended role. Therefore, we follow the research question "how can a learning function support bank managers in designing workplace framework conditions to enable continuous learning of bank employees and teams as precondition for the bank's organizational learning?" and based our empirical examination on case study research.

Keywords: workplace-integrated learning, managers as personnel developers, organizational learning, bank organizations.

1 INTRODUCTION AND PROBLEM STATEMENT: THE CHANGING ENVIRONMENT OF THE BANKING SECTOR

Like other branches, the financial sector is increasingly challenged by a dynamic environment and a fast changing and a highly competitive market [28]. For instance, many new competitors have already entered the market, coming from very different branches. Additionally, customers can easily access information of banks and compare their products to find the best fitting one; they are more than ever willing to change providers of bank services very quickly [38]. This situation requires banks to tap into new/extended business areas and management innovations [30]. There is a need to search for new business models, which go far beyond traditional and typical banking services [29]: "Speed competition in regard to build up new core competencies, new skills, which lead to sustainable advantage in competition …, mean competition in the area of the ability to learn and change at last" [28]. Ultimately, the organization's continuous learning is the essential precondition for its capability to be innovative [16]. The increasing relevance of the organizations' development capability also highlights the importance of employees' learning as initial step for the organization's learning. Both are

linked to an institutionalization of development-oriented structures and cultures. Thus, some authors already emphasized the extremely important role of managers to address those requirements (10, 35).

For banks, this situation holds the challenge to handle ambidexterity [13, 23, 25]: focusing on efficiency by using the existing and optimizing synergy effects (exploitation), and to add a permanent improvement/learning orientation and ability for change, a proactive handling and a sense for trends and developments. Specifically bank organizations with their unique organizational context possess e.g. cultural barriers; employees and managers are rarely used to handle uncertainty. Hence, the organizational capability of learning needs to be considered as a starting point to enhance the ability for innovation. In the german speaking area, a few theoretical approaches of relevant discussions like ambidexterity [7, 13, 23, 25], organizational learning [2, 21, 32, 40] or knowledge management [3, 4, 14, 19, 24, 26, 37] in organizations exist; only few investigations focus on the banking context (some of them are e.g. 5, 20, 31, 38), and especially on managers in an extended personnel developer role.

This paper aims to contribute to fill this gap and to give valuable implications on theory and practice through empirical evidence. Hence, we follow the research question **"how can a learning function support bank managers in designing workplace framework conditions to enable continuous learning of bank employees and teams as precondition for the bank's organizational learning?"** Moreover, we want to identify possibilities to support managers, which is linked to bank organizations, through the learning function (we understand this as containing all activities to enable and organize learning inside an organization – thus, the learning function could be an internal or external one).

Based on the theoretical framework we suggest a conceptual model for designing organizational learning for continuous development in chapter 2, including four action areas: personnel development as executive management task, development work with individuals/teams, transformation of the organization, development of learning-/innovation-oriented management systems. A case study-based investigation in bank organizations allowed verifying the appropriateness of this model as well as further developing the action areas. Our chosen methodical procedure and the results are described in chapter 3. We conclude the essential findings in chapter 4 where we discuss this work's strengths and weaknesses and illustrate research desiderata.

2 THEORETICAL FOUNDATION: ADDING EXPLORATION TO EXPLOITATION: LEARNING AND INNOVATION CAPABILITY OF BANKS

Duncan [6] coined the concept of "organizational ambidexterity" and initially linked this to the structural necessity of anchoring the tasks of exploitation and exploration in separate business units [27]. Since then, some authors have pointed out the danger in one-sidedly emphasizing either exploration or exploitation [23, 25]. While exploitation primarily involves a short-term perspective and focuses on optimising what already exists, exploration targets innovation in the knowledge base of the company [26] as well as opening up new elements. These statements already point out the difficulties which could result from a one-sided focus [22]. In this sense, O'Reilly III and Tushman [25] emphasise the need for duality: "Exploitation is about efficiency, increasing productivity, control, certainty, and variance reduction. Exploration is about search, discovery, autonomy, innovation and embracing variation. Ambidexterity is about doing both."

We understand organizational ambidexterity here to be the task posed to executive management of combining both in a meaningful manner [36, according to 39]. The connection between (strategic) leadership and successful implementation of ambidexterity has been discussed by several authors [1, 13, 18, 25], although there remains a need for more research in this regard: "What is needed is the identification of specific senior team behaviors and organizational processes/routines that allow firms to manipulate resources into new value creating strategies" (25 referring to 7, 41).

Above all, an executive manager bearing responsibility for both exploitation *and* exploration in the sense of contextual ambidexterity involves mastering the challenge of different processes as well as successfully avoiding failures. This represents thus the ability to permit the company "to both use and refine existing knowledge (exploitation) while also creating new knowledge to overcome knowledge deficiencies or absences identified within the execution of the work (exploration)" [39] and to create supporting frame conditions for this (e.g. error culture) – this means, with regard to development capacity, not just structural ones [15]. We therefore do not conceive of ambidexterity as an ability of individuals, as reference [13] suggest. Nonetheless, these persons act in ambidextrous fields as central knowledge repositories and thus constitute a central component in a learning organization. Finally, managers at all management levels create and shape such learning framework conditions.

Learning orients to innovations in this regard: “An organization is not only able to learn, irrespective of purpose, but also ultimately learns if innovations or an innovative solution to problems is created as a result” [34]. Thus, it is clear that individual employees as members of an organization need extensive competencies in order to be capable of learning and innovating. Obtaining such competency in changed environmental conditions is aligned to both processes of developing competencies and improvement and innovation processes in an organization.

Innovation ability therefore means [21, 30] for individuals a continuous and reflexive learning in their work, and for the organization enabling and implementing innovations. The latter involves the preparation of a learning-oriented and supporting strategy, structures and cultures [30], as “without experimentation and being able to learn from mistakes, i.e. putting a distinctive error and critical culture into practice, to reflect upon experience, question basic norms and supposed certainties and to think creatively, innovations can hardly be produced. This applies in the same way to both the organizational and individual levels” [17]. Fig. 1 [30] illustrates four levels of organizational learning which take up these considerations and adds approaches from knowledge management discussions, where the steps gathering, developing, sharing knowledge and learning at and across different levels are critical for being innovative [26] in an internal and external perspective: learning at the levels of individual learning, team learning and organizational learning are essential to an organization’s ability to innovative – moreover, the connection to the bank’s environment needs to be ensured:

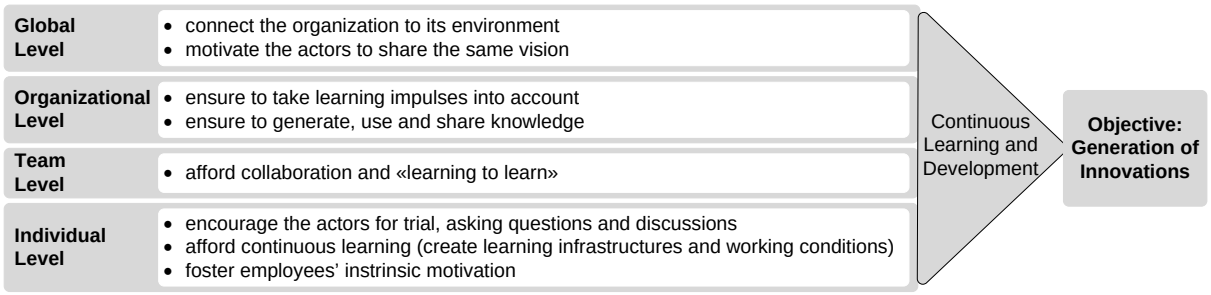


Fig. 1: Four levels of organizational learning

Derived from the previously outlined considerations and referring to Schuchmann and Seufert [29], we developed a conceptual framework for managing organizational learning aiming to enhance continuous innovation in bank organizations (cf. Fig. 2). This model integrates a holistic way of thinking through the levels of individual, team and organizational learning as well as the connection to the organization’s environment. Furthermore, this model meets the requirement to closely interlink personnel and organizational development (OD). This framework points out four main action areas for human resource development (HRD) aiming to enhance the ability for learning and development [30]:

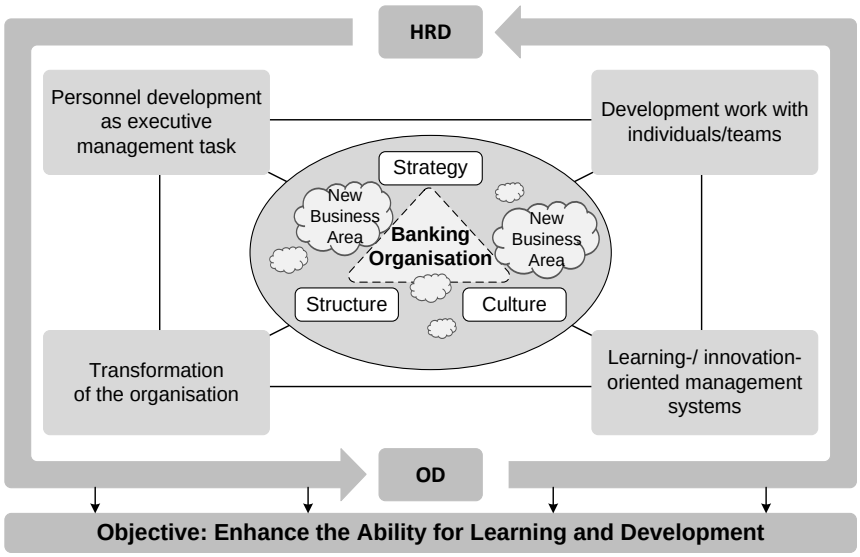


Fig. 2: Conceptual Framework with four Action Areas

Personnel development as executive management task: managers take up a role as learning facilitator; they are required to act as a personnel developer with pedagogical-didactical tasks in the

work environment and support informal learning processes at workplace as well as self-organization of employee to develop their competencies. In this sense, an appropriate understanding of leadership is fundamental as well as their willingness to take up this new and extended role. Besides, managers need to establish learning-oriented frame conditions which enable knowledge gathering and sharing.

Development work with individuals/teams: the design of innovative learning and networking forms are allocated to this field. E.g. knowledge sharing and discussion, interactive, collaborative learning and self-organization need to be fostered and supported. Besides, new working forms could be designed (e.g. project-based team building based on individual interest) to enable learning processes. In another way, collaboration or gathering ideas from outside the organization through individuals can be afforded by managers.

Transformation of the organization: the organizational strategy, structures, and especially cultures including shared values and behaviors constitute fundamental frame conditions to enable learning at all levels. Individual and organizational learning needs to be interlinked. These frame conditions have to be designed in a learning-/development-oriented way. Finally, bank organizations have to be able to use and renew the organizational knowledge basis successfully and continuously [26].

Learning/innovation-oriented management systems: learning- and development oriented instruments for strategy development in banks need to be designed and established. These should be based on the previous three action areas to enable evaluating the status regularly.

3 EMPIRICAL STUDY IN THE BANKING SECTOR

3.1 Method

To answer the research question “how can a learning function support bank managers in designing workplace framework conditions to enable continuous learning of bank employees and teams as precondition for the bank’s organizational learning?”, we investigated three german banking organizations in total through qualitative case study research [11, 12, 42] in a first step. In-depth interviews were conducted with bank managers in various positions (primarily board chairmen and company development department heads). The basis for the interviews was formed by partially-structured guiding questions [8, 9]. We focused on well-selected aspects of the following three areas: challenges posed to banks and in this connection and practitioners’ understanding of a development-oriented bank, feedback about and discussion of the four areas for action developed (underlying a present as well as a future perspective), possible roles of an (external) learning function aiming to support managers (and thus banks) designing and acting in these action areas.

Sampling criteria were existing innovative approaches implemented by banks with regard to stimulating a development oriented organization such that the identification of success factors for development-capable banks was possible. Banks of different sizes were likewise involved in order to investigate the varying framework conditions in each case. Here, results derived from a single-case-analysis in a first step.

Guiding questions were developed on the basis of previous work in the scope of an extensive analysis of the literature. In this process, fundamental and current literature on the topic of “organizational learning” in the banking sector was consulted (including knowledge and competency management, enterprise 2.0, organizational development through an appropriate coping with innovations and learning-oriented organizational frame conditions like the role of managers in supporting this).

In a second step, qualitative interviews were conducted in eight further banks with the goal of checking the previously identified results across the board and modify them if necessary. Unlike the previous case studies, innovative approaches in the banks were less of a selection criterion here; instead, this involved “typical” banks much more. The partially standardised questionnaires used in the three in-depth case studies were heavily abridged, retaining the central aspects involved and used as basis for the interviews. These results were then evaluated and consolidated together with those from the first three in-depth case studies in the scope of a cross-case analysis [42].

3.2 Results

A framework model was developed on the basis of the previous work which considered the four action fields for designing development-capable bank organizations. Fig. 3 shows how the bank managers assessed (average values) the effect of the action fields in their banks in order to enhance the

organization's learning and development capability as well as their feasibility (i.e. design potential) on a 6-point Likert scale: low/easy (1) – high/difficult (6):

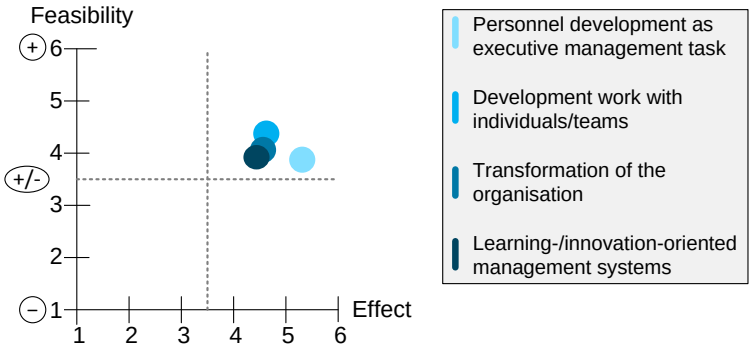


Fig. 3: Overview of results – average assessment of the action areas

These results highlight tremendous starting points for a learning function: All fields are considered relevant as a rule with "PD as an executive management task" on top. The fact that this field is put in the forefront also highlights an oft-cited prior change in executive management of bank practice. In conclusion, the central points in the four action fields are summarised below. Nonetheless, all fields are closely interconnected and constitute an impact network.

In general, the handling of innovations in the banks is established as an overarching central topic (exploration together with exploitation) – according to the goals set by quality executive management in all three banks visited. In this regard, the banks have in part taken different directions. E.g. a company idea suggestion system has been set up at all three banks from the in-depth case studies. Furthermore, two of the three banks have also reinforced the topic of innovation through an innovation circle. In one case, an ongoing trend monitoring has been set up in order to be better able to integrate external stimuli into the bank. The establishment of an external or cross-bank system permitting rapid reaction to and the evaluation of trends and management innovations which could then be transmitted to the banks would be expedient in terms of relieving the banks of a burden and supporting them.

With regard to further development of products on the one hand and internal development processes on the other, the banks would appear to be somewhat more open to risk or also more innovative. It is no longer considered reasonable to undergo a long development process culminating in a flawless product or service, above all with regard to innovation and changes. It emerges here that there is increasing acceptance of "beta versions" in the banking sector as well, and that products/services that are not entirely mature are to be further developed together with the clients. In this sense, projects are started in permanent test mode in order to gather experience, test them and not waste any time in the process. Connected with this is the possibility accorded to accepting success as well as failure, which represents a central aspect in a culture promoting development.

Overall, it appears to be important that employees are appropriately developed and that a general readiness to change exists; change should not represent an exceptional situation but rather a normal work mode. It is nonetheless emphasised that a *readiness* to change alone is insufficient; rather an *ability* to change on the part of the employees must also exist. Executive manager must therefore be developed accordingly so that they can support these change processes.

3.2.1 Action field: Personnel development as executive management task

The potential effect of activities in this field is the highest given for all fields (average value 5.39), although its feasibility is within the positive zone, the field takes second to last place in this regard. Establishing a more systematic approach is particularly considered to be in need of expansion.

The understanding that PD is part of modern executive management can be found in all banks and is for the most part relatively strongly anchored. Managing employees is considered important insofar as that the values and norms of the bank succeed in becoming part of implementation in this way ("living out values"). The establishment of frame conditions favourable to innovation and learning by executive management as well as the recognition of individual support to employees are important aspects in this regard. With regard to the last point in particular, the existing competencies are currently considered to be insufficient; executive management needs to be appropriately developed. Managers appear to be ready in principle to assume this expanded role. A challenge is nonetheless the established practice of promoting executive managers on the basis of technical performance rather

than leadership competency. This contributes to the fact that the necessary potential to support the development of employees on the part of executive management does not always exist.

The transfer and sharing of knowledge is recognised as being in great need of improvement. There is a desire for structured processes to transmit what has been learned (e.g. after participation in seminars) and to distribute employees' knowledge over the entire bank. Furthermore, the creation of knowledge networks in order to exchange experiences with regard to leadership questions among managers has been suggested ("everyone has similar problems"). Besides, the method of collegial consultation, for example, is seen as valuable. The importance of spaces for reflection, which should be provided for executive management, was stressed as these are central for their development. It would also be expedient for a learning function if the banks were given the possibility of establishing such spaces. The opinion is, however, that executive managers must be able to reflect in a protected space, "in order not to lose face". Systematic coaching processes or also on-the-job training could therefore also represent reasonable elements in the development of executive management.

In principle, strong starting points for the learning function in support of an organization capable of development have been identified in this field; a consultative function with the goal of bringing the entire bank forward at the organizational level would thus also be conceivable.

3.2.2 Action field: Development work with individuals/teams

With regard to the potential effect of activities, this field is in second place among the four fields (average value 4.60). The feasibility is rated highest in comparison to the other fields – together with the field "development of learning/innovation-oriented management systems".

New learning forms have been tested and implemented in part in the banks (e.g. company theatre on the subject of leadership, a pass system as well as on-the-job coaching and training). Nonetheless, the established learning forms are considered to be too rigid. What is to be learned is still too strongly prescribed in a top-down manner. In the future, a focus on development work with individuals and groups should therefore be considered. External support in this field is considered important, e.g. when it concerns enabling new career and development paths that are being demanded by the market due to developments (example: new types of consultant are needed). The learning function must react rapidly here in order to create these paths and thus support the banks. In many banks, working on individual projects has already been made possible, something that can surely be expanded further.

The involvement of employees in development and change processes is considered to be essential in all cases and is implemented through various approaches. This involvement is accompanied by a better use of existing know-how and the available experience of individuals at the bank. The relationship with clients and thus advisory services continue to be a focus of banks – distinguishing features are to be created here. In one case, for example, involving clients in development and change processes is being worked on, e.g. through combined employee and member workshop on the development of new products. Structures in the bank can and should generally permit "work forms with innovative character"; in the process, the "classic functions" should remain in place and they continue to be central. This means the establishment of tent organizations or project structures in the place of or in addition to palace organizations.

Collaboration between and discussion among employees is considered to be extremely important. Employees need to learn to work together in processes, which is emphasised in the sense of team learning. An interest-driven group composition is important in particular for subjects linked to change (e.g. knowledge, development and project groups). The goal is to have knowledge shared and used by as many employees in the entire bank as possible. This demands an appropriate technical platform for exchange and collaboration, which can also be used, for example, in the development of product ideas. The provision and support or moderation for platforms and communities (Web 2.0 solutions) to improve communication and sharing (distribution) of knowledge is recognised for the learning function.

3.2.3 Action field: Transformation of the organization

Overall, the impact of this field is evaluated with an average value of 4.61. At the same time the field or its feasibility is considered to be the most difficult.

The readiness and will of board members is unquestionably seen as a precondition for addressing this field. These represent the central (power) brokers when it comes to having subjects addressed by the bank. Board members should accordingly be sensitised as to new subjects step-by-step. In the process, further executive managers could be integrated who could push subjects forward in the role

of visionaries. It became clear that “driving forces” are needed in banks, precisely in order to advance cultural changes as well as the step-by-step establishment of new subjects in the bank (e.g. innovation workshop, whose members would then also play a multiplicator role in the bank). It was stressed that activities in this field have to be understood as ever-present tasks that have to be continually initiated new. This also means that board members and executive managers have to regularly deal with this field in order not to lose sight of it. In turn, this means for the learning function that these subjects have to be constantly re-injected into existing offers (that are already considered to be quite relevant and are thus well attended) so as to stimulate sensitisation of participants with regard to the subjects.

External support is rated as absolutely necessary in this field. The board members alone cannot master or initiate change processes. Instead, they need ideas for a structured process as well as support to it. It was emphasized that it is important for the bank “to be able to work on subjects/content itself”. This would also offer a targeted and results-oriented moderator role for the learning function (similar to that of consultancy firms) and the task of making possible instruments/techniques available.

The sharing of knowledge in the organization as well as the establishment of corresponding incentive systems is a central subject for the banks. Integrating external knowledge in the bank also belongs to this complex. External support is considered to make a great deal of sense here. To some extent, there are no ideas on hand in the banks as to how (structured) sharing/disseminating knowledge could function or be implemented. Furthermore, some banks internally scarcely dispose of the corresponding resources and capacities for taking on the subject. A learning function can supply instruments and ideas here – in something akin to on-going consultancy.

Enabling voluntary and interest-driven collaboration in (informal) groups on development topics is also seen as significant in this field. A bank can be given support in forcing open current structures through “informal structures outside of the structures” in which rules other than those “typical” for banks apply.

Case example: A changed power structure has become visible through the idea room in one case. Leadership is defined in a new way tied up with another responsibility; it needs a new self-image, e.g. an idea popular among employees can scarcely be rejected. If it is rejected, plausible reasons must be given. A new understanding of executive management must involve creating the framework conditions which can let emerge things rather than just dictating it, thus enabling such innovation management.

The use of technical or social media platforms is also a topic for this action field. One bank is a pioneer in implementation in this area. It was stressed that a step-by-step introduction of social media has had the impact of “digital transformation Ritalin” and has enabled the gradual transformation of culture (“from small up to large projects”) – not least through a new form of communication and the integration of all participants. The development and provision of platforms represents another starting point for the learning function. The use of this should be possible within the bank as well as across banks. External expertise would also be valuable for identifying useful possible applications and their implementation. This is nonetheless a polarising topic: while some consider external support by a competent partner to be valuable, others don’t want to address the topic (yet). Examination of the topic has also taken place, but there is still lack of clarity regarding meaningful use and added value. Engaging in discussion or integrating such current topics in existing learning offers already presents a sensible starting point for the learning function to overcome the “don’t know it” barrier. According to the interviewees, a precondition for using such platforms is an attainment of a certain level of capacity for development in the bank: employees must develop ideas for the bank’s strategic development, take them up and persistently follow or implement them – “visionaries” are needed and not all banks believe that they currently possess such employees, which requires adaptions of recruiting criteria.

Communication in the organization was a basic topic in many interviews, so that one discussion partner said: “The more transparent and open communication is, the quicker and more effective the transformation.” The client-bank relationship must be taken into account in external communication: The integration of clients or members, collaboration (e.g. through feedback) as well as communication with them. Further important aspects in this action field are exchanges with other banks and the sharing of knowledge for the joint development of solutions.

3.2.4 Action field: learning/innovation-oriented management systems

The potential effect from activities in this field was rated the lowest (average value 4.5). At the same time, its feasibility was considered to be very high. Starting points for the future work of the learning function could be recognised in this field as well.

All bank representatives stressed that in general there are already (too) many instruments available. The Balanced Scorecard (BSC) was thus seen as a useful instrument for measuring the impact of changes in the bank. External support in this regard was rated as less necessary. Yet the impact of the existing instruments was partially called into question, in particular as no appropriate measures are taken after their use and the submission of results. A link between management systems and the topic of transformation of the organization should therefore be made. This involves above all the question of WHAT should be measured at all in order to be able to take measures on the basis of the results and decide on their impact. Besides, evaluation instruments should have a focus on the overall level of the bank and not just aspects of the individual levels (e.g. effects on educational investments).

Finally, the exchange between persons/groups who want to act in a similar (innovative) way, and thus are interest-driven, should also be supported in this action field. This exchange and the maintenance of networks with other banks are currently emphasised differently in the various banks visited. A starting point which was deemed promising by discussion partners would possibly be activities in the area of benchmarking or best practice sharing. In addition, a branch opening was suggested in order to learn from other companies.

4 CONCLUSION AND FUTURE WORK

This paper followed the research question “how can a learning function support bank managers in designing workplace framework conditions to enable continuous learning of bank employees and teams as precondition for the bank’s organizational learning?” The results identified current and future starting points for the learning function to support managers with designing framework conditions for learning. This implies developing competencies for acting in an extended role, which means to support direct reports in their individual learning and foster learning of team(s). Those are the first two learning steps of a learning organization. Moreover, it becomes apparent that manager’s competencies are linked with and therefore can enhance the bank’s competencies for learning and development at organizational level. Consequently, we adapt the conceptual model with the interrelated competency development of managers and bank. Specifically, the four action areas exhibit core competencies for both in the sense of a competency model. Finally, this delineates a new role for the learning function.

Aiming at the enhancement of learning and development capabilities, we developed a conceptual framework for managing organizational learning for continuous innovation. This framework interlinks the competency development of individuals very closely to organizational development and involves four action areas in banking organizations. The framework was tested and more specified through eleven case studies in total with banking organizations. A clear strength of this work is given through the combination of investigating three in-depth case studies and eight case studies in a broad view. With a view to the case study results we conclude two points of action for the learning function:

First, the four action areas represent core competencies at different levels. Thus, this framework exhibits a competency model for a development-oriented organization with managers taking an important role and contribution. This describes a normative perspective – for the organization as well as for the managers’ role; the learning function needs to support managers with taking up this role.

Second, developing those competencies and supporting organizations in doing this, leads to a changed role of the learning function: more self-organization in banks needs to be fostered. Also, competency and organizational development needs to be connected directly. All this requires a clear movement away from a traditional seminar business. In this sense, the framework model implies a methodical perspective which considers the program portfolio. The development of a program portfolio including appropriate specific services needs to be developed through further work, which is connected to the question how the identified action points in the action areas can be implemented and facilitated through the learning function in their services. The last mentioned should aim at implementing learning activities in the area “personnel development as executive management task” in a first step, as this was the most important according to our results and can be seen as a key lever. It must thus be ensured that executive management (can) also actually implement what is learned. Hence, the transfer and implementation should be accompanied in the framework of a transfer-oriented learning design, so that learning does not abruptly end as a “one-off learning event” [33].

Fig. 4 merges these delineations by showing exemplary competencies of managers and the banking organization. Here, we suggest the consideration of four levels for learning facilitation, whereby the transfer of knowledge across them is fundamental: employees, managers, manager-teams and organization. Besides, all these levels should be connected to and involve knowledge from other

banks and industries in an external perspective. For making this successful, managers play an important role as role model and enabler for learning and development at all levels.

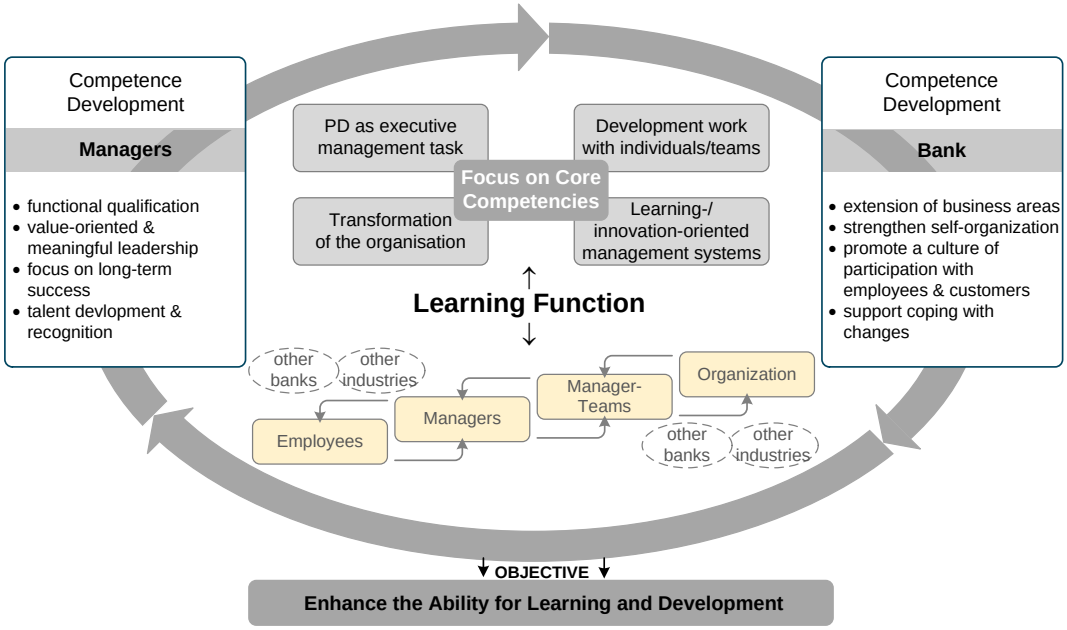


Fig. 4: role of the learning function – competency development of managers and banks

Finally, the results have valuable theoretical contributions: they address the challenge of coping with ambidexterity in the banking sector and especially highlight the exploration by enhancing the ability for learning, development and innovations through developing towards a learning organization – and the essential role of managers in various ways. With a focus on the context of bank organizations, neither a profound theory nor comprehensive empirical investigations are available in this field yet. The case study results fill this gap by pinpointing initial action areas for developing or even "transforming" banks systematically into development-oriented organizations (combining exploration and exploitation). Also, we identified starting points for the learning function with the objective to support bank managers in changing into this direction and organizations to be capable of competing in the end. Our results deliver empirical evidence regarding the status quo in banks and also take a future perspective. Furthermore, these delineated theoretical contributions imply fundamental implications for banks, managers, and the supportive learning function in the practice field. However, we need to refer to a limitation regarding generalization: the case studies were conducted with German banks. This points out the necessity of testing a possible transfer to banks in other countries through further research.

Future work should aim at defining the required competencies for managers at different levels and also the competencies for the banks at an organizational level more precisely, which are clearly connected to the four action areas. This surely indicates a limitation of this work: at the current stage, a first impression of possibly needed competencies can be given based on theoretical foundations and the case study results. A further practical limitation is the executive boards' willingness or even readiness and understanding the requirement of linking personnel to organizational development as well as the transformation of the bank towards a development-oriented organization. In this sense it is a precondition that they appreciate the described new role of the learning function, which focuses on both and not only traditional HRD activities. Herewith, another important issue addresses the question how an intensified collaboration between learning function and managers respectively banking organization can be implemented.

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