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Leadership in Change Processes

Theses of Doctoral (Ph.D) dissertation

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Signature of the advisor

1. Background to the research and objectives of the thesis

The author has worked for over 25 years in credit institutes and has a great deal of firsthand experience in the fields of change processes and leadership. In addition, for many years the author is himself in a management position at second level in a bank and thus works in a kind of “sandwich position” as manager and at the same time as an employee affected by his own leadership. During this time the author also experienced many other managers. The pressure in banks together with lack of profitability and efficiency increases the pace of changes and thus also the pressure on the personnel and managers of the banks. Many managers and key personnel of banks no longer withstand the pressure and there is an ever increasing risk of “burn-out” amongst them. On the basis of these recognizable facts together with his own experiences over the years, the author can only assume that there are considerable weaknesses in management in the field of banking. Why this is the situation in banks and how it is at present is a much discussed subject in the respective press publications. Also much discussed is what future changes must be made in banks. In summary, for the author there is a clear current situation and a relatively clear future plan. However, in the view of the author, the course from the actual situation to the target situation, how this should run, has hardly been the object of scientific discussion. The author is not happy to simply accept this and instead continues to ask himself the following questions:

- Are today’s standard styles of leadership sufficient to master these challenges?
- With what leadership system can an increase in the necessary interlinking of knowledge be successfully achieved for the improvement of leadership in the banks?

The author is firmly convinced that leadership must go new ways in order to meet new demands and has therefore taken the subject of leadership in change processes as the core of his research work.

The aim associated with the investigation and research study is clarification of whether the standard leadership styles of today are adequate in order to master the challenges facing banks in the future and with what leadership system can banks successfully achieve the necessary interlinking of know-how for the improvement in the quality of leadership. The two questions gave rise to the fundamental hypothesis to be examined in depth. Finally, with this research study, the hypotheses established on the basis of own experience and plausibility and

examined through the relevant research questions of the questionnaire, are examined in detail. It is exclusively the examination of the assumptions and deductions of the author as expressed in the fundamental hypothesis. The aim was not to ascertain anything new. For the theoretical construction which arose from this (a leadership system of fragmented elements of knowledge), its applicability in practice was also examined. Further, the advantages for the banks, their personnel and managers are also described, together with the latest scientific insights. The core objective is to prove the expressed fundamental hypothesis. In order to achieve this aim, a total of 3 problematizing hypotheses and 3 solution hypotheses were developed as part objectives.

2. Hypothesis

The theme of leadership in banks is today more relevant than ever. Based on the author's experiences in banking, the following hypotheses were proposed. The whole of the research serves to prove or to reject the hypotheses.

FH (Fundamental Hypothesis). With the traditional styles of leadership as described in relevant publications, future rates of change and the necessary power of innovation and creativity, together with the future demands on leader personnel to be deduced from these, can no longer be steered by change processes. One possibility of making future demands controllable, for example, would be configured networking of knowledge through accumulation of fragmented know-how and by "breaking up" previous leadership structures in the form of a "leadership system of fragmented elements of knowledge".

H1 (Problematizing Hypothesis 1). Standard leadership styles are no longer sufficient for future demands on managers.

H2 (Problematizing Hypothesis 2). Situation-related action on the part of the manager in the sense of the "mix" described in the literature, i.e. leadership styles depending on a variety of different situations ("situational leadership style"), will in future not be adequate to meet demands made on managing personnel.

H3 (Problematizing Hypothesis 3). Specific job descriptions as the basis for work organization in rigid structural and procedural company structures serve only to position individual persons in the respective organigram but no longer adequately meet the future demands on leadership. At the same time, specified job descriptions also hinder creativity and power of innovation.

H4 (Solution Hypothesis 4). The development of demands on employees is moving forward so rapidly such that one person, in respect of training and further professional qualifications in future, will be less and less able to meet the requirements of a specified position.

H5 (Solution Hypothesis 5). Management today is increasingly no longer in a position to conceive, create and maintain the necessary (business area or department) innovations (or changes) in the required time.

H6 (Solution Hypothesis 6). Specification of fixed structures in a hierarchy of final determination of differentiation of leaders and followers (leadership and lower-level employees according to organigram and job description) limits the power of innovation as innovations can only arise as the result of over or under positioning in respect of expectations for the continuation of the company, as prescribed by management. However, since there is enormous potential of the persons in the team, then in future (at least temporarily) the differentials between leader and team should be lifted.

3. Content, Methodology and Grounds for Research

Research as the basis for this thesis is based on qualitative procedures and quantitative methods. By means of qualitative procedures, objectivity could be ensured and generalizations avoided. Quantitative methods were used to verify results. The research study was carried out under the terms of an empiric field study. On the basis of the problematizing and solution hypotheses derived from the fundamental hypothesis, target questions were formulated and posed. These questions were formalized in a questionnaire. The execution of the questionnaire was intended in the sense of Field Research whereby the proposed hypotheses were empirically examined and after evaluation, either confirmed or rejected. In respect of the importance of the subject matter, regardless of the opinion expressed by the author, also knowledge elements, data and information from other sources are taken up. The author refers to German and international literature sources and work carried out in the sense of secondary research (Desk Research), and extensive supporting literature research in a scientific context. This applies to the entire specialist field as well as to the scientific methods used e.g. for scaling or measuring the results of the questionnaires. The research results were published by relevant publications and under the framework of international conferences. The questionnaire was distributed in banks and in addition, the author refers to his existing networking possibilities in order to carry out target discussions with bank employees.

The questionnaire sent out was filled in and returned by 829 bank employees. Of these, 817 could be taken as the basis for the research study. (12 questionnaires were incomplete and not used in the evaluation).

4. Analysis, Description and Procedures of the Research

Methods

Data received by means of the questionnaires as described above as part of the quantitative investigation were taken up in the subsequent data evaluation by means of statistic software IBM® SPSS® Statistics in Version 20.0. For the mathematic-statistic evaluation of the study, customary relevant methods were used for statistics and evaluation of the questionnaires. In further steps, the results were documented in the evaluation, tested again for plausibility, extensively commented and the hypotheses examined.

By means of the questionnaire as a means of empiric collation, the above research hypotheses shall be reported as accurately as possible so that meaningful results here mean that the hypotheses can either be verified or rejected. Prior to carrying out the main questionnaire, a pre-test was carried out amongst a few bank employees in the work environment of the author. The aim of this pre-test was to ensure the quality of the questionnaire prior to actual execution for collation. After the pre-test a few of the questions were then rephrased in more detail. The list of questions almost exclusively comprises closed questions, whereby the possible answers are given. In the main, the questions are group questions and scaled answer questions on the basis of a numerical rating scale of possible answers. The rating scale used was mostly the variant monopole scale with numerical points awarded and verbal focal point descriptions. The completed questionnaires were subjected to an error control before then being coded and transferred to the statistics program. After transfer of data, there was a further control of data received. In addition, logic controls and consistency examinations were carried out in order to exclude formal reservations against correct collation. In a second phase new variables, indices and scales were created for almost all the questions. So, for example in all questions the seven possible answers were changed to answers on three-levels (agree, disagree or neutral). The data material collected, recorded and coded thus supplied a wealth of evaluation and analysis possibilities. The results and insights thus gained were then extensively commented and evaluated.

5. New and novel scientific results

The research results of the research study carried out under the framework of leadership in change processes can be summarized as follows.

Hypothesis	The results of the research
<p>FH. With the traditional styles of leadership as described in relevant publications, future rates of change and the necessary power of innovation and creativity, together with the future demands on leader personnel to be deduced from these, can no longer be steered by change processes. One possibility of making future demands controllable, for example, would be configured networking of knowledge through accumulation of fragmented know-how and by “breaking up” previous leadership structures in the form of a “leadership system of fragmented elements of knowledge”.</p>	<p>The hypothesis was proven</p>
<p>H1. Standard leadership styles are no longer sufficient for future demands on managers.</p>	<p>The hypothesis was proven</p>
<p>H2. Situation-related action on the part of the manager in the sense of the “mix“ described in the literature, i.e. leadership styles depending on a variety of different situations (“situational leadership style”), will in future not be adequate to meet demands made on managing personnel.</p>	<p>The hypothesis was proven</p>
<p>H3. Specific job descriptions as the basis for work organization in rigid structural and procedural company structures serve only to position individual persons in the respective organigram but no longer adequately meet the future demands on leadership. At the same time, specified job descriptions also hinder creativity and power of innovation.</p>	<p>The hypothesis was proven</p>
<p>H4. The development of demands on employees is moving forward so rapidly such that one person, in respect of training and further professional qualifications in future, will be less and less able to meet the requirements of a specified position.</p>	<p>The hypothesis was proven</p>
<p>H5. Management today is increasingly no longer in a position to conceive, create and maintain the necessary (business area or department) innovations (or changes) in the required time.</p>	<p>The hypothesis was proven</p>
<p>H6. Specification of fixed structures in a hierarchy of final determination of differentiation of leaders and followers (leadership and lower-level employees according to organigram and job description) limits the power of innovation as innovations can only arise as the result of over or under positioning in respect of expectations for the continuation of the company, as prescribed by management. However, since there is enormous potential of the persons in the team, then in future (at least temporarily) the differentials between leader and team should be lifted..</p>	<p>The hypothesis was proven</p>

T1. Standard leadership styles are no longer adequate for the future requirements in banking.

Especially for the questions on the different styles of leadership, on the basis of the results it could be shown that standard leadership styles were assessed by the respondents as less than good - in respect of meeting future demands on management. The question of a cooperative leadership style, although expected, does not support the part hypothesis, but since here this is really about contrary leadership style in comparison to the question in respect of authoritarian and laissez-fair style of leadership, it would have been surprising if this style of leadership had also been rejected. "Situational action" also appears to be insufficient for future demands on managers, as a broad majority of the responses to the questionnaire rejected authoritarian and "laissez-faire" leadership styles as no longer adequate. A situational style of leadership however, i.e. depending on the situation, is served by individual elements of the named leadership styles. However, if these elements can no longer be accepted, then a situational leadership style per se could also no longer be possible. Finally it was also established that in the field of questions relation to "standard leadership styles" in which the overwhelming majority of questions were recorded empirically and with decisive results, standard leadership styles appeared to be no longer adequate to meet the future requirements demanded of managers in credit institutes. **The hypothesis was proven.**

T2. The majority of people questioned are of the opinion that situational action on the part of the leader and diverse treatment of employees currently do not promise to be successful.

Only almost half (47.9%) of persons questioned were of the opinion that management personnel is able to or in fact even wishes to adapt to the situation. In addition, most of them also stated that they did not in fact want different "treatment" in different leadership situations, regardless of whether this was "better" or "worse". Despite the conviction of those taking part, that individuality of the employees should be taken into account, and that this would also have a positive influence on the success of the company, only around half of the participants (46.6%) believed that in future, management personnel could be successful in controlling their own area of responsibility in the best possible way. This appears to be a huge deficit in the whole leadership culture whereby also currently assumed and available potential is not used, and which thus calls into question if "situational leadership style" functions. The

entirety of this empiric data collation in connection with that of the previously mentioned problematizing hypothesis 1 further supports the author in seeing problematizing hypothesis 2 as confirmed. **The hypothesis was proven.**

T3. Power of innovation and creativity is restricted by specified job descriptions and a rigid structural and procedural company organization. Many employees currently do not see themselves in a position to achieve the expectations demanded of their position.

The evaluation of this questionnaire part disclosed that almost half the people questioned felt in a position to meet all the future demands completely in accordance with their job description. Also almost half of the participants expected to be able to make full use of their potential and creativity. Only around one third of those asked were of the opinion that in future they would be able to meet the expectations of their position. In addition, a further quarter of the participants assumes that their management personnel will no longer be successful in training them and motivating them in such a way that they would be able to meet the future needs of their position. About 60% are not afraid of future demands. In the view of the author, the part hypothesis is proven by the results as a whole and the large percentages of evaluations by participants who are already no longer able to exploit their full potential, those who think that in future they will not be able to carry out all activities and those who are afraid of the requirements of the future. Specified job descriptions as a basis for work organization of rigid structural and procedural company operations, whereby individual persons are assigned a place in the organigram, would appear not to function adequately in the case of future requirements demanded of management. Further, it is also proven that specified job descriptions hinder creativity and innovation. **The hypothesis was proven.**

T4 The solution proposal for dynamic change in structural and procedural organization would function in practice. Employees would be willing to work for several leaders insofar as they are allowed to carry out tasks which accord with their potential.

Half of the persons taking part stated that some parts of their job description could be accomplished better by other employees. Furthermore, over 73% of participants stated that these activities of other positions could be carried out better than the actual holder of the position. Almost 85% of those questioned also stated that they could achieve better performance if they were allowed to carry out exclusively those tasks for which they were best

capable and wanted to do. In the case of approx. 90% of participants, motivation and satisfaction would also improve and work productivity increase. One of the pre-conditions for the introduction of a leadership system of fragmented knowledge elements, the distribution of work performance amongst several managers, would be conceivable for more than half of the participants of the survey. Even with the disclosure of individual strengths and weaknesses which would be required, a great majority (around 94% or 83%) would have no problem. Fears about the possible associated negative effects of this, fear of failure or of exclusion appear to be minimal. The conclusion that the development of requirements on leading personnel is moving forward rapidly and that persons affected, also in respect of their training or further professional qualifications assumes that in future they will be able to meet fewer and fewer of the demands of a specified position, this remains consistent. The approach as proposed in the hypothesis that interlinking of various knowledge fragments from different persons by management personnel and the accumulation of such knowledge fragments are anchored not only on one person (physical entity) but on an organizational “fictive know-how center”, would be logical in terms of evidence and could for example be introduced into the associated potential in daily practice. **The hypothesis was proven.**

T5 Power of innovation could be increased insofar as employees can leave their specified framework. The variable composition of job descriptions and the implementation of a fragmented work sphere would release the power of innovation.

About 20% of those questioned stated that they had no prescribed framework through their job description and were able to “move freely”. Although almost half of the participants had made their assessment in advance in their institution and at their place of work then innovations were possible as now around 70% regarded innovations as absolutely essential for their field of work. More than $\frac{3}{4}$ of those taking part stated that in a future fragmented field of work, significantly more real innovations could be achieved if fragmenting were possible through self-introduced changes as necessary in job descriptions. This part hypothesis which states that management today is increasingly no longer in a position to maintain required innovations, could thus be confirmed. The proposed solution approach put forward in this connection, that each holder of a position, up to now fixed on a person (a physical entity) whereby now in future a job description can be so formulated that future changes and innovations can be more quickly adapted or implemented and at the same time, an idea from a person who has an innovative idea can be taken over. **The hypothesis was proven.**

T6. The proposed solution that the employee with an innovative idea can also take over implementation as leader is proven.

Almost half of the people questioned assessed creativity and power of innovation as restricted by existing structures. Around 60% of participants in the survey stated that creativity and power of innovation would increase if it were possible to “break through” existing structures. More than three quarters of participants held the opinion that more innovations could be implemented if these could be part support for the team. More than $\frac{3}{4}$ of all those taking part also held the opinion that the pressure on leaders could be reduced and further, that work results would thus improve. With the associated condition of working “under” an employee with a lower status in the hierarchy, the great majority (92%) of those questioned would not have a problem. In this segment of the questionnaire, it was made clear once again that potential would be possible through changes in leadership or in the leadership system e.g. by means of fragmented knowledge elements. With this section of the examination it was possible in this study project to confirm the conclusions for the solution hypothesis, also in connection with the themes of “innovation”. **The hypothesis was proven.**

T-FH. It was shown that with traditional leadership styles, rigid structural and procedural organization and fixed job descriptions, it will no longer be possible to meet future requirements. Further, it was also shown that with the leadership system of fragmented knowledge elements and the possible solutions included, there could be enormous potential.

Since in fact all part hypotheses could be proven, then the fundamental hypothesis has also been proved. In the view of the author it has been sufficiently examined whether the leadership styles as traditionally described in various publications are sufficient in order to meet the rates of change in the future in terms of necessary power of innovation and creativity and also the presumed future demands on managers which need to be mastered. In the considered opinion of the author the proposed hypotheses are proven. The theoretically represented possibility of meeting future demands via configured interlinking of knowledge by means of accumulation of fragmented know-how and the breaking up of existing leadership structures, e.g. in the form of a leadership system of fragmented knowledge elements, was also confirmed. With the additionally calculated correlations, the author has successfully provided supportive evidence for the part hypotheses and thus also for the

fundamental hypothesis. It has been proven that traditional styles of leadership, future rapidly changing circumstances and required powers of innovation and creativity are no longer met and thus especially the assumed future demands on management personnel are also not met. The possibility represented here, that future requirements could be met by configured networking of know-how by means of accumulation of fragmented knowledge at the same time as an organized reconfiguration of previous management structures in the form of a leadership system of fragmented knowledge elements, could once again be confirmed. **The fundamental hypothesis was proven.**

6. Conclusions, transferability, recommendations for practice and new scientific insights

At the beginning of this paper there were descriptions by the author of his experiences and opinions in respect of change processes and leadership in banks. These gave rise to the two central questions posed. The presumed considerable weaknesses in leadership as reflected in the first part of the fundamental hypothesis were described and could be proved. The second part of the fundamental hypothesis which deals with a leadership system of fragmented knowledge elements as a possible new and innovative conception approach, was then also proved. The research study was comprehensively evaluated. The individual insights arising here are summarized below. The starting situation for such a study as a whole appeared to be good:

- About 85% of participants assessed the level of their own job satisfaction as satisfactory or very satisfactory.
- Almost 71% of participants were also satisfied with the management performance of their immediately superior management personnel.

This makes it quite clear that the participants were not always particularly receptive for something new, e.g. on grounds of significantly present frustration potentials. At first glance the basic situation could be assessed such that innovations in leadership were actually not essential. On closer examination of problematizing hypothesis however, on the basis of the following results it could be shown that in any case, standard leadership styles are no longer adequate in respect of future requirements. In this respect the following results were determined:

- Standard leadership styles were rejected by the majority.
- Only 30% of participants regard today's leadership styles as sufficient to meet future needs.
- Around 69% of those taking part regard far-reaching changes in today's leadership styles as essential.

Despite the apparently existing "overall satisfaction" the participants were rather unanimous in the opinion that leadership styles today will hardly be able to master the changes for the future and therefore in future, far reaching changes in leadership would be essential.

The next part of the questionnaire examines problematizing hypothesis 2. Here too, it was proved that situational action on the part of management personnel is no longer sufficient in the sense of the “mix style” described in the pertinent literature (“situational leadership style”) for the demands which will have to be faced in the future. For example, the people questioned expressed that

- A majority of approx. 62% would not wish differential treatment of employees,
- Around 89% regard it necessary to take into account individuality in leadership,
- Around 95% hold the view that taking into account the individuality of each employee would have maximum influence on the success of the company.

In addition the results show that weakness in leadership are allowable, and presumably are to be remedied. If, for example, 89% of those questioned regard it necessary for individuality to be taken into account in leadership, this can be a strong indication that management personnel possibly do not have the necessary tools for this at their disposal or the prescribed framework conditions do not allow this. These framework conditions were examined in further detail in problematizing hypothesis 3. Here the author had put forward the hypothesis that defined, traditional job descriptions as previously the work organization basis of rigid structural and procedural companies assigned completely to respective individuals in the organigram, no longer meet the requirements demanded of leadership of the future. The participants in the survey answered the relevant questions as follows:

- Around 50% of employees taking part in the questionnaire were able to fill out the current tasks of their position in the best possible way.
- Almost 45% of respondents were able to fully exploit their potential in all their responsibilities.
- Around 35% of participants believe that in future they would also be able to fulfill all the requirements of their position.
- Approx. 60% of the respondents believe that their leader/manager can be successful in future in motivating and training such that all future requirements will be met.
- Around 60% of those taking part are not afraid of not being able to meet all future demands of their position.

Even with this arrangement of questions it was still proven that there were recognizable weaknesses in the Leadership Theory or in the existing tools available to leaders. Each determined weakness or discovered deficit, in the view of the author, also has potential

amongst the employees which could be rectified. But how can this potential be rectified by means of leadership or a system of leadership when the leadership styles and instruments as currently available are rejected by the questioned employees? The author wishes to set up an approach for a solution in the sense also of a possible innovative concept in the second part of the fundamental hypothesis. One possibility here is that future demands can be controllable in terms of a configurable interlinking of knowledge through the accumulation of fragmented know-how and by “breaking up” previous management structures as organizationally reconfigurable in the form of a leadership system of fragmented knowledge elements. The examination of this was carried out by means of three solution hypotheses. Results were as follows:

- 50% of those taking part believe that part areas of their own job position could be carried out better by other colleagues.
- Approx. 73% of persons questioned are of the opinion that they could also carry out certain parts of other jobs better than the current holder of the job.
- Around 85% of employees taking part in the survey believe that they could achieve a better performance if they were allowed to carry out activities that they really want to do.
- Around 90% of all participants would improve motivation in general, with satisfaction and work productivity, if they could carry out tasks that they really wanted to do.
- Around 27% would have a problem if they were to perform their duties “under” several managers.
- Almost 95% would have a problem in disclosing their real strengths.
- Around 84% would have no problems in disclosing their real weaknesses.

Here too, it would appear that there is considerable potential which could be remedied through the proposed leadership system of fragmented knowledge elements. The results of the questionnaire in fact show that some 90% of all those taking part would improve motivation in general, satisfaction and work productivity, and this should in fact suffice for banks to implement such a leadership system. In order to be able to better approach future changes and required innovations with this leadership model in terms of the above potential, Solution Hypothesis 5 was examined under question part “Innovations”. The results are as follows:

- Almost 62% of respondents stated that on the basis of their job description they were assigned a clearly defined field of responsibility and they were not allowed to go beyond this.
- Almost 70% of participants regard innovations at their place of work as especially important.
- More than 75% of employees believe that in a fragmented work area, significantly more real innovations would be possible.

Elevation of potential as given here in the form of more and more real innovations should be possible through a leadership system of fragmented knowledge elements. In the last solution hypothesis it was examined and subsequently also proved through sound results that whoever has an innovative idea, should no longer in general be subjected to an irrevocably rigid, organization and leadership structure for its implementation.

- Almost 45% of employees believe that existing structures (with paramount or subordination relationships) restrict creativity and power of innovation.
- Around 59% of all persons questioned believe that “breaking up” such rigid structures could increase capacity for innovation.
- Over 76% of participants believe that the capacity for innovation would be increased if this could be achieved by putting together the ideas in a specific, temporary team.
- Approx. 79% of all persons taking part in the survey believe that pressure on leadership could be reduced through the implementation of teams of motivated employees.
- Almost 92% of persons questioned were able to imagine working “under” an employee who was in theory lower in the hierarchy, if this person has an idea for an innovation which appears meaningful.

The latent potential in the use of such a leadership system of fragmented knowledge elements was also worked on in this section of questions and underlines the proposed hypothesis.

In the view of the author, the proposed fundamental hypothesis and all part hypotheses derived from it were therefore successfully proved and confirmed by the figures collated. For further assurance a further examination was undertaken on the basis of the determined correlations. Here too, the proposed hypotheses were confirmed. Further verification of the concept of fragmented knowledge elements from four perspectives (existing leadership

approaches, empiric comparisons, embedding risk management systems and requirement profile for employees) was also successfully completed. In the view of the author, a delimitation as outlined at the beginning of the thesis work in respect of the arrangement of questions of the research study was thus achieved in that the results serve exclusively as evidence for the two parts of the fundamental hypothesis, i.e. the problematizing or solution hypotheses. The author is of the opinion that the study was able to show to a far-reaching extent that a leadership system of fragmented knowledge elements could function in banks and would bring advantages for employees and management and thus with clear economic benefits for banks. The results arising from this study can also lead to new insights for the economic sciences. At the same time, these scientific insights also give rise to practicable applications for

- bank employees,
- bank managers,
- banks

Using or utilization of such resources and the expected increase in work productivity could release considerable capacity which could be used to meet future requirements, without recruiting more personnel. The necessary innovations would then also be more easily and quickly implemented. Also for future growth, new personnel, acquired at ever increasing levels of expense because of the lack of specialized personnel on the market, is not necessary. The author points out quite clearly that here the question is expressly about meeting the challenges of the future and not about downsizing in the number of workplaces. Enhancing potential by only 5% amongst half of 650,000 employees in the German banking industry would give rise to employee capacity of 16,250 which could be available to meet new challenges without costs incurred. Even in the case of a *Genossenschaftsbank* [*cooperative bank*] with only around 200 employees, this would nevertheless represent capacity of 5 employees.

The author also sees increased potential for the employees for improvement or further personal development. When employees carry out more tasks that they are best capable of and want to do then the level of satisfaction would also increase and motivation would be higher in general. Moreover, personnel would also have the opportunity to break up traditionally rigid organization structures and put more innovations into practice “under their own power of leadership”

In the view of the author, executives would presumably also have it easier in a leadership system of fragmented knowledge elements. The fact that employees can be regarded as generally more satisfied and more motivated means they are therefore also easier to lead. It can probably be shown that the mental pressure on managing executives in banks would sink. However, fundamental training of managers, the necessary framework conditions for implementation of such a management system and specific qualifications tailored to the requirements of this management system will be necessary.

Of course the conclusions drawn here from results in the banking industry cannot be immediately applied analogous to other branches or industries. Nevertheless, in the preliminary work to the collation of results, including the concept preparation, essential developments were worked on which most likely also apply to other branches and industries. Under the terms of the survey, an overall scientific system was used which would appear to allow general transferability of the prepared constructs, the specific design and the arrangement of the questions, the execution of the questionnaire itself and the standardized evaluation of results. It can thus be assumed that with the appropriate modification, taking into account the possible peculiarities of the respective field of work and its framework conditions, then it should be possible to make adjustments and on the basis of this scientific paper, to create a useful template. Transferability of the *modus operandi* is certainly ensured through the transparent, scientific representation of the components of this thesis. Even if the level of overlap of the research results would have to be examined in the individual case, this work is nevertheless suitable as a comparative work for verification of results. Of course, not everything which would be necessary in respect of the theme “Leadership and Change Processes in Banks” could be detailed here. Some things, for example, the specific demands that managing personnel would have to face, will appear later when a management system of fragmented knowledge elements is put into practice or there are e.g. minimum sizes (related to the number of employees) of departments or areas of work which are needed for the implementation of such a management system.

Conclusion 1

Brief summary of *general insights*:

- Leadership today no longer functions on the pure methodic basis of traditional leadership models.
- Considerable weaknesses in previous leadership models were proven.
- 70% of persons questioned judged today's leadership styles as not suitable for the future.
- A general vein of thought as to how employees in their own view wish to be managed in future, could not be determined.
- It would seem rather that employees reject existing leadership systems as a whole but are unable to describe exactly the "certain something" they want.
- Further, it could be shown that there appeared to be no general dissatisfaction in connection with specific executive persons.
- 85% of respondents were satisfied on the whole at work.
- 71% of respondents were satisfied on the whole with the leadership.
- 69% of respondents however, considered changes in leadership models to be necessary.
- Situational leadership was judged rather more as not suitable for the future.
- Differentiated treatment of employees in the same leadership situation was rejected by 62%.
- 95% of respondents see maximum influence on the success of the company when individuality is taken into account.
- It was proven that a leadership model functions with utilization of fragmented knowledge elements.

Conclusion 2

Brief summary of *theory derivation*:

- Change processes often fail when these are strictly oriented to process description and process control efforts, because it is exactly these efforts to provide structures which paralyze the acceleration of change.
- Attempts have often been made to "dissolve" the fixed descriptions, to change these but in the end the whole thing is given its own "concrete" structures. These new

specifications, known as (e.g. re-freezing) immediately paralyzes the whole system when the need for change comes at faster and faster intervals.

- One solution found for this dilemma would be the use of fragmented knowledge elements as the one real process or the one real leadership structure which on the grounds of maximum flexibility contained within it, cannot be specified statically as “procedural structure” or “leadership principle”. Accordingly it is the fragmenting of the process or of leadership structure, which in itself is highly flexible, quasi – according to the change requirement – self-governing, and accessible by all necessary fragments according to the immediate requirement.
- This means that “specification” describes a process or only a leadership system quasi automatically again, only **one** conceivable procedure or **one** conceivable leadership system in an arbitrary present situation. However, as soon as there is only the slightest change, which in the banking world today is always the case, then it is exactly this process or this leadership system which is already no longer in a position to take up the necessary **new changes**.
- This paralysis is so-to-speak passed on from change to change and all procedure slows down; leadership becomes an effort.
- This does not mean, however, vice versa, that (in practice) everyone can proceed as he wishes, as this would, for example, not allow formal safety or comply with the necessity for logical follow-up or consequential learning .
- The theory proposed here was based on the assumption that a multi-change environment cannot be specified in terms of fixed procedures and structures, but instead in terms of individually called-off knowledge fragments. This can however, be described as a process or leadership system, namely as a new third dimension, whereby access is possible in time flow to multi-change, parallel to structural and procedural organization, as “additional knowledge dimension” and “available knowledge dimension”.

Conclusion 3:

Brief summary of *new discoveries for business sciences*:

- Formation of a further structure dimension (fragmented knowledge elements) as a new third dimension alongside the previous two (structural and procedural dimensions) is recommended.

- The type and the possibilities of access by organization members to fragmented knowledge elements determine a new system of leadership.
- Preparing and making available fragmented knowledge elements should be understood as a new culture element under the framework of corporate philosophy.
- Acceleration of alignment of constantly required system adjustments to human possibilities is thus regarded as appropriate for the future.

7. Proposed further research

There is much to indicate that research could, for example, be extended by increasing the number of respondents or expanded to include also the cooperative banks and thus further intensification of research results. Moreover, research could also be expanded at international level. For further research such as more precise practical implementation during change process, the application of leadership instruments in daily leadership activities, the incorporation of cross-connections of other parties involved in banking business (e.g. customers, interested parties) as also the optimum embedding in required risk management systems then in the view of the author there is also a need for further, independent research to be implemented appropriately in the future.

Publications on the topic of the dissertation

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- Illig Wolfgang: „Fragestellungen zum Thema Produktions- und Innovationsmanagement“, Fachbuch, 1. Auflage 2009, ISBN 978-3-640-9003-9, München, GRIN Verlag für akademische Texte
- Illig Wolfgang: „Führung als Wettbewerbsvorteil“, Artikel in der Banken-Times, Ausgabe Juni 2011, Seite 35 – 35, Fachzeitschrift, Finanz Colloquium Heidelberg, ISSN 1869-4640, 10.000 Exemplare
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- Illig Wolfgang: “Management System Comprising Fragmented Knowledge Elements in Banks”, INTERNATIONAL SCIENTIFIC CONFERENCE ON THE OCCASION OF THE DAY OF THE HUNGARIAN SCIENCE, UNIVERSITY OF WEST HUNGARY FACULTY OF ECONOMICS, Sopron, 11/2012