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Impact of Senior Team Shared Vision on Managerial Ambidexterity: Moderating Role of Transformational Leadership, in Banking Sector Lahore, Pakistan.

Tuba Ghani and Madeeha Shah

Comsats Institute of Information Technology, Lahore, Pakistan.

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ABSTRACT

Senior team members reconcile conflicting demands and facilitate, encourage, motivate the managers to achieve organizational goals. This study investigated the role of the senior team shared vision, middle-level manager's exploration and exploitation activities and behavior of transformational leadership as a moderator in resolving conflicting interests among senior team members and middle-level managers for achieving managerial ambidexterity. Pearson's Correlation and Hierarchical Regression have been employed to find the results. Findings indicate that a senior team shared vision are related with manager's ability to combine the activities of exploration and exploitation while the role of transformational leadership behavior does not increase the effectiveness of senior team shared vision.

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Introduction

Managerial ambidexterity defined as, manager's capability to be competent in its administration of today's demands even as all the while being versatile to changes in the environment, has increased expanding interest in recent years. Ambidextrous organizations had the capacity to explore new opportunities and exploit their presented competencies [1]. Some researchers referred to ambidexterity like a business unit's ability to connect both the activities of exploration and exploitation [2]. Taking into account these studies, ambidexterity is revealed at the manager level. It is similar to manager's behavioral orientation on the way to joining both the activities of exploitation and exploration within a particular period of time [2:3]

Earlier studies pointed out that, senior team members have significance in the generating and managing organizational ambidexterity [4] Senior member's strategic role seemed to inadequate because of restraining influenced on organizational ambidexterity that is the reason numerous studies pointed out the strategic influenced of managers under senior team members [5]. Such as, it is expressed that the senior team member's strategic thinking is not reshaped by managers, who also redefined the organizational strategic context and exchanged vital information from the base up.

Firstly, in this paper study examined the shared vision of a senior team that might help out to achieve managerial ambidexterity. Secondly, this study investigated the leadership behavior in dynamics of senior team as the moderating role and achieving managerial ambidexterity. Majority studies of ambidexterity have been carried out in such perspectives like organizational learning and technological innovation [6]. It is not clear if ambidexterity plays the same role in other perspectives like individual or managers level. Thus, researchers called for future research to further study ambidexterity in other fields [6], [7] and [8].

Ambidexterity study also examined the antecedents and outcomes from a single level viewpoint without taking the organizational hierarchical nature into consideration, such as banks not only consider the senior team members but also consider the other financial, marketing, branch, HRM and other managers. This is a weakness of conventional analysis process that concentrating on one level and eliminating the other [9].

Theoretical Background

Senior Team Shared Vision and Managerial Ambidexterity

According to the perspective of an information-processing, building a platform of senior team members frequent communication that is facilitating them to sharing information, exchanging their diverse viewpoints, and incorporating more efficiently opposing views. However, because senior management admits a shared vision by which they recognize, attain, and combine different viewpoints on the exploration and exploitation effects [10]. Literature is motivating to consider and deal with the challenges of assigning resources to stable strategic inconsistencies. A shared vision adds to a shared understanding that can rearrange the possible negative consequences of senior team member's heterogeneity, such as interpersonal clashes and social classification [11]. Numerous studies have exposed that shared goals and values offer a platform of a common language, which raises opportunities for swapping freely suggestions and resources and eradicates the confusions in the communication of the members.

The team vision is not self-responsible for demonstration by any means. It is leader's responsibility to make sure that the vision is being properly communicated so the team members are able to see it [12]. Managers are doing this duty very well. They are motivating to spread the shared vision among all the team members and also ensure that all members understand the vision. Today the work of leadership is not to make money: their work is to make meaning [31].

Tele:

E-mail address: tuba.ghani@yahoo.com

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Hypothesis 1

senior team shared vision have significant positive effect on the managerial ambidexterity. This study wants to measure the impact of senior team shared vision on the managerial ambidexterity. An unambiguous and compelling vision, insistently communicated by a senior team of the organization, is vital for making organizations that can react to quick modifications in technology and markets [2]. A senior team shared vision represents the ambitions and collective goals of senior team members that articulate future developmental path of the organization [13]. Conflicting interests and disagreement are restructured by the common strategic direction of a shared set of goals and values. It can prevail the unpleasant effects of conflicting points of views and different goals among members of the senior team accountable for exploratory and exploitative units, and senior teams are prevented from transferring into fragmented formations [14]. Lack of such shared values could lead senior teams, managers and all over the team members to organizational distrust and suspicion. Making it tough to draw general characteristics and to recognize, extract and merge different abilities, skills, and viewpoints within exploratory and exploitative units. Common goals and shared values inspire members of the senior team to create opportunities for exploratory and exploitative unit's combination and resource exchange [14], [15] and [16].

Transformational leadership:

Transformational leaders are offering meaning to their follower's work and are also capable of motivating those around them [17]. Transformational leadership incorporates inspirations from contingency approaches, trait and manner approaches of leadership [18]. Transformational leadership features are demonstrated by many excellent leaders, that feature allows them to improve their organizational performance and modify features of their culture [30]. Transformational leadership consisted of Idealized Behaviors, Inspiration, Intellectual motivation and Individualized Consideration [19]. Transformational leader created a motivating vision, assists the vision, promotes interim sacrifices, and chasing the vision [20].

Hypothesis 2

Senior Team Shared Vision have positive effect on managerial ambidexterity with moderating effect of transformational leadership. This study also wants to analyze the moderating role of transformational leadership on the managerial ambidexterity. Senior team's shared vision effectiveness is enhanced by the transformational leaders to settle managerial ambidexterity divergence agendas and to implement synergies. The senior team shared vision effectiveness is increased by the transformational leadership in achieving ambidexterity [21]. The senior team management proposed to stable the stress within exploration and exploitation [22]. Transformational leaders might be influenced senior team effectiveness by taking part in and assisting senior teams to resolve clashes and conflicting demands. Study purposed that managers might stable the contradictions within exploration and exploitation [23]. The managers might be encouraged to act like this through a common fate encouragement system [3]. To follow this, organizations required to set up managers and senior teams that are influenced by the transformational leadership. These managers and teams would recognize the various needs of these subunits, create an understandable and compelling vision, have an unambiguous strategic agreement, insistently communicate their strategy, and exhibit loyalty for managerial

ambidexterity. Leaders put forth their effect by expanding and elevating goals of team members and offering them with confidence in doing further than expectations [24]. In previous studies, transformational leadership used as a moderator between ambidexterity and dependent variables such as senior team shared vision, social integration, and contingency reward. Previous study investigated the moderating mechanism of transformational leadership between senior team attributes and ambidexterity [25].

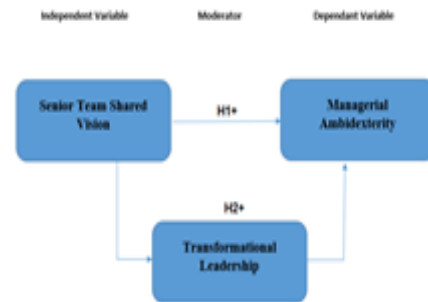


Fig 1. Theoretical Framework

Recent study was assuming that senior team shared vision have positively significant effect on the managerial ambidexterity as shown in Fig.1. Furthermore, this study also assuming that senior team shared vision have positively significant effect on the managerial ambidexterity with moderating role of transformational leadership as shown in Fig.1

Methodology

The empirical research was conducted in the Banks of Lahore, Pakistan. Main Respondent was middle managers of the Banks. This study chose banks because banks are attaining ambidexterity in their branches successfully [25]. The study selected 30 banks of Lahore, Pakistan. We received a total of 225 questionnaires from middle-level managers, corresponding to a 75% response rate. Data screening was carried out to check out the random missing values and multivariate outliers and incomplete questionnaires were removed from the data set. Later the screening of 225 questionnaires, the final sample for analysis was 203. The reliability and validity of the instrument was good with high scores. Table 1 showed the reliability values of the instrument used by this study and has been tested by SPSS 20. For data analysis and results study used SPSS 20.0 for conducting the frequency distribution, Pearson's Correlation and simple Regression. Details are given in Table 2 and 3.

Results and Findings

The study described the frequency distribution of the demographic variables by Pie Charts as shown in Fig. 2 and Fig.3. Maximum number of respondents in the banks were males. (As explained Males: 74.9%, Females: 25.1%)

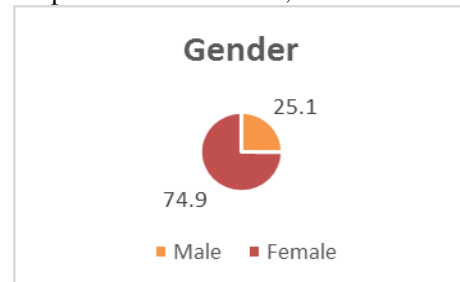


Fig.2

Most of the respondents had 16 years of education working in the banks. (As explained 16 year: 66%, 16+ year: 34%)

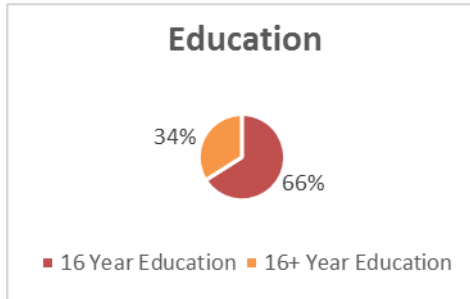


Fig. 3

The instruments were inveterate as immensely reliable with the help of SPSS 20.0 (Cronbach's Alpha=0.934, Table 1).

Table 1 Reliability Analysis.

No. of Items	Cronbach's Alpha
35	0.934

The Pearson's Correlation of senior team shared vision and managerial ambidexterity was employed by SPSS 20.0 and elaborated in Table 2.

Table 2. Pearson's Correlation.

	Variables	1	2
1	MA		
2	STSV	0.368	
3	TL	0.526	0.408

Results of Hierarchical Regression mentioned that senior team shared vision have significant positive effect on the managerial ambidexterity (0.368, $P < 0.05$, Table 3). This study proposed that senior team shared vision have significant positive effect on the managerial ambidexterity. Results proves that **Hypothesis 1 is accepted**. Furthermore, study assumed that senior team share vision have significant positive effect on the managerial ambidexterity with moderating effect of transformational leadership. Results of the Hierarchical Regression showed that senior team shared vision does not have positive effect on the managerial ambidexterity with moderating role of transformational leadership (-0.01 , $P > 0.05$, Table 3). Hence, **Hypothesis 2 is rejected**.

Table 3. Hierarchical Regression.

	Model	β	Std. Error	Beta	F	Sig.
	STSV	0.674	0.120	0.368	31.552	0.000
1	Interaction	-0.014	0.006	-0.01	7.518	0.109
	R Square	0.006				
	P-Value					0.007

Conclusion

This study find that senior team shared vision will have directly significant positive effect on the managerial ambidexterity. While, the interaction between senior team shared vision and managerial ambidexterity in presence of transformational leadership is significant, But the ($\beta = -.014$) that indicated the negative direction. Results clearly showed that with moderating effect of transformational leadership: senior team shared vision have significant but negative effect on managerial ambidexterity. Transformational leadership will reduce the effect of senior team shared vision on managerial ambidexterity.

Discussion

As findings of this study revealed that transformational leadership negatively moderated the relationship between senior team shared vision and managerial ambidexterity. These results consistent with [25] who had tested moderating role of transformational leadership between senior team shared vision and ambidexterity. With regard to the effectiveness of senior team shared vision in managerial ambidexterity, however, our results did not provide evidence that

transformational leaders help the implementation of a senior team shared vision in managerial ambidexterity. Although, prior research has pointed out that transformational leadership makes sure the strategic direction's attendance and understanding [19]. Members of the senior team may have a voice in strategic direction determining, that might explain our non-significant results [25]. Even though this increased involvement, members of the senior team may already be committed to shared values and goals as extremely important to attaining managerial ambidexterity. In this sense, transformational leader's effect highlighted the ideological significance diminishes yet may be mainly important to the effectiveness of members at lower hierarchical levels of the organization. Future research is necessary to investigate this possibility and explore how transformational leadership enhances the shared goals and values effectiveness at lower levels within organizations.

Future Research and Recommendations

Future research may offer a richer assessment regarding different effects of transformational leadership each component and its effectiveness to senior team dynamics and achieving managerial ambidexterity. The mediating role of transformational leadership or transactional leadership between senior team shared vision and managerial ambidexterity will be interesting to investigate. Transactional leadership relationship with respect to senior team shared the vision and managerial ambidexterity in Pakistani banking sector can be a valuable addition into the research.

However, this study has some limitations. First, this study is a cross-sectional in nature. Our study sample was only from Lahore which can create an issue of generalizability. Another limitation of our study has we use average items relating to transformational leadership dimensions to get a single index, it would be useful to study transformational leadership each component differential effects. Another point of limitation is that this study focused the individual level analysis. So, these results were not demonstrated by the direct relationship among individual ambidexterity and ambidexterity at combined level of analysis. It is necessary to create deeper understanding regarding how an organization becomes ambidextrous through its member's individual activities.

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