

# **SERVANT LEADERSHIP AND ORGANIZATIONAL COMMITMENT IN NEPAL**

A Dissertation submitted to the Dean, Faculty of Management in partial fulfilment of the requirements for the Master's Degree

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## **Certification of Authorship**

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled **“Servant Leadership and Organizational Commitment in Nepal”**. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor. It has been proposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

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## Report of Research Committee

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## Approval Sheet

We, the undersigned, have examined the thesis entitled “**Servant Leadership and Organizational Commitment in Nepal**” presented by Shristy Koirala a candidate for the degree of master of Business Studies (MBS Semester) and conducted the Viva voce examination of the candidate. We hereby certify that the thesis is worthy of acceptance.

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## Abbreviations

ANOVA	:	Analysis Of Variance
CM	:	Commercial Banks
EC	:	Employee Commitment
et al.	:	And others
HR	:	Human Resource
HRM	:	Human Resource Management
JS	:	Job Satisfaction
JV	:	Joint Venture
Max	:	Maximum
Min	:	Minimum
SME	:	Small and Medium Sized Enterprise
SS	:	Service Sector
USA	:	United States of America

## ABSTRACT

Effective motivation serves as a crucial tool for evaluating both employee performance and organizational status. It acts as an internal drive propelling employees towards achieving personal and organizational objectives. This study aims to explore the influence of employee motivation on performance, adopting a positivist epistemology. Employing a descriptive and causal research design, the study utilizes statistical methods including ANOVA, T-tests, correlation, and regression. Questionnaires were administered to employees in commercial banks within Kathmandu valley to gauge the impact of motivation on performance.

Results indicate a significant correlation between charisma, inspirational motivation, intellectual stimulation, contingent expectations, and management by expectations shows high degree of positive relationship with organizational commitment while charisma, inspirational motivation, intellectual stimulation, contingent expectations, and management by expectations are statistically significant and positively impact on organizational commitment.

*Key word: Employee Performance, Employee motivation, Reward, Compensation, Recognition, Nepalese commercial bank*

# Chapter I

## Introduction

### 1.1 General background

The process of influencing and guiding an organization group's activities to achieve objectives through communication is known as leadership. Assuming a significant degree of risk and responsibility is another aspect of leadership (Mills, 2005). Similar to this, leadership is the act of persuading people to take actions that will lead to the achievement of a goal (Conger & Kanungo, 1987). Etemesi (2012) asserts that attentive listening, taking the time to comprehend, and being ready for anything unexpected are all necessary components of effective leadership. In the past, leadership has been described as personal abilities that are used immediately in companies (Nivala & Hujala, 2002). Cole (2002) showed that leadership is a dynamic process wherein one person influences the others to accomplish the ultimate goal within a given timeframe and organizational area. Riggio et al. (2007) state that learning how to communicate effectively is just as important to being a leader as knowing what has to be said and how to express it in a way that others can comprehend. The leader-follower relationship is based on these shared abilities.

Kouzes and Posner (1987), leadership is the continuous effort of creating and maintaining a relationship between those who want to lead and those who are willing to follow. Similarly, organizations that are able to integrate people, processes, and organizational performance are seeing an increase in the importance of intangible assets like motivation, skill and competence, leadership styles, and organizational culture (Alfes et al., 2013). A common definition of leadership, according to Bass and Stogdill (1990), is the act of persuading others to focus their energies on achieving a certain goal or goals. Both corporate excellence and employee success depend on strong leadership. As a result, companies spend a significant amount of money looking for successful leadership to train their staff in effective leadership behavior. Effective leadership is also very rare, which is why businesses are always looking for it. By doing this activity, they are able to affect, design, and develop in those involved in corporate management every effective leadership potential that exists (Igbaekemen, 2014). In terms of skill and orientation, leadership is multifaceted. Understanding people and organizations, tasks and procedures, one, and others are all necessary for successful leadership. In order to work competently across a wide variety of various situations, they require confidence and tactics in addition to being

able to imagine future possibilities while attending to existing realities. For instance: First, from releasing energy to promoting the organizational clarity that results from strong structures and policies. Second, innovation through audacious ideas, such as handling the unavoidable conflict in a world of permanent differences or developing learning companies where employees grow and become everyday leaders (Gallos, 2008). Mills (2005), without leadership, organizations move too slowly, stagnate, and lose their direction. Schermerhorn et al. (2000) contended that leadership is the core of any organization since it determines the success or failure of the company. People who lack leadership tend to view the world differently and gravitate toward divergent solutions, which leads to rapid degeneracies and conflicts. Leaders help businesses become less unclear and uncertain, which in turn helps employees work together to accomplish organizational goals and point them in the same direction.

Armstrong (2004) showed that leadership is the influence, power, and rightful authority that a leader has gained to successfully transform an organization by directing its most valuable resource its people into achieving its goals. This can be achieved by clearly communicating the organization's vision and mission at all times, and by encouraging staff members to recognize their own ability to spread this vision. Avolio (1999), effective leadership is seen as a powerful tool for management growth and long-term competitive advantage for enhancing organizational performance.

Leadership and organizational performance have a favorable correlation, Popa (2012). For the past 20 years, leadership has garnered a lot of attention, mostly due to its close relationship with organizational performance. An organization's performance is improved by enthusiastic and inspirational leadership. Performance is impacted by a leader's style because without a leadership that can adjust to the demands and changes of the environment, performance cannot be accomplished. Thus, the leadership style needs to be examined and modified to meet new demands if a business hopes to increase performance.

Thus the study examines the impact of charisma, inspirational motivation, intellectual stimulation, contingent expectations and management by expectation on organizational commitment. Also analyze the relationship between charisma, inspirational motivation, intellectual stimulation, contingent expectations, and management by expectation and organizational commitment of Nepalese Commercial Banks.

## 1.2 Problem statement

Messick and Kramer (2014), a person's ability to demonstrate leadership qualities is influenced by both the circumstances and surroundings in which he finds himself as well as by his own attributes and abilities. According to Locke and Crawford (2004), a company's final success or failure is greatly influenced by its leadership. According to Gill (2006), effective leadership helps the followers be inspired, motivated, and encouraged in order for the business to produce outcomes that are satisfying for the firm. According to Mehra et al. (2006), a traditional strategy for businesses looking for effective ways to outperform others is to concentrate on the impact of leadership.

Despite a theoretical association between leadership performance and proposed by some researchers, Fenwick and Gayle (2018) concluded that present findings are difficult to interpret and inconclusive. This analysis of related literature makes it clear that, despite divergent views among researchers regarding the relationship between leadership and organizational performance, various definitions of leadership have been used in various studies, making direct comparisons nearly difficult.

Although there has never been a shortage of good leadership, Kotter (1999) disagreed, saying that the study made it abundantly evident that more leadership will be needed in the twenty-first century to ensure the success of businesses in the fast-paced, highly competitive environment. Organizations lose direction, stagnate, and finally suffer the consequences in the absence of that leadership. The study came to the conclusion that there are a variety of causes for the leadership gap, and there are many more reasons why fixing it is challenging. Organizations far too frequently overlook leadership potential, provide no relevant training or role models, punish those who make little mistakes while attempting to lead, and neglect to nurture talent or encourage people to lead and learn from failures and achievements. People also obstruct their own progress when they do not aggressively seek out ways to meet their demands and do not realistically appraise their developmental needs.

Transformational and transactional leadership, according to Yukl (2012), enable leaders in an organization to accomplish two crucial goals. Transactional leadership is concerned with the day-to-day operations of the company, including organizing and communicating the organization's vision, keeping an eye on the work of subordinates, and supplying the required resources (such equipment and technical support). The relationship between a

leader and their subordinates is characterized by transformational leadership. This includes being helpful and encouraging, exhibiting confidence and trust, being kind and considerate, attempting to understand the problems that subordinates face, demonstrating intellectual curiosity about their ideas, and praising subordinates for their contributions and achievements.

Shrestha and Mishra (2021) investigated the relationship between workers' opinions of the leadership styles of their supervisors, workers' motivation for organizational transformation, and workers' opinions of the performance of technology-based organizations. The study was conducted in the Nepali environment. Similar to this, a sizable telecommunications company has recently seen significant ownership changes (going from a government-owned corporation to a public limited company) as well as frequent changes in its senior management. Consequently, the purpose of this study is to particularly address the following problems in relation to Nepalese commercial banks:

- i. What are the structure of charisma, inspirational motivation, intellectual stimulation, contingent expectations, management by expectation and organizational commitment Nepalese commercial banks?
- ii. Is there any relationship between charisma, inspirational motivation, intellectual stimulation, contingent expectations, management by expectation and organizational commitment in Nepalese commercial banks?
- iii. What is the impact of charisma, inspirational motivation, intellectual stimulation, contingent expectations and management by expectation on organizational commitment in Nepalese commercial banks?

### **1.3 Objectives of the study**

Examining the effect of leadership style on organizational performance in Nepalese commercial banks is the study's main goal. The following are the study's particular goals:

- i. To examine the structure of charisma, inspirational motivation, intellectual stimulation, contingent expectations, management by expectation and organizational commitment in Nepalese commercial banks.
- ii. To analyze the relationship between charisma, inspirational motivation, intellectual stimulation, contingent expectations, management by expectation and organizational commitment in Nepalese commercial banks.

- iii. To assess the impact of charisma, inspirational motivation, intellectual stimulation, contingent expectations and management by expectation on organizational commitment.

#### **1.4 Rationale of the study**

Charles Keating (1982), leadership is service in that it aims to fulfill the requirements of an individual or of the group by carrying out necessary tasks. Effective leadership can sometimes be achieved by strong directive authority, as in situations where a group has lost its focus or direction. The group may require reorientation at times, or it may just need encouragement and support. Both individuals and groups join organizations in order to fulfill certain personal goals; the degree to which they participate actively in the organization is based on how strongly they believe that membership will help them fulfill their goals. As a result, a person will support an organization if he thinks it will help him achieve his personal goals and ambitions; if not, he will become less interested. One of the main elements that influences how quickly or slowly an organization's members get interested and motivated is its leadership style. The necessity for a manager to identify his leadership style was highlighted by Glantz (2002).

Leaders with idealized influence portray conviction, trust, present important values and purpose, Inspirational and ethical implications of a decision (Johnson, 2009). Organizational performance involves the transformation of inputs to outputs to attain particular outcomes (Chen, 2002). Organizational performance is measured by the effectiveness of both the leader and employees within the organization (Kunhhert, 1994). Organizational performance of a firm should be maintained or rather enhanced for the better good of the business and the society.

Leadership in an organization has a tremendous effect on employees' attitude about their job. In today's corporate organizations, the role of leadership has evolved. Any organization's management team and chosen leadership style have a major role in determining its success (Saleem, 2015). Today's enterprises require a leader with significant power and influence who also has a broad vision for the organization. This leader needs to be inspirational, and their mission should be to ignite their team members' passion to develop each person's full potential and help the organization achieve its goals (Colvin, 2004; Steidlmeier, 1999). In Nepal's situation, we still need to present sufficient proof of

how HR policies improve organizational performance, compliance, and inspiration. This is crucial as, according to Adhikari and Muller (2001), very few businesses can demonstrate how HR practices specifically affect organizational performance. This study presents several evidences on the impact of HR procedures on performance. Research indicates that companies in Nepal that combine HR with business strategy are more successful in increasing return on equity (ROE) (Gautam et al., 2008).

### **1.5 Rationale of the study**

Five sections make to the organization of the study. The issue statement, study purpose, study significance, operational definitions and assumptions, study organization, and study history are all included in the first section. The second portion includes a review of the literature on studies in worldwide contexts, together with a conceptual framework and context review specific to Nepal. In addition, chapter two concludes with some closing thoughts regarding the main concepts and conclusions of the research.

The research design, sample description, types and sources of data, data analysis techniques, data analysis models, data analysis plan, and study restrictions are all covered in the third section. The variables' structure and pattern, descriptive statistics, regression and correlation analysis, and closing thoughts are the main topics of the fourth section. The fifth section offers a synopsis of the entire body of work completed in chapters one through four, including a summary, key findings, suggestions, and the study's scope.

### **1.6 Limitations of the study**

Despite all efforts, the study contains a number of important limitations that need to be recognized in order to draw any useful results. The study's exclusive focus on commercial banks and exclusion of development banks, financing firms, insurance providers, and mutual funds is one of its main limitations. As such, extra care needs to be used when extrapolating the results to the larger financial industry. The research's conclusions are exclusive to commercial banks; manufacturing and trading companies cannot use them.

- i. Among 20 commercial banks and its employees in Nepal has been taken as the samples. Consequently, the findings may not be fully representative, and including data from all 20 banks would have yielded more accurate results.

- ii. Since this study relies on primary data collected from respondents on the relationship between leadership style and organizational performance, the dependability of the study's conclusions is subject to the precision of the information provided by the participants.
- iii. The data for this study was collected through a questionnaire, but conducting interviews could have provided supplementary information that may have influenced the results. Therefore, the study outcomes could have been impacted by the decision to rely solely on the questionnaire.
- iv. This study employs linear models to examine the association between dependent and independent variables, which means that non-linear biases have not been taken into account. Consequently, the study's scope is constrained, and some assumptions may not be met. Furthermore, the study does not address autocorrelation and variance errors, which may impact the accuracy of the results.
- v. The primary data collected in this study is only from bank employees, which means that their perceptions may differ from those of other stakeholders such as customers, suppliers, investors, and the community. Therefore, the study's findings may not fully represent the perspectives of all relevant stakeholders.

## **Chapter II**

### **Literature Review**

The theoretical framework, conclusion, and literature review are all included in this chapter. Three sections comprise the literature review: a review of significant research, a review of current studies, and a review of studies conducted in Nepal. Every dependent and independent variable, together with their relationships, are displayed in the theoretical framework. The theoretical framework is the foundation of the entire investigation. It serves as a study's blueprint, then. Following a review of the literature, this chapter concludes with some concluding remarks that identify the research gap.

The following is the structure of the literature review used in this study:

- Theoretical Review
- Conceptual Review
- Empirical Review

#### **2.1 Theoretical review**

##### **2.1.1 Leadership theory**

###### **Trait theory**

According to trait theory, leaders are born with particular personality traits or qualities. These qualities include integrity, self-assurance, aggressiveness, and intelligence. Effectiveness-enhancing traits are said to come naturally to leaders.

###### **Behavioral theory**

Behavioral theory places more emphasis on a leader's actions than their characteristics. According to this view, observable, teachable behaviors serve as the foundation for effective leadership. Task-oriented (starting structure) and people-oriented (consideration) are the two primary categories of conduct.

###### **Contingency theory**

According to contingency theory, there is no one ideal approach to lead an organization. Rather, the environment or context affects how effective a leader is. Fiedler's Contingency Model and the Path-Goal Theory are two important contingency theories.

### **2.1.2 Affective event theory**

Affective events are a theory that describes how an employee's internal factors—such as their thoughts, feelings, and emotions—are linked to external stimuli and how they react to different incidences that occur at work. The quality of work and job satisfaction of an employee are significantly impacted by this relationship. An examination of those expectations revealed that the level of autonomy, the output of labor, or some other component of employment can stand in for the expectations that the workers had of the company. An employee's level of satisfaction is influenced by expectations and the work environment (Thompson and Phua, 2012).

### **2.1.3 Equity theory**

The equity theory provided clarity on the concept of justice in interpersonal relationships. The study discovered that the other party's effort is analyzed and that the quantity of input received from a relationship is contrasted with the product of a social transaction. Adams (1965) postulated that social inequality increases the likelihood of stress or discontent among employees because of variations in the input and output of effort between two social groupings or individuals. Equity theory study indicates that compensation inequities are a reason for concern in the majority of businesses. Adams (1963) found that workplace inequality increases stress and tension and might lead to employees acting differently from what the company expects of them (Berscheid and Walster, 1973).

### **2.1.4 Herzberg's two-factor theory**

The two-factor theory of motivation, also known as the dual-factor theory or the motivation hygiene theory, was developed in the 1950s by psychologist Frederick Herzberg. Herzberg examined the responses of 200 engineers and accountants regarding their positive and negative attitudes toward their employment. Herzberg asserts that while certain features of a profession can prevent sadness, other factors can lead to contentment. There can be neither satisfied contentment nor dissatisfied dissatisfaction, in Herzberg's view. Juneja (2020).

### **2.1.5 Expectancy theory**

Expectation theory was first proposed as a theory of motivation in 1964 by Victor H. Vroom of the Yale School of Management Vroom (1995). It explains the processes a person's mind goes through when making a decision, or choosing. Expectation theory states that people

decide what to do based on the outcomes they hope to achieve. Stated differently, we base our decisions on our expectations of what will occur. We might work longer hours at the office in anticipation of a pay increase. However, expectancy theory also suggests that our perception of the possibility of such rewards influences our decision-making. If employees had been assured of a pay rise in this instance instead of assuming they might, they might have worked harder. Expectation theory is based on three elements.

### **2.1.6 Three-dimensional theory of attribution**

The way we understand our own and other people's behaviors is made clearer by the principle of attribution. There are various theories about attribution. People try to figure out why we do things, according to Bernard Weiner's Three Dimensional theory of attribution. This theory primarily relies on cause and effect, human behavior, and motivation. According to Weiner, the justifications we offer for our behavior can influence how we behave in the future. When a student does not pass an exam, for example, they could give multiple explanations, and this will affect their drive moving ahead. Weiner hypothesized that an attribution's characteristics—such as bad luck or carelessness in one's academic pursuits—were more important than its specifics. According to Weiner, there are three main characteristics of attributions that can affect motivation in the future. Mark (2019).

## **2.2 Conceptual review**

### **Transformational and transactional leadership**

The core tenet of transformational leadership theory is to empower and inspire followers to accomplish remarkable goals while also growing as leaders. On the other hand, transactional leadership emphasizes the interactions that take place between leaders and followers.

### **Organizational commitment**

Because of its connections to other work-related constructs like absenteeism, turnover, job commitment, job involvement, and leader-subordinate relations, organizational commitment has become a significant construct in organizational research (Arnolds & Boshoff, 2004). Organizational commitment is defined as an individual's identification and involvement with a specific organization. It is exemplified by three factors: (a) a strong desire to stay a member of the organization; (b) a willingness to put in a significant amount

of effort on behalf of the organization; and (c) a strong belief in and acceptance of the organization's goals and values.

#### **A. Affective inspirational/ attachment**

"An individual's attitude towards the organization, consisting of a strong belief in, and acceptance of, an organization's goals, willingness to exert considerable effort on behalf of the organization and a strong desire to maintain membership in the organization" is the definition of affective organizational commitment (Mowday et al., 1982 cited in Eby et al., 1999).

Affective inspiration is described by Meyer and Allen (1984) as the worker's "good feelings of identification with, attachment to, and involvement in the work organization." Bagraim (2003), "if employees are able to achieve their expectations and fulfill their requirements within the organization, affective inspiration will arise."

When an organization's employees stay because they want to, they tend to operate in the organization's best interest and are less likely to leave, according to Romzek (1990). This is known as affective inspirational leadership.

Eisenberger, Huntington, Hutchinson, and Sowa (1986), depending on how inspirational an organization is to an employee, various people will put out varying amounts of effort and retain varied affective responses to it. As a result, in return for expectations and support from the company, employees will demonstrate organizational commitment.

#### **B. Continuance inspirational or loyalty**

Buitendach and de Witte's (2005) perspective, continuation inspiration can be defined as an employee's inclination to feel devoted to their company because of how much they believe leaving the company will cost them.

Inspirational continuity, according to Meyer and Allen (1984), can be used to describe anything valuable that a person has "spent (e.g., time, effort, money) that would be lost to be regarded worthless at some perceived cost to the individual if he or she were to quit the organization." Contributions to non-vested pension plans, the acquisition of status or abilities unique to the business, the utilization of organizational perks like lowered

mortgage rates, and other initiatives might all be examples of such investments. A perceived lack of options to replace or make up for the lost investments may increase the perceived cost of leaving.

### **C. Normative inspirational/ responsiveness**

The idea that "workers have a responsibility to their organization" is the foundation of normative inspirational leadership (Bagram, 2003). "Totality of internalized normative demands to perform in a way which achieves organizational goals" is Wiener's (1982) definition of inspirational. Employees encounter normative Inspirational because they feel internally that they have an obligation to do so, according to Bagram (2003). According to Sparrow and Cooper (2005), normative inspirational leadership is predicated on feelings of loyalty and obligation and includes an employee's sense of duty and responsibility towards a company.

### **Model of inspirational**

The idea of inspirational altered as time went on. Initially, concepts of emotive and continuous inspiration were created. Different inspirational models were established as time went on.

### **Morrow's model**

The relationship between five inspirational and work variables is the focus of the current approach. Few studies have looked at the relationships between different inspirational factors and work outcomes, despite the literature's strong emphasis on the relationships between job positions and outcomes such as performance, turnover, and tendency to leave. The majority of them focus on a single characteristic, such commitment or inspirational leadership for the organization, and how it relates to certain job outcomes like turnover. Morrow (1983) developed one of the first models based on the idea of many ideas and the relationships between them.

Her methodology has five primary inspirational factors that impact the outcome of the task and are logically ordered in that order.

In 1991, Randall and Cote conducted the first investigation of the paradigm proposed by Morrow (1991). Morrow claims that the Inspirational themselves have a reciprocal

influence on one another, forming a circular framework centered on the connection between the protestant work ethic and career and continuous Inspiration. Affective inspiration for the organization and career inspiration are related to continuity. The circle is completed when both of these inspirational factors impact work involvement and continue to be inspirational to the company.

Morrow's (1993) research, inspirational people are reciprocally inspirational to one another. The protestant work ethic is the most fundamental inspirational philosophy, and it has the least potential to influence and transform. This Inspirational, with which the employee enters the business, will follow him on his career path with little modifications and no connection to any one employer. Since everyone has a different perspective on the workplace and a strong work ethic will affect one's perseverance in a certain occupational vocation, the Protestant work ethic and career inspiration are related (Furnham, 1996). Furthermore, the Protestant work ethic will have an inspirational impact on the organization's continuity because a worker with a strong Protestant work ethic may obtain favorable treatment from others just because of his place of employment (Vandenberg & Scarpello, 1994). A career inspiration is seen as something that is intrinsically linked to an individual's personality and is not always shaped by a particular organization. On the other hand, career inspirational is connected to the worker's image of his job, whereas Protestant work ethic is linked to the worker's overall impression of the working world (Blau, 1985).

### **B. Randall and cote's model**

Although Morrow's concept was proposed in 1983, Randall and Cote (1991) conducted the first investigation into it. It also covers the following five inspirational topics: job participation, career inspiration, affective and continuous inspiration, Protestant work ethic, and career inspiration. Nonetheless, a distinct model structure is shown by Randall and Cote (1991). This study shows that the Protestant work ethic is the most fundamental, most enduring, and least adaptable inspirational system. As a result, although it takes a different turn here, this Inspirational will be the main in the present model (Furiham, 1990).

They contend that the protestant work ethic will have an impact on workplace participation to the extent that it is ingrained in workers and produces a high level of job involvement. Work participation will therefore impact the other three types of inspiration: career, affective, and continuous. Affective inspiration is beneficial to the company. While

emotional, continuance, and professional inspiration are all elements that can change quite quickly, a Protestant work ethic is a permanent and reasonably constant trait. One factor that is affected by the Protestant work ethic is job participation; a person who has a high level of inspiration for the workplace will also have a higher level of inspiration for their work. These two factors play a part in the ongoing socialization processes toward the workplace and its significance in individuals' lives. Job involvement appears as a mediating variable between Protestant work ethic and continuance inspirational to the organization and career inspirational in Randall and Cote's model, which is one of the significant differences between Morrow's model and theirs.

The present model measures job engagement in terms of establishing a connection and choosing the best course among the other four Inspirational factors rather than directly impacting turnover. In other words, job engagement is important in the current model, but it is not in the same sense as it was in Morrow's model, which connected job involvement to output.

### **C. Cohen's model**

Within his concept, Cohen (1999) presents a third system of reciprocal influences between the Inspirational. The Protestant work ethic is the fundamental variable in this model as well, and it enters the model as one that is highly modifiable (Blod, 1969; Furnham, 1999). The model also identifies the variable of Protestant work ethic as a basic Inspirational which influences other Inspirational of the individual worker, but with direct reference to the job results or Inspirational to the organization. This is because, unlike other or extra variables, as in Morrow's model, the Protestant work ethic can only affect workplace involvement over a comparatively long period of time. However, here is where the similarities ends, because from this point, Cohen posits a new set of contexts between Inspirational.

### **Review of major literature**

The key research, some of which are seminal works, are shown in Table 1 below. The evaluation of the connection between organizational performance and leadership style encompasses the years before to 2010.

The relationship between corporate citizenship behavior/performance and transformational leadership was investigated by MacKenzie et al. (2001). In addition to examining the mediating role that trust and role ambiguity play in this process, this study also looked at the effects of transformational and transactional leader behaviors on sales performance and organizational citizenship behaviors of salespeople. 477 sales representatives for a major national insurance firm provided measures of six different types of transformational leader conduct, two types of transactional leader behavior, trust, and role ambiguity. The agents' managers assessed their citizenship behaviors and collected objective sales performance statistics for the agents. The results supported the basic hypothesis that transformational leadership encourages salespeople to go above and beyond the call of duty. They also showed that, in comparison to transactional leadership, transformational leader behaviors have stronger direct and indirect relationships with sales performance and organizational citizenship behavior.

Collins (2001) utilized meta-analysis to examine 54 papers on leadership development research published between 1984 and 2000 in order to ascertain how much the desired goals of those programs were organizational performance-focused. Burke and Day's analysis, widely recognized as the primary empirical basis for assessing the efficacy of managerial training, revealed inconsistent outcomes on program effectiveness. Of the 70 studies examined, only two explicitly reported organizational performance as the primary outcome. As 16 of the papers evaluated focused on organizational performance as the result of the leadership development experience, this analysis indicated that from a sample of available studies, companies have started to embrace a more systemic approach to leadership development. The research findings indicated that organizational performance and leadership had a beneficial association.

Fernandes (2004) evaluated the transformational leadership theory among functional managers in multinational corporations based in the United Arab Emirates (UAE). Since the UAE continues to lead its neighboring countries in business development and technical breakthroughs, the UAE business sector was selected because of its importance to the regional economy and its sizeable contributions. The study looked at how employees' commitment and self-perceived performance were affected by managers' and supervisors' transactional and transformational leadership philosophies. Moderators were assumed to be employees' self-esteem and leadership inclination (Romance of Leadership). Employees of

foreign businesses doing business in the UAE provided the data. The empirical findings showed that transformational leadership has a significant impact on commitment. Furthermore, the study did cast doubt on the idea that operationalizing leadership requires the presence of two leadership philosophies.

The influence of leadership styles on organizational effectiveness was investigated by Nayak and Mishra (2005) in ten departments of the Rourkela Steel Plant. The study found that managers' and supervisors' leadership philosophies have a significant impact on how well a business operates. Awamleh et al. (2005) looked at the impact of a transformational leadership style on employees' performance and job commitment in UAE banking. Because of the company's outstanding contribution to the UAE gross domestic product and its significance to the economy, the banking sector in the UAE has been chosen for this study. Banks in the United Arab Emirates that operate were given a total of 865 questionnaires. There were 194 responders in the final sample. The application of multivariate regression analysis has been made. The study's findings demonstrated that employees' job dedication and performance are greatly enhanced by transactional and transformational leadership philosophies.

Weichun et al. (2005) used a field survey and company data from 170 Singaporean firms to examine an integrated theoretical model relating CEO transformational leadership, human capital-enhancing human resource management (HRM), and organizational outcomes, including subjective assessment of organizational performance, absenteeism, and average sales. The study discovered that the association between CEO transformational leadership and subjective evaluation of organizational outcomes is entirely mediated by human capital-enhancing HRM, while the relationship between CEO transformational leadership and absenteeism is only slightly mediated.

Anastasia (2007) looked on the connection between HRM policy systems and organizational effectiveness. Based on a sample of 178 companies in the Greek manufacturing industry, the study was conducted. To investigate the relationship between HRM and organizational performance, a mediation model was put to the test. The study's findings confirmed the hypothesis that the HRM outcomes of skills and attitudes act as a mediating factor in the relationship between organizational performance and the HRM systems of expectations-relations and resourcing-development. The empirical findings

clarified the processes by which HRM systems enhance organizational performance in addition to supporting the idea that HRM systems have a beneficial effect on organizational performance.

Using a sample size of 201, Gadot (2007) investigated how public sector workers perceived politics as a potential mediator between the supervisor's leadership style and formal and informal parts of workers' performance (Organizational Citizenship Behavior, or OCB). Workers of a public security agency in Israel were given the Multifactor Leadership Questionnaire (MLQ) and asked to rate the leadership style of their boss. The research data revealed conflicting results that only partially corroborate the idea that organizational politics mediates the relationship between role performance, OCB, and leadership. It was also discovered that there is a direct link between performance (in role and OCB) and leadership.

Pushpanathan (2008) investigated the relationship between organizational performance and leadership style in Sri Lanka's small-scale manufacturing sector. A total of 1875 questionnaires were sent to 220 small-scale manufacturing industry owners and employees who are registered with the Sri Lankan Chambers of Commerce. The moderating effect of environmental factors (industry technology, family and non-family controlled firm, firm development stage) and the mediating effect of decision making, employee turnover, and employee morale were used to discuss the relationship between three leadership styles—task-oriented, relationship-oriented, and participative—and firm performance. A matched data set was used to test the hypotheses. The empirical finding demonstrated a direct correlation between leadership philosophies and business success. Understanding how leadership styles impact organizational performance in family-owned small manufacturing businesses can be aided by the notable correlations that were only discovered between leadership styles and performance. The study found that, compared to task-oriented and participative leadership styles, relationship-oriented leadership had a more substantial impact on business performance.

In the international tourist hotel sector, Chien-Wen Tsai (2008) looked at the relationship between management leadership style and workers' dedication to their jobs. Following a review of the literature, an empirical model and conjectures were developed. In order to gather data, the study used questionnaires to investigate and interview staff members of

foreign tourist hotels. The study polled 500 employees in worldwide tourist hotels using questionnaire. Three hundred surveys were returned, or seventy-three percent. The results increased our understanding of human resource management and offered managers some useful advice. The research findings indicate a positive correlation between the managerial leadership style and the level of job dedication exhibited by employees in the international tourism hotel sector.

Hartmann et al. (2010) looked into how subordinates' attitudes toward their jobs were affected by their superiors' performance evaluation practices. The study suggested that leadership style and performance measure use are the two prominent dimensions underlying the "supervisory style" construct in the RAPM literature, in response to criticism that this construct is multiple. The study created and evaluated a path model that helped them to clarify the relationship between managerial work-related attitudes (goal clarity and evaluation contingent) and the effects of leadership style (initiating structure and consideration) and performance measure use (objective and subjective measures). Using survey data from 100 middle-level managers across 5 firms, the study tested its hypothesis. Using objective performance metrics, the empirical conclusion demonstrated how a leadership style that initiates structure influences the attitudes of subordinates about their jobs. The study also showed that leadership conduct that is taken into consideration only directly affects attitudes connected to one's job.

### **2.3 Empirical review**

Kharabsheh (2023) researched on the impact of digital HRM on employee performance through leadership. The purpose of this study is to examine how leadership, and thus, the impact of digital HRM practices on employee job performance—or, to put it another way, how leadership functions as a mediator between digital HRM practices and employee work performance. This study employed two digital HRM practices: digital performance appraisal and digital training. The findings indicate that leadership significantly impacted job performance, digital performance appraisal significantly impacted both leadership and performance appraisal, and digital training significantly impacted both leadership and work performance. Thus, it was determined that leadership acted as a partial mediating factor in the relationship between digital HRM practices and job performance. It was determined that competent workers are driven to perform at higher levels on the job when they are aware of their performance level.

Bae (2023) conducted a research on the differing effects of individual- and group-based pay for performance on employee satisfaction: the role of the perceived fairness of performance evaluations. In the public sector, pay satisfaction, organizational satisfaction, and job satisfaction are the three metrics of employee satisfaction that this study looks at in relation to the various effects of individual-based and group-based compensation for performance. This study, which looked at a panel data set spanning twelve years, discovers that while group-based pay for performance has a considerably negative association with pay satisfaction, individual-based pay for performance has a significantly favorable relationship with organizational and job satisfaction. Concurrently, the findings demonstrate a strong positive correlation between pay satisfaction, organizational satisfaction, and job satisfaction and the perceived fairness of performance evaluations.

Berdicchia, Bracci and Masino (2023) conducted a research on disentangling the effect of perceived performance management system accuracy on intrinsic and extrinsic motivation. The purpose of this study is to investigate how employees' motivation is affected by the perceived accuracy of performance management systems (PMS). A questionnaire was sent to a sample of local government workers in order to gather data. Two measurement waves (T1 and T2), each with a four-month lag between them, were used to gather data longitudinally. The findings showed that task uncertainty and decision-making involvement both significantly moderated the link between perceived PMS accuracy and extrinsic motivation, and that perceived PMS accuracy is positively associated with both intrinsic and extrinsic motivation.

Kalogiannidis (2022) conducted research on impact of leadership on organizational performance. A review article on scoping for the public sector. Examining the various research on leadership and its effects on organizational performance was the goal of the scoping review study. The review concentrated on the ways that leadership affects organizational performance through various facets, including personnel traits, management styles, workplace environments, and rewards and recognition. The analysis demonstrated how closely leadership and organizational success are related. Nonetheless, there are supplementary variables that impact an employee's capacity for optimal performance.

Fakai (2022) conducted a research on performance appraisal on employees' motivation in commercial banks of Sokoto State, Nigeria. The study's objective was to ascertain how

performance management and objective production affected the motivation of workers in commercial banks. One hundred and seventy-two managers and staff members from ten Sokoto state-based commercial banks with national permission were chosen at random to provide data. The survey design used in the study was descriptive. The participants were given an online questionnaire divided into three sections. The results showed that, with a p-value of  $0.000 < 0.05$ , objective production significantly affects workers' motivation. Similarly, with a p-value of  $0.000 < 0.05$ , the results demonstrated that performance management significantly affects employees' motivation.

Anna (2021) conducted a research on innovative, intangible ways of motivating employees in modern enterprises, in the time of the Covid-19 Pandemic. The study's objective was to find creative, intangible methods of employee motivation, such as trust management, work-life balance concepts, corporate culture, and leadership styles. It is important to note that the author discusses an unconventional method of motivating employees that differs from the common understanding of it solely in terms of compensation. This is because employees today have different expectations, and during a challenging pandemic, they lose confidence in their ability to meet new problems and a sense of security. Furthermore, this strategy is further strengthened by the fear of losing one's work. Because of this, a constructive and encouraging approach from management to staff members was crucial, as seen by the carefully chosen components of intangible motivation.

Achim and Balan (2021) conducted a research on the importance of leadership to increase organizational performance. The current study set out to comprehend the strategic significance of non-financial motivation in the management process. It is commonly known that the level of human resource motivation plays a critical role in determining an organization's performance and reputation. The current study begins with the assumption that everyone understands what "motivation" is and how important it is as a phenomenon in general. Motivation seems to remain a secret for (too) many employers, despite the fact that it is constantly addressed in specialty works and examined and debated at congresses, seminars, and internal meetings. Surveys conducted among employees hired by large corporations unequivocally show that these employees lack motivation based on their value to the company.

Lee and Raschke (2021) conducted a research on understanding leadership and organizational performance: Arguments for a set-theoretic approach. This conceptual paper aims to describe the advancements made in the understanding of the relationship between leadership and organizational performance as well as offer suggestions for future developments in the theory of this relationship. We point out the current shortcomings in theory development and recommend a different line of inquiry. The current development of motivation theory is predicated on traditional quantitative analysis, such as structural equation modeling and multiple regression analysis. Researchers consider combinations and configurations of a collection of relevant factors because they are interested in the context and a holistic knowledge of this social phenomenon.

Ahamed (2021) conducted a research on a study on leadership and its influence on the performance of the organization. Analyzing the factors that propel leadership to high levels of organizational performance is the goal of this essay. The findings, which are consistent with several studies, showed that organizational effectiveness and leadership had a favorable association. Research indicates that elements like acknowledgment and empowerment boost leadership. Employee desire to work will improve along with their successes and the performance of the organization if they feel more empowered and recognized. However, employee discontent brought on by repetitive tasks and client demand may impair organizational effectiveness. As a result, absenteeism from work may rise, and workers may decide to join other companies that provide greater recognition and better working circumstances.

Weeraratne (2018) conducted a research on impact of leadership on organizational effectiveness. This study aims to investigate the relationship between organizational success and leadership, as well as the elements that influence leadership. A model that connected leadership characteristics with organizational effectiveness was created using the literature as a basis. Based on the model and the literature, three hypotheses were developed and tested in light of earlier research and writings. Numerous research and a body of literature have determined that acknowledgment and empowerment are two things that improve leadership. Employee motivation to work will increase in proportion to an organization's level of employee empowerment and recognition. Additionally, there is a favorable correlation between organizational effectiveness and leadership.

Kelli (2018) conducted a research on a study of motivation: how to get your employees moving. The majority of businesses in today's workforce want motivated workers who are prepared to work, but they often lack an understanding of what actually inspires people. If workers had a stake in the company's success, businesses might operate more effectively. In order for a person—and especially an employee—to flourish in the job, certain needs must be satisfied. The study looks at various motivational theories, how applicable they are to the workplace, and how managers might use the ideas to guarantee contented and driven workers. Finally, research focuses on the ways in which managers might apply various kinds of incentives in their particular workplaces. This demonstrates the significance of motivation across all industries and how it can fluctuate and affect a company's level of sales performance. Successful companies can be created by motivated personnel.

Table 1

*Summary of Empirical Review*

Author	Year	Objectives	Findings
(s)			
Kharabs heh	2023	To investigate the effect of digital HRM practices on leadership and hence employee job performance	The findings indicate that leadership significantly impacted job performance, digital performance appraisal significantly impacted both leadership and performance appraisal, and digital training significantly impacted both leadership and work performance.
Berdicc hia, Bracci and Masino	2023	To explore the effects of performance management systems' (PMS) perceived accuracy on employees' motivation.	The findings showed that task uncertainty and decision-making involvement both significantly moderated the link between perceived PMS accuracy and extrinsic motivation, and that perceived PMS accuracy is positively associated with both intrinsic and extrinsic motivation.
Kalogia nnidis	2022	to review the different studies about leadership and its	The review concentrated on how leadership affects organizational performance through a variety of means, including personnel traits, management

		impact on organizational performance	on styles, workplace environments, and rewards and recognition.
Ochola	2022	To examine the influence of leadership on organizational performance	The purpose of the study was to investigate how employee motivation affects an organization's performance. Document analysis was used in the study to collect pertinent data that was needed for the investigation.
Achim and Balan	2021	to understand the strategic importance of the non-financial motivation in the management process	In this study, we will insist and plead for the possibilities of application and results of an effective non-financial motivation plan to the internal climate and long-term performance of the firm. The financial side of motivation is widely preferred and known by both the employer and the employee.
Lee and Raschke	2021	to articulate the progress that has been made in understanding leadership and organizational performance	To supplement current standard quantitative analysis, researchers use a set-theoretic method to consider many combinations and configurations of a set of relevant variables. The study suggests a set-theoretic method to leverage leadership for organizational success in order to progress existing understanding.
Ahamed	2021	To survive in this volatile and fierce market environment.	There is a chance that absence from work will rise and that workers would defect to other companies that provide more recognition and better working circumstances. Since no two people are same, distinct tactics should be used to encourage each one.

Weerara 2018 to identify the factors Leadership benefits from empowerment and the that effects leadership acknowledgment. Employee motivation to work and examining the will increase in proportion to an organization's level relationship between of employee empowerment and recognition. organizational effectiveness and leadership

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### **2.3.1 Review of article in Nepalese context**

Shrestha (2023) researched on motivating employees through job design and compensation: an observation. The purpose of this study is to investigate how job design and compensation relate to and affect leadership. Its foundation is primary data collected through the distribution of questionnaires to fifteen business groups in Nepal. The findings demonstrate a strong positive correlation between leadership and job design. Similarly, the findings show a strong positive correlation between leadership and compensation. In actuality, workers who believe their jobs are well-designed exhibit high levels of motivation at work. Furthermore, when workers believe that their compensation is just and effective, they become very motivated at work.

Gautam (2023) analyzed on human resource management practices in Nepali industries. Examining the situation of HR management practices in Nepal's pharmacy industry is the goal of this article. Based on interviews, the study concludes that the pharmacy industry follows most of the recommended best practices, and that this is reflected in their exceptional customer service. This study's practical goal is to draw attention to the problems and current state of human resources in the pharmaceutical sector. They must, however, implement reforms if they hope to make things better. Highly skilled and competent individuals work for these firms. Top executives are developing their ability to set objectives and create strategic plans. For the good of the company, HR managers need to make sure that these adjustments are made correctly.

Sapkota (2023) examined on Issues on role of gender, age and qualification of faculties on job performance. This study aims to investigate the relationship between faculty members' perceived organizational fairness and work performance and their gender, age, and qualification. Seven QAA-certified universities' faculties were selected for this

investigation using judgmental sampling. Using Slovin's formula, 396 faculties were the sample size. A cross-sectional and descriptive study design was employed. According to this study, there is no correlation between faculty qualifications, age, or gender and work performance in Nepalese QAA Colleges.

Biswakarma and Kadayat (2023) analyzed performance appraisal system and leadership in international non-governmental organizations in Nepal. The purpose of this study is to investigate Nepal's international non-governmental organizations' performance evaluation system. It also aims to examine how leadership in these Nepalese firms is affected by the performance evaluation system. A mixed technique was used in the investigation. A systematic questionnaire with 300 employees was used to gather data; 212 responses came from six INGOs with operations in Nepal and five HR managers for the INGOs. The system for evaluating performance took into account several factors, including the goal of the evaluation, the standard for the evaluation, feedback regarding the evaluation, the accuracy of the ratings, and the assurance regarding leadership. The goal of performance appraisals, rater assurance, and rating dependability were found to have a substantial impact on leadership.

Maharjan (2023) examine the impact of performance appraisal system on leadership in life insurance companies in Nepal. This study looks at how Nepalese insurance companies' leadership is affected by their performance appraisal method. The dependent variable is leadership. Training and development, rewards and recognition, communication, motivation, and feedback mechanisms are the independent variables. 219 observations from primary data from 24 insurance firms served as the basis for this study. A structured questionnaire is created in order to fulfill the study's objectives. In the context of Nepalese insurance businesses, regression models are generated to examine the link, relevance, and impact of performance appraisal system on leadership. The outcome demonstrates that leadership and training and development are positively connected. It suggests that as training and development efforts rise, organizational leadership will also rise. Similarly, leadership and reward and recognition have a positive correlation. It suggests that the leadership level of an organization would increase with a stronger system of rewards and recognition. Similarly, there is good association between communication and leadership. It suggests that higher leadership would result from an improved organizational

communication system. Additionally, there is a favorable correlation between leadership and motivation. It suggests that the leadership in the organization would be more motivated.

Jaiswal (2023) researched on impact of human resource management practices on employee performance in Nepalese commercial banks. This study looks at how employee performance is affected by HRM policies in the setting of Nepalese commercial banks. The dependent variable is worker performance. The employee relations, performance evaluation, training and development, promotion, and remuneration methods are the independent variables that have been chosen. The respondents' perspectives about the HRM procedures of Nepalese commercial banks are evaluated using the primary data source. 150 respondents provided primary data from 27 commercial banks for the study. A structured questionnaire is created in order to fulfill the study's objectives. In the context of Nepalese commercial banks, the significance and value of HRM practices on employee performance are tested using regression models and correlation coefficient estimations.

Aryal, Hamal and Bhatta (2022) examined performance appraisal, job satisfaction and organizational motivation in Nepalese commercial banks. This study looks at how job satisfaction and performance reviews affect employees' organizational motivation in Nepalese commercial banks. Using structured surveys with Likert-type items, the respondents' opinions have been evaluated based on the primary data. Based on 172 responses, the survey's response rate is 78 percent of the total sample size obtained from 16 Nepalese commercial banks. In this study, descriptive and causal research designs were used. While several linear regression models have been employed to investigate the relevance and effects of work satisfaction and performance appraisal on employee organizational motivation in Nepal's commercial banks, the Pearson correlation coefficient has been utilized to analyze the link. The findings indicate a positive relationship between employee organizational motivation and performance evaluation and work satisfaction. Thus, the study comes to the conclusion that the key variables influencing workers' organizational motivation are job satisfaction and performance reviews.

Basnet (2022) investigated on evaluating the impact of human resource management practices on the re-organization and performance of the civil service in Nepal. The aim of this research project is to assess how Human Resources Management Practices affect the performance and reorganization of Nepal's civil service. Data was gathered by the

researcher from primary and secondary sources. Primary data was obtained through the use of survey questionnaires. Examining literature such as policy documents and other semi-government organizations was part of the secondary data and document analysis process. The researcher was able to examine responses immediately thanks to the questionnaire method. The researcher came to the conclusion that a number of factors played a role in Nepal's civil service reform and reorganization. Thirteen of the fifty responders were female, and thirty-three were male. The outcome suggests that every organization's progress is greatly influenced by its leadership. It is therefore advised that, in the context of the Nepalese civil service, the application of contemporary HRM methods, leadership, and performance management may be crucial to the success of the country's efforts to restructure the civil service in a way that is results-oriented.

Padhaya (2021) examined on performance appraisal system and effectiveness of universities in Nepal. This study's main goal was to determine how well the personal assessment method works in Nepalese universities. This study included in-depth interviews as a method of data collecting, with a focus on three universities. To gather data for the research study, a variety of secondary sources, including journals and social media platforms, were employed. The purpose of the research was to investigate and assess the efficacy of the current system and to learn how staff members felt about the way teaching and non-teaching personnel were currently implementing the systems for overall performance reviews at various universities in Nepal. The results showed that because of a lack of information, training abilities, and feedback before and after evaluation, Nepalese universities had not used it for overall academic advancement. Additionally, it appears that the staff selection and promotion processes are merely formalities with no accountability, transparency, or skilled human resources mentors. Because of this, the accomplishment was acknowledged separately in several universities, but overall it was not thought to be effective due to the strong impact of the prominent individuals in the universities' own self-interest.

Dangol (2021) analyzed role of performance appraisal system and its impact on leadership. The study's main goal is to ascertain the function of performance reviews and how they affect employees. The following precise goals serve as the study's guidelines: identifying the obstacles in evaluating employee performance; assessing the impact of the performance assessment process on leadership; and assessing the impact of appraisers on staff

motivation. The research design used in the study was descriptive. One hundred and twenty workers in Nepal's service industry make up the population of interest. Structured questionnaires are used to gather data, and the study's objectives and references from the questionnaire are used to gather extra qualitative data. The results of the study imply that leadership develops through consistent performance evaluation. One strategy that might be thought of as having a good impact on leadership and work performance is performance appraisal rating. If the appraisal procedure is founded on accurate and up-to-date job descriptions, employees could become more motivated.

Lama (2021) researched on leadership through performance management: a case study: Shree Nishchal Saving and Credit Co-operative Ltd. The purpose of this thesis is to ascertain how Shree Nishchal Savings & Credit Co-operative Ltd.'s performance management procedure motivates workers to perform. The investigation was carried out using an exploratory study. The research has been conducted using both primary and secondary data. One source of secondary data was a review of the literature. The main technique for gathering data was a combination of qualitative and quantitative research methods. A questionnaire and in-depth interviews with the manager and four staff members of the company were used to gather data. According to the study, financial rewards, chances for advancement, positive interactions with management, feedback, and expressions of gratitude all serve to encourage employees. Furthermore, the results showed that the organization's performance management procedures have an impact on each of these motivational variables.

Pandey (2020) examined the work stress and employee performance: an assessment of impact of work stress. These pressures lead to poor performance inside the organization, poor performance from employees as a whole, poor labor quality, high employee turnover, and absenteeism. In addition, it contributes to health issues like depression, anxiety, headaches, and backaches. This study looked at eight factors that contribute to job stress: the type of work, wage scale, and job insecurity; poor communication; work overload; lack of motivation; lack of support from management; and subpar performance review and appraisal processes. The study's objectives are to investigate the stress-related issues that bankers face and to look at the key elements that contribute to employee stress. Ultimately, bankers from various banks in the Kathmandu Valley completed 200 surveys in order to

learn more about the effects of stress on worker performance. The findings demonstrate that all stress-related factors dramatically impair performance.

Gautam (2020) analyzed on comprehensive reward system, leadership and turnover intention: evidence from Nepali banking industry. The purpose of this study is to investigate the components of an extensive reward system. More precisely, the connections between leadership and the elements of a comprehensive reward system are looked at. Lastly, the purpose of employee turnover was used to examine the influence of leadership as it relates to reward systems. Descriptive-correlational research design using a quantitative methodology was used to perform this study. Primary data were gathered from 200 employees in various roles across many banks for each variable. Major responses on the factors were gathered using a 5-Point Likert Scale. The hypothesis was tested using regression analysis, descriptive statistics, and Pearson correlation. At the five percent and one percent significance levels, conclusions were drawn. The study's findings showed that the main elements of a comprehensive incentive system were salary, perks, work-life balance, performance recognition, career opportunities, and empowerment. It was discovered that these elements significantly improved leadership. The results also showed a substantial negative correlation between the intention to leave and leadership.

Hakuduwal (2019) researched on human resource development and employee engagement in Nepalese commercial banks. Using employee engagement as the dependent variable and the three human resource development components of training and development, career development, and performance management as independent variables, the goal of this study is to examine the relationship between HRD and employee engagement in Nepalese commercial banks. 384 employees were chosen by random sampling, and information was gathered via a questionnaire survey. The study discovered that performance management, career development, and training and development have a major impact on employee engagement in Nepalese commercial banks using the F-test and t-test. The study also showed that whereas female employees place more value on training and development, male employees place more focus on performance management.

Mishra and Shrestha (2019) analyzed on job satisfaction of employees working in Nepalese private college. This study's primary goal was to investigate employee satisfaction in Nepal's academic institutions. Data for the study was gathered from academic institutions'

teaching and non-teaching staffs. Forty-three respondents took part in the research. A straightforward random sampling method was used to choose the respondent. The data was gathered using the structured survey questionnaire. The Wellness Council of America (WELCOA) standard scale was employed to gauge the degree of satisfaction. As a whole, 67.4% of employees said they were doing a "great job," 27.9% said they were doing a "good job," and 4.7% said they were doing a "ok job." It suggests that the majority of workers in the academic sector were extremely happy with their jobs. It is encouraging to see that Nepal's academic sectors are expanding daily thanks to the adoption of cutting-edge technology, a new management system, a participatory approach, and motivational activities that enhance employee satisfaction with the workplace, pay, benefits, and exposure to training, exposure, and promotion opportunities. The relationship between employee satisfaction and organizational climate at Nepalese Private College can be investigated further.

Table 2

*Review of Nepalese Article*

Author(s)	Year	Objectives	Findings
Shrestha	2023	to examine the relationship and impact of job design and compensation on leadership	The findings demonstrate a strong positive correlation between leadership and job design. The findings show a strong positive correlation between leadership and compensation.
Sapkota	2023	to examine the association of gender, age and qualification of faculties with their perceived organizational justice and job performance	According to this study, there is no correlation between faculty qualifications, age, or gender and work performance in Nepalese QAA Colleges.
Aryal, Hamal	2022	to examine the impact of performance appraisal and job satisfaction on	The study comes to the conclusion that the key elements influencing employees' organizational motivation are job satisfaction and performance

and Bhatta	employee organizational motivation	reviews. Since this study is limited to commercial banks, it is possible for future research to take into account other banking institutions, employee profiles, and human resource management aspects.
Basnet	2022 to evaluate the impact of Human Resources Management Practices on the re-organization and performance of the civil service	The outcome suggests that every organization's progress is greatly influenced by its leadership.
Dango l	2021 to determine the role of performance appraisal and its impact on employee	The results of the study imply that leadership develops through consistent performance evaluation. One strategy that might be thought of as having a good impact on leadership and work performance is performance appraisal rating.
Lama	2021 to identify how employees are motivated to perform through a performance management process	According to the study, financial rewards, chances for advancement, positive interactions with management, feedback, and expressions of gratitude all serve to encourage employees. Furthermore, the results showed that the organization's performance management procedures have an impact on each of these motivational variables.
Pande y	2020 to explore the strain related problems of bankers and examine the factors that play a crucial role in creating stress	These pressures lead to poor performance inside the organization, poor performance from employees as a whole, poor labor quality, high employee turnover, and absenteeism.

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## **2.5 Research Gap**

Numerous investigations have been carried out, primarily involving numerous banks, to examine the impact of leadership style on organizational commitment. The purpose of the current study is to examine how the organizational commitment of Nepalese commercial banks is affected by five independent variables: charisma, inspiring motivation, intellectual stimulation, constructive/contingent expectations, and management by exception. The purpose of the current study is to look at how leadership style affects Nepalese commercial banks' organizational commitment. A study of the literature reveals that, with differing outcomes, a number of research on leadership style and its effect on organizational commitment have been carried out over the years. This study intends to close a major research gap in the Nepalese context, despite the fact that this topic has been the subject of numerous studies in the international context.

This work is noteworthy because it closes a large gap in the literature and because its conclusions can add to the corpus of existing knowledge. This study suggests a framework to identify the critical elements that affect organizational commitment in Nepalese commercial banks, taking into account the gaps in the literature. These elements include charisma, inspirational motivation, intellectual stimulation, constructive/contingent expectations, and management by exception. Nevertheless, the study's focus on a small number of Nepali leadership style areas makes it difficult to obtain the data needed for it. However, by addressing the vacuum in the literature regarding the relationship between leadership style and organizational commitment, this study is anticipated to inspire additional research in this area.

This study aims to explore how leadership style affects organizational commitment in commercial banks in Nepal. The analysis of the literature shows that several studies on leadership style and its effect on organizational commitment have been carried out over the years, however there are not many of these studies in nations like Nepal. There are a number of problems with research, even when they are conducted in the Nepalese environment. In order to add to the body of knowledge on this subject, the purpose of this study is to examine the influence of leadership style on organizational commitment of Nepalese commercial banks through the use of more recent data.

## **Chapter III**

### **Research methodology**

Any research study must have a research methodology chapter that describes the exact steps the researcher will take to perform the study, gather and evaluate data, and make findings. In addition, the chapter offers a precise framework that future researchers can use to either duplicate the study or expand on its conclusions. Any research project must have a methodology section that describes the strategy, steps, and resources used to gather, process, and evaluate data in order to make conclusions. Researchers can guarantee the validity, dependability, and transparency of their results by outlining their technique in full.

#### **3.1 Research design**

Descriptive and causal comparative research designs are applied in this study. In order to gather information about women, the research employed a quantitative methodology and asked respondents to complete a questionnaire. Therefore, a survey was used as the primary research approach in this study since it enables the gathering and analysis of quantitative data using both descriptive and inferential statistics. A further aspect of purposive sampling method is used for the gathering and evaluation of numerical data.

#### **3.2 Population and sample**

The population is the total number of commercial banks that are presently operating in the nation, or 20 commercial banks. Just five commercial banks are included in the study's sample for research purposes. Only 400 of the 420 questionnaires that were sent to the appropriate bank respondents once the sample was chosen were returned. To distribute questionnaire, random sampling approach was utilized to choose respondents from different position holders in their respective banks.

#### **3.4 Nature and source of data**

Primary data from a structured questionnaire using a five-point Likert scale served as the basis for this investigation. Since this study employed a descriptive methodology to investigate the causal link between the studied variables, the results are valuable for generalization. Using Google Docs, an organized survey was distributed by email, Viber, Facebook Messenger, and Viber. The questionnaire respondents were not under any obligation to appease the researcher and could freely respond to the questions in accordance

with their own conscience. Employees of both public and commercial banks in the Kathmandu Valley served as study subjects.

### 3.5 Tools and techniques of analysis

The pattern of data that is now available will guide the data analysis. Numerous financial, accounting, and statistical approaches have been employed to meet the study's goal

#### Descriptive Statistics

Brief informational coefficients known as descriptive statistics are used to provide an overview of a specific data collection, which may be a sample or a representative of the full population. measurements of central tendency and measurements of variability (spread) are the two categories into which descriptive statistics fall. The standard deviation, variance, minimum and maximum variables, kurtosis, and skewness are measurements of variability, whereas the mean, median, and mode are measures of central tendency.

#### Mean

The arithmetic mean is the most often used and well-liked metric for summarizing all of the data in one variable. It is computed by dividing the total number of things by the sum of all the items. The average value during the study period is represented by the means of the various variables.

$$\text{Mean } (\bar{X}) = \frac{\sum X}{n}$$

Where,

$$\bar{X} = \text{Sum of the variables 'x'}$$

$$N = \text{No. of Observation}$$

#### Standard deviation

The degree to which individual objects vary from a core value is known as dispersion. The absolute dispersion is measured by the standard deviation. The standard deviation increases with the degree of dispersion. A high level of observational regularity and series homogeneity is indicated by minimal standard deviations, and vice versa. The standard deviation for earning per share, dividend payout ratio, market value per share, retained earnings, dividend yield ratio, and price earnings ratio was calculated in this study.

$$\text{Standard Deviation (SD)} = \sqrt{\frac{\sum (X - \bar{X})^2}{n}}$$

### **Correlation analysis**

One statistical method for describing how closely one variable is related to another is correlation analysis. The current investigation has employed simple correlation. The correlation coefficient between the ensuing financial variables has been computed, analyzed, and displayed in a matrix format.

The following formula is used in this study to calculate the correlation coefficient between two variables, X and Y.

$$\text{Correlation Coefficient (r)} = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - (\sum x)^2} \sqrt{n\sum y^2 - (\sum y)^2}}$$

### **Coefficient of determination ( $r^2$ )**

A measure of the degree of linear relationship or correlation between two variables—one of which is dependent and the other independent—is called the coefficient of determination. Stated differently,  $r$  is the overall percentage variance in the dependent variables. There are values for the coefficient of determination that range from zero to one. Only when the unexpected variation is zero, or when every data point in the scatterplot falls precisely on the regression line, can a value of one occur.

### **Regression analysis**

Regression analysis indicates movement direction but not relative movement in the variables under investigation. We can determine the relative movement in the variables with the use of regression analysis. Analysis of regression for the given variable, have been computed and analyzed. Employee performance is the dependent variable in this study, whereas incentives, pay, recognition, and motivation are the independent variables. Multiple coefficient of determination, standard error of estimate, and least squares approaches are typically computed for this purpose in multiple regression analysis.

The model with several regression equations is:

### **Model I**

This model examines the impact of elements on motivation factors.

$$EC = \beta_0 + \beta_1 CH + \beta_2 IM + \beta_3 IS + \beta_4 CR + \beta_5 MBE + e$$

In the above regression model, the dependent variable is the employee Inspirational indicated by EC.

EC= Employee Inspirational

CH= Charisma

IM= Inspirational motivation

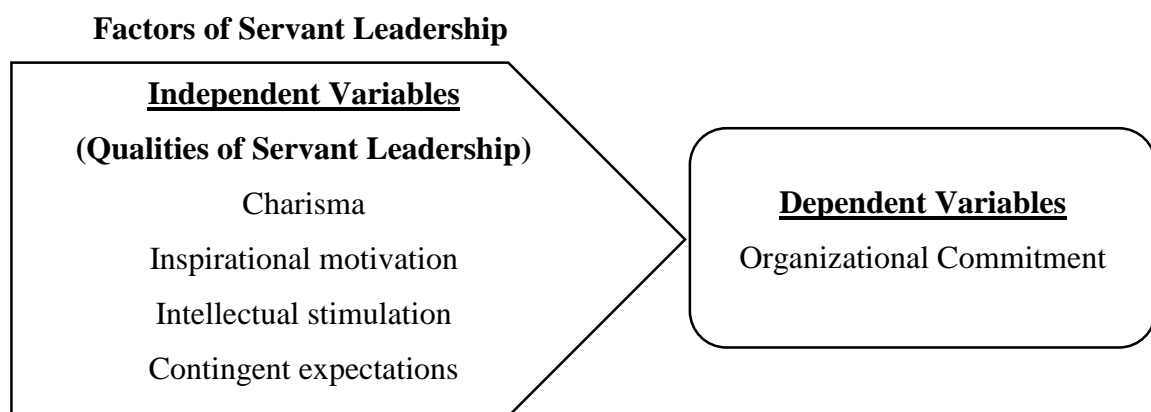
IS= Intellectual stimulation

CR= Constructive/contingent expectations

MBE= Management by exception

$\beta_0$  is the constant term and  $\beta_1, \beta_2, \beta_3, \beta_4$  and  $\beta_5$  are the coefficients of variables.

### 3.6 Research framework



*Figure 1 Research framework*

(Source: Saputra, 2022, Mahmood, 2021, Aziz, 2021, Debkota, 2020, DeSousa, 2018 and Valaei and Rezaei, 2016)

A structure created to establish a connection between independent and dependent variables is called a research framework. Making conceptual differences and arranging ideas in a meaningful manner are its goals. Real-world occurrences are accurately captured in a way that is simple to comprehend and implement by a strong conceptual framework. It is seen as an intermediary theory that seeks to make connections between the problem definition, purpose, literature review, technique, data collection, and analysis, as well as all other components of the inquiry process. Conceptual frameworks, which take various shapes based on the study question or problem, serve as maps that give coherence to empirical inquiry. Conceptual frameworks are vital to research because of their strong connection to empirical inquiry.

The aforementioned framework demonstrates the relationship between a variety of factors and distinct leadership styles, including charm, inspiring motivation, intellectual

stimulation, constructive/contingent expectations, and management by exception. This study aims to investigate and clarify the relationship between the independent variables and the dependent variable, organizational commitment.

### **Charisma**

Vision and a feeling of purpose, inspiring pride in and within the group, and earning respect and trust are characteristics of charisma, or idealized influence or attributes (Humphreys and Einstein, 2003). According to Cicero and Pieria (2007), charismatic leaders inspire followers and subordinates, which makes workers feel inspired and motivated to devote to their work. This inspires others, which boosts productivity and ultimately improves organizational performance. Making positive changes that inspire their followers and give them the guidance they need to accomplish the organization's objectives is the responsibility of morally compelling charismatic leaders. Leaders need to be productive and devoted in order to do this. The style of charismatic leadership is unique in that it collects groups of people through the leader's personality and attractiveness.

### **Inspirational motivation**

Motivation is simply described by Broussard and Garrison (2004) as the factors that influence a person's decision to act or not act. According to Davies (2005), motivation refers to the internal processes that lead an individual to engage in particular behaviors. The study came to the conclusion that improving the work environment of an organization can help employees perform better because it fosters a sustained level of motivation. This is so because individuals who are highly motivated are more likely to be highly productive and perform well at work, and leadership is the foundation of an organization's behavior. Charisma is typically accompanied with inspirational motivation, which is focused on a leader establishing higher standards and turning into a symbol of authority. Therefore, motivation can be considered the driving force behind creative and fruitful work done within an organization (Bloisi et al., 2003).

### **Intellectual stimulation**

An intellectually stimulating leader is one who can recognize, understand, conceptualize, and communicate to their colleagues the opportunities and challenges that their organization faces as well as its advantages and disadvantages. This was stated by Avolio and Bass (2004). According to Ishaq (2008), an intellectually stimulating leader is one who

demonstrates to his subordinates how much he encourages them to be creative in approaching problems in novel ways, fosters an environment that tolerates seemingly extreme viewpoints, and encourages people to challenge both their own and the organization's values and beliefs. As part of their daily work, leaders who question the status quo and encourage their subordinates to be creative, inventive, and question conventional wisdom are engaging in an intellectually stimulating aspect of transformational leadership (Ahanger, 2009).

### **Contingent expectations**

Affective Inspirational has been linked to the perception of more favorable affective states at work, and affective identification is thought to be associated with positive feelings about organizational participation (Albert et al., 1998; Herrbach, 2006). Therefore, beyond the impact of transformational leadership behaviors, it was expected that transactional contingent expectations would positively link to affective identification. Transactional executives make clear in these interactions the roles that staff members must perform and the deadlines they must accomplish. Promises or Inspirational based on "exchangeable" characteristics like respect and trust are a less prevalent type of transactional leadership. As the leader consistently carries out the decisions made, staff members might develop a foundational degree of trust in him or her (Bass et al., 2003).

### **Management by exception**

Transactional leaders are those that identify the components of their colleagues' commitment by their actions, and then they motivate their subordinates to meet those objectives by setting expectations and/or applying consequences (Bass and Avolio, 1997). Active management-by-exception is when a leader monitors a follower's performance and intervenes when necessary when the follower does not live up to expectations. According to Howell and Avolio (1993), proactive leaders keep an eye on the conduct of their followers, foresee issues, and move to remedy it before it poses a major risk.

### **Organizational commitment**

Albrecht and Andretta (2011), an organization's performance is determined by how well it accomplishes a set of predetermined goals that are specific to its mission. The leadership style of an organization has a big impact on whether it succeeds or fails. Various leadership frameworks and styles autocratic, bureaucratic, charismatic, transactional, and

transformational are covered in a wealth of management literature. These frameworks and styles are all based on distinct approaches to leadership. The effect that each of these leadership philosophies has on organizational commitment varies; certain philosophies can foster success in organizations, while others might stifle expansion and ultimately result in failure.

## Chapter IV

### Results and Discussion

#### 4.1 Results

The stage of observation and analysis in a research investigation is crucial. The process of putting the available data in a sensible format and organizing it in tabular form is called observation. In order to offer a corrective action, analysis is performed to portray the financial facts in tabular or graphical form. This chapter will address the different facets of employee commitment and how it affects work-life balance in order to provide recommendations for corrective action.

#### 4.1.1 Demographic study of respondents

Table 3

*Demographics Characteristics of Respondents*

Respondent Character	No. of Responses	Percentage
Gender		
Male	136	34
Female	264	66
Total	400	100
Age		
Under 25	8	2
26-35	336	84
36-45	40	10
46-55	12	3
Over 55	4	1
Total	400	100
Present Position		
Manager	12	3
Officer	64	16
Worker	280	70
Other	44	11
Total	400	100
Earning Per Month		
Up to Rs.25000	4	1
Rs.25001- Rs.50000	80	20
Rs.50001- Rs.75000	188	47
Above Rs.75000	128	32
Total	400	100

*Source:* Survey, 2024

34.00 percent of the 400 responders were men, and the remaining 66.00 percent were women. There were 264 female responses and 136 male respondents overall. Eighty-four percent of the respondents were between the ages of 26 and 35, followed by those between the ages of 36 and 45 (10%), 46 and 55 (3%) and under the age of 25 (2%) and over the age of 55 (1%).

Regarding employment status, the majority of respondents, or 70.00 percent, were in the worker position, followed by officers (16 percent), persons in various job positions other than the one mentioned (10.00 percent), and managers (3.00 percent). The bulk of respondents earn between Rs. 50001 and Rs. 75000 per month (47.00 percent), followed by Rs. 25,000 and below (1.00 percent), Rs. 25001 and Rs. 50000 per month (20 percent), and over 75000 per month (32.0 percent).

#### 4.1.2 Descriptive statistics

Brief informational coefficients known as descriptive statistics are used to provide an overview of a specific data collection, which may be a sample or a representative of the full population. Measurements of central tendency and measurements of variability (spread) are the two categories into which descriptive statistics fall. Descriptive statistics of the independent variables—intelligence, intellectual stimulation, charisma, contingent expectations, and management by expectations—and the dependent variables organizational commitment.

Table 4

#### *Descriptive Statistics of Charisma*

Particular	Min	Max	Mean	SD
I go beyond self- interest for the good of the group.	1.00	5.00	3.153	1.363
I consider the moral and ethical consequences of decisions.	1.00	5.00	3.347	1.323
I make others feel good to be around me.	1.00	5.00	3.281	1.336
Others have complete faith in me.	1.00	5.00	3.152	1.279
Others are proud to be associated with me.	1.00	5.00	3.355	1.326
I treat each subordinate as an individual with different needs abilities and aspiration	1.00	5.00	3.003	1.003
I value the importance of mutual trust among members.	1.00	5.00	3.144	1.032

*Source:* SPSS Output

Table 4 displays descriptive statistics for the charisma sub-factor as a whole and for individual items. The variables are measured using seven statements. The overall mean

score for charisma is 3.045 with a standard deviation of 1.128, according to descriptive data. This demonstrates how charisma is seen favorably in relation to leadership. The second question had the highest mean value, suggesting that incentive programs have a beneficial effect on leadership through lowering absenteeism, attrition, and lost time.

Table 5

*Descriptive Statistics of Inspirational Motivation*

Items	Min	Max	Mean	SD
I talk optimistically about the future.	1.00	5.00	3.22	1.327
I talk enthusiastically about what needs to be accomplished.	1.00	5.00	3.60	1.341
I provide appealing images about what we can do.	1.00	5.00	3.47	1.416
I help others find meaning in their work.	1.00	5.00	3.17	1.223
I express confidence that goals will be achieved.	1.00	5.00	3.17	1.541
I express how achieving goal can benefit to the group	1.00	5.00	3.11	1.447

Source: SPSS Output

Table 5 displays descriptive statistics for the sub-factor of inspirational motivation as a whole and for individual components. The variables are measured using six statements. The overall mean score for motivation is 3.192, with a standard deviation of 1.149, according to descriptive data. This demonstrates how inspiring motivation is viewed favorably in relation to leadership. The second question had the greatest mean score, suggesting that performance may benefit from inspiring objectives and pursuits.

Table 6

*Descriptive Statistics of Intellectual Stimulation*

Items	Min	Max	Mean	SD
I let others know how I think they are doing.	1.00	5.00	2.945	1.127
I help others to develop their strengths.	1.00	5.00	3.382	.967
I seek differing perspectives when solving problems.	1.00	5.00	3.632	1.168
I consider an individual's needs, abilities, and aspirations of others.	1.00	5.00	3.202	1.308
I suggest new ways of looking at how to complete assignments.	1.00	5.00	2.800	1.178
I let feel that I can help and assist on the assignments of each individual;	1.00	5.00	3.192	1.149

Source: SPSS Output

Table 6 presents descriptive statistics for each item and the compensation sub-factor as a whole. The variables are measured using five statements. Descriptive data for

compensation suggest an overall mean score of 3.276 and standard deviation of 1.125. This demonstrates the favorable opinion of compensation in relation to performance. The third question received the greatest mean value, suggesting that all job categories benefit from reward laws, which have a beneficial effect on performance.

Table 7

*Descriptive Statistics of Contingent Expectations*

Particular	Min	Max	Mean	SD
I tell others what to do if they want to be expectations for their work.	1.00	5.00	2.977	1.159
I provide intellectual/expectations when others reach their goals.	1.00	5.00	3.470	.9361
I call attention to what others can get for what they accomplish.	1.00	5.00	3.625	1.195
I express commitment when others meet expectations.	1.00	5.00	3.360	1.235
I provide others with assistance in exchange of their efforts.	1.00	5.00	2.920	1.139
I check on the quality of the work performed	1.00	5.00	3.271	1.133
I call attention to report on the progress of the work	1.00	5.00	3.554	1.078
Overall mean and S.D				

Source: SPSS Output

Table 7 displays the descriptive statistics of the contingent expectancies sub-factor for each item and the sub-factor as a whole. The variables are measured using seven statements. The overall mean score for contingent expectancies is 3.271, with a standard deviation of 1.133, according to descriptive statistics. This demonstrates the powerful and favorable outcome of leadership. The third question received the greatest mean value, suggesting that there was a positive relationship between bank link leadership and contingent expectations.

Table 8

*Descriptive Statistics of Management by Expectation*

Particular	Min	Max	Mean	SD
I keep track of all mistakes.	1.00	5.00	2.880	1.113
I concentrate his/her full attention on dealing with mistakes, complaints, and failures.	1.00	5.00	3.202	1.012
As long as things are working, I do not try to change anything.	1.00	5.00	3.285	1.238
I tell others the standards they have to know to carry out their work.	1.00	5.00	3.097	1.207
I direct his/her attention toward failures to meet standards.	1.00	5.00	3.045	1.128

Source: SPSS Output

Table 8 displays the descriptive statistics of the management by expectation sub-factor for both individual items and the entire set. The variables are measured using five statements. Expectation descriptive statistics show a mean score of 3.276 overall and a standard deviation of 1.125. This demonstrates the favorable view of expectations regarding leadership. With the greatest mean value across all job categories, the third question is the most appropriate in terms of expectations and has a favorable impact on leadership.

Table 9

*Descriptive Statistics of Organizational Commitment*

Particular	Min	Max	Mean	SD
Understand duties and responsibilities of the work and complete the task with the level of proficiency required.	1.00	5.00	3.010	1.135
Your plans and organizes work well, coordinates with others and established appropriates priorities.	1.00	5.00	3.470	.9226
You able to identify issues and relationships when comparing data from various sources.	1.00	5.00	3.647	1.149
You meet all the requirement of the job.	1.00	5.00	3.372	1.209
I actively pursue or initiate projects for the benefit of the organization.	1.00	5.00	2.940	1.140
I combine the available resources very well to provide quality services.	1.00	5.00	3.288	1.112

*Source:* SPSS Output

Table 9 displays the descriptive statistics of the organizational commitment sub-factor for each individual item and the sub-factor as a whole. The variables are measured using six statements. The overall mean score for inspiration is 3.288, with a standard deviation of 1.112, according to descriptive statistics. This demonstrates the favorable opinion of leadership commitment. With a mean score of 3.647, the third question had the greatest mean value, suggesting that commitment needs to be dispersed unevenly and having a beneficial impact on leadership.

#### **4.1.3 Correlation Analysis**

In order to meet the research goal, this part will look at the connections between charisma, intellectual stimulation, contingent expectations, organizational commitment, and management by expectations. There has been use of correlation.

Table 10

*Relationship between Dependent and Independent Variables*

Variables	Charisma	Inspirational	Intellectual	Fair	Expectations	Commitment
Charisma	1					
Inspirational	.402**	1				
Intellectual	.250**	.446**	1			
Contingent	.272**	.345**	.505**	1		
Expectations	.421**	.497**	.453**	.560**	1	
Commitment	.375**	.658**	.373**	.371**	.535**	1

\*\* . Correlation is significant at 0.01 level (2-tailed).

\* . Correlation is significant at 0.05 level (2-Tailed).

Source: SPSS Output

There is a strong correlation between the employee charisma and the successful variables. These variables have demonstrated a strong relationship with commitment and expectations. It was discovered that expectancies and Intellectual ( $r = 0.453$ ) had a strongly positive correlation with each other ( $r = 0.446$ ,  $0.000 < 0.05$ ).

#### 4.1.4 Regression Analysis

Regression analysis indicates movement direction but not relative movement in the variables under investigation. Analysis of regression for the given variable.-have been computed and analyzed. In this study, charisma, inspirational motivation, intellectual stimulation, contingent expectations, and management by expectations are regarded as independent variables, whereas organizational commitment is the dependent variable. Multiple coefficient of determination, standard error of estimate, and least squares approaches are typically computed for this purpose in multiple regression analysis.

Table 11

*Model Summary of Commitment*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.765a	.585	.581	.42371

a. Predictors: (Constant), CH, IM, IS, CR, ME

The model summary's coefficient of determination (R<sup>2</sup>) value of 0.585 indicates that 58.50% of the variation in dependent variables—organizational commitment—is explained by independent variables, such as charisma, management by expectations, inspiring

motivation, and intellectual stimulation. It displays the aggregate effect of all independent factors on the dependent variables, or the total variance.

Table 12

*ANOVA Table*

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	99.843	4	24.961	139.035	.000b
	Residual	70.914	395	.180		
	Total	170.758	399			

a. Dependent Variable: Commitment

b. Predictors: (Constant), CH, IM, IS, CR, ME

Table 12 shows that the tested model ( $F = 139.035$ ;  $p\text{-value} < 0.05$ ) is appropriate for additional analysis. Furthermore,  $R^2 = 58.50\%$  explains how changes in the independent variables (charismatic leadership, expectations-based management, intellectual stimulation, and inspiring motivation) affect organizational commitment.

Table 13

*Regression Coefficients*

	Model	Unstandardized		Standardized		Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta	t	
1	(Constant)	.082	.109		.754	.451
	Inspirational Motivation	.095	.044	.080	2.154	.032
	Management by Expectations	.375	.048	.342	7.811	.000
	Charisma	.110	.039	.122	2.791	.006
	Intellectual Stimulation	.376	.042	.393	9.028	.000
	Contingent Expectations	.437	0.018	.311	7.324	.000

a. Dependent Variable: Organizational Commitment

\*. The variable is statistically significantly at 0.05 level

Source: SPSS Output

According to Table 13, the tested model is appropriate for additional analysis ( $F = 139.035$ ;  $p\text{-value} < 0.05$ ). Furthermore, the R-square shows that 58.50 percent of the variation in the

independent variables (Inspirational, Expectations and Charisma, Intellectual and Contingent) accounts for the variation in Commitment.

In the same way, Table 13 shows that inspirational factors significantly and favorably affect commitment ( $\beta = 0.032$ ,  $P < 0.05$ ). That indicates that commitment increases by 0.095 units for every unit increase in inspirational. Similarly, commitment is positively and significantly impacted by expectations, charisma, intellect, and contingency. This means that for every unit rise in expectation, charisma, intellectual, and contingent, commitment increases by 0.375, 0.110, 0.376, and 0.437, respectively.

### 4.3 Discussion

Given that the primary goal of the research is to examine the components of servant leadership and how they affect organizational commitment. All of the assertions that were divided into categories such as "Inspirational, Expectations, Intellectual, Contingent, and Charisma" were accepted by the respondents. Put another way, people think that fairness in the assessment of their abilities and performance, along with linked expectations or explicit and implicit commitments, motivates individuals to increase their productivity at work. There is good commitment here.

In a similar vein, the second goal illustrates the connection between organizational commitment and the commitment factors (Inspirational, Expectations, Charisma, and Intellectual). There is a strong correlation between organizational commitment and effective biases. These variables have demonstrated a strong relationship with charisma and expectations. It was discovered that there was a large positive correlation between organizational dedication and charisma, and that relationship between expectations and intellect followed. The multiple correlation coefficient demonstrates that the five factors viz. account for a fraction of the variation in organizational commitment. intellectual, charismatic, inspirational, contingent, and charismatic. According to the regression model's ANOVA, the link between organizational commitment and the explanatory factors is statistically insignificant. This finding is in conflict with that of Weeraratne (2018) and is comparable to that of Fakai (2022) and Kellie (2018).

The final aim reveals the impact of the inspirational, expectant, charismatic, and intellectual elements of servant leadership on organizational commitment. The regression analysis of

the dependent and independent factors is displayed, and the R-square indicates that the variation in the independent variables (Inspirational, Expectations, Charisma, and Intellectual) accounts for 58.50 percent of the explanation of organizational commitment. Inspirational leadership significantly and favorably affects organizational commitment. That indicates that commitment increases if inspirational increases by one unit. Similarly, commitment is positively and significantly impacted by expectancies, charisma, intelligence, and contingency. This means that if any of these factors rise by one unit, commitment will likewise increase. This study agrees with Chhapra et al. (2018) findings, but it disagrees with Dangol and Manandhar (2020); Adil, Singh, and Ansari (2022) findings.

## **Chapter V**

### **Summary and Conclusion**

#### **5.1 Summary**

Evaluating an employee's conduct and a leader's interaction with followers regarding specific tasks or assignments within an organization is known as organizational performance. The goal of performance evaluation is to determine how well or poorly a person carried out or completed a certain activity or job. Among the several elements that impact or influence an organizational commitment are stimulation and motivation.

The study's goal is to examine the relationship between inspirational, contingent, expectancies, and intellectual compensation and employee pay. For the examination, a casual and descriptive research approach was chosen. Every commercial bank was included in the study. The study only has 400 respondents and uses primary data. Convenience sampling was used to select the study's sample. Workers supplied quantitative information to be gathered. Respondents' completed questionnaires were the primary source of data for this research. An orderly survey was disseminated by email, Facebook Messenger, and Viber using Google Docs.

Similarly, expectancies, inspirational, intellectual, contingent, charismatic, and determination were the independent variables in the study, with commitment being regarded as the dependent variable. Regression analysis and correlation are two examples of the descriptive statistics used in the study. To ascertain the link and effect of independent factors on dependent variables, correlation and regression analyses are carried out using SPSS version 23.

The study found that charisma, inspirational motivation, intellectual stimulation, contingent expectations, and management by expectations shows high degree of positive relationship with organizational commitment while charisma, inspirational motivation, intellectual stimulation, contingent expectations, and management by expectations are statistically significant and positively impact on organizational commitment.

## **5.2 Conclusion**

In conclusion, the goal of this study was to ascertain whether the commitment, expectations, and the inspirational, intellectual, contingent, and charismatic support they receive are related. Using the Minnesota Charisma Questionnaire to compare the rate of organizational commitment to servant leadership, this study discovered a statistically significant positive association between the two variables.

The study's findings demonstrate the basic differences between knowledge about a leader and an organization. The study's findings indicate that while charisma does not negatively affect commitment, external factors like expectations might. Rather, this study demonstrates that intellectual capacity and commitment are positively correlated. There is a significant relationship between servant leadership and organizational commitment. These prejudices have shown a close connection to expectancies and charisma. The results showed that commitment and charisma had a strong positive link, with expectations and intellectual ability being a close second. The multiple correlation coefficient indicates that the following five characteristics contribute to the variation in organizational commitment: charisma, expectations, intellectual capacity, contingent thinking, and inspirational thinking.

## **5.3 Implications**

This study has been able to document the considerable influence of numerous elements on organizational commitment of commercial banks, as it attempts to investigate the servant leadership variables along with their impact on commitment of commercial banks in Nepal. Thus, the following conclusions have been drawn in light of the findings:

Banks should identify and capitalize on the genuine skills of its employees. They should believe that the amount of labor expected of them is reasonable. Allowing bank employees to choose how and when to complete their responsibilities would be a huge source of satisfaction.

Subsequent research endeavors may examine supplementary variables such as the leaders' age, tenure, designation, and/or the incorporation of a qualitative element. The only subject of this study is money incentives. These two types of expectations and commitment can be compared in further research to ascertain which is more important.

Only data from commercial banks was used in this investigation. The study does not take development banks, finance businesses, or insurance organizations into account. Therefore, development banks, finance businesses, and insurance organizations can also be included in future studies. Future research on the effects of servant leadership components on organizational commitment in Nepalese commercial banks can choose a larger sample size and a greater number of observation years, resulting in significantly more reliable predictions.

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## Appendix (Questionnaire)

Dear respondent,

I am conducting this questionnaire survey for an academic research as required by the MBS program. The title of my research is “Servant Leadership and Organizational Commitment in Nepal” I would like to state that this research is purely for an academic purpose and I am simply interested in your candid and honest opinion. I assure you that strict confidentiality will be maintained and the information furnished by you will be used only for the academic purpose.

Thanking for your Cooperation

Shristy Koirala

MBS student

Shanker Dev Campus, Kathmandu

### Part I

Bank			
Department			
Gender	a) Male	b)Female	
Age	a)Under 25	b)25-35	c)36-45
	d)46-55	e)Above 55	
Qualification(Highest Degree)	a)+2	b) Bachelors	c) Masters
Present Position: (Please tick)	a)Manager	b)Officer	
	c)Sr. Assistant	d) Jr. Assistant	
	e)Other if any (please specify)		
Years of Experience	a) Less than 5	b) 5-15	c) More than 15
Year of joining the present organization(AD)			
Earning per month	a)up to 25000	b)25001-50000	
	c)50001-75000	d)above 75000	

## Part II

Below are several statements about you with which you may agree or disagree. Using the response scale below, indicate your agreement or disagreement with each item by choosing the appropriate number. Please give your responses as followings:

SA = Strongly Agree (5)

A = Agree (4)

N = Neutral (3)

D = Disagree (2)

SD = Strongly Disagree (1)

### Charisma

S.N	Statement	1	2	3	4	5
1	I go beyond self- interest for the good of the group.					
2	I consider the moral and ethical consequences of decisions.					
3	I make others feel good to be around me.					
4	Others have complete faith in me.					
5	Others are proud to be associated with me.					
6	I treat each subordinate as an individual with different needs abilities and aspiration					
7	I value the importance of mutual trust among members.					

### Inspirational Motivation

S.N	Statement	1	2	3	4	5
1	I talk optimistically about the future.					
2	I talk enthusiastically about what needs to be accomplished.					
3	I provide appealing images about what we can do.					
4	I help others find meaning in their work.					
5	I express confidence that goals will be achieved.					
6	I express how achieving goal can benefit to the group					

### **Intellectual stimulation**

S. N	Statement	1	2	3	4	5
1	I let others know how I think they are doing.					
2	I help others to develop their strengths.					
3	I seek differing perspectives when solving problems.					
4	I consider an individual's needs, abilities, and aspirations of others.					
5	I suggest new ways of looking at how to complete assignments.					
6	I let feel that I can help and assist on the assignments of each individual;					

### **Contingent Reward**

S.N	Statement	1	2	3	4	5
1	I tell others what to do if they want to be rewarded for their work.					
2	I provide recognition/rewards when others reach their goals.					
3	I call attention to what others can get for what they accomplish.					
4	I express satisfaction when others meet expectations.					
5	I provide others with assistance in exchange of their efforts.					
6	I check on the quality of the work performed					
7	I call attention to report on the progress of the work					

### **Management by Expectation**

S. N	Statement	1	2	3	4	5
1	I keep track of all mistakes.					
2	I concentrate his/her full attention on dealing with mistakes, complaints, and failures.					
3	As long as things are working, I do not try to change anything.					
4	I tell others the standards they have to know to carry out their work.					
5	I direct his/her attention toward failures to meet standards.					

## Organizational Commitment

S.N	Statement	1	2	3	4	5
1	Understand duties and responsibilities of the work and complete the task with the level of proficiency required.					
2	Your plans and organizes work well, coordinates with others and established appropriate priorities.					
3	You are able to identify issues and relationships when comparing data from various sources.					
4	You meet all the requirements of the job.					
5	I actively pursue or initiate projects for the benefit of the organization.					
6	I combine the available resources very well to provide quality services.					

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## paper text:

ABSTRACT Effective motivation serves as a crucial tool for evaluating both employee performance and organizational status. It acts as an internal drive propelling employees towards achieving personal and organizational objectives. This study aims to explore the influence of employee motivation on performance, adopting a positivist epistemology. Employing a descriptive and causal research design, the study utilizes statistical methods including ANOVA, T-tests, correlation, and regression. Questionnaires were administered to employees in commercial banks within Kathmandu valley to gauge the impact of motivation on performance. Results indicate a significant correlation between charisma, inspirational motivation, intellectual stimulation, contingent expectations, and management by expectations shows high degree of positive relationship with