

**EFFECT OF LEADERSHIP STYLES ON ORGANIZATIONAL
PERFORMANCE OF NEPALESE COMMERCIAL BANKS.**

A Dissertation submitted to the Office of Dean, Faculty of Management,
Tribhuvan University, Nepal

In partial fulfillment of the requirement for the Degree of Master of Business Studies

By

RABINA MAHARJAN

Symbol No: 3494/17

TU Registration No: 7-3-271-307-2016

Roll No: 22/073

Peoples Campus

Paknajol, Kathmandu

April 2023

Certification of authorship

I hereby confirm that I have researched and submitted the final draft of dissertation entitled 'Effect of leadership styles on organizational performance of Nepalese commercial banks'. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor has it 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.

.....

Rabina Maharjan

Date: April, 2023

Report of research committee

Ms. Rabina Maharjan has defended research proposal entitled Effect of leadership styles on organizational performance of Nepalese commercial banks. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor and submit the dissertation for evaluation and viva voce examination.

Name of Supervisor: Dr. Ravi Shrestha

Signature:

Dissertation Proposal Defended Date:
--

Name of Supervisor: Dr. Ravi Shrestha

Signature:

Dissertation Submitted Date:
--

Name of head of Research Committee:

Dr. Gopal K. Shrestha

Signature:

Dissertation Submitted Date:
--

Approval Sheet

We have examined the dissertation entitled Effect of leadership styles on organizational performance of Nepalese commercial banks presented by Ms. Rabina Maharjan for the degree of Master of Business Studies. We hereby certify that the dissertation is acceptable for the award of degree.

Dissertation Supervisor

Signature

Internal Examiner

Signature

External Examiner

Signature

Chairperson, Research Committee

Signature

Date:

Acknowledgements

This study entitled “Effect of leadership styles on organizational performance of Nepalese commercial banks” has been conducted to satisfy the partial requirements for the degree of Masters of Business Studies (General Management) of Tribhuvan University. Every project big or small is successful largely due to the effort of a number of wonderful people who have always given their valuable advice or lent a helping hand. I sincerely appreciate the inspiration; support and guidance of all those people who have been instrumental in making this study a success.

First and foremost, I offer my sincerest gratitude to Dr. Ravi Shrestha for his valuable supervision and guidance in completing this study. I am ineffably indebted and very thankful for his continuous support, consistent follow-up and constructive suggestion that have enabled this research project to achieve its present form.

In addition, I would like to express my deep appreciation to the Lead Investigator, Dr. Gopal Shrestha, and the MBS Co-Coordinator, Mr. Pramod Raj Sharma, for their unwavering belief, guidance, and assistance during critical moments. I would also like to thank Mr. Bikash Shrestha, who provided valuable support in multiple statistical calculations. It is evident that his and constructive feedback played a vital role in shaping this dissertation into its current form.

This research would not have been accomplished with ease without the respondents’ cooperation and support hence I would like to thank all respondents who participated in this research study for cooperation. I would also like to express my deepest appreciation to all my friends and family for their unwavering support and faith in me.

Last but not the least, I would like to thank Peoples Campus Management for providing the resources material, working environment, library facilities until the completion of the project.

Rabina Maharjan

Kathmandu, Nepal

TABLE OF CONTENTS

CERTIFICATATION OF AUTHORSHIP.....	ii
REPORT OF RESEARCH COMMITTEE.....	iii
APPROVAL SHEET.....	iv
ACKNOWLEDGEMENTS.....	v
TABLE OF CONTENTS	vi
LIST OF TABLES	ix
LIST OF FIGURES	xi
ABBREVIATION	xii
ABSTRACT	xiii
CHAPTER: I INTRODUCTION.....	16
1.1 Background of the Study.....	16
1.2 Problem Statement	22
1.3 Research question.....	27
1.3 Objectives of the study	28
1.4 Significance of study	28
1.4 Hypotheses	30
1.5 Rationale of the study	37
1.7 Limitation of the study	38
CHAPER: II LITERATURE REVIEW.....	40
2.1 Review of major literature.....	40
2.2 Review of recent literature.....	46
2.3 Review of Nepalese literature.....	57
2.4 Conceptual framework	60
2.5 Summary of the reviewed literature	63
CHAPTER: III RESEARCH METHODOLOGY.....	65
3.1 Research design	65
3.2 Population and sample	66
3.3 Study variables.....	67
3.4 Instrumentation and tools	68

3.4.1 Instrument	68
3.4.2 Tools	69
3.5 Data collection procedure	69
3.6 Data analysis plan and procedure	69
CHAPTER: IV RESULTS AND DISCUSSION	72
4.1 Presentation and analysis of data	72
4.1.1 Respondents' profile	73
4.1.2 Employees' perception on charisma, inspirational motivation, intellectual stimulation, constructive reward and management by exception	79
4.2 Correlation analysis	111
4.3 Regression analysis	113
4.4 Concluding remarks	118
CHAPTER: V SUMMARY AND CONCLUSION.....	120
5.1 Summary	120
5.2 Conclusion	128
5.3 Recommendation	128
5.4 Scope for future research.....	129
REFERENCES	131
APPENDIX I.....	163
APPENDIX II.....	169

LIST OF TABLES

Table 1 Review on major literature

Table 2 Review on recent literature

Table 3 Review on Nepalese literature

Table 4: List of commercial banks along with total number of respondents

Table 5: Demographic characteristics of the respondents

Table 6: Employee perception on charisma

Table 7: Demographic characteristics of respondents

Table 8: Employee perception on charisma

Table 7: Employee perception on inspirational motivation

Table 8: Employee perception on charisma

Table 10: Employee perception on charisma

Table 11: Employee perception on charisma

Table 12: Employee perception on charisma

Table 13: Employee perception on inspirational motivation

Table 14: Employee perception on inspirational motivation

Table 15: Employee perception on inspirational motivation

Table 16: Employee perception on inspirational motivation

Table 17: Employee perception on inspirational motivation

Table 18: Employee perception on inspirational motivation

Table 19: Employee perception on intellectual stimulation

Table 20: Employee perception on intellectual stimulation

Table 21: Employee perception on intellectual stimulation

Table 22: Employee perception on intellectual stimulation

Table 23: Employee perception on intellectual stimulation

Table 24: Employee perception on intellectual stimulation

Table 25: Employee perception on constructive reward

Table 26: Employee perception on constructive reward

Table 27: Employee perception on constructive reward

Table 28: Employee perception on constructive reward

Table 29: Employee perception on constructive reward

Table 30: Employee perception on constructive reward

Table 31: Employee perception on constructive reward

Table 32: Employee perception on management by exception

Table 33: Employee perception on management by exception

Table 34: Employee perception on management by exception

Table 30: Employee perception on management by exception

Table 35: Employee perception on management by exception

Table 36: Employee perception on employee performance

Table 37: Employee perception on employee performance

Table 38: Employee perception on employee performance

Table 39: Employee perception on employee performance

Table 40: Employee perception on employee performance

Table 41: Employee perception on employee performance

Table 42: Kendall's Tau correlation coefficients matrix for the dependent and independent variables for selected Nepalese commercial banks

Table 43: Estimated regression results of charisma, inspirational motivation, intellectual stimulation, constructive reward and management by exception on employee performance

Table 44: Estimated regression results of charisma, inspirational motivation, intellectual stimulation, constructive reward and management by exception on return on equity

LIST OF FIGURES

Figure 1: Conceptual framework showing impact of leadership style on organizational performance of Nepalese commercial banks

Figure 2: Classification of respondents by gender

Figure 3: Classification of respondents by age

Figure 4: Classification of respondents by academic qualification

Figure 5: Classification of respondents by designation

Figure 6 : Classification of respondents by work experience

Executive summary

Leading is a process of influencing and directing activities of an organization group to accomplish goals by communicating with them. Leadership is an act that involves influencing others to act toward the attainment of a goal (Conger and Kanungo, 1987). According to Bass and Stogdill (1990), leadership is generally defined simply as the process of influencing people to direct their efforts towards achievement of some particular goal. Leadership is multidimensional in skill and orientation. Successful leaders need to understand people and organizations, tasks and processes, self and others. They must attend to current realities while envisioning future possibilities, and need confidence and strategies for working competently across a wide range of diverse issues. Likewise, intangible assets such as leadership styles, culture, skill and competence, and motivation are seen increasingly as key sources of strength in those firms that can combine people and processes and organizational performance (Alfes *et al.*, 2013). Consequently, organization spend substantial sum of money in search of effective leadership in training of their personnel in effective leadership behavior. There is also relative scarcity of effective leadership and that is why organizations search constantly for it. This action leads them to effect, design and develop all the effective leadership potentials possible in those who are associated with corporate management (Igbaekemen, 2014).

The main aim of this research is to investigate how the leadership style affects the overall performance of commercial banks in Nepal. The specific goals of the study are to examine the influence of various factors such as charisma, inspirational motivation, intellectual stimulation, constructive reward, and management by exception on the organizational performance of Nepalese commercial banks

The study focuses on the employees of commercial banks in Nepal as the respondents. The researchers analyzed the opinions of 100 employees to understand their perception of the impact of leadership style on the organizational performance of Nepalese commercial banks. Non-parametric tests such as Kendall's tau-b and step-wise regression were used to examine the relationship between leadership style and its effect on the performance of commercial banks in Nepal. A descriptive research design was utilized to gather factual information about various variables. The study focuses on the

primary data analysis where questionnaire was distributed to employees of 21 commercial banks. Based on the population, 100 samples are undertaken for the studies.

The descriptive results shows that weighted average mean scale for charisma is 2.03. It indicates that employee perception on charisma is good in Nepalese commercial banks. Similarly, weighted average mean scale for inspirational motivation is 2.05. It indicates employee perception on inspirational motivation is good in Nepalese commercial banks. Likewise, weighted average mean scale for intellectual stimulation is 2.14. It indicates that employee perception on intellectual stimulation is good in Nepalese commercial banks. Similarly, weighted average mean scale for constructive reward is 2.28. It indicates that employee perception on constructive reward is good in Nepalese commercial banks. Similarly, weighted average mean scale for management by exception is 2.37. It indicates that employee perception on management by exception is good in Nepalese commercial banks. Likewise, weighted average mean scale for the employee performance is 2.33 which indicate that the level of employee performance is good in Nepalese commercial banks.

The findings of the study suggest that a higher level of charismatic leadership style is associated with better employee performance in Nepalese commercial banks. Additionally, there is a positive correlation between inspirational motivation and intellectual stimulation, indicating that an increase in these factors leads to improved employee performance. Similarly, constructive rewards are positively related to employee performance, meaning that higher levels of constructive rewards lead to better performance from employees. The results also reveal that management by exception is positively related to employee performance, indicating that active management by exception leads to improved employee performance. Moreover, the study found that a higher level of charismatic leadership style is associated with an increase in return on equity, which suggests that better charismatic leadership leads to better financial performance. Additionally, inspirational motivation is positively correlated with return on equity, indicating that higher levels of inspirational motivation lead to better financial performance for Nepalese commercial banks. The study also found a positive relationship between intellectual stimulation and return on equity, implying that an increase in intellectual stimulation leads to better financial performance for the banks.

The study also found that constructive rewards are positively correlated with return on equity, indicating that higher levels of constructive rewards lead to better return on equity. Additionally, the results show a positive relationship between management by exception and return on equity, revealing that an increase in active management by exception leads to an increase in return on equity for Nepalese commercial banks.

The results of the regression analysis show that the beta coefficients for charisma are positive for both employee performance and return on equity, indicating a positive impact of charisma on these two variables. Additionally, the beta coefficients for inspirational motivation are positive and significant for both employee performance and return on equity, suggesting a positive impact of inspirational motivation on these two variables. The beta coefficients for intellectual stimulation are also positive and significant for both employee performance and return on equity, indicating a positive impact of intellectual stimulation on these variables.

Furthermore, the beta coefficients for constructive reward are positive and significant for both employee performance and return on equity, demonstrating a positive impact of constructive reward on these variables. Similarly, the beta coefficients for management by exception are positive and significant for both employee performance and return on equity, indicating a positive impact of management by exception on these variables.

List of abbreviations

ANOVA	Analysis Of Variance
CEO	Chief Executive Officer
CH	Charisma
CR	Constructive Reward
EP	Employee Performance
GRP	Graduate Research Project
HR	Human Resources
HRD	Human Resource Development
HRM	Human Resource Management
IM	Inspirational Motivation
IS	Intellectual Stimulation
IT	Information Technology
MBE	Management by Exception
MLQ	Multifactor Leadership Questionnaire
OCB	Organizational Citizenship Behavior
RAPM	Reliance on Accounting Performance Measures
ROE	Return on Equity
SME	Small and Medium enterprises
SPSS	Statistical Package for the Social Sciences
UAE	United Arab Emirates

Chapter I

Introduction

1.1 General background

Leading is a process of influencing and directing activities of an organization group to accomplish goals by communicating with them. Leadership also involves assuming a considerable amount of responsibility and risk (Mills, 2005). Similarly, leadership is an act that involves influencing others to act toward the attainment of a goal (Conger and Kanungo, 1987). According to Etemesi (2012), good leadership entails listening, getting time to understand and being prepared for the unexpected because that is what is expected.

Traditionally, leadership has been defined in recent years as individual skills that are applied directly to the organizations (Nivala and Hujala, 2002). Cole (2002) has defined leadership as a dynamic process by which, during a specific period of time, and in a specific organizational field, one individual affects the group in order to achieve the overall objective. According to Riggio *et al.* (2007), leadership is a learning process that is not only centered in what needs to be said but also in learning how to say it in ways that others can understand and follow. This relationship of mutual abilities is the leader-follower relation.

Leadership is an ongoing process of building and sustaining a relationship between those who aspire to lead and those willing to follow (Kouzes and Posner, 1987). Likewise, intangible assets such as leadership styles, culture, skill and competence, and motivation are seen increasingly as key sources of strength in those firms that can combine people and processes and organizational performance (Alfes *et al.*, 2013).

According to Bass and Stogdill (1990), leadership is generally defined simply as the process of influencing people to direct their efforts towards achievement of some particular goal or goals. Leadership is vital to employee performance and corporate excellence. Consequently, organization spend substantial sum of money in search of effective leadership in training of their personnel in effective leadership behavior. There

is also relative scarcity of effective leadership and that is why organizations search constantly for it. This action leads them to effect, design and develop all the effective leadership potentials possible in those who are associated with corporate management (Igbaekemen, 2014).

Leadership is multidimensional in skill and orientation. Successful leaders need to understand people and organizations, tasks and processes, self and others. They must attend to current realities while envisioning future possibilities, and need confidence and strategies for working competently across a wide range of diverse issues. For example: Firstly, from fostering the organizational clarity that comes from sound structures and policies to unleashing energy. Secondly, creativity through bold visions, from creating learning organizations where workers mature and develop as everyday leaders to managing the conflict inevitable in a world of enduring differences (Gallos, 2008).

Schermerhorn *et al.* (2000) maintained that leadership is the heart of any organization, because it determines the success or failure of the organization. Mills (2005) observed that without leadership, organizations move too slowly, stagnate, and lose their way. Without leadership a people quickly degenerate into argument and conflict, because they see things in different ways and lean toward different solutions. Leaders help reduce un-clarity and uncertainty in organizations, and therefore leadership helps to point staff in the same direction and harness their efforts jointly to achieve organizational goals.

Armstrong (2004) stated leadership as influence, power and the legitimate authority acquired by a leader to be able to effectively transform the organization through the direction of human resources, the most important organizational asset, leading to the achievement of desired purpose. This can be done through the articulation of the vision and mission of the organization at every moment, and influence the staff to define their power to share this vision. Effective leadership is seen as a potent source of management development and sustained competitive advantage for improvement of organizational performance (Avolio, 1999 and Lado *et al.*, 1992).

Zhou *et al.* (2012) used the self-concept based theory of leadership and social exchange theory to hypothesize processes linking transformational leadership to

follower performance outcomes. Specifically, the study hypothesized that (a) transformational leadership relates to followers' work engagement both directly and indirectly through their psychological states, (b) work engagement relates to innovative behavior, (c) innovative behavior relates to task performance, and (d) the work engagement–innovative behavior relationship is moderated by leader–member exchange.

Leadership is a process whereby an individual influences a group of individuals to achieve a common goal (Northouse, 2004). Leadership style is the way in which that process is carried out. Among the various theories of leadership and motivation relating to effective organizational change management, perhaps the most prominent is the transformational-transactional theory of leadership (Saowalux and Peng, 2007). Burns (1978) conceptualized two factors to differentiate “ordinary” from “extraordinary” leadership: transactional and transformational leadership. Transactional leadership is based on conventional exchange relationship in which followers “compliance” (effort, productivity, and loyalty) is exchanged for expected rewards. In contrast, transformational (extraordinary) leaders raise followers’ “consciousness” levels about the importance and value of designated outcomes and ways of achieving them. Leaders also motivate followers to transcend their own immediate self-interest for the sake of the mission and vision of the organization.

Judge *et al.* (2002) explored the strategic role of leadership to investigate how to employ leadership paradigms and use leadership behavior to improve organizational performance. This is because intangible assets such as leadership styles, culture, skill and competence, and motivation are seen increasingly as key sources of strength in those firms that can combine people and processes and organizational performance (Purcell *et al.*, 2004).

McGrath and MacMillan (2000) suggested that effective leadership skills and behaviors can facilitate the improvement of performance when organizations face these new challenges. Jong and Hartog (2007) have defined leadership as the process of influencing people in order to achieve desirable results. Berry (1984) has also defined relationship marketing as increasing the bank’s income by establishing a positive relationship between customers and employees. Thus, with the use of this approach, the

focus on employees and customers' satisfaction is highly important for the success of the bank. The banking field has been a vital pillar in the global economy for many decades. Although the bank's goal is generally to make profits, their performance is also based on public interest.

Bass and Avolio (2000) showed that management leadership and organizational supervision directly impact employee's satisfaction levels. Such total engagement (emotional, intellectual and moral) encourages followers to develop and perform beyond expectations (Burns, 1978; Bass, 1985). Burns (1978) observed that transformational leadership involves the process of influencing major changes in organizational attitudes in order to achieve the organization's objectives and strategies. Bass (1985) observed that transactional leaders work their organizational cultures following existing rules and procedures, while transformational leaders change their cultures based on a new vision and a revision of shared assumptions, values and norms. When an organization must adapt to changes in technology, its leadership is a critical factor in its successful change. Bass (1985) operationalized the work of Burns (1978) by developing a model of transformational and transactional leadership, referred to in more recent publications as the "full range leadership model" (Bass and Avolio, 1997).

Organizational performance refers to ability of an enterprise to achieve such objectives as high profit, quality product, large market share, good financial results, and survival at pre-determined time using relevant strategy for action (Koontz and Donnell, 1993). Organizational performance can also be used to view how an enterprise is doing in terms of level of profit, market share and product quality in relation to other enterprises in the same industry. Consequently, it is a reflection of productivity of members of an enterprise measured in terms of revenue, profit, growth, development and expansion of the organization.

Clark *et al.* (2009) found that the leadership styles that engender employees' commitments induce employees' behavioral improvements that positively affect delivered service quality. A number of researchers in business and hospitality examined the effect of leadership styles on individual and organizational performance (e.g., Hinkin and Tracey, 1994; Lockwood and Jones, 1989; Tracey and Hinkin, 1996; Erkutlu, 2008; Patiar and Mia, 2008). The basis for these previous studies is the

argument that a manager's style of leadership influences on-the-job attitudes and behaviors of employees and subsequently affects organizational performance. Leaders who practice transformational leadership can not only inspire employees' motivations beyond personal interests, but also act as role models for employees (Bass 1985; Davidson, 2003).

According to Fry (2003), leadership is the process of influencing others to work willingly toward an organizational goal with confidence. Lee and Chuang (2009) explained that the excellent leader not only inspires subordinate's potential to enhance efficiency but also meets their requirements in the process of achieving organizational goals. Basically, leadership has been identified as an important subject in the field of organizational behavior. Leadership is one with the most dynamic effects during individual and organizational interaction. In other words, ability of management to execute "collaborated effort" depends on leadership capability.

Popa (2012) revealed that leadership is positively correlated to organizational performance. Leadership has been at the center of attention for the last two decades, mostly because of its tight interdependence with organizational performance. Successful leadership inspires enthusiasm and commitment, enhancing organization performance. The style of leadership affects performance since performance cannot be achieved in the absence of a leadership that can adapt to the changes and challenges of the environment. Therefore, if an organization wants to improve its performance, it is the leadership style that should be analyzed and adapted to new requirements.

Doody and Doody (2012) explained inspirational motivation as the process whereby the leaders encourage the subordinates to align employees' personal goals and objectives with those of the organization. Organizations constantly face changes that require an increasingly adaptive and flexible leadership. This type of adaptive leadership is referred to as 'transformational'; under it; environments of shared responsibilities that influence new ways of knowing are created. Transformational leadership motivates followers by appealing to higher ideas and moral values, where the leader has a deep set of internal values and ideas. This leads to followers acting to sustain the greater good, rather than their own interests, and supportive environments

where responsibility is shared. This study focused on transformational leadership and its application to nursing through the four components of transformational leadership.

Motowidlo (2003) defined employee job performance as the total expected value to the organization of the discrete behavioral episodes that an individual carries out over a standard period of time. Cetin *et al.* (2012) found that leadership style also has a significant impact on employee job satisfaction, commitment and productivity, where productivity is indicating employee job performance. Employees are organization's important assets; a capable leader leads followers towards achieving desired goals.

Hiller *et al.* (2011) explained the effects of leaders and leadership on effectiveness and performance outcomes. According to Yukl (2010), leadership is significantly about motivating people and gaining their commitment and their performance is directly affected by their behavior. Hiller *et al.* (2011) concluded after reviewing 25 years data on leadership and its outcomes that there is no doubt that subordinates view are critical to understanding leadership. According to Amos and Ristow (2004), the effective management of individual performance is critical to the execution of strategy and the organization achieving its strategic objectives. If subordinates unable to understand leaders requirement regarding task and goal achievement, it can lead to inefficiency in organizations (Hartog *et al.*, 2012). Therefore, quality of communication is of key importance for better consideration of the task and goals and better outcomes.

Cetin *et al.* (2012) investigated the different leadership styles and communicative skills of top Turkish bank employees and the effect their leadership has on the lower-level employees' work ethic and motivation. The empirical findings of this study showed that there is a strong relationship between transactional leadership style and communicative skills with job satisfaction, but there is insignificant relationship between individualized and transformational leadership styles with job satisfaction which ultimately contributes to the improved organizational performance.

Leadership style in an organization is one of the factors that play significant role in enhancing or retarding the interest and commitment of the individuals in the organization (Memon, 2014). McCloy *et al.* (1994) defined the term performance as

those behaviors or actions which are regarded relevant to those goals of the said organization in question.

In the context of Nepal, Agrawal (2011) explained that before employees do anything, they look for reward. Reward management is now very important aspect of human resource management. Reward consists of payment like wages and salary for doing work for the organization. It is the financial pay-off for the effort made in the organization. Benefits include the payment in addition to the pay. It includes payment for paid leave, gratuity, and pension services include such items which enhance the living standard and wellbeing but the cost of living of employees does not increase as the amenities are provided by firms, e.g. housing, transport, loans at subsidized rate etc. Job-related rewards are the benefits coming from job itself. This includes promotion, status, opportunity for growth, leadership opportunities. The transactional leader behavior influences employee behavior by reinforcing (rewarding) those behaviors that are desired (Luthans and Kreitner, 1985; Sims, 1977).

The preceding conversation indicated that investigating the link between personality style and organizational performance is highly significant. While some studies have been conducted in various countries, no recent research has been conducted in Nepal. Therefore, this study concentrates on exploring the connection between leadership style and organizational performance in commercial banks in Nepal.

1.2 Problem Statement

Messick and Kramer (2004) argued that the degree to which the individual exhibits leadership traits depends not only on his characteristics and personal abilities, but also on the characteristics of the situation and environment in which he finds himself. Locke and Crawford (2004) argued that leadership plays a crucial role in a company's ultimate success or failure. Gill (2006) found leadership to help stimulate, motivate, and encourage the followers so that the company may achieve satisfactory results for the organization. Mehra *et al.* (2006) argued that when some organizations seek efficient ways to enable them outperform others; a longstanding approach is to focus on the effects of leadership. Team leaders are believed to play a pivotal role in shaping collective norms, helping teams cope with their environments, and

coordinating collective action. This leader-centered perspective has provided valuable insights into the relationship between leadership and team performance (Guzzo and Dickson, 1996). Understanding the effects of leadership on organizational survival is also important because leadership is viewed as one of the key driving forces for improving a firm's performance and survival.

The research on organizational leadership has progressed in conjunction with the advancement of large-scale industrialization, and over the past century, systematic studies have also been spurred by the two World Wars. Because of this, there is much debate about leadership and a variety of theoretical frameworks influence the theory of organizations. Gberevbie (2011) pointed out that effective leadership exerts influence in a way that achieves organizational goals by enhancing the productivity, innovation, satisfaction, and commitment of the workforce. Sun (2002) compared the leadership style with the leadership performance in schools and enterprises. The study showed that the leadership style has a significantly positive correlation with the organizational performance in both schools and enterprises. Zhu *et al.* (2005) suggested that visionary leadership will result in high levels of cohesion, commitment, trust, motivation, and hence performance in the new organizational environments.

Bass (1985) proposed a theory of transformational leadership based upon the findings of Burns (1978). First, the study argued that transformational and transactional leadership are not separate concepts: rather, they occupy opposite ends of a single continuum. Accordingly, the study showed that the best leaders should possess both transformational and transactional skills. Second, the study targeted the behavior that manifests transformational and transactional leadership. For example, transformational leader offers a purpose that transcends short-term goals and emphasizes higher-order intrinsic needs, whereas transactional leaders highlight the proper exchange of resources (Erkutlu 2008). Additionally, Bass (1985) and Northouse (2012) suggested a non-transactional factor (or non-leadership) indicating the absence of leadership, the avoidance of intervention, which emerges as the most inactive form of leadership, referred to as *laissez-faire*. Based on these previous findings, Judge and Piccolo (2004) and Erkutlu (2008) proposed three constructs for leadership, including transformational, transactional and non-leadership dimensions, which are the basis for the current research's model.

Fenwick and Gayle (2008) concluded that despite a hypothesized leadership-performance relationship suggested by some researchers, current findings are inconclusive and difficult to interpret. From this review of related literature, it is evident that although some scholars believed that leadership enhances organizational performance while others contradict this, different concepts of leadership have been employed in different studies, making direct comparisons virtually impossible.

Kotter (1999) disagreed with some people's views that there has been a shortage of quality leadership throughout history, the study stated that what is clear is that the increasingly fast-moving and competitive environment we will face in the twenty first century demands more leadership from more people to make enterprises prosper. Without that leadership, organizations stagnate, lose their way, and eventually suffer the consequences. The study concluded that leadership gap exists for many reasons and correcting the problem is made difficult for many additional reasons. Instead of nurturing talent, encouraging people to lead and to learn from mistakes and successes, organizations all too often ignore leadership potential, offer no relevant training or role models and punish who make small errors while trying to lead. Individuals, too, get in their own way by failing to assess their developmental needs realistically and to proactively seek means of meeting those needs.

According to House et al. (1997), the effects of leadership on organizational performance have not been well studied. The study criticized leadership studies for focusing excessively on superior-subordinate relationships to the exclusion of several other functions that leaders perform, and to the exclusion of organizational and environmental variables that are crucial to mediate the leadership-performance relationship. Another problem with existing studies on leadership is that the results depend on the level of analysis. House and Aditya (1997) distinguished between micro-level research that focuses on the leader in relation to the subordinates and immediate superiors, and macro-level research that focuses on the total organization and its environment. Tarabishy *et al.* (2005) suggested that leaders and their leadership style influence both their subordinates and organizational outcomes.

In regard to the financial crisis currently affecting the world, particularly in Europe, the interest of studying these relationships between employer and employee

has become much more important. These banks and financial institutes have shifted their focus on their employees' performance, which in turn has been extremely effective in increasing the institution's revenue (Awamleh *et al.*, 2005; Bushra, 2011; Cetin *et al.*, 2012; Belias, 2013). Furnham (2002) asserted that an appropriate measurement outcome from leadership quality is effectiveness reflecting the leader's efficacy in achieving organizational outcomes, objectives, goals and subordinates needs in their job.

On the other hand, transformational leadership may engender trust for followers toward the leader because the followers believe that the leader is capable of fulfilling the leadership role (Whitener *et al.*, 1998). Such roles involve concern for the personal needs of subordinates and behavior that reflects consistency with espoused values (Bass 1985). Indeed, if the leader appears to lack attention toward welfare, integrity, and/or competency for subordinates, they will be unlikely to trust the leader, which demotivates cooperation and subsequently, encourages dissatisfaction with the leader (Bartram and Casimir, 2007).

Yukl (2002) argued that transformational and transactional leadership allow leaders to achieve two important outcomes in an organization. Transactional leadership focuses on the tasks or performance of the firm, such as planning and articulating the vision of the organization, monitoring subordinates' activities and providing necessary support (e.g. equipment and technical assistance). Transformational leadership indicates the relationship between a leader and subordinates, including being supportive and helpful, showing trust and confidence, being friendly and considerate, trying to understand subordinates' problems, showing appreciation for their ideas, and recognizing subordinates' contributions and accomplishments.

McCloy *et al.* (1994) argued that performance itself cannot be said to be the outcome itself, consequences or the result of behaviors or action but rather performance can be said it is the action itself. They argued that performance tends to be multidimensional, a situation whereby for any specific-type of job, there tends to be a number of substantive performance components that are distinguished in terms of their inter-correlations and patterns on co-variation with other variables. Organizational performance can also be used to view how an enterprise is doing in terms of level of

profit, market share and product quality in relation to other enterprises in the same industry. Consequently, it is a reflection of productivity of members of an enterprise measured in terms of revenue, profit, growth, development and expansion of the organization.

According to Hunter *et al.* (2007), leaders' behaviors affect subordinates actions and perceptions, ultimately resulting in some type of desired outcomes. Employees require leadership and the leadership impact each of them uniformly. According to Hiller *et al.* (2011), leaders and leadership can affect emotions, most remarkably in followers. Thus, it can be inferred that leaders can strongly influence employee performance and leader's communication ability is significant to the employees. Leadership is the driving force in the organization of individual, teams and entire organization (Kaiser *et al.*, 2008). Leadership enables individuals to be successful. DeChurch *et al.* (2010) supported the fact that the leaders can have positive or negative effect on employee performance.

During the last two decades, companies have shifted their focus on leadership in order to provide excellent service to their customers. By upholding these tactics, increases in profits have created significant changes in the banking industry. These changes have directly affected the banking world. By adopting these new strategies, particularly relationship marketing, there has been a huge increase in company yields (Durkin and Bennett, 1999). Berry (1984) argued that bank employees should be considered by managers as internal customers. According to the study, achieving a desirable level of customer satisfaction in the banking industry is not possible without concurrently focusing on their employees.

In the context of Nepal, Shrestha and Mishra (2011) examined the relationship between employee's perceptions about their supervisor's leadership styles, employee's commitment to organizational change, and their perceptions about organizational performance in technology based organization. Likewise, a large telecommunication company which has observed major changes in its ownership (government owned corporation to public limited company) and frequent changes in its top leadership in the recent past.

Many studies have been conducted on the impact of leadership styles on employee attitudes, behaviors, and organizational performance. However, there are very few studies that investigate the interplay between leadership style and organizational performance specifically in the context of Nepalese commercial banks. It is, therefore, crucial to identify which leadership style is more effective in fostering employee commitment to change and enhancing organizational performance. Furthermore, it is equally important to determine which element of leadership style is a stronger predictor of improved organizational performance and should be prioritized for change

1.3 Research question

Despite the empirical evidence available on the impact of leadership style on organizational performance in other countries and Nepal, there is still a lack of sufficient evidence on this topic. Therefore, this study aims to address the following issues specifically in the context of Nepalese commercial banks:

- i. How do Nepalese commercial bank employees perceive the current practices of leadership style?
- ii. What are the employees' perceived descriptive statistics about the organizational performance in Nepalese commercial banks?
- iii. Is there any relation between leadership style (transformational and transactional) with organizational performance in Nepalese commercial banks?
- iv. What is the effect of transformational leadership style (charisma, inspirational motivation and intellectual stimulation) on organizational performance in Nepalese commercial banks?
- v. Whether constructive reward and management by exception are correlated to organizational performance in Nepalese commercial banks?
- vi. To what extent can different types of leadership style influence the organizational performance in Nepalese commercial banks?

- vii. What is the impact of transactional leadership style (constructive reward and management by exception) on organizational performance in Nepalese commercial banks?
- viii. Which of the factors play an important role in explaining organizational performance in Nepalese commercial banks?

1.3 Objective of the study

The major objective of the study is to examine the impact of leadership style on organizational performance in Nepalese commercial banks. The specific objectives of the study are as follows:

- i. To determine the impact of charismatic leadership on organizational performance in Nepalese commercial banks.
- ii. To analyze the impact of inspirational motivation and individual consideration on organizational performance in Nepalese commercial banks.
- iii. To assess the effect of constructive reward and management by exception on organizational performance in Nepalese commercial banks.
- iv. To identify the most influencing factors explaining the organizational performance in Nepalese commercial banks.

1.4 Significance of the study

Charles Keating (1982) observed that leadership is service in the sense that it seeks to meet the needs of one or of the group by performing needed functions. Sometime strong directive power is effective leadership such as when a group has lost its sense of direction or purpose. Sometimes the group needs to be encouraged and supported, at other times it may need to be re-oriented. Individual and group are members of an organization in order to achieve certain personal objectives, the extent to which they are active members depends on how they are convinced that their membership will enable them achieve their predetermined objectives. Therefore, an individual will support an organization if he believes that through it his personal objectives and goals could be met; if not, the person's interest will decline. Leadership style in an organization is one of the factors that play significant role in enhancing or retarding the interest and commitment of the individuals in the organization. Glantz (2002) emphasized the need for a manager to find his leadership style.

Ashibogwu (2008) noted that one of the reasons for this high failure is lack of use of market research to confirm demand and assess suitability of proposed offering as well as maintaining high level of customer patronage. Inappropriate leadership style could be one of the reasons for high failure of business organizations. Taffinder (2006) considered leadership within the context of business enterprise as the action of managers of the enterprise to contribute their best to the purpose of the enterprise. This study was intended to evaluate the management of leadership style on the performance of business organizations, contribute to empirical studies on leadership style and business performance, proffer quantitative-based recommendations for policies and programs to reposition business enterprises as integral part of the engine of economic growth and development.

The purpose of transformational leadership is to give a business a new lease of life (Bhat *et al.*, 2013). Organizational performance is the capability to materialize goals like high profits, appropriate financial results, increased market share, superiority of products, and survival (Koontz and Donnell, 1993). Various studies have found a positive effect of transformational leadership on organizational performance (MacKenzie *et al.*, 2001; Garcia-Morales *et al.*, 2008) though there is no consensus whether the effect is significant (Obiwuru *et al.*, 2011).

Leaders with idealized influence portray conviction, trust, present important values and purpose, commitment 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 (Kunhert, 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 strong effect on employees' attitude about their job. The role of leadership in today's corporate organizations has changed. The success of any organization is mostly dependent on an organization's management team and the leadership style used (Saleem, 2015). Today's organizations need a leader with a high influence of power, and one with an extensive overall goal for the company in mind. This leader requires commitment and their goal should be to fuel enthusiasm in

their employees in order to cultivate the full potential of their talent so that they may obtain the organization's objectives (Colvin, 2004; Steidlmeier, 1999).

In case of Nepal, we still have to come forward with enough evidences on how HR practices enhance compliance and commitment and increase the organizational performance. This is essential because very few employers are convincing with the specific impact of HR practice on organizational performance (Adhikari and Muller, 2001). A number of evidences presented in this paper on how HR practices will have impact on performance. In case of Nepalese organizations there is evidence that firms integrating HR and business strategy are doing better in terms of raising ROE (Gautam *et al.* 2008).

More importantly, this study is beneficial for leaders and managers in order to drive the organization in the pathway of right direction and in the meantime, it is helpful to choose the appropriate leadership style for the growth of organizational performance. This study is useful not only to banking industry but also to all the firms and institutions related to non-banking industry. Besides this, the study can also be a reference for academicians for further research on impact of leadership style on organizational performance. Hence, the study will serve as an instrument for harnessing the impact of leadership in the achievement of organization effectiveness and objectives thereby improving organizational performance in banking sectors.

1.5 Hypotheses

In this section, the operational definitions of the variables used in this study have been discussed. The study attempts to measure the relationship between leadership style and organizational performance of commercial banks in Nepal.

The organizational performance is used as dependent variable and leadership style variables are used as independent variables. The brief discussion on how these variables have been used or interpreted in this study is presented below:

Dependent variable

Organizational performance

Armstrong (2004) contended that performance refers to both behaviors and results, and adjusting organizational behaviors and actions of work to achieve results or outcomes. Behaviors are outcomes in their own right and reactions to the product of mental and physical effort applied to tasks. Koontz and Donnell (1993) defined organizational performance as the ability of an enterprise to achieve such objectives as high profit, quality product, large market share, good financial results, and survival at pre-determined time using relevant strategy for action. Performance is a major multidimensional construct aimed to achieve results and has a strong link to strategic goals of an organization (Mwita, 2000). Alam *et al.* (2011) also observed that firm performance is a multidimensional construct that consists of four elements: customer-focused performance, including customer satisfaction, and product or service performance; financial and market performance, including revenue, profits, market position, cash-to-cash cycle time, and earnings per share; human resource performance, including employee satisfaction; and organizational effectiveness, including time to market, level of innovation, and production and supply chain flexibility. Generally, the financial performance of banks and other financial institutions has been measured using a combination of financial ratios analysis, benchmarking, measuring performance against budget or a mix of these methodologies (Ahmad *et al.*, 2011). The financial statements of financial institutions commonly contain a variety of financial ratios designed to give an indication of the corporation's performance. They study stated much of the current bank performance literature describes the objective of financial organizations as that of earning acceptable returns and minimizing the risks taken to earn this return (Alam *et al.*, 2011).

Employee performance

Performance of the employee is considered as what an employee does and what he doesn't do. Employee performance involves quality and quantity of output, presence at work, accommodative and helpful nature and timeliness of output. Yang (2008) showed that performance of the individuals cannot be verified. Similarly, the study asserted that organizations can use direct bonuses and rewards based on individual

performance if employee performance is noticeable. Bishop (1987) investigated employee performance and revealed that acknowledgment and recognition and reward of performance of employees direct the discrimination between employee productivity. Morale and productivity of employees is highly influenced by the effectiveness of performance of an organization and its reward management system (Yazıcı, 2008). Leadership style is an approach in which the leader uses his or her influence to achieve the company's goals. Many researchers believed that the leadership style of a company is mainly affected by the attitude of the leader and he or she plays an important role in the productiveness of the employees (e.g. Gadot, 2007; Furkan *et al.*, 2010; Saleem, 2015). Among the most successful organizations, this use of leadership style is crucial in the productiveness of these banks and financial institutions. Financial institutes and banks play a mediating role between investors and depositors, and present financial services to entrepreneurs in order to give them a loan so that they may start their new business (Lawson, 2012).

Transformational leadership

The difference between transformational and transactional leadership lies in the way of motivating others. A transformational leader's behavior originates in the personal values and beliefs of the leader and motivates subordinates to do more than they expect (Bass, 1985). Burns (1978) identified transformational leadership as a process where one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality. For transformational leadership style, the follower feels trust, admiration, loyalty and respect towards the leader, and is motivated to do more than what was originally expected to do (Bass, 1985; Katz and Kahn, 1978). The transformational leader motivates by making follower more aware of the importance of task outcomes, inducing them to transcend their own self-interest for the sake of the organization or team and activating their higher order needs. As a result, there is an increase in their level of performance, satisfaction, and commitment to the goals of their organization (Podsakoff *et al.*, 1996). Bass (1990) proposed four behaviors or components of transformational leadership to include charisma, inspirational motivation, intellectual stimulation, and individual consideration.

Charisma

A large portion of contemporary leadership research has focused on the effects of transformational and charismatic leadership on followers' motivation and performance (Avolio, 1999; Bass, 1985; Bass and Avolio, 1997; Conger and Kanungo, 1988). Hunt (1999) attributed the rejuvenation and continued interest in leadership research to the transformational and charismatic leadership models that were emerging in the literature during the mid-1980s and into the 1990s, which were being tested throughout the educational, psychological, and management literatures (Avolio *et al.*, 2003). Bass and Avolio (1994) concluded the significant positive effect of charismatic leadership style on organizational performance. Charismatic leaders are considered as effective leaders. Organizations are adopting charismatic leadership in order to increase organizational performance (Agle, 2006). Howell (1992) aimed to explore the impacts of ethical and unethical charismatic leaders on the performance of organization and how it developed the research was qualitative in nature concluded that development of inner ethical values is not an effortless job it involve recognized system of ethical behavior plus top executive which apply elevated ethical principles, Charismatic behavior also induces followers to go beyond self-interest for the good of the group, providing reassurance that obstacles will be overcome, and promoting confidence in the achievement and execution influence (Conger and Kanungo, 1987; Howell and Frost, 1989). Howell and Avolio (1992) noted charismatic leadership is positively correlated with organizational performance. Conger (2000) found that organizational and task commitments are a result of charismatic leaders. Lowe and Gardner (2000) revealed that there is a positive relationship between charismatic leadership style and organizational performance. Based on it, the study develops following hypotheses:

H1: There is a positive relationship between charisma and organizational performance.

Inspirational motivation

Motivation is a procedure that initiates through a physiological or psychological want that stimulates a performance that is intended at an objective. It is the concluding product of interface among personality behavior and organizational distinctiveness. Also motivation is a progression of moving and supporting goal-directed behavior

(Chowdhary, 2007). Organizational effectiveness is the net satisfaction of all constituents in the process of gathering and transforming inputs into output in an efficient manner (Matthew *et al.*, 2005). Leadership is about getting things done the right way, to do that you need people to follow you, you need to have them trust you. And if you want them to trust you and do things for you and the organization, they need to be motivated (Baltoni, 2005). The study implied that leader and followers raise one another to higher level of morality and motivation, thereby, enhancing the organizational performance (Rukhmani *et al.*, 2010). If an organization wants to improve and be successful, trust plays a significant role so it should always be preserved to ensure an organizations existence and to enhance employees' motivation (Annamalai, 2010). According to Maurer (2001), rewards and recognition are essential factors in enhancing employee job satisfaction and work motivation which is directly associated to organizational achievement. The study concluded that motivation has a positive correlation with an organizational performance. An internally satisfied, delighted and motivated worker or employee is actually a productive employee in an organization which contributes in efficiency and effectiveness of organization which leads to maximization of profits (Matthew *et al.*, 2009). According to Nicholls (1988), the visionary and inspirational skills of transformational leaders motivate followers to deliver superior performance. Berelson and Staines (2003) opined that motivation is an inner state that inspires actions as well as direct and channel behavior towards a goal influencing a positive impact on organizational performance. Based on it, the study develops following hypotheses:

H2: There is a positive relationship between inspirational motivation and organizational performance.

Intellectual stimulation

Intellectual stimulation represents an important component of transformational leadership. Through intellectual stimulation, transformational leaders encourage followers to question their own beliefs, assumptions, and values, and, when appropriate, those of the leader, which may be outdated or inappropriate for solving current problems (Avolio and Bass, 2004; Sundi, 2013). Anjali and Anand (2015) asserted that intellectual stimulation leads to the development of employee commitment to the

organization. This, in turn, has implications for the ability of the organization to achieve goals based on the dedication and hard work of employees. Leader encourages followers to think critically and seek new ways to approach their jobs, resulting in intellectual stimulation to increase the organizational performance (Bass *et al.*, 1994). Intellectual stimulation leaders stimulate permanent re-examination of the existent assumptions, stimulate change in the way of thinking about problems, and plead the use of analogy and metaphor (Stone *et al.*, 2004). Elkins and Keller (2003) revealed that intellectual stimulation is positively correlated to organizational performance. Similarly, Bycio *et al.* (1995) found that the intellectual stimulation dimension of the transformational leadership scale had very strong positive relationships with the employee's performance. Zacher (2014) considered individualized consideration as a process that involves the enthusiasm and capability of a leader to give nurturing support to the followers. Cheung and Wong (2010) reported a positive relationship between intellectual stimulation leadership styles and employees' creativity which leads to a positive organizational performance. Based on it, the study develops following hypotheses:

H3: There is a positive relationship between intellectual stimulation and organizational performance.

Transactional leadership

Transactional leadership involves an exchange process that results in follower compliance with leader request but not likely to generate enthusiasm and commitment to task objective. The leader focuses on having internal actors perform the tasks required for the organization to reach its desired goals (Boehnke *et al.*, 2003). The objective of the transactional leader is to ensure that the path to goal attainment is clearly understood by the internal actors, to remove potential barrier within the system, and to motivate the actors to achieve the predetermined goals (House and Aditya, 1997). This also gives the employees a greater sense of appreciation. The objective of the transactional leader is to ensure that the path to goal attainment is clearly understood by the internal actors, to remove potential barrier within the system, and to motivate the actors to achieve the predetermined goals (House and Aditya, 1997).

Constructive/contingent reward

Transactional contingent reward operates at a more explicit, contract-based, level by clearly specifying role and task requirements for subordinates, setting performance criteria, and providing rewards for effort expenditure, as well as goal achievement. Employees are motivated to put effort toward doing their job well to achieve a variety of positive outcomes and rewards (Bass, 1985; Avolio *et al.*, 1999; Bass *et al.*, 2003; Wang *et al.*, 2011). According to Bass (1998), contingent reward, in which the leader provides rewards if followers perform in accordance with contracts or expend the necessary effort. Goodwin *et al.*, (2001) revealed that there is a positive relationship between constructive reward and employee performance. Such leadership focuses on the effort-reward relationship and involves exchanges between leaders and subordinates (Walumbwa *et al.*, 2008). Previous studies of transactional attributes suggested that constructive rewards influence many satisfaction levels by leadership in a positive way (Hater and Bass 1988; Lowe *et al.* 1996; Judge and Piccolo 2004). According to Lowe *et al.* (1996), transformational leaders have significant contribution in improving the organizational performance. They encourage employees to take risk, and such risk-taking yields positive effects on performance under uncertain environment (Waldman *et al.*, 2001). They inspire and motivate employees to be innovative and to achieve difficult goals, and insist employees to approach job problems in all the directions and discourage those using traditional methods to derive solutions. Active constructive reward helps organizations achieve their current objectives more efficiently by linking job performance to valued rewards and by ensuring that employees have the resources needed to get the job done (Zhu *et al.*, 2005). Frese *et al.* (2003) stated that constructive rewards decrease the individual's likelihood of moving on to another company, and simultaneously increase the production of the employees. Recently, Jackson *et al.* (2012) suggested that the leader's use of constructive rewards directly and indirectly influence the extent to which employees apply extra effort to accomplish performance. The study concluded that constructive reward has a positive influence on organizational performance. Based on it, the study develops following hypotheses:

H4: There is a positive relationship between constructive/contingent reward and organizational performance.

Management by exception

In terms of active management by exception, leaders are likely to monitor followers' performance and institute corrective action when deviations from standards occur. In passive management by exception, leaders are unlikely to intervene until problems become serious (Bass 1997). According to Howell and Avolio (1993), the difference between active and passive management by exception lies in the timing of the leader's intervention. That is, active leaders observe follower's behavior, anticipate problems, and institute corrective actions before serious difficulties arise, whereas passive leaders wait until problems occur. Passive-management by exception and laissez-faire leadership has negative relationships with perceived satisfaction (e.g. Dumdum *et al.*, 2002; Judge and Piccolo 2004). Chan (2005) theorized the transactional leaders appeal to the subordinates' self-interests. Transactional leaders attempt to meet the current needs of their subordinates through bargaining and exchanging. Both leaders and followers focus on achieving the negotiated performance level. The employees' expectations from a work place tend to involve a strong bond with their colleagues and their boss. All positive performances and success in any organization are achieved while using this method (Avolio and Bass, 2004; Madlock, 2008). Hater and Bass (1988) found that non-corrective transactional leadership (i.e., passive-management by exception) has a negative relationship with employees' extra-effort. The study also found that subordinates tend to report leaders' high levels of effectiveness when supervisor acquire a specific leadership skills (i.e., active transactional management by exception). Belias *et al.* (2013) revealed that active management by performance has a positive relationship with organizational performance. The study concluded that active transactional management by exception is positively correlated to organizational performance. Based on it, the study develops following hypotheses:

H5: There is a positive relationship between management-by-exception and organizational performance.

1.6 Rationale of the study

The study has been organized into five sections. First section contains general background of the study including statement of the problem, purpose of the study, significance of the study, operational definitions and assumptions and organization of

the study. The second section consists of review of literatures related to studies in global context as well as the review of Nepalese context, conceptual framework. Besides this chapter two ends up with concluding remarks associated with the findings and major ideas of the studies.

The third section covers the research design, description of sample, nature and sources of data, methods of data analysis, models used for data analysis, analysis plan and limitations of the study. The fourth section focuses on the structure and pattern of variables, descriptive statistics, correlation and regression analysis and concluding remarks. The fifth section provides a summary of overview on all works carried out in chapter one through four including summary, major conclusions, recommendation and scope of the study.

1.7 Limitations of the study

Although every effort has been made to derive meaningful conclusions from the study, there are several significant limitations that must be acknowledged. One major limitation is that the study only focused on commercial banks and did not include other financial institutions such as development banks, finance companies, insurance companies, and mutual funds. Therefore, caution must be exercised in generalizing the findings to the broader financial sector. The outcomes of this research are limited to commercial banks and cannot be applied to manufacturing and trading businesses.

1. Nepal has a total of 21 commercial banks in operation, but the research only investigates 5 of them. Consequently, the findings may not be fully representative, and including data from all 21 banks would have yielded more accurate results.
2. 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.
3. 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.
4. 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.
5. 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 and theoretical framework

This chapter includes the literature review, theoretical framework, and concluding remarks. The literature review has been organized into three parts; review of major studies, review of recent studies and review of Nepalese studies. The theoretical framework shows the all dependent and independent variables with their relations. The entire study relies on the theoretical framework. So, it is a blueprint for the study. Lastly, this chapter includes the concluding remarks indicating the research gap after review of the literature.

The review of literature in this study has been organized as follow:

2.1 Review of major literature

2.2 Review of recent literature

2.3 Review of Nepalese literature

2.1 Review of major literature

The major studies including some seminal works have been presented in Table 1 below. The review on the relationship between leadership style and organizational performance covers the period before 2010.

Table 1: Review of major literature

Study	Major findings
MacKenzie <i>et al.</i> (2001)	The study revealed a relationship between transformational leadership and organizational citizenship behavior/performance.
Collins (2001)	The study concluded that there is a positive relationship between leadership and organizational performance.
Fernandes (2004)	The study revealed a strong effect for transformational leadership on satisfaction.

Shelley <i>et al.</i> (2004)	The study revealed that there is a positive relationship between transformational leadership theory and team performance.
Nayak and Mishra (2005)	The study revealed that leadership styles of managers and supervisors highly influence the organizational effectiveness.
Awamleh <i>et al.</i> (2005)	The study revealed that leadership style has a significant positive relationship with organizational performance.
Weichun <i>et al.</i> (2005)	The study found that human–capital-enhancing HRM fully mediates the relationship between CEO transformational leadership and subjective assessment of organizational outcomes and partially mediates the relationship between CEO transformational leadership and absenteeism.
Anastasia (2007)	The study concluded not only the theory that HRM systems have a positive impact on organizational performance but also explained the mechanisms through which HRM systems improve organizational performance.
Gadot (2007)	The study revealed a direct relationship between leadership and performance (in role and OCB).
Pushpanathan (2008)	The study concluded that the relationship-oriented leadership style has higher significant effect on firm performance than task-oriented leadership style and participative leadership style.
Chien-Wen Tsai (2008)	The study revealed that there is positive relationship between style of managerial leadership and employee's job satisfaction in the international tourist hotel industry
Hartmann <i>et al.</i> (2010)	The study showed that an initiating structure leadership style affects subordinates' work-related attitudes through the use of objective performance measures.

MacKenzie *et al.* (2001) examined a relationship between transformational leadership and organizational citizenship behavior/performance. This study examined

the impact of transformational and transactional leader behaviors on the sales performance and organizational citizenship behaviors of salespeople, as well as the mediating role played by trust and role ambiguity in that process. Measures of six forms of transformational leader behavior, two forms of transactional leader behavior, trust, and role ambiguity were obtained from 477 sales agents working for a large national insurance company. Objective sales performance data were obtained for the agents, and their supervisors provided evaluations of their citizenship behaviors. The findings validated not only the basic notion that transformational leadership influences salespeople to perform “above and beyond the call of duty” but also that transformational leader behaviors actually have stronger direct and indirect relationships with sales performance and organizational citizenship behavior than transactional leader behaviors.

Collins (2001) analyzed 54 studies on leadership development research from 1984 — 2000 and determined the extent to which the intended outcomes of those leadership development programs focused on organizational performance using meta-analysis. Burke and Day's analysis, commonly regarded as the principle empirical support for the evaluation of the effectiveness of managerial training, found mixed results on the effectiveness of programs with only 2 out of 70 studies having organizational performance as the explicit outcome. This study confirmed that from a sample of available studies organizations have begun to take a more systemic approach to leadership development, as 16 of the studies analyzed focused on organizational performance as the outcome of the leadership development experience. The empirical result concluded that there is a positive relationship between leadership and organizational performance.

Fernandes (2004) assessed the transformational leadership theory among managers at functional levels in United Arab Emirates (UAE) international companies. The UAE business sector was chosen due to its significance in the regional economy and its sizable contributions as the UAE continues to lead its neighboring countries in business development and technological advancements. The study examined the effects of both transformational and transactional leadership styles of managers/supervisors on employees' satisfaction and self-perceived performance. Self-esteem and leadership disposition (Romance of Leadership) of employees were hypothesized to act as

moderators. Data was collected from employees working in international companies operating in the UAE. The empirical results revealed a strong effect for transformational leadership on satisfaction. Moreover, the study did challenge the view that both leadership styles are necessary conditions for leadership to be operationalized.

Shelley *et al.* (2004) assessed how transformational leadership theory can provide a framework in which to investigate a leader's impact on team performance. The study determined that idealized influence/inspirational motivation, intellectual stimulation and individualized consideration could produce intermediate outcomes such as shared vision, team commitment, an empowered team environment and functional team conflict. The empirical results concluded that these intermediate outcomes positively affect team communication, cohesion and conflict management. Thus, the study revealed that there is a positive relationship between transformational leadership theory and team performance.

Nayak and Mishra (2005) examined the impact of leadership styles on organizational effectiveness on 10 departments of Rourkela Steel Plant. The study revealed that leadership styles of managers and supervisors highly influence the organizational effectiveness.

Awamleh *et al.* (2005) investigated the transformational leadership style and its direct effect on job satisfaction and employees' performance in UAE banking. The UAE banking section has been selected in this study because of its importance in the economy and the company's remarkable contribution in UAE gross domestic product. A total of 865 questionnaires were distributed to banks operating in the United Arab Emirates. The final sample consisted of 194 respondents. Data analysis has been implemented through the multivariate regression approach. The results of this study showed that leadership styles of transactional and transformational have a significantly positive effect on employees' job satisfaction and performance.

Weichun *et al.* (2005) examined 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 using a field survey and company data of 170 firms in Singapore. The study found that human-capital-

enhancing HRM fully mediates the relationship between CEO transformational leadership and subjective assessment of organizational outcomes and partially mediates the relationship between CEO transformational leadership and absenteeism.

Anastasia (2007) investigated the relationship between systems of HRM policies and organizational performance. The study was based on a sample of 178 organizations operating in the Greek manufacturing sector. A mediation model was tested to examine the link between HRM and organizational performance. The results of this study supported the hypothesis that the relationship between the HRM systems of resourcing–development and reward–relations, and organizational performance, is mediated through the HRM outcomes of skills and attitudes. The empirical results not only supported the theory that HRM systems have a positive impact on organizational performance but also explained the mechanisms through which HRM systems improve organizational performance.

Gadot (2007) examined perceptions of politics among public sector employees as a possible mediator between the supervisor's leadership style and formal and informal aspects of employees' performance (Organizational Citizenship Behavior – OCB) with sample size of 201. The Multifactor Leadership Questionnaire (MLQ) was distributed to employees of a public security organization in Israel asking them to evaluate their supervisor's style of leadership. The empirical results showed mixed findings that only partially support the mediating effect of organizational politics on the relationship between leadership, in role performance and OCB. A direct relationship between leadership and performance (in role and OCB) was also found.

Pushpanathan (2008) examined the relationship between the leadership style and organizational performance in small scale manufacturing industries in Sri Lanka with the total of 1875 questionnaires distributed to the owners and employees of 220 small scale manufacturing industries those who are registered under the Chambers of Commerce in Sri Lanka. The relationship between three leadership styles – task-oriented, relationship-oriented, and participative – and firm performance were discussed through the moderating effect of environmental factors (Industry technology, family and non-family controlled firm and firm development stage), and mediating effect of decision making, employee turnover, and employee morale. The hypotheses

were tested through matched data set. The empirical result showed that leadership styles were directly linked to firm performance. The significant correlations were only found between leadership styles and organizational performance can assist with the understanding of how the leadership style affects the organizational performance in family owned small manufacturing enterprises. The study concluded that the relationship-oriented leadership style has higher significant effect on firm performance than task-oriented leadership style and participative leadership style.

Chien-Wen Tsai (2008) investigated the correlation between the style of managerial leadership and employee's job satisfaction in the international tourist hotel industry. After literature reviewing, empirical model and hypotheses were established. The study employed the questionnaires to conduct an investigation for employees in international tourist hotels so as to collect information. The study surveyed 500 employees in international tourist hotels by questionnaire. A total of 300 questionnaires were returned (73 percent). The findings expanded the knowledge of human resource management and provide some practical suggestions to managers. The study revealed that there is positive relationship between style of managerial leadership and employee's job satisfaction in the international tourist hotel industry.

Hartmann *et al.* (2010) investigated the effects of superiors' performance evaluation behaviors on subordinates' work-related attitudes. In response to critique on the multidimensional nature of the 'supervisory style' construct in the RAPM literature, the study argued that the two dominant dimensions underlying this construct are leadership style and performance measure use. The study developed and tested a path model that allowed them to remove the confusion on the effects of leadership style (initiating structure and consideration) and performance measure use (objective and subjective measures) on managerial work-related attitudes (goal clarity and evaluation fairness). The study tested the hypotheses using survey data from 100 middle-level managers in 5 organizations. The empirical result showed that an initiating structure leadership style affects subordinates' work-related attitudes through the use of objective performance measures. The study also revealed that consideration leadership behavior instead only has a direct impact on work-related attitudes.

2.2 Review of recent literature

The recent studies including some seminal works have been presented in Table 2. The review on the relationship between leadership style and organizational performance covers after 2010.

Table 2: Review of recent literature

Study	Major findings
Bushra <i>et al.</i> (2011)	The study showed that transactional leadership has a positive and significant effect on the investigated bank employees and their job satisfaction, which in turn improves an organizational performance.
Obiwuru <i>et al.</i> (2011)	The study found out that transactional leadership style had significant positive effect on performance while transformational leadership style had positive but insignificant effect on performance.
Zehir <i>et al.</i> (2011)	The study showed that organizational culture seems to be the key to leadership types and firm performance.
Muterera (2012)	The study that leaders who use transformational leadership as their primary or dominant leadership style have an impact on organizational performance over and beyond the impact of those leaders who mostly use transactional style in United States of America.
Akram, <i>et al.</i> (2012)	The study revealed that leadership behaviors are interrelated and have high positive impact with employee performance in Pakistan.
Koech and Namusonge (2012)	The results concluded that contingent rewards and active management by exception have a positive correlation with organizational performance.
De Jong <i>et al.</i> (2013)	The results showed that top management team behavioral integration is related positively to an organization's productive energy, which in turn is related to employees' increased job satisfaction and decreased turnover intentions.

Bhat <i>et al.</i> (2013)	The study findings supported transformational leadership theory which links transformational leadership to organizational performance.
Ben-Bernard (2013)	The study revealed that good leadership style enhances employee morale and that there is what is known as participatory leadership style of management.
Iscan <i>et al.</i> (2014)	The study revealed that transactional leadership does not have a meaningful effect on either perceived organizational performance or innovation. On the other hand, transformational leadership does have a very meaningful effect on both perceived organizational support and innovation.
Fayyaz <i>et al.</i> (2014)	The study revealed that task and relational leadership style and communication competence affect employee performance positively and significantly.
Yusuf (2014)	The study showed that there is a positive significant relationship between the application of leadership style and performance of business organizations in Nigeria.
Nasir, <i>et al.</i> (2014)	The study revealed that leadership behaviors are interrelated and have high positive impact with organizational performance.
Saasongu (2015)	The study concluded that transactional leadership style is more appropriate in inducing performance in small scale enterprises in Makurdi metropolis than transformational leadership style.
Anjali and Anand (2015)	The study revealed that in the presence of intellectually stimulating factors, employees are more content with their jobs and their commitment to the job is stronger.
Danişman (2015)	The study showed that leadership has a medium- level effect on organizational performance.

Iqbal <i>et al.</i> (2015)	The study concluded that the autocratic leadership is useful in the short term and democratic leadership style is useful in all time horizons.
Sofi (2015)	The study revealed that only transformational leadership style has significant direct impact on organizational performance while other leadership styles showed insignificant impact.
Widayanti and Putranto (2015)	The study revealed that transactional and transformational leadership has positive relationship and it affects to employee performance either concurrently or partially.
Dalluay and Jalagat (2016)	The study revealed that leadership style effectiveness of Managers and Department Heads has a positive correlation with employees' job Satisfaction and performance.
Orabi, (2016)	The study concluded that there is positive relationship between transformational leadership and organizational performance.
Fokam (2016)	The study revealed that the transformational leadership style exerted a positive and significant effect on the performance of SMEs in Cameroon.
Basit <i>et al.</i> (2017)	The study showed that there is a significant and positive impact of democratic and laissez-faire leadership styles on employee performance.
Nazir (2018)	The study found significant independent links between leadership styles and organizational performance and corporate culture & organizational performance.

Bushra *et al.* (2011) investigated the transformational Leadership technique and its effect on employees' job satisfaction. The study was done on the banking section of Lahore, Pakistan—with a statistical population of 133 bank employees. The statistical approach of this study has used multi-variable regression. The study showed that

transactional leadership has a positive and significant effect on the investigated bank employees and their job satisfaction, which in turn improves an organizational performance.

Obiwuruet *al.* (2011) conducted a study on effects of leadership style on organizational performance using selected small scale enterprises in Ikosi-Ketu Council Development Area of Lagos State, Nigeria. This study followed a survey design, and analysis based on primary data generated through a structured questionnaire administered on respondents. Three small-scale enterprises were initially selected through stratified random sampling technique, from a total of 18 subjectively identified small scale enterprises in area. The enterprises were stratified according to their respective industries or activities – water packaging, restaurant/food canteen services, and wood finish production. Five respondents were randomly selected from each of these three enterprises for a sample size of 15 respondents. The empirical results showed that transformational leadership style had positive but insignificant effect on performance. The study indicated a positive significant effect of transformational leadership on organizational performance but there is no agreement as to whether the effect is significant. The study, therefore, concluded that the transactional leadership style had significant positive effect on performance while transformational leadership style has a positive but insignificant effect on performance.

Zehir et al. (2011) investigated the relationship of organizational culture types and leadership types with firm performance. The main objective of this study was to determine whether organizational culture and leadership styles affect organizational performance. A survey was carried out on 295 employees who accepted to respond to our questionnaires. The research was a conceptual research. Explanatory research design was used in the study. And all data used in this research were obtained from secondary sources. Simple random sampling technique was used to determine the sample size for the research. They were data from the findings of previous research works on culture, leadership and performance. The study revealed a link between organizational culture types, leadership types and firm performance. The results of this study also showed that organizational culture seems to be the key to leadership types and firm performance.

Muterera (2012) carried out in the United States of America, examined whether transformational leadership styles of leaders in governmental settings augment the impact of transactional leadership on public sector organizational performance. Data was collected from chief executives in 372 county governments in the United States. Overall, the results showed that transformational leadership behaviors have a significant impact on organizational performance. In addition, the study showed that leaders who use transformational leadership as their primary or dominant leadership style have an impact on organizational performance over and beyond the impact of those leaders who mostly use transactional style in United States of America.

Akram *et al.* (2012) examined the relationship between leadership behaviors and organizational performance in Pakistan with sample size of 1000, where 500 questionnaires were distributed to managers and another 500 to employees of various private and public sector companies in 66 cities through random selection. Non-probability sampling technique was used in this study. Two questionnaires were designed for managers and employees. Questions were related to leadership behaviors and organizational performance. Correlation analysis and regression analysis were applied to analyze the relationship and the effect of leadership behaviors on performance. The empirical results revealed that leadership behaviors are interrelated and have high positive impact with employee performance.

Koech and Namusonge (2012) investigated the main effects of leadership styles on organizational performance at state-owned corporations in Kenya. The objective was to determine the impact of laissez-faire, transactional and transformational leadership styles on organizational performance at state-owned corporations in Kenya. A descriptive survey research based on the perceptions of middle and senior managers in 30 state-owned corporations based in Mombasa, Kenya was undertaken. A structured self-completed research questionnaire was thereafter distributed and collected after one week. This study concluded that contingent rewards and active management by exception have a positive correlation with organizational performance.

Uchenwamgbe (2013) examined effects of leadership styles on organizational performance in small and medium scale enterprises in Lagos state. The main objective was to examine the effect leadership styles on the performance of SMEs in Nigeria. The

study adopted the descriptive survey design using percentages and chi-square (χ^2) on hypothesis and questions formulated. The study revealed that good leadership style enhances employee morale where both employers and employees take decisions that have positive impact on the growth of the organization and good welfare facilities for the employees.

De Jong *et al.* (2013) assessed that transformational leadership strengthened organization by creating an environment of motivation for the employees. This motivated and energized employee enables them to achieve institutional goals hence increasing performance at large. The study tested the hypotheses in a dataset containing the responses of 191 top management team members and 5048 employees from 63 organizations by using structural equation modeling. The empirical results showed that top management team behavioral integration is positively correlated to an organizations 'productive energy which is ultimately related to employees' increased job satisfaction and decreased turnover intentions.

Bhat *et al.* (2013) explained that transformational leadership encompasses the process which changes and transforms individuals through an exceptional form of influence on followers to achieve surplus compared to what is usually expected of them and aims to give a business a new lease of life. The study established the effect of transformational leadership on the performance of audit firms and a corresponding hypothesis was formulated and tested. The study targeted all the 45 employees of MK Certified Public Accountants audit firm in Kenya and all of them responded. The study adopted a descriptive research design. The study showed that transformational leadership affects performance of audit firms. The empirical results revealed that transformational leadership style has a positive correlation with organizational performance.

Ben-Bernard (2013) assessed the effects of leadership styles on organizational performance in small and medium scale enterprises in Lagos state. The main objective was to examine the effect leadership styles on the performance of SMEs in Nigeria. Explorative qualitative research of the case study was used. A sample size of 200 respondents was selected from 20 registered small and medium scale enterprises (SMEs) in Lagos State. The two main technique employed in gathering the data were

questionnaire survey and interviews. The findings of the study revealed that good leadership style enhances employee morale and that there is what is known as participatory leadership style of management where both employers and employees take decisions. The study revealed that leadership style has a positive impact on the growth of the organization and good welfare facilities for the employees.

Fayyaz *et al.* (2014) examined the effect of task oriented and relational leadership style on employee performance and moderating effect of communicator competence. Data collected from 200 full time working employees through questionnaires, incorporating leadership style, employee performance and communicator competence. Correlation and regression analysis was employed to examine the relationship, association and effect of the variables on each other. The empirical results indicated a strong, positive and significant association between supervisor's communication competence, task and relational leadership styles and employee performance. Further regression results also showed that task and relational leadership style and communication competence affect employee performance positively and significantly.

Yusuf (2014) focused on the management of leadership style as an approach for organizational performance and effectiveness in Nigeria with sample elements of 100 respondents. The study was conducted in Federal capital territory, Abuja, North-central Nigeria with the use of questionnaire and interview to collect data that was statistically analyzed using regression model with the use of statistical package for social science (SPSS). The empirical result of the study showed that there is a positive and significant relationship between the application of leadership style and performance of business organizations in Nigeria.

Iscan *et al.* (2014) examined the effect of transformational/transactional leadership on innovation and organizational performance. Data in the study were collected from a sample of managerial staff working in Turkish SME's. 118 organizations accepted to participate and fill out the research questionnaire. The obtained data were analyzed using SPSS Version20. The study revealed that transactional leadership does not have a meaningful effect on either perceived organizational performance or innovation. On the other hand, transformational

leadership does have a very meaningful effect on both perceived organizational support and innovation.

Nasir *et al.* (2014) assessed the impact of leadership styles on organizational performance among IPTA Academic Leaders in Klang Valley area in Malaysia. The study used correlation methods to measure the relationship between leadership styles and organizational performance. Five public universities in Selangor were chosen. 201 academic leaders were chosen as the sample size. The questionnaire prepared in a form of closed-ended questions. Pilot test were used to test the consistency of questionnaire. The empirical results revealed that leadership behaviors are interrelated and have high positive impact with organizational performance.

Saasongu (2015) examined the relationship between transactional leadership style and organizational performance. The main objective was to determine the effect of leadership Style on organizational performance in Small and Medium Scale enterprises in Makurdi metropolis of Benue State, Nigeria with reference to Water First Rehoboth Limited, Steam Fast Restaurant and Panet Technologies Limited. Data was collected from a population and sample of 70 staff of the organizations and analyzed with Friedman's Chi-Square statistics using the Statistical Package for Social Sciences. The study concluded that transactional leadership style is more appropriate in inducing performance in small scale enterprises in Makurdi metropolis than transformational leadership style.

Anjali and Anand (2015) emphasized that intellectual stimulation enables the development of employees and their commitment to organizational success. The primary objective was to analyze the relationship between the perceived levels of job commitment and intellectually stimulating factors. A cross-sectional study was conducted on a sample size of 150 IT professionals across six companies in Bangalore and Mysore regions, Karnataka. The perceived levels of job commitment in the presence and absence of intellectually stimulating factors were tested using parametric approach. The outcome of the study revealed that in the presence of intellectually stimulating factors, employees are more content with their jobs and their commitment to the job is stronger.

Danişman (2015) examined the effect of leadership on organizational performance was examined in this meta-analysis study. A total of 270 research studies, with 101,232 participants, were included in this study to examine the magnitude of the effect size of leadership on organizational performance. The analysis results of the random effect model showed that leadership has a medium level effect on organizational performance.

Iqbal *et al.* (2015) investigated the effect of leadership styles practiced in an organization and their effect on employee performance. The CEO's and employees of Al-Ghazi tractor factory was the sample unit of the research. The purpose of this study was to understand the effect of different leadership styles autocratic, democratic, and participative style- on employee performance. The objectives that guided the study were; to investigate the effect of autocratic leadership styles affect employee performance, to investigate the effect of democratic leadership styles on performance and to analyze the effect of participative leadership styles on employee performance in an organization. The study followed the qualitative approaches; data were gathered from secondary sources. The results concluded that the autocratic leadership is useful in the short term and democratic leadership style is useful in all time horizons and participation leadership style is most useful in long term and effect on employees is positive.

Sofi (2015) assessed the impact of leadership styles (transformational, transactional, participative, supportive and instrumental) on organizational performance of select banking organizations in Jammu and Kashmir, India. The model was tested on 290 respondents consisting of branch heads, Executive Level and Senior Staff of Banking Sector Organizations in the State of Jammu and Kashmir, (India). The findings revealed that only transformational leadership style has significant direct impact on organizational performance while other leadership styles showed insignificant impact. Moreover, the transformational leadership was the more dominant form of leadership style prevailing in the concerned banking organizations of Jammu and Kashmir, India.

Widayanti and Putranto (2015) analyzed the relationship between transformational leadership and transactional leadership style on employee

performance in Indonesia. The sample size used by the researcher was 92. This study consisted of primary and secondary data. Primary data was collected through multifactor leadership questionnaire (MLQ) based on solving theory method. Secondary data was collected from the office assessment of employee performance. The empirical results revealed that transactional and transformational leadership has positive relationship and it affects to employee performance either concurrently or partially.

Dalluay and Jalagat (2016) carried out a study on impacts of leadership style effectiveness of managers and department heads to employees' job satisfaction and performance on selected small-scale businesses in Cavite, Philippines. The sample size used is 150. Survey questionnaires were designed to study the effects of manager leadership styles on employees' performance and satisfaction. Weighted mean were used to survey questionnaires on leadership styles, and correlation coefficient and multiple regression were used to study the relationship between variables on leadership style, job performance and job satisfaction. The results concluded that leadership style effectiveness of managers and department heads has a positive correlation with employees' job satisfaction and performance. So, corporations should constantly make the most of leadership style which enhances employees' performance and employee job satisfactory level even though there is still rooms for improvements.

Orabi (2016) explained that transformational leadership has garnered considerable attention in the literature because of its potential implications for the performance of the organization. The study indicated that this type of leadership can collectively impact employee behavior and commitment leading to improvements in the work climate and knowledge sharing. When combined, these changes can positively influence the performance of the organization. A total of 249 surveys were distributed. The empirical results indicated that while transformational leadership and three of its components i.e. inspirational motivation, intellectual stimulation, and individual consideration did contribute to 81.6 percent of the variance in organizational performance; idealized influence was not a significant factor contributing to this outcome. Therefore, the study suggested to the leaders to focus on these elements of transformational leadership to improve outcomes for organizational performance.

Fokam (2016) examined the relationship between leadership style and performance of small and medium size enterprises in Cameroon. The study followed a hypothetical deductive methodology through which primary data was collected through the multi factor leadership questionnaire which was administered on 114 workers from 38 SMEs in 5 major towns in the southwest region. The empirical results showed that the transformational leadership style exerted a positive and significant effect on the performance of SMEs in Cameroon, while the transactional leadership style exerted a positive and significant impact on performance. This study suggested that in order to achieve organizational performance, managers should use the transformational alongside with the transactional leadership style since a combination of the two leadership style will permit the enterprise to attain performance beyond expectations.

Basit *et al.* (2017) assessed the impact of democratic and laissez-faire leadership styles on employee performance with the descriptive analysis research. The study showed that there is a significant and positive impact of democratic and laissez-faire leadership styles on employee performance. Moreover, the study also revealed that autocratic leadership has a negative significant impact on employee performance.

Nazir (2018) assessed the impact of leadership styles and culture combined together on the organization performance. This study using data from 217 employees of 3 service sector companies located in the Sultanate of Oman with an overriding objective of studying the links between leadership styles, corporate culture and organizational performance. Two well established questionnaires i.e. measures of organizational culture and leadership styles were used in gathering the primary data. The study found that leadership styles and culture combined together influenced the organizations' performance significantly. The empirical results clearly indicated that the association between leadership styles and organizational performance is significantly mediated by the overall corporate culture prevalent in the organizations studied. Moreover, the study found significant independent links between leadership styles and organizational performance and corporate culture and organizational performance.

2.3 Review of Nepalese literature

The major Nepalese studies including some seminal works have been presented in Table 2.3. This section deals with the review of Nepalese studies on the impact of leadership style on organizational performance.

Table 3: Review of Nepalese literature

Study	Major findings
Shrestha (2006)	The study revealed that performance evaluation and reward system variable has positive correlation with return on equity (ROE).
Adhikari and Gautam (2010)	The study found that human resource development is positively correlated with organizational management practices.
Shrestha and Mishra (2011)	The study revealed that there is a significant relationship between leadership styles, employee's commitment to change, and organizational performance.
Shrestha (2012)	The study concluded that the importance of transformational leadership style in achieving desired individual and organizational level outcomes.
Pandey (2016)	The study concluded that employee participation and rewards are positively correlated with job satisfaction, employee fairness perception and organizational commitment.
Gyawali (2017)	The study revealed that increased employee participation makes a positive effect on job satisfaction of Nepalese banking employees.

Shrestha (2006) assessed the impact of performance evaluation and reward system variable on return on equity (ROE). The findings showed that performance evaluation and reward system variable has positive correlation with return on equity (ROE). At the same time, the study reported that ROE is significantly and positively correlated to effective and continuous commitment and employee satisfaction is closely related to all the HR practices components where more specifically, work related satisfaction is highly correlated with the work environment and climate.

Adhikari and Gautam (2010) showed that firm's competitiveness depends on its capacity to manage performance and improve the development of the skills and competencies of employees – creating a learning environment. Although the Nepalese economy has embraced an open market policy and is attempting to join the global market, competitive advantage is being hindered by a failure to address human resource development (HRD) and by poor performance management (PM) practices. In order to manage PM in Nepalese organizations, a clear link between organizational objectives and outcomes should be established by developing a human capital base in organizations. The study revealed that HRD professionals help to integrate HRD functions and organizational objectives by creating a learning environment.

Shrestha and Mishra (2011) investigated the interrelationships between leadership styles, employee's commitment to change, and organizational performance in the Nepalese context. For this cross-sectional study, data were collected from employees working in a large technology-based organization. Regression analyses were employed to test the hypothesized relationships. The findings suggested that there is a significant relationship between leadership styles, employee's commitment to change, and organizational performance. The regression analyses of the study showed that transformational leadership is a strong predictor of employee's commitment to change and improved organizational performance.

Shrestha (2012) attempted to examine the relationship between leadership styles and employee and organizational outcomes in a Nepali telecommunication company. It proposed and tested a model suggesting direct relationship between leadership styles and employees' satisfaction with the leader, leader effectiveness, and work-unit effectiveness as well as the mediating effect of satisfaction with the leader on the relationships between leadership styles and leader effectiveness and work-unit effectiveness. Bass and Avolio's multifactor leadership questionnaire (MLQ) 5X (short) was used to measure leadership styles and employee's satisfaction with the leader. The sample consisted of 115 employees working in a Nepali telecommunication company. Structural Equation Modeling was employed to test the hypothesized relationships. Path analysis results indicated that (1) transformational leadership is positively related with outcomes; (2) transformational leadership is the stronger predictor of employee's satisfaction with the leader, leader effectiveness and work-unit

effectiveness than transactional leadership; (3) the relationship between transformational leadership and leader effectiveness and work unit effectiveness were partially mediated by employee's satisfaction with the leader. Consistent with the findings of previous studies, the findings of this study clearly indicated that transformational leadership style significantly contribute to leader effectiveness and work-unit effectiveness and gives more satisfaction to the subordinates. These findings highlighted the importance of transformational leadership style in achieving desired individual and organizational level outcomes.

Pandey (2016) investigated the impact of employee participation on job satisfaction, employee fairness perception and organizational commitment in Nepalese commercial banks. The major objective of the study was to examine how employee participation affects three outcomes i.e. job satisfaction, employee fairness perception, and organizational commitment. The study was based on primary data with total of 160 structured questionnaires were distributed to employees of the 15 commercial banks. The simple linear regression models have been employed in this study to analyze the relationship between employee participation and its determinants. The study showed that employee participation and rewards are positively correlated to job satisfaction, employee fairness perception, and organizational commitment.

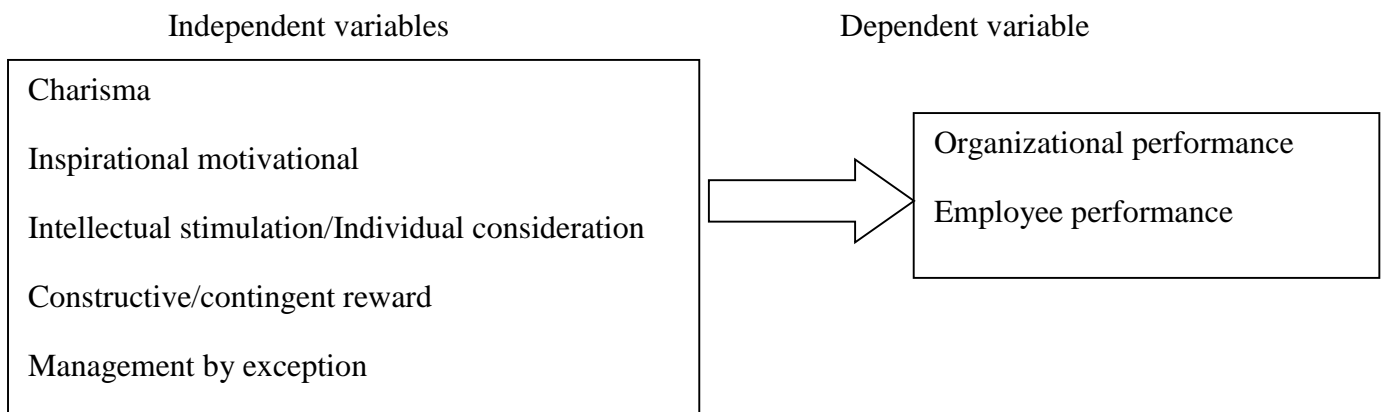
Gyawali (2017) attempted to examine the relationship between employee participation and job satisfaction in Nepalese commercial banks for which four Nepalese commercial banks i.e. two each from government and private sectors were selected as the sample. Based on primary data, the study adopted a questionnaire survey on 200 employees from the assistant to manager levels of the sample organizations and it received response from altogether 146 respondents (73 percent). Based on explanatory research design, the study showed that that there is positive relationship between employee participation and job satisfaction in Nepalese banks. The findings revealed that employee participation is an important determinant of job satisfaction. Increased employee participation makes a positive effect on job satisfaction of Nepalese banking employees.

2.4 Conceptual framework

A conceptual framework is a structure designed to establish a relationship between independent and dependent variables. Its purpose is to create conceptual distinctions and organize ideas in a meaningful way. A robust conceptual framework accurately captures real-world phenomena in a manner that is easy to understand and apply. It is considered an intermediate theory that aims to connect all aspects of inquiry, including problem definition, purpose, literature review, methodology, data collection, and analysis. Conceptual frameworks function like maps that bring coherence to empirical inquiry, and they take different forms depending on the research question or problem. Because they are closely related to empirical inquiry, conceptual frameworks play an essential role in research.

The main objective of this research is to examine how leadership style affects the performance of commercial banks in Nepal. In this study, the performance of the organization is considered the dependent variable, while the independent variables are charisma, inspirational motivation, intellectual stimulation, constructive/contingent reward, and management by exception. By using these variables, the study aims to evaluate the influence of leadership style on the organizational performance of Nepalese commercial banks. Additionally, the study constructs a framework that highlights the relationships between the various aspects of organizational performance and the factors that determine them. As shown in figure. 2.1.

Figure 1: Conceptual framework showing impact of leadership style on organizational performance of Nepalese commercial banks.



The framework presented above illustrates how various variables, including charisma, inspirational motivation, intellectual stimulation, constructive/contingent reward, and management by exception, are linked to both organizational performance and different leadership styles. Through this study, the relationship between the dependent variable (organizational performance) and the independent variables can be examined and better understood.

Charisma

Charisma, or idealized influence or attributes, is characterized by vision and a sense of mission, instilling pride in and among the group, and gaining respect and trust (Humphreys and Einstein, 2003). Cicero and Pieria (2007) stated that charismatic leaders empower employee's subordinates and followers as a result of which employees feels motivated and they realize self-worth which results in job satisfaction and commitment which leads to efficiency and then organizational performance. Ethical charismatic leaders are responsible for making optimistic changes that motivate their followers and provide them with the right direction to achieve the organizational goals. In order to do this effectively, leaders must be both loyal and productive. The style of charismatic leadership is unique in that it gathers groups of people through the leader's personality and appeal.

Inspirational motivation

Broussard and Garrison (2004) defined motivation simply as those elements that push an individual to act or not to act. Davies (2005) suggested that the concept of motivation entails what goes on inside a person that results certain behaviors. The study concluded that creating a work place environment in which adequate motivation is sustained has a positive impact on employee performance. This is because employee motivation is the core of the field of an organization's behavior and a high level of motivation encourages employees to be highly productive and perform better at their jobs. Inspirational motivation is usually a companion of charisma and is concerned with a leader setting higher standards, thus becoming a sign of reference. Motivation can, therefore, be said to be at the heart of how innovative and productive things get done within an organization (Bloisi *et al.*, 2003).

Intellectual stimulation

Avolio and Bass (2004) described an intellectually stimulating leader as one who can discern, comprehend, conceptualize, and articulate to their associates the opportunities and threats facing their organization and its strengths, weaknesses, and comparative advantages. Ishaq (2008) reported that intellectual stimulation leader is the one that shows the degree to which he provides encouragement to his subordinates to be creative in looking at old problems in new ways, create an environment that is tolerance of seemingly extreme positions, and nurture people to question their own values and beliefs and those of an organization. Leaders who challenge the status quo and stimulate their followers' effort to be innovative, motivate creativity and challenge the old ways of doing as part of their regular job are exercising intellectually stimulate part of transformational leadership (Ahanger, 2009).

Constructive/Contingent reward

Affective identification is thought to be associated with positive feelings about organizational membership, and affective commitment has been shown to be associated with the experience of more positive affective states at work (*Albert et al.*, 1998; Herrbach, 2006). It was, therefore, anticipated that transactional contingent reward is positively related to affective identification beyond the effect of transformational leadership behaviors. In these exchanges, transactional leaders clarify the roles employees must play and the task requirements they must meet. A less common form of transactional leadership involves promises or commitments that are rooted in "exchangeable" values such as respect and trust. Employees can build a base level of trust in the leader as he or she reliably executes what has been agreed to over time (*Bass et al.*, 2003).

Management by exception

Transactional leaders are those who recognize the constituents of associates' satisfaction arising from their activities, and then encourage subordinates to achieve those goals by offering rewards and/or sanctions (Bass and Avolio, 1997). Active management-by-exception means the leader, after monitoring the follower's performance, takes corrective action if the follower fails to meet standards. As noted

by Howell and Avolio (1993), active leaders monitor follower behavior, anticipate problems, and take corrective actions before the behavior causes serious difficulties.

Organizational performance

Albrecht and Andretta (2011) stated that performance is the extent to which an organization achieves a set of pre-defined targets that are unique to its mission. The success or failure of an organization is greatly influenced by its leadership style. There are numerous literature on management that discuss various leadership styles and frameworks, including autocratic leadership, bureaucratic leadership, charismatic leadership, transactional leadership, and transformational leadership, which are all based on different approaches to leadership. Each of these leadership styles has a different impact on organizational performance; some styles can help organizations succeed, while others can hinder their growth and lead to failure.

2.5 Summary of the reviewed literature

Several studies have been conducted, mostly involving multiple banks, to investigate the influence of leadership style on organizational performance. The current study aims to analyze the impact of five independent variables, namely charisma, inspirational motivation, intellectual stimulation, constructive/contingent reward, and management by exception, on the organizational performance of Nepalese commercial banks.

The current study aims to investigate the influence of leadership style on the organizational performance of Nepalese commercial banks. The review of various literature indicates that several studies have been conducted in different periods regarding leadership style and its impact on organizational performance, with varying results. Although many studies have been conducted on this topic in the international context, there is a significant research gap in the Nepalese context, which this study aims to fill.

This study is important because it fills a significant gap in the literature, and its findings can contribute to the existing body of knowledge. Considering the research gaps, particularly in the context of Nepal, this study proposes a framework to identify the key factors that influence organizational performance in Nepalese commercial banks, including charisma, inspirational motivation, intellectual stimulation, constructive/contingent reward, and management by exception. However, the study is

limited to only a few domains in leadership style in Nepal, which makes it challenging to gather the necessary information for this study. Nevertheless, this study is expected to stimulate more research in this direction by filling the gap in examining the impact of leadership style on organizational performance.

The purpose of this study is to investigate the impact of leadership style on organizational performance in Nepalese commercial banks. Literature review indicates that several studies have been conducted in different periods on leadership style and its impact on organizational performance, but countries like Nepal are lacking such studies. Even if studies are found in the Nepalese context, there are several issues related to them. Therefore, this study aims to analyze the impact of leadership style on organizational performance of Nepalese commercial banks using more recent data to contribute to the literature on this topic.

Chapter III

Research methodology

Research methodology is a systematic approach to solving a problem or answering a research question. It involves the scientific study of how research is carried out and provides a framework for the study. Researchers follow a set of procedures for explaining, clarifying, and predicting phenomena. Before presenting the analysis and interpretation of data, it is important to describe the study methodology. Research methodology describes the methods and processes applied in all aspects of the study and help to address systematic problems. It is used to collect information and data and outlines the overall plan for the study. The methodology may include various techniques such as literature review, interviews, surveys, and other research methods and can involve both present and historical information.

The research methodology chapter is essential for any research study, as it outlines the step-by-step process that the researcher will follow to conduct the research, collect and analyze data, and draw conclusions. The methodology helps ensure that the study is conducted in a systematic and rigorous manner, and that the data collected is reliable and valid. The chapter also provides a clear framework for other researchers to replicate the study, or to build upon the findings.

The methodology section is a crucial part of any research study as it outlines the approach, process and tools used to collect and analyze data, and draw conclusions. By presenting a detailed methodology, researchers can ensure the transparency, reliability and validity of their findings.

3.1 Research Design

The causal comparative research design has been employed in this study to establish the cause and effect relationship between personality style and organizational performance of Nepalese commercial banks. This research design involves the comparison of two or more groups on a particular variable of interest. It is also known as ex post facto research design because the researcher does not have control over the independent variable as it has already occurred. In this study, the independent variable is leadership style and the dependent variable is organizational performance. The study compares the leadership style of Nepalese commercial banks with their respective organizational performance to determine the relationship between them.

Furthermore, this study uses both primary and secondary sources of data. The primary data is collected through a structured questionnaire survey, and the secondary data is collected from various published and unpublished sources such as books, journals, reports, and websites. The sample size for this study consists of 110 employees of Nepalese commercial banks who are selected through stratified random sampling technique. The stratified random sampling technique ensures that the sample is representative of the population of Nepalese commercial banks.

In conclusion, this study employs both qualitative and quantitative research approaches, a descriptive research design and causal comparative research design, primary and secondary sources of data, and a stratified random sampling technique. These research methods are chosen to ensure the accuracy and reliability of the results obtained and to fulfill the objectives of the study.

Kendall's Tau correlation is a non-parametric statistic that measures the strength and direction of the association between two variables. It is used when the variables being analyzed are ordinal or non-normally distributed. In this study, it is used to measure the relationship between the independent variables (charisma, inspirational motivation, individual consideration, contingent reward, and management by exception) and the dependent variable (organizational performance) in Nepalese commercial banks. The results of the correlation analysis will provide insights into the strength and direction of the relationship between the variables, which will help in developing and testing the study hypotheses.

3.2 Population and sample

The study is based on primary and secondary sources of data from commercial banks of Nepal. Primary data were gathered from the 100 respondents. The primary data were used to extract the information from the employees regarding the leadership style of employees and its impact on organizational performance in Nepalese commercial banks. The study used convenience sampling to tract the respondents for the study. The convenience sampling was considered to be appropriate as this technique is the best way to reach the respondents due to resource constraints, time and money. Similarly, the sampling technique assumes a homogeneous population which means the member of population poses similar characteristics. The target population for the study is the entire employees working in Nepalese commercial banks.

This study includes 100 respondents from 5 commercial banks within Kathmandu valley. The level of employees taken as respondents in the study falls under assistant level, officer level, manager level and senior manager level. For the analysis of factors affecting organizational performance in Nepalese commercial banks, 110 questionnaires were distributed to the respondents and 100 were collected. For data collection, one of the non-probabilistic techniques i.e. convenience has been used. Convenience sampling is one of the type of non-probability based on which they think would be appropriate for the study. A set of questionnaires shown in appendix was prepared and distributed to the employees of 5 commercial banks within Kathmandu valley.

Table 4 shows the list of sample commercial banks selected for the study and number of respondents.

Table 4: Number of commercial banks selected for the study along with number of respondents

S.N.	Name of the commercial banks	Number of respondents
1	Nabil Bank Limited	21
5	Kumari Bank Limited	33
7	Sanima Bank Limited	15
8	Machhapuchchhre Bank Limited	17
21	Citizens Bank International Limited	14
Total number of respondents		1

Thus, the study is based on 100 respondents.

3.3 Study variables

In research, a variable can be a person, place, thing, or phenomenon that is being measured in some manner. To distinguish between a dependent and an independent variable, it is helpful to consider the implied meaning conveyed by the terminology used to describe the variable. Independent variable used in the study are:

1. Charisma
2. Inspirational motivational
3. Intellectual stimulation/Individual consideration

4. Constructive/contingent reward
5. Management by exception

Dependent variable is:

1. Employee performance

3.4 Instrumentation and tools

3.4.1 Instrumentation

The study is based on primary and secondary sources of data. This section elaborates on how data were collected to carry out this study. Without any data, nothing can be studied. The variables used in the study are categorized into independent variables (charisma, inspirational motivation, intellectual stimulation, constructive/contingent reward and management by exception) and dependent variables.

The purpose of the structural survey is to gather data about how leadership style affects the performance of an organization. The initial section of the survey focuses on gathering demographic information such as age, education level, and job position. This portion of the survey is used for descriptive analysis of the participants. The second section of the survey is designed to assess the effects of different factors on organizational performance. Each factor that impacts organizational performance is assessed using 5 statements, with each statement being measured on a Likert scale. The scale used in the survey is a 5-point Likert scale, where 1 indicates a strong agreement and 5 indicates a strong disagreement. The degree of agreement or disagreement for each statement is used to evaluate the respondents' perception of that particular statement. The second part of the questionnaire includes multiple statements related to charisma, inspirational motivation, intellectual stimulation, constructive/contingent reward, and management by exception as they relate to organizational performance. These variables were utilized to identify the leadership style of employees that has an impact on organizational performance. This approach was taken to establish and comprehend the nature, strength, and forms of the relationship between various factors and organizational performance. The reliability of the data has been evaluated by calculating Cronbach's alpha.

3.4.2 Tools

The software SPSS 23 version is used to analyze both primary and secondary data. A comprehensive file is created in the beginning, followed by defining the variables and their labels and inputting their values. The statistical and econometric models used for analyzing the primary and secondary data involve descriptive, correlation, and regression methods of analysis. The descriptive statistics includes mean, standard deviation, minimum, and maximum values of the variables, which are used to explain the characteristics of the sample firms. The correlation analysis is employed to measure the direction and magnitude of the relationship between the dependent and independent variables. The regression analysis is used to determine the influence of independent variables on the dependent variable, both solely and in combination with other variables. Various statistical tests of significance, such as t-test and F-test, are conducted to validate the model, as well as detect and analyze linear regression. All models are tested for individual effects by running an F-test using the statistical package for social science (SPSS 23).

3.5 Data collection procedure

The aim of this study is to gain insight into the perceptions of the respondents on the influence of leadership style on the performance of Nepalese commercial banks. To obtain the necessary information, a structured questionnaire has been utilized and distributed to the employees of Nepalese commercial banks. The questionnaire was created specifically for this study and was collected in person from the offices of sample banks.

3.6 Data analysis plan and procedure

The econometric models utilized in this study aim to analyze the relationship between the selected leadership style and organizational performance variables. The least square regression model is employed in this study to examine the empirical relationship between the effects of leadership style on the organizational performance of Nepalese commercial banks. This section provides an overview of how the collected data is utilized for the study. The questionnaire was prepared with the aid of Google docs and sent through mail and messenger to the managers and other employees of the bank, who were then requested to complete the questionnaire. The method of data

analysis comprises four sections. The first section pertains to the analysis of primary data, which includes a summary of descriptive statistics related to the general information of the respondents, such as age, gender, academic qualifications, experience, and position.

The second section of data analysis involves an examination of the descriptive statistics, such as the mean and weighted average values of the five influencing factors - charisma, inspirational motivation, intellectual stimulation, constructive/contingent reward, and management by exception - that are used to characterize the sample during the period. The study also employs percentage frequency distribution and mean-scores of the responses to the Likert scale items.

The third section focuses on Pearson's correlation analysis, which is used to explore the relationship between different leadership factors and organizational performance in Nepalese commercial banks.

The fourth and final section of data analysis involves regression analysis of the primary data. Regression models are used to estimate the relationship between the dependent variable, i.e., organizational performance, and the independent factors. The collected data is analyzed using the software SPSS.

After collecting responses from the respondents, the data is coded and tabulated into an SPSS worksheet. SPSS is used to analyze the results of the questionnaire and interpret the findings. Various tools, such as frequencies, descriptive statistics, casual comparative and reliability analysis (Cronbach's alpha), are employed to derive the results.

The p-value is used to check the level of significance of the different statements of leadership style and organizational performance.

Therefore, the following model equation is designed to test the hypothesis based on the conceptual framework, where the dependent variable, i.e., organizational performance, takes the following form:

$$\text{Organizational performance} = f(\text{CH, IM, IS, IR, CR, MBE})$$

More specifically, the given model has been segmented into the following models:

Model 1.

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

In the above regression model, the dependent variable is the employee performance indicated by EP. The impact of charisma, inspirational motivation, intellectual stimulation, constructive reward and management by exception on organizational performance is tested.

Model 2:

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

In the above model, the dependent variable is the return on equity. The impact of charisma, inspirational motivation, intellectual stimulation, constructive reward and management by exception on organizational performance is tested.

Where,

EP= Employee performance

ROE= Return on equity

CH= Charisma

IM= Inspirational motivation

IS= Intellectual stimulation

CR= Constructive/contingent reward

MBE= Management by exception

β_0 is the constant term and $\beta_1, \beta_2, \beta_3, \beta_4$ and β_5 are the coefficients of variables.

Chapter IV

Findings of the study and result

In this chapter, the primary data collected for the study is systematically and orderly presented and analyzed, utilizing various statistical and regression models previously described in the earlier chapter. The chapter is divided into three sections. The first section focuses on presenting and analyzing the primary and secondary data, specifically the results of the questionnaire survey. The main objective of this section is to interpret and analyze the data collected during the study. The second section is dedicated to analyzing the regression model, which includes correlation analysis. Finally, the third section provides concluding remarks based on the findings from both the primary and secondary data analysis.

4.1 Presentation and analysis of data

The main focus of this study is the examination of the impact of leadership style on organizational performance in Nepalese commercial banks through the analysis of primary and secondary data. Both qualitative and quantitative aspects are considered. The study employs a questionnaire survey to collect data from various groups of employees. This section presents the findings of the primary and secondary data analysis.

To investigate the relationship between leadership style and organizational performance in Nepalese commercial banks, a questionnaire survey was conducted. The questionnaire consisted of both multiple-choice and Likert-scale questions, and a total of 192 respondents were surveyed and analyzed in line with the study's objective. The respondents' profiles, as well as their personal characteristics and survey results, are presented in the following sections. To conduct a thorough analysis of the data, percentage, frequency, mean value, and weighted average mean value were calculated.

4.1.1 Respondent's profile

In this study, an analysis of the primary data is conducted, starting with a discussion of the respondents' profile. Understanding the demographic characteristics of the respondents is crucial in comprehending their perceptions and reliability within the organization. Therefore, this section provides an overview of the respondents' profiles, including their personal characteristics such as gender, age group, academic qualifications, designation, and work experience. Table 5 presents the demographic characteristics of the respondents.

Table 5: Demographic characteristics of the respondents

Respondents' detail	No of responses	Percentage (%)
Gender		
Male	53	53.1
Female	47	46.9
Total	100	100
Age group(in years)		
Below 25	33	33.9
26-30	51	51.0
31-35	12	12.0
36-40	3	2.6
41-45	1	0.5
Above 46 years	0	0
Total	100	100
Academic qualification		
Intermediate level	1	0.5
Bachelor's degree	47	46.9
Master's degree	52	52.6
Ph.D. degree	0	0
Total	100	100
Designation		
Assistant	58	58.9
Officer	28	28.1
Manager	12	11.5
Senior Manager	2	1.6
Total	100	100
Work experience		
Less than 2 years	50	57.8
2- 5 years	30	30.7
5-10 years	18	9.9
Above 10 years	2	1.6
Total	100	100

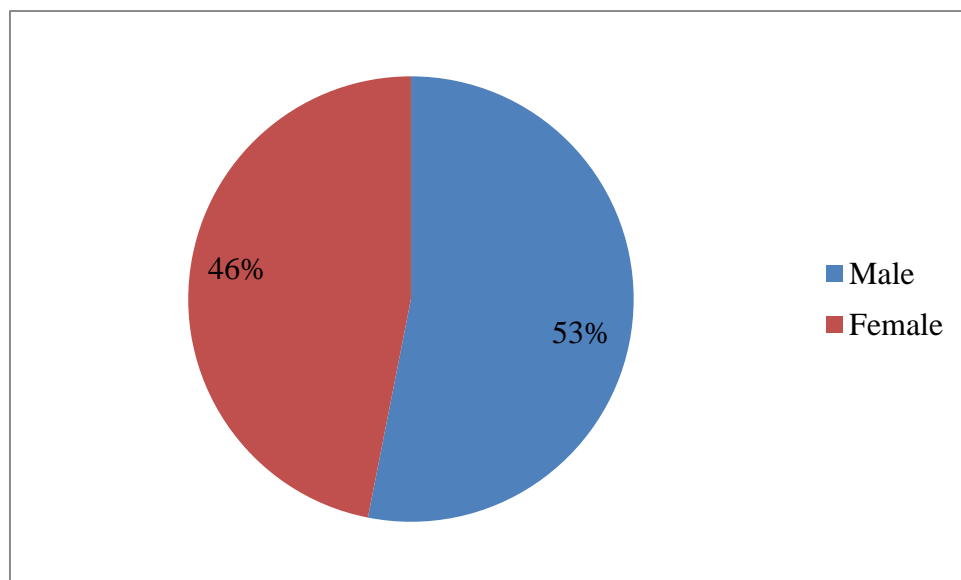
Source: Field Survey, 2022

Out of the 110 questionnaires distributed to the employees of commercial banks, only 100 respondents completed and returned them. The respondents comprised 58 assistant-level employees, 28 officers, 12 managers, and 2 senior managers. The majority of the responses were from assistant-level employees, while the number of responses from officers, managers, and senior managers was comparatively lower. This section provides an analysis of the demographic characteristics of the respondents, including their gender, age, academic qualifications, work experience, and designation.

Gender information

Gender is an important variable in expressing and giving the responses about the problem. Thus, the variable gender was investigated for the study. The classification of the respondents by gender is presented in the Figure 4.1. The figure shows that majority of the respondents are male (53 percent) followed by female respondents (46 percent).

Figure 2: Classification of respondents by gender

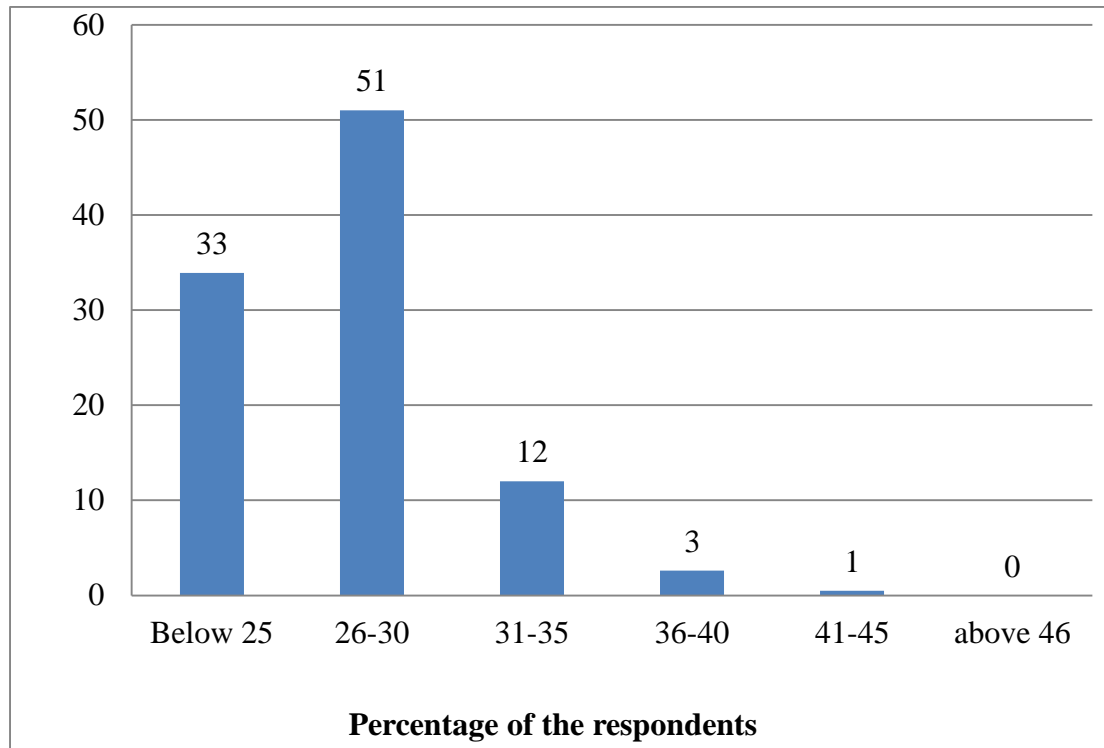


Age information

Age of the respondent plays a crucial role in understanding the views about the particular problems. The age of the respondent is categorized into five groups i.e. under 25 years, 26-30 years, 31-35 years, 36-40 years, 41-45 years, and above 46 years. The

classification of respondents by age in terms of percent is shown in figure 4.2. Figure 4.2 shows that majority of the respondents (51 percent) are between the age group 26-30 years followed by (33 percent) below the age 25, (12 percent) between the age group of 31-35 years and (3 percent) in the age group of 36-40 years.

Figure 3: Classification of respondents by age

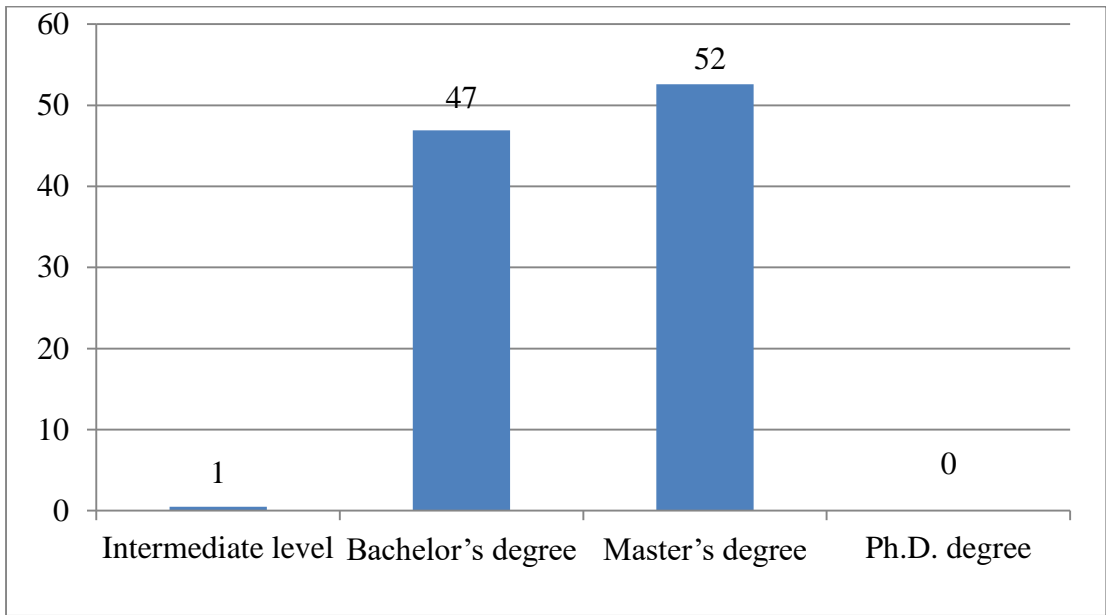


Academic qualification

Education is one of the most important characteristics that affect the person's attitude and their decision taking behavior. Therefore, the educational background of the respondents should be known which makes great impact on the leadership style. The education level of the respondents is categorized into four groups i.e. intermediate, under graduate, graduate and post graduate. The classification of the respondents by education level in terms of number and percent is shown in Figure 4.

The figure shows that majority of the respondents (52 percent) hold master's degree which is followed by bachelor's degree held by 47 percent of total respondents. However, only 1 percent holds intermediate level.

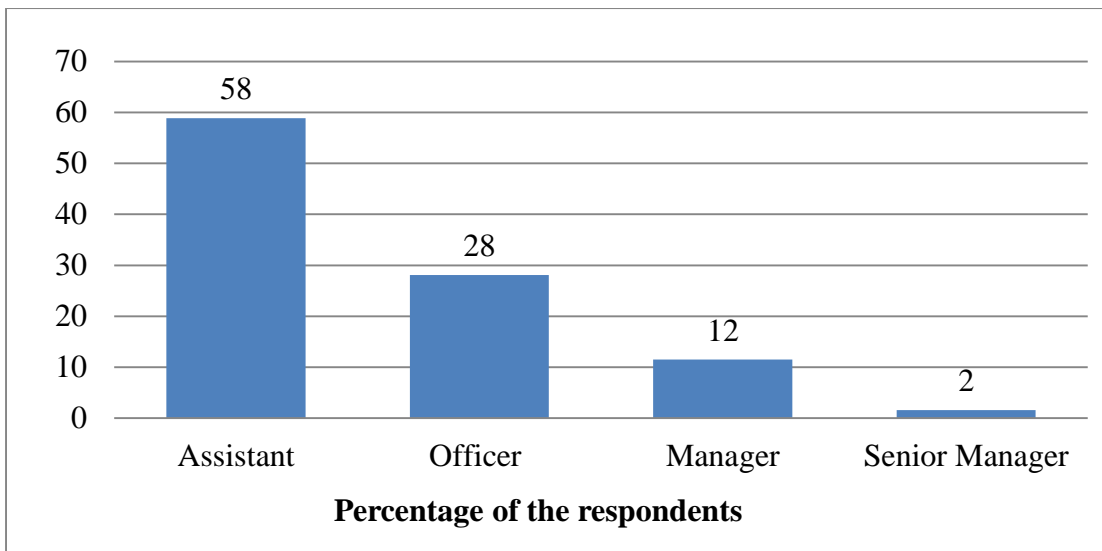
Figure 4: Respondents classified by academic qualification



Designation information

The designation of the respondents is categorized into four levels i.e. assistant level, officer, manager and senior manager. The classification of the respondents by designation is presented in Figure 4.4. The figure shows that the higher portion of the respondents (58 percent) hold the position of assistant followed by officer (28 percent), manager (12 percent) and senior manager (2 percent) is shown in Figure no .5

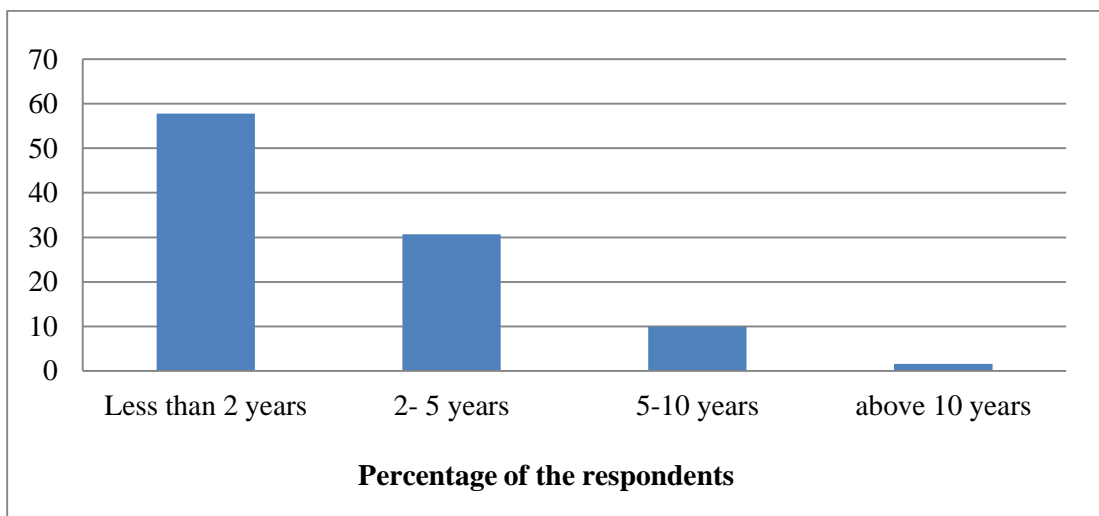
Figure 5: Respondents classified by designation



Work experience information

Work experience is any experience that a person gains while working in a specific field. The work experience of the respondents is categorized into four groups i.e. less than 2 years, 2-5 years, 5-10 years and above 10 years. The classification of the respondents by work experience in terms of number and percent is shown in Figure 6.

Figure 6: Classification of respondents by work experience



The figure shows that large number of the respondents (50 percent) have less than 2 years of experience followed by the respondents having 2-5 years of job

experience (30 percent), 5-10 years of job experience (18 percent) and rest having above 10 years of job experience (2 percent).

4.1.2 Employee perception on charisma, inspirational motivation, intellectual stimulation, constructive reward and management by exception

This section provides the information on the employee perception on the level of selected leadership style. The respondents were asked to present their view on selected aspects of charisma, inspirational motivation, intellectual stimulation, constructive reward and management by exception within their working organization.

Table 6 presents the opinions of respondents regarding charismatic leadership style of respondents from selected Nepalese commercial banks.

Table 6: Employee perception on charisma

S.N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1.	I go beyond self-interest for the good of the group.	Non Officer level	5 (12.8)	23 (58.97)	7 (17.95)	3 (7.69)	1 (2.56)
		Officer level	8 (13.11)	38 (62.30)	12 (19.67)	2 (3.28)	1 (1.64)
	Total		13	61	19	5	2

(The table shows the percentage, frequency and mean of the employees' perception regarding their charismatic leadership style. The statement is measured in five point Likert scales. 1 as strongly agree, 2 as agree, 3 as neither agree nor disagree, 4 as disagree and 5 as strongly disagree.)

Note the figure inside bracket denotes percentage.

Charisma is one of the important determinants of leadership style. The respondents were asked questions regarding their view on different statements under charismatic leadership style.

When the respondent were asked whether they can go beyond self-interest for the group majority of respondents (61 percent) agree on the statement, where officer level (62.30 percent) and non-officer level (58.97 percent), while (19 percent) of the respondents are neutral, where officer level (19.67 percent) and non-officer level (17.95 percent). Whereas the correlation coefficient is 0.99677. It indicates that the employees go beyond self- interest for the good of the group. The average mean value of the statement is 2.22.

Table 7: Employee perception on charisma

S.N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
2.	I consider the moral and ethical consequences of decisions.	Non Officer level	19 (51.35)	12 (32.43)	4 (10.81)	1 (2.70)	1 2.7
		Officer level	31 (49.21)	26 (41.27)	6 (9.52)	0 (0)	0 (0)
	Total		13	50	38	10	1

Regarding the responses on the statement “I consider the moral and ethical consequences of decisions.” Large number of respondents (50 percent) agree on the statement, where officer level (41.27 percent) and non-officer level (32.43 percent). (38 percent) of the respondents are neutral, where officer level (9.52 percent) and non-officer level (10.81 percent). Whereas 13 percent respondents agree on the statement, in which 49.21 percent is officer level and 51.35 is non officer level. The correlation coefficient is 0.98017. It indicates that the employees consider the moral and ethical consequences of decisions. The average mean value of the statement is 1.65.

Table 8: Employee perception on charisma

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
3.	I make others feel good to be around me.	Non Officer level	8 (20.51)	20 (51.28)	9 (23.08)	1 (2.56)	1 (2.56)
		Officer level	12 (19.67)	33 (54.10)	16 (26.23)	0 (0)	0 (0)
	Total		20	53	25	1	1

Similarly, majority of the respondents (53 percent) opine that make others feel good to be around them where officer level (54.10 percent) and non-officer level (51.28 percent). 25 percent of the respondents are neutral, where officer level (26.23 percent) and non-officer level (23.08 percent). Whereas 20 percent respondents strongly agree on the statement, in which (19.67 percent) is officer level and (20.51 percent) is non officer level. The correlation coefficient is 0.99753. It indicates that the employees consider that they make others feel good to be around them. The average mean value of the statement is 2.1

Table 9: Employee perception on charisma

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
4.	Others have complete faith in me.	Non Officer level	8 (21.62)	17 (45.95)	9 (24.32)	3 (8.11)	0 (0)
		Officer level	12 (19.05)	37 (58.73)	14 (22.22)	0 (0)	0 (0)
	Total		20	54	23	3	0

Similarly, majority of the respondents (54 percent) opine others have complete faith in them where officer level (58.73 percent) and non-officer level (45.95 percent). (23 percent) of the respondents are neutral, where officer level (24.32 percent) and non-officer level (22.22 percent). Whereas 20 percent respondents strongly agree on the statement, in which (19.05 percent) is officer level and (21.62 percent) is non officer level. The correlation coefficient is 0.97786. It indicates that the employees consider that others have complete faith in them. The average mean value of the statement is 2.09

Table 10: Employee perception on charisma

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
5.	Others are proud to be associated with me	Non Officer level	6 (18.18)	17 (51.52)	9 (27.27)	1 (33.33)	0 (0)
		Officer level	11 (16.42)	40 (59.70)	16 (23.88)	0 (0)	0 (0)
	Total		17	57	25	1	0

Similarly, majority of the respondents (57 percent) opine others are proud to be associated with them where officer level (59.70 percent) and non-officer level (51.52 percent). (25 percent) of the respondents are neutral, where officer level (23.88 percent) and non-officer level (27.27 percent). Whereas 17 percent respondents strongly agree on the statement, in which (16.42 percent) is officer level and (18.18 percent) is non officer level. The correlation coefficient is 0.991. It indicates that the employees consider that others have complete faith in them. The average mean value of the statement is 2.1

Table 11: Employee perception on charisma

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
6.	I treat each subordinate as an individual with different needs abilities and aspiration.	Non Officer level	7 (18.42)	21 (55.26)	9 (23.68)	1 (2.63)	0 (0)
		Officer level	12 (19.4)	34 (38.7)	16 (25.8)	0 (0)	0 (0)
	Total		19	55	25	1	0

Similarly, majority of the respondents (55 percent) agree that they treat each subordinate as an individual with different needs abilities and aspiration where officer level (38.7 percent) and non-officer level (55.26 percent). 25 percent of the respondents are neutral, where officer level (25.8 percent) and non-officer level (23.68 percent). Whereas 19 percent respondents strongly agree on the statement, in which (19.4 percent) is officer level and (18.42 percent) is non officer level. The correlation coefficient is 0.99712. It indicates that the employees treat each subordinate as an individual with different needs abilities and aspiration. The average mean value of the statement is 2.08.

Table 12: Employee perception on charisma

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
7.	I value the importance of mutual trust among members	Non Officer level	6 (17.64)	17 (50)	9 (24.47)	1 (2.940)	1 (2.94)
		Officer level	10 (15.15)	40 (60.60)	16 (24.24)	0 (0)	0 (0)
Total			16	57	25	1	1

Likewise, majority of the respondents (57 percent) agree that they treat each subordinate as an individual with different needs abilities and aspiration where officer level (60.60 percent) and non-officer level (50 percent). (25 percent) of the respondents are neutral, where officer level (24.24 percent) and non-officer level (24.47 percent). Whereas 16 percent respondents strongly agree on the statement, in which (15.15 percent) is officer level and (17.64 percent) is non officer level. The correlation coefficient is 0.99374. It indicates that the employees value the importance of mutual trust among members .The average mean value of the statement is 2.14.

Table 13: Employee perception on inspirational motivation

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1.	I talk optimistically about the future.	Non Officer level	9 (22.50)	21 (52.5)	10 (25)	0 (0)	0 (0)
		Officer level	16 (26.66)	35 (58.33)	7 (11.66)	2 (3.33)	0
	Total		25	56	17	2	0

(The table shows the percentage, frequency and mean of the employees' perception regarding their inspirational motivation. The statement is measured in five point Likert scales. 1 as strongly agree, 2 as agree, 3 as neither agree nor disagree, 4 as disagree and 5 as strongly disagree.)

The table indicates that majority of the respondents (56 percent) strongly agree that they are able to talk optimistically about the future where (58.33 percent) are officer level and (52.5 percent) are non-officer level, whereas (25 percent) of the respondents strongly agree that they are able to talk optimistically about the future where (22.50 percent) non officer level and (26.66 percent) officer level. Likewise, (17.0 percent) are neutral to the statement where (25 percent) are non-officer and 11.66 percent are officer level. The correlation coefficient is 0.9459. It indicates that the employees talk optimistically about the future. The average mean value of the statement is 1.96.

Table 14: Employee perception on inspirational motivation

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
2.	I talk enthusiastically about what needs to be accomplished.	Non Officer level	13 (32.5)	20 (50)	4 (10)	2 (5)	1 (2.5)
		Officer level	22 (36.66)	32 (53.33)	6 (10)	0 (0)	0 (0)
	Total		35	52	10	2	1

The table indicates that majority of the respondents (52 percent) agree that they are able to talk enthusiastically about what needs to be accomplished where (53.33 percent) are officer level and (50.0 percent) are non-officer level, whereas (35 percent) of the respondents strongly agree that they are able to talk enthusiastically about what needs to be accomplished where (32.5 percent) non officer level and (36.66 percent) officer level. Likewise, (10.0 percent) are neutral to the statement where (10.0 percent) are non-officer and (10.66 percent) are officer level. The correlation coefficient is 0.9964. It indicates that the employees talk enthusiastically about what needs to be accomplished. The average mean value of the statement is 1.82

Table 15: Employee perception on inspirational motivation

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
3.	I provide appealing images about what we can do.	Non Officer	6 (15.38)	20 (51.28)	10 (25.64)	2 (5.12)	1 (2.56)
		Officer	9 (14.75)	32 (52.45)	15 (24.59)	4 (6.55)	1 (1.63)
	Total		15	52	25	6	2

The table indicates that majority of the respondents (52 percent) agree that they are able to provide appealing images about what we can do. Where (52.45 percent) are officer level and (51.28 percent) are non-officer level, whereas (15 percent) of the respondents strongly agree that they are able to provide appealing images about what we can do. Where (15.38 percent) non officer level and (14.75 percent) officer level. Likewise, (25 percent) are neutral to the statement where (25.64 percent) are non-officer and (24.59 percent) are officer level. The correlation coefficient is 0.9984. It indicates that the employees are able to provide appealing images about what we can do. The average mean value of the statement is 2.28.

Table 16: Employee perception on inspirational motivation

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
4.	I help others find meaning in their work	Non Officer	7 (17.94)	19 (48.71)	10 (25.64)	2 (5.12)	1 (2.56)
		Officer	12 (19.67)	30 (49.18)	15 (24.59)	4 (6.55)	0 (0)
	Total		19	49	25	6	1

The table indicates that large number of the respondents (49 percent) agree that they are able to help others find meaning in their work where (49.18 percent) are officer level and (48.71 percent) are non-officer level, whereas (19 percent) of the respondents strongly agree that they are able to help others find meaning in their work where (17.94 percent) non officer level and (19.67 percent) officer level. Likewise, (25 percent) are neutral to the statement where (25.64 percent) are non-officer and (24.59 percent) are officer level. The correlation coefficient is 0.9957. It indicates that the employees are able to help others find meaning in their work. The average mean value of the statement is 2.21.

Table 17: Employee perception on inspirational motivation

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
5.	I express confidence that goals will be achieved.	Non Officer	10 (25.64)	19 (48.71)	6 (15.8)	3 (7.69)	1 (2.56)
		Officer	16 (26.22)	32 (52.45)	11 (18.03)	1 (1.63)	1 (1.63)
	Total		26	51	17	4	2

The table indicates that majority of the respondents (51 percent) agree that they are able to express confidence that goals will be achieved, where (52.45 percent) are officer level and (48.71 percent) are non-officer level, whereas (26 percent) of the respondents strongly agree that they are able to express confidence that goals will be achieved., where (25.64 percent) non officer level and (26.22 percent) officer level. Likewise, (17.0 percent) are neutral to the statement where (15.8 percent) are non-officer and (18.03 percent are officer level. The correlation coefficient is 0.9909. It indicates that the employees are able to express confidence that goals will be achieved. The average mean value of the statement is 2.05.

Table 18: Employee perception on inspirational motivation

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
6.	I express how achieving goal can benefit the group	Non Officer	7 (18.42)	20 (52.63)	7 (18.42)	3 (7.89)	1 (2.63)
		Officer	12 (19.35)	35 (56.45)	13 (20.96)	2 (3.22)	0
Total			19	55	20	5	1

The table indicates that majority of the respondents (55 percent) agree that they are able to express how achieving goal can benefit the group where (56.45 percent) are officer level and (52.63 percent) are non-officer level, whereas (19 percent) of the respondents strongly agree that they are able to express how achieving goal can benefit the group where (18.42 percent) non officer level and (19.35 percent) officer level. Likewise, (20.0 percent) are neutral to the statement where (18.42 percent) are non-officer and (20.96 percent) are officer level. The correlation coefficient is 0.9954. It

indicates that the employees are able to express how achieving goal can benefit the group. The average mean value of the statement is 2.14.

Table 19: Employee perception on intellectual stimulation

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1.	I let others know how I think	Non Officer	6 (15.78)	21 (55.26)	7 (18.42)	2 (5.26)	2 (5.26)
		Officer	11 (17.74)	33 (53.22)	11 (17.74)	4 (6.45)	3 (4.83)
	Total		17	54	18	6	5

(The table shows the percentage, frequency and mean of the employees' perception regarding their intellectual stimulation. The statement is measured in five point Likert scales. 1 as strongly agree, 2 as agree, 3 as neither agree nor disagree, 4 as disagree and 5 as strongly disagree.)

The table indicates that majority of the respondents (54 percent) agree that they are able to let others know how I think where (53.22 percent) are officer level and (55.26 percent) are non-officer level, whereas (17 percent) of the respondents strongly agree that they are able to let others know how I think where (15.78 percent) non officer level and (17.74 percent) officer level. Likewise, (18.0 percent) are neutral to the statement where (18.42 percent) are non-officer and (17.74 percent) are officer level. The correlation coefficient is 0.9983. It indicates that the employees are able to let others know how I think. The average mean value of the statement is 2.28.

Table 20: Employee perception on intellectual stimulation

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
2.	I help others to develop their strengths.	Non Officer	10 (21.73)	18 (39.13)	12 (26.08)	4 (8.69)	2 (4.34)
		Officer	17 (31.48)	30 (55.55)	7 (12.6)	0 (0)	0 (0)
	Total		27	48	19	4	2

The table indicates that large number of the respondents (48 percent) agree that they are able to help others to develop their strengths where (55.55 percent) are officer level and (39.13 percent) are non-officer level, whereas (27 percent) of the respondents strongly agree that they are able to help others to develop their strengths where (21.73 percent) non officer level and (31.48 percent) officer level. Likewise, (19.0 percent) are neutral to the statement where (26.08 percent) are non-officer and (12.6 percent) are officer level. The correlation coefficient is 0.9047. It indicates that the employees are able to help others to develop their strengths. The average mean value of the statement is 2.06.

Table 21: Employee perception on intellectual stimulation

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
3.	I seek differing perspectives when solving problems.	Non Officer	6 (15.38)	21 (53.84)	8 (20.51)	2 (5.12)	2 (5.12)
		Officer	10 (16.39)	36 (59.01)	13 (21.31)	2 (3.27)	0 (0)
	Total		16	57	21	4	2

The table indicates that majority of the respondents (57 percent) agree that they are able to seek differing perspectives when solving problems. Where (59.01 percent) are officer level and (53.84 percent) are non-officer level, whereas (16 percent) of the respondents strongly agree that they are able to seek differing perspectives when solving problems where (15.38 percent) non officer level and (16.39 percent) officer level. Likewise, (21.0 percent) are neutral to the statement where (20.51 percent) are non-officer and (21.31 percent) are officer level. The correlation coefficient is 0.9975. It indicates that the employees are able to seek differing perspectives when solving problems. The average mean value of the statement is 2.19.

Table 22: Employee perception on intellectual stimulation

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
4.	I consider an individual's needs, abilities, and aspirations of others.	Non Officer	6 (13.63)	21 (47.72)	14 (31.81)	3 (6.81)	0 (0)
		Officer	11 (19.64)	35 (62.5)	8 (14.28)	2 (3.57)	0 (0)
	Total		17	56	22	5	0

The table indicates that majority of the respondents (56 percent) agree that they are able to consider an individual's needs, abilities, and aspirations of others where (62.5 percent) are officer level and (47.72 percent) are non-officer level, whereas (17 percent) of the respondents strongly agree that they are able to consider an individual's needs, abilities, and aspirations of others, where (13.63 percent) non officer level and (19.64 percent) officer level. Likewise, (22.0 percent) are neutral to the statement where (31.81 percent) are non-officer and (14.28 percent) are officer level. The correlation coefficient is 0.8849. It indicates that the employees are able to consider an individual's needs, abilities, and aspirations of others. The average mean value of the statement is 2.15.

Table 23: Employee perception on intellectual stimulation

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
5.	I suggest new ways of looking at how to complete assignments.	Non Officer	8 (19.04)	22 (52.38)	9 (21.48)	3 (7.14)	0 (0)
		Officer	15 (25.86)	35 (60.34)	4 (6.89)	2 (3.44)	2 23.44
Total			23	57	13	5	2

The table indicates that majority of the respondents (57 percent) agree that they are able to suggest new ways of looking at how to complete assignments, where (60.34 percent) are officer level and (52.38 percent) are non-officer level, whereas (23.0 percent) of the respondents strongly agree that they are able to suggest new ways of looking at how to complete assignments, where (19.04 percent) non officer level and (25.86 percent) officer level. Likewise, (13.0 percent) are neutral to the statement where (21.48 percent) are non-officer and (6.89 percent) are officer level. The correlation coefficient is 0.9305. It indicates that the employees are able to suggest new ways of

looking at how to complete assignments. The average mean value of the statement is 2.06.

Table 24: Employee perception on intellectual stimulation

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
6.	I let feel that I can help and assist on the assignment of each individual.	Non Officer	6 (13.63)	21 (47.72)	12 (27.27)	4 (9.09)	1 (2.27)
		Officer	12 (21.42)	35 (57.14)	8 (14.28)	0 (0)	1 (1.78)
Total			18	56	20	4	2

The table indicates that majority of the respondents (56 percent) agree that they are able to let feel that they can help and assist on the assignment of each individual. Where (57.14 percent) are officer level and (47.72 percent) are non-officer level, whereas (18 percent) of the respondents strongly agree that they are able to let feel that they can help and assist on the assignment of each individual where (13.63 percent) non officer level and (21.42 percent) officer level. Likewise, (20.0 percent) are neutral to the statement where (27.27 percent) are non-officer and (14.28 percent) are officer level. The correlation coefficient is 0.9141. It indicates that the employees are able to let feel that they can help and assist on the assignment of each individual. The average mean value of the statement is 2.16.

Table 25: Employee perception on constructive reward

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1.	I tell others what to do if they want to be rewarded for their work.	Non Officer	10 (23.80)	15 (35.71)	8 (19.04)	5 (11.90)	4 (9.52)
		Officer	15 (25.86)	24 (41.37)	14 (23.13)	3 (5.17)	2 (3.44)
	Total		25	39	22	8	6

(The table shows the percentage, frequency and mean of the employees' perception regarding their constructive reward. The statement is measured in five point Likert scales. 1 as strongly agree, 2 as agree, 3 as neither agree nor disagree, 4 as disagree and 5 as strongly disagree.)

The table indicates that large number of the respondents (39 percent) agree that they are able to tell others what to do if they want to be rewarded for their work, where (41.37 percent) are officer level and (35.71 percent) are non-officer level, whereas (25 percent) of the respondents strongly agree that they are able to tell others what to do if they want to be rewarded for their work where (23.80 percent) non officer level and (25.86 percent) officer level. Likewise, (22.0 percent) are neutral to the statement where (19.04 percent) are non-officer and (23.13 percent) are officer level. The correlation coefficient is 0.978. It indicates that the employees are able to tell others what to do if they want to be rewarded for their work. The average mean value of the statement is 2.03.

Table 26: Employee perception on constructive reward

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
2.	I provide recognition / rewards when others reach their goals.	Non Officer	5 (10.86)	16 (34.78)	21 (45.65)	3 (6.52)	1 (2.17)
		Officer	10 (18.51)	28 (51.85)	14 (25.92)	2 (3.70)	0 (0)
	Total		15	44	35	5	1

The table indicates that large number of the respondents (44 percent) agree that they are able to provide recognition/rewards when others reach their goals, where (51.85 percent) are officer level and (34.78 percent) are non-officer level, whereas (15 percent) of the respondents strongly agree that they are able to provide recognition/rewards when others reach their goals, where (10.86 percent) non officer level and (18.51 percent) officer level. Likewise, (35.0 percent) are neutral to the statement where (45.65 percent) are non-officer and (25.92 percent) are officer level. The correlation coefficient is 0.7659. It indicates that the employees are able to provide recognition/rewards when others reach their goals. The average mean value of the statement is 2.33.

Table 27: Employee perception on constructive reward

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
3.	I call attention to what others can get for what they accomplish.	Non Officer	6 (15.78)	20 (52.63)	8 (21.05)	3 (7.89)	1 (2.63)
		Officer	11 (17.74)	31 (50)	14 (22.58)	5 (8.06)	1 (1.61)
	Total		17	51	22	8	2

The table indicates that majority of the respondents (51 percent) agree that they are able to call attention to what others can get for what they accomplish, where (50.0 percent) are officer level and (52.63 percent) are non-officer level, whereas (17 percent) of the respondents strongly agree that they are able to call attention to what others can get for what they accomplish, where (15.78 percent) non officer level and (17.74 percent) officer level. Likewise, (22.0 percent) are neutral to the statement where (21.05 percent) are non-officer and (22.58 percent) are officer level. The correlation coefficient is 0.9963. It indicates that the employees are able to call attention to what others can get for what they accomplish. The average mean value of the statement is 2.27.

Table 28: Employee perception on constructive reward

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
4.	I express satisfaction when others meet expectations.	Non Officer	5 (13.15)	21 (55.26)	10 (26.31)	2 (5.26)	0 (0)
		Officer	9 (14.51)	32 (51.61)	16 (25.80)	5 (8.06)	0 (0)
	Total		14	53	26	7	0

The table indicates that majority of the respondents (53 percent) agree that they are able to express satisfaction when others meet expectations, where (51.61 percent) are officer level and (55.26 percent) are non-officer level, whereas (14.0 percent) of the respondents strongly agree that they are able to express satisfaction when others meet expectations, where (13.15 percent) non officer level and (14.51 percent) officer level. Likewise, (26.0 percent) are neutral to the statement where (26.31 percent) are non-officer and (25.80 percent) are officer level. The correlation coefficient is 0.9981. It indicates that the employees are able to express satisfaction when others meet expectations. The average mean value of the statement is 2.26.

Table 29: Employee perception on constructive reward

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
5.	I provide others with assistance in exchange of their efforts.	Non Officer	7 (17.94)	18 (46.15)	7 (17.94)	5 (12.82)	2 (5.12)
		Officer	14 (22.95)	31 (50.81)	13 (21.31)	3 (4.9)	0 (0)
	Total		21	49	20	8	2

The table indicates that large number of the respondents (49 percent) agree that they are able to provide others with assistance in exchange of their efforts, where (50.81 percent) are officer level and (46.15 percent) are non-officer level, whereas (21 percent) of the respondents strongly agree that they are able to provide others with assistance in exchange of their efforts. Where (17.94 percent) non officer level and (22.95 percent) officer level. Likewise, (20.0 percent) are neutral to the statement where (17.94 percent) are non-officer and (21.31 percent) are officer level. The correlation coefficient is 0.9718. It indicates that the employees are able to provide others with assistance in exchange of their efforts. The average mean value of the statement is 2.21.

Table 30: Employee perception on constructive reward

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
6.	I check on the quality of the work performed	Non Officer	7 (17.5)	19 (47.5)	8 (20)	6 (15)	0 (0)
		Officer	12 (20)	31 (51.66)	15 (25)	2 (3.33)	0 (0)
	Total		19	50	23	8	0

The table indicates that large number of the respondents (50 percent) agree that they are able to check on the quality of the work performed, where majority of officers (51.66 percent) are at officer level and (47.5 percent) are non-officer level, whereas (19 percent) of the respondents strongly agree that they are able to check on the quality of the work performed. Where (17.5 percent) non officer level and (20 percent) officer level. Likewise, (23.0 percent) are neutral to the statement where (20.0 percent) are non-officer and (25.0 percent) are officer level. The correlation coefficient is 0.9515. It indicates that the employees are able to check on the quality of the work performed. The average mean value of the statement is 2.2.

Table 31: Employee perception on constructive reward

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
7.	I call attention to report on the progress of the work	Non Officer	6 (15.38)	19 (48.71)	9 (23.07)	5 (12.82)	0 (0)
		Officer	10 (16.39)	33 (54.09)	16 (26.22)	1 (1.63)	1 (1.63)
	Total		16	52	25	6	1

The table indicates that majority of the respondents (52 percent) agree that they are able to call attention to report on the progress of the work, where (54.09 percent) are officer level and (48.71 percent) are non-officer level, whereas (16 percent) of the respondents strongly agree that they are able to call attention to report on the progress of the work where (17.94 percent) non officer level and (22.95 percent) officer level. Likewise, (25.0 percent) are neutral to the statement where (23.07 percent) are non-officer and (26.22 percent) are officer level. The correlation coefficient is 0.9589. It indicates that the employees are able to call attention to report on the progress of the work. The average mean value of the statement is 2.24.

Table 32: Employee perception on management by exception

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1.	I keep track of all mistakes.	Non Officer	3 (5.66)	14 (26.41)	19 (35.84)	10 (18.86)	7 (13.20)
		Officer	6 (12.76)	22 (46.80)	12 (25.53)	5 (10.63)	2 (4.25)
	Total		9	36	31	15	9

(The table shows the percentage, frequency and mean of the employees' perception regarding their management by exception. The statement is measured in five point Likert scales. 1 as strongly agree, 2 as agree, 3 as neither agree nor disagree, 4 as disagree and 5 as strongly disagree.)

The table indicates that large number of the respondents (36 percent) agree that they are able to keep track of all mistakes., where (46.80 percent) are officer level and (26.41 percent) are non-officer level, whereas (9.0 percent) of the respondents strongly agree that they are able to keep track of all mistakes, where (5.66 percent) non officer level and (12.76 percent) officer level. Likewise, (31.0 percent) are neutral to the statement where (35.84 percent) are non-officer and (25.53 percent) are officer level. The correlation coefficient is 0.6107. It indicates that the employees are able to keep track of all mistakes. The average mean value of the statement is 2.74.

Table 33: Employee perception on management by exception

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
2.	I concentrate his/her full attention on dealing with mistakes, complaints, and failures.	Non Officer	6 (15.38)	22 (56.41)	9 (23.07)	2 (5.12)	0 (0)
		Officer	10 (16.39)	34 (55.37)	13 (21.31)	3 (4.91)	1 (1.63)
	Total	16	56	22	5	1	

The table indicates that majority of the respondents (56 percent) agree that they are able to concentrate his/her full attention on dealing with mistakes, complaints and failures., where (55.37 percent) are officer level and (56.41 percent) are non-officer level, whereas (16 percent) of the respondents strongly agree that they are able to concentrate his/her full attention on dealing with mistakes, complaints and failures, where (15.38 percent) non officer level and (16.39 percent) officer level. Likewise, (22.0 percent) are neutral to the statement where (23.07 percent) are non-officer and (21.31 percent) are officer level. The correlation coefficient is 0.9986. It indicates that the employees are able to concentrate his/her full attention on dealing with mistakes, complaints and failures. The average mean value of the statement is 2.19.

Table 34: Employee perception on management by exception

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
3.	As long as things are working, I do not try to change anything.	Non Officer	3 (7.14)	20 (47.61)	10 (23.80)	8 (19.04)	1 (0.23)
		Officer	6 (10.34)	34 (58.62)	14 (24.13)	3 (5.17)	1 (1.72)
Total			9	54	24	11	2

The above table indicates that majority of the respondents (54 percent) agree that as long as things are working, they do not try to change anything, where (58.62 percent) are officer level and (47.61 percent) are non-officer level, whereas (9.0 percent) of the respondents strongly agree that as long as things are working, they do not try to change anything, where (7.14 percent) non officer level and (10.34 percent) officer level. Likewise, (24.0 percent) are neutral to the statement where (23.80 percent) are non-officer and (24.13 percent) are officer level. The correlation coefficient is 0.9383. It indicates that the employees are able to agree as long as things are working, they do not try to change anything. The average mean value of the statement is 2.43.

Table 35: Employee perception on management by exception

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
4.	I tell others the standards they have to know to carry out their work.	Non Officer	6 (14.28)	19 (45.23)	10 (23.80)	5 (11.90)	2 (4.7)
		Officer	10 (17.24)	31 (53.44)	15 (25.86)	2 (3.44)	0 (0)
	Total	16	50	25	7	2	

The table indicates that large number of the respondents (50 percent) agree that they are able to tell others the standards they have to know to carry out their work, where (53.44 percent) are officer level and (45.23 percent) are non-officer level, whereas (16 percent) of the respondents strongly agree that they are able to tell others the standards they have to know to carry out their work, where (14.28 percent) non officer level and (17.24 percent) officer level. Likewise, (25.0 percent) are neutral to the statement where (23.80 percent) are non-officer and (25.86 percent) are officer level. The correlation coefficient is 0.9942. It indicates that the employees are able to tell others the standards they have to know to carry out their work. The average mean value of the statement is 2.25.

Table 36: Employee perception on management by exception

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
5.	I direct his/her attention toward failures to meet standards.	Non Officer	6 (14.63)	19 (46.34)	10 (2.43)	5 (12.19)	1 (2.4)
		Officer	10 (16.94)	31 (52.54)	16 (27.11)	2 (3.38)	0 (0)
	Total		16	50	26	7	1

The table indicates that large number of the respondents (50 percent) agree that they are able to direct his/her attention toward failures to meet standards, where (52.54 percent) are officer level and (46.34 percent) are non-officer level, whereas (16 percent) of the respondents strongly agree that they are able to direct his/her attention toward failures to meet standards, where (14.63 percent) non officer level and (16.94 percent) officer level. Likewise, (26.0 percent) are neutral to the statement where (2.43 percent) are. The correlation coefficient is 0.9812. It indicates that the employees are able to direct his/her attention toward failures to meet standards. The average mean value of the statement is 2.27.

Table 37: Employee perception on employee performance

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1.	Understand duties and responsibilities of the work and complete the task with the level of proficiency required.	Non Officer	24 (64.86)	11 (29.72)	2 (5.40)	0 (0)	0 (0)
		Officer	41 (65.07)	20 (31.74)	2 (3.17)	0 (0)	0 (0)
	Total		65	31	4	0	0

The table indicates that large number of the respondents (31 percent) agree that they are able to Understand duties and responsibilities of the work and complete the task with the level of proficiency required, where (31.74 percent) are officer level and (29.72 percent) are non-officer level, whereas (65 percent) of the respondents strongly agree that they are able to Understand duties and responsibilities of the work and complete the task with the level of proficiency required, where (64.86 percent) non officer level and (65.07 percent) officer level. Likewise, (4.0 percent) are neutral to the statement where (5.40 percent) are non-officer and (3.17 percent) are officer level. The correlation coefficient is 0.9988. It indicates that the employees are able to understand duties and responsibilities of the work and complete the task with the level of proficiency required. The average mean value of the statement is 1.3.

Table 38: Employee perception on employee performance

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
2.	I plan and organize the work well, coordinate with others and established appropriate priorities.	Non Officer	8 (19.51)	25 (60.97)	6 (14.63)	1 (2.43)	1 (2.43)
		Officer	14 (23.72)	41 (69.49)	3 (5.08)	1 (1.69)	0 (0)
	Total		22	66	9	2	1

The table indicates that majority of the respondents (66 percent) agree that they are able to plan and organize the work well, coordinate with others and established appropriate priorities, where (69.49 percent) are officer level and (60.97 percent) are non-officer level, whereas (22 percent,) of the respondents strongly agree that they are able to plan and organize the work well, coordinate with others and established appropriate priorities where (19.51 percent) non officer level and (23.72 percent) officer level. Likewise, (9.0 percent) are neutral to the statement where (14.63 percent) are non-officer and (5.08 percent) are officer level. The correlation coefficient is 0.9854. It indicates that the employees are able to plan and organize the work well, coordinate with others and established appropriate priorities. The average mean value of the statement is 1.94.

Table 39: Employee perception on employee performance

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
3.	I am able to identify issues and relationships when comparing data from various sources.	Non Officer	9 (21.42)	20 (47.61)	10 (23.80)	2 (4.7)	1 (2.38)
		Officer	17 (29.31)	34 (58.62)	7 (12.06)	0 (0)	0 (0)
	Total		26	54	17	2	1

The table indicates that majority of the respondents (54 percent) agree that they are able to identify issues and relationships when comparing data from various sources., where (58.62 percent) are officer level and (47.61 percent) are non-officer level, whereas (26 percent) of the respondents strongly agree that they are able to identify issues and relationships when comparing data from various sources, where (21.42 percent) non officer level and (29.31 percent) officer level. Likewise, (17 percent) are neutral to the statement where (23.80 percent) are non-officer and (12.06 percent) are officer level. The correlation coefficient is 0.9502. It indicates that the employees are able to identify issues and relationships when comparing data from various sources. The average mean value of the statement is 1.98.

Table 40: Employee perception on employee performance

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
4.	I meet all the requirement of the job.	Non Officer	8 (20)	21 (52.5)	9 (22.5)	2 (5)	1 (2.5)
		Officer	12 (20.33)	31 (52.54)	13 (22.03)	2 (3.38)	1 (1.69)
	Total		20	52	22	4	2

The table indicates that majority of the respondents (52 percent) agree that they are able to meet all the requirement of the job. Various sources. Where (52.54 percent) are officer level and (52.5 percent) are non-officer level, whereas (20 percent) of the respondents strongly agree that they are able to meet all the requirement of the job. Various sources. Where (20.0 percent) non officer level and (20.33 percent) officer level. Likewise, (22.0 percent) are neutral to the statement where (22.5 percent) are non-officer and (22.03 percent) are officer level. The correlation coefficient is 0.9996. It indicates that the employees are able to meet all the requirement of the job various sources. The average mean value of the statement is 2.16.

Table 41: Employee perception on employee performance

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
5.	I actively pursue or initiate projects for the benefit of the organization.	Non Officer	9 (23.07)	24 (61.53)	5 (12.82)	1 2.56)	0 (0)
		Officer	14 (22.95)	36 (59.01)	8 (13.11)	2 (3.27)	1 (1.63)
	Total		23	60	13	3	1

The table indicates that majority of the respondents (60 percent) agree that they are able to actively pursue or initiate projects for the benefit of the organization, where (59.01 percent) are officer level and (61.53 percent) are non-officer level, whereas (23 percent) of the respondents strongly agree that they are able to actively pursue or initiate projects for the benefit of the organization. Where (23.07 percent) non officer level and (22.95 percent) officer level. Likewise, (13.0 percent) are neutral to the statement where (12.82 percent) are non-officer and (13.11 percent) are officer level. The correlation coefficient is 0.9999. It indicates that the employees are able to actively pursue or initiate projects for the benefit of the organization. The average mean value of the statement is 1.99.

Table 42: Employee perception on employee performance

S. N	Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
6.	I combine the available resources very well to provide quality services.	Non Officer	8 (20)	20 (50)	7 (17.5)	4 (10)	1 (2.5)
		Officer	13 (21.67)	31 (51.67)	10 (16.67)	5 (8.33)	1 (1.67)
	Total		21	51	17	9	2

The table indicates that majority of the respondents (51 percent) agree that they are able to combine the available resources very well to provide quality services where (51.67 percent) are officer level and (50.0 percent) are non-officer level, whereas (21 percent) of the respondents strongly agree that they are able to combine the available resources very well to provide quality services where (20.0 percent) non officer level and (21.67 percent) officer level. Likewise, (17.0 percent) are neutral to the statement where (17.5 percent) are non-officer and (16.67 percent) are officer level. The correlation coefficient is 0.9985. It indicates that the employees are able to combine the available resources very well to provide quality services. The average mean value of the statement is 2.2.

4.2 Correlation analysis

Correlation is a statistical measure that indicates the extent to which two or more variables fluctuate together. It is used to checking directional relationship between variables. This section of the study presents the results and discussions of the correlation analysis. The correlation analysis has been carried out to investigate the direction and magnitude of the relationship of relational capital components variables and the organizational performance of the Nepalese commercial banks. The correlation measures the strength of the linear relationship between variables. The strength of linear

association between two numerical variables in a sample of population is determined by the correlation coefficient. More specifically, it shows the correlation coefficient of dependent and independent variables for selected Nepalese commercial banks. Having indicated the descriptive statistics, the Kendall's Tau correlation coefficients have been computed and the results are presented in the Table 38.

Table 43: Kendall's Tau correlation coefficient matrix for dependent and independent variables for selected Nepalese commercial banks

The table reveals the Kendall's Tau correlation coefficients between dependent and independent variables. EP (Employee performance defined as an assessment whether an employee performs a job well) and ROE (return on equity defined as the amount of net income returned as a percentage of shareholders' equity) are the dependent variable and CH (Charisma defined as a compelling attractiveness or charm that can inspire devotion in others), IM (Inspirational motivation defined as leader's ability to inspire confidence, motivation and a sense of purpose in his followers), IS (Intellectual stimulation defined as having a leader who encourages innovation and creativity as well as critical thinking and problem solving), CR (Constructive reward defined as a motivation-based system that is used to reward those that meet their identified goals) and MBE (Management by exception defined as the practice of examining the financial and operational results of a business, and bringing issues to the attention of management if results substantial differences from the budgeted or expect amount) are the independent variables.

Variables	Mean	S.D.	CH	IM	IS	CR	MBE	EP	ROE
CH	2.05	0.42	1.00						
IM	2.05	0.52	0.38**	1.00					
IS	2.14	0.50	0.38**	0.52**	1.00				
CR	2.29	0.65	0.36**	0.42**	0.45**	1.00			
MBE	2.39	0.60	0.31**	0.36**	0.46**	0.44**	1.00		
EP	1.94	0.44	0.35**	0.36**	0.43**	0.44**	0.45**	1.00	
ROE	22.53	11.85	0.05	0.10	0.07	0.03	0.07	0.06	1.00

*Note: The asterisk signs (**) and (*) indicate that the results are significant at 1 %.*

And 5 % levels respectively.

The table shows the Kendall's Tau correlations coefficients of dependent (employee performance and return on equity) and independent (charisma, inspirational motivation, intellectual stimulation, constructive reward and management by exception) variables for Nepalese commercial banks. The result shows that charismatic leadership is positively correlated to employee performance. This means that higher the level of charismatic leadership, higher would be the employee performance. Similarly, inspirational motivation is positively related to employee performance indicating that higher the level of inspirational motivation, higher would be the employee performance.

Likewise, intellectual stimulation has positive relationship with employee performance. It shows that intellectual stimulation leads to an increase in the employee performance. Similarly, constructive reward has positive relationship with employee performance. It reveals that higher the level of constructive reward, higher would be employee performance. The result shows that there is positive relationship between management by exception and employee performance. It shows that an increase in the level of management by exception leads to the increase in the employee performance.

Similarly, the result also shows that charisma is positively related to return on equity. It indicates that higher the level of charismatic leadership, higher would be the return on equity. Likewise, inspirational motivation is positively correlated to return on equity indicating that high level of inspirational motivation leads to higher return on equity. In the meantime, the study shows that intellectual stimulation is positively related to return on equity. It implies that higher the level of intellectual stimulation, higher would be the return on equity. Similarly, constructive reward is positively correlated to return on equity indicating that high level of constructive reward leads to higher return on equity. On the other hand, management by exception has positive relationship with return on equity. It reveals that an increase in level of management by exception leads to an increase in the return on equity.

4.3 Regression analysis

Having indicated the Kendall's Tau correlation coefficient, the regression analysis has been carried out to examine the effects of leadership style on organizational performance in case of Nepalese commercial banks with its determinants, charisma,

inspirational motivation, intellectual stimulation, constructive reward and management by exception within their working organization. The results are presented in the table below. More specifically, Table 9 shows the regression results of leadership style on organizational performance in Nepalese commercial banks.

Table 39 shows beta coefficients for charismatic leadership are positive with employee performance. It indicates charisma has a positive impact on employee performance. This finding is consistent with the findings of Lowe and Gardner (2000). This result is significant at 1 percent level of significance.

Similarly, the result also shows that the beta coefficients for inspirational motivation are positive with employee performance. It reveals that inspirational motivation has a positive impact on employee performance. This finding is similar to the findings of Davies (2005). It is significant at 1 percent level of significance.

Likewise, the beta coefficients for intellectual stimulation are positive with employee performance. It indicates that intellectual stimulation has a positive impact on employee performance. This finding contradicts with the findings of Zacher (2014).

The result also reveals that the beta coefficients for constructive reward are positive with employee performance. It reveals that constructive reward has a positive impact on employee performance. This finding is similar with the findings of Jackson et al. (2012). This result is significant at 1 percent level of significance.

Similarly, the positive beta coefficients of management by exception denote that management by exception has a positive impact on employee performance. This finding is consistent with the findings of Howell and Avolio (1993). This result is also significant at 1 percent level of significance.

Table 44: Estimated regression results of charisma, inspirational motivation, intellectual stimulation, contingent reward and management by except on employee performance

Model	Intercept	Regression coefficients of					Adj. R_bar ²	SEE	F-value
		CH	IM	IS	CR	MBE			
1	0.98 (6.89)**	0.47 (6.87)**					0.19	0.40	47.10
2	1.08 (9.43)**		0.42 (7.68)**				0.23	0.39	59.04
3	0.90 (7.55)**			0.49 (8.97)**			0.29	0.37	80.46
4	1.18 (11.08)**				0.36 (8.45)**		0.27	0.38	71.46
5	1.09 (9.38)**					0.36 (7.54)**	0.23	0.39	56.88
6	0.73 (5.10)**	0.29 (3.91)**	0.30 (5.06)**				0.29	0.37	39.39
7	0.58 (4.07)**	0.18 (2.39)**	0.18 (2.74)**	0.30 (4.32)**			0.35	0.36	34.95
8	0.54 (3.94)**	0.12 (1.67)**	0.13 (2.04)**	0.23 (3.26)**	0.17 (3.38)**		0.38	0.35	30.53
9	0.45 (3.22)**	0.12 (1.60)**	0.13 (2.08)**	0.17 (2.26)**	0.14 (2.69)**	0.13 (2.42)**	0.40	0.34	26.22

Note:

1. *Figures in parenthesis are t-values.*
2. *The asterisk signs (**) and (*) indicate that the results are significant at 1 % and 5 % levels respectively.*
3. *Leadership style is dependent variable.*

The results are based on 100 observations by using linear regression model. The model is $EP = \beta_0 + \beta_1 CH + \beta_2 IM + \beta_3 IS + \beta_4 CR + \beta_5 MBE + e$, where EP (Employee performance defined as an assessment whether an employee performs a job well) is a dependent variable and CH (Charisma defined as a compelling attractiveness or charm that can inspire devotion in others), IM (Inspirational motivation defined as leader's ability to inspire confidence, motivation and a sense of purpose in his followers), IS (Intellectual stimulation defined as having a leader who encourages innovation and creativity as well as critical thinking and problem solving), CR (Constructive reward

defined as a motivation-based system that is used to reward those that meet their identified goals) and MBE (Management by exception defined as the practice of examining the financial and operational results of a business, and bringing issues to the attention of management if results substantial differences from the budgeted or expect amount) are the independent variables. The reported results also include the values of F-statistics (F) adjusted coefficient of determination (R²) and standard error of estimates (SEE).

Table 44. Shows the regression results of charisma, inspirational motivation, intellectual stimulation, constructive reward and management by exception on return on equity in Nepalese commercial banks.

Table 45: Estimated regression results of charisma, inspirational motivation, intellectual stimulation, constructive reward and management by exception on ROE

Model	Intercept	Regression coefficients of					Adj. R _{bar} ²	SEE	F-value
		CH	IM	IS	CR	MBE			
1	22.39 (5.26)**	0.07 (0.03)					0.15	11.88	3.01
2	17.19 (4.92)**		0.21 (1.58)				0.38	11.81	3.49
3	19.33 (5.10)**			1.49 (2.67)**			0.11	11.86	9.75
4	23.10 (7.30)**				0.25 (2.19)*		0.95	11.88	7.04
5	17.42 (4.95)**					0.14 (1.50)	0.16	11.82	2.25
6	19.59 (4.34)**	1.94 (0.84)	3.38 (1.78)				0.46	11.81	4.59
7	19.34 (4.14)**	2.11 (0.86)	3.18 (1.49)	1.12 (2.21)*			0.91	11.85	8.07
8	19.67 (4.20)**	1.55 (0.61)	3.66 (1.68)	1.47 (2.59)**	0.23 (1.99)*		0.17	11.85	11.07
9	17.75 (3.67)**	1.68 (0.67)	3.67 (1.69)	1.14 (2.05)*	0.21 (1.98)*	2.75 (1.53)	0.19	11.80	16.33

Note: The asterisk signs (**) and (*) indicate that the results are significant at 1% and 5% respectively.

The results are based on 100 observations by using linear regression model. The model is $ROE = \beta_0 + \beta_1CH + \beta_2IM + \beta_3IS + \beta_4CR + \beta_5MBE + e$, where ROE (return on equity defined as the amount of net income returned as a percentage of shareholders' equity) is a dependent variable and CH (Charisma defined as a compelling attractiveness or charm that can inspire devotion in others), IM (Inspirational motivation defined as leader's ability to inspire confidence, motivation and a sense of purpose in his followers), IS (Intellectual stimulation defined as having a leader who encourages innovation and creativity as well as critical thinking and problem solving), CR (Constructive reward defined as a motivation-based system that is used to reward those that meet their identified goals) and MBE (Management by exception defined as the practice of examining the financial and operational results of a business, and bringing issues to the attention of management if results substantial differences from the budgeted or expect amount) are the independent variables. The reported results also include the values of F-statistics (F) adjusted coefficient of determination (R²) and standard error of estimates (SEE). The table shows beta coefficients for charismatic leadership are positive with return on equity. It indicates charisma has a positive impact on return on equity. This finding is similar with the findings of Frese *et al.* (2003).

On the other hand, the result shows that the beta coefficients for inspirational motivation are positive with return on equity. It reveals that inspirational motivation has a positive impact on return on equity. This finding is similar to the findings of Davies (2005).

Similarly, the beta coefficients for intellectual stimulation are positive with return on equity. It indicates that intellectual stimulation has positive impact on return on equity. This finding is similar to the finding of Zacher (2014). It is significant at 1 and 5 percent level of significance.

The result also reveals that the beta coefficients for constructive reward are positive with return on equity. It reveals that constructive reward has positive impact on return on equity. This finding is consistent with the findings of Gbervbie (2011). The result is significant at 1 and 5 percent level of significance.

Likewise, the positive beta coefficients of management by exception denote that management by exception has positive impact on return on equity. This finding is consistent with the findings of Judge and Piccolo (2004).

4.4 Concluding remarks

This study has mainly focused on impact of selected factors on organizational performance measured in terms of employee performance and return on equity of the commercial bank of Nepal. This study has used different factors like charisma, inspirational motivation, intellectual stimulation, constructive reward and management by exception. The dependent variable is organizational performance measured in terms of employee performance and return on equity. The results are based on the primary and secondary data and contain the sample of 5 commercial banks of Nepal. The primary data were collected from 292 respondents and secondary data were collected during the period of 2021/22. The secondary data has been collected from the annual report of selected commercial banks.

The result shows that there is positive relationship between charisma and employee performance which indicated that employees having higher the level of charismatic leadership style will have higher employee performance. This finding is similar with the findings of Howell and Frost (1989). Similarly, positive relationship has been observed between inspirational motivation and employee performance which indicates that higher the level of inspirational motivation will lead to higher employee performance. This finding is consistent with findings of Chowdhary (2007).

The result also indicates positive relationship between intellectual stimulation and employee performance which indicates that better the level of intellectual stimulation, higher will be the employee performance. This finding is similar to the findings of Bycio *et al.* (1995). Moreover, a positive relationship is observed between constructive reward and employee performance which shows that increase in the level of constructive reward leads to an increase in employee performance. This finding is consistent with the findings of Walumbwa *et al.* (2008). In addition, management by exception is found to have a positive relationship with employee performance. This indicates that higher level of management by exception in employees leads to higher employee performance. This finding is similar to the findings of Dumdum *et al.* (2002).

The result also shows that there is positive relationship between charisma and return on equity which indicates that increase level of charismatic leadership style leads to increase in return on equity. This finding is similar with the findings of Agle (2006). Moreover, inspirational motivation and intellectual stimulation are positively related to return on equity. This shows that higher the level of inspirational motivation and intellectual stimulation, higher would be the return on equity. This finding is similar to the findings of Baldoni (2005). The result also indicates that constructive reward is positively related to return on equity which indicates that increase level of constructive reward leads to increase in return on equity. This finding is also similar with the findings of Bass (1998). The result also indicates that management by exception is positively related to return on equity which shows that higher degree of management by exception leads to higher return on equity. This finding is similar to Hater and Bass (1988).

Chapter V

Summary and conclusion

This chapter provides the brief summary of the entire study and highlights the major findings of the study. In addition, major conclusions are discussed in separate section of this chapter which is followed by the recommendation based upon the study findings regarding the relationship between leadership style and organizational performance of Nepalese commercial banks. Finally, the chapter ends with short paragraph on scope for future research in same topic.

5.1 Summary

Leadership in an organization has a strong effect on employees' attitude about their job. The role of leadership in today's corporate organizations has changed. The success of any organization is mostly dependent on an organization management team and the leadership style they used.

Armstrong (2004) explained leadership as influence, power and the legitimate authority acquired by a leader to be able to effectively transform the organization through the direction of human resources, the most important organizational asset, leading to the achievement of desired purpose. This can be done through the articulation of the vision and mission of the organization at every moment, and influence the staff to define their power to share this vision. Leadership is a process whereby an individual influences a group of individuals to achieve a common goal (Northouse, 2004). Today's organizations need a leader with a high influence of power, and one with an extensive overall goal for the company in mind. This leader requires commitment and their goal should be to fuel enthusiasm in their employees in order to cultivate the full potential of their talent so that they may obtain the organization's objectives (Colvin, 2004; Steidlmeier, 1999).

Zhou *et al.* (2012) used the self-concept based theory of leadership and social exchange theory to hypothesize processes linking transformational leadership to follower performance outcomes. Specifically, the study hypothesized that (a) transformational leadership relates to followers' work engagement both directly and indirectly through their psychological states, (b) work engagement relates to innovative

behavior, (c) innovative behavior relates to task performance, and (d) the work engagement–innovative behavior relationship is moderated by leader–member exchange. Likewise, Effective leadership behaviors can facilitate the improvement of performance when organizations face new challenges (McGrath and MacMillan, 2000 and Teece *et al.*, 1997). The study observed that the higher the level of leadership skills resulting in better organizational performance, the more likely the increase in employee performance and return on equity. Consequently, organizational costs would be reduced. Berry (1984) has also defined relationship marketing as increasing the bank’s income by establishing a positive relationship between customers and employees. Thus, with the use of this approach, the focus on employees and customers’ satisfaction is highly important for the success of the bank. The banking field has been a vital pillar in the global economy for many decades. Although the bank’s goal is generally to make profits, their performance is also based on public interest.

Popa (2012) revealed that leadership is positively correlated to organizational performance. Leadership has been at the center of attention for the last two decades, mostly because it’s tight interdependence with organizational performance. Successful leadership inspires enthusiasm and commitment, enhancing organization performance. The style of leadership affects performance since performance cannot be achieved in the absence of a leadership that can adapt to the changes and challenges of the environment. Therefore if an organization wants to improve its performance, it is the leadership style that should be analyzed and adapted to new requirements.

Pushpanathan (2008) examined the relationship between the leadership style and organizational performance in small scale manufacturing industries in Sri Lanka. The relationship between three leadership styles – task-oriented, relationship-oriented, and participative – and firm performance were discussed through the moderating effect of environmental factors (Industry technology, family and non-family controlled firm and firm development stage), and mediating effect of decision making, employee turnover, and employee morale. The empirical results showed that leadership styles were directly linked to firm performance. The fact statically significant correlations were only found between leadership styles and organizational performance can assist with the understanding of how the leadership style affects the organizational performance in family owned small manufacturing enterprises. The study concluded

that the relationship-oriented leadership style has higher significant effect on firm performance than task-oriented leadership style and participative leadership style.

The major objective of the study is to examine the relationship between leadership style and organizational performance of Nepalese commercial banks. However the specific objectives of this study are to analyze the effect of charisma on performance of Nepalese commercial banks, to identify the effect of inspirational motivation on the performance of Nepalese commercial banks, to measure and evaluate the effect of intellectual stimulation on the performance of Nepalese commercial banks, to find out the effect of constructive reward on the performance of Nepalese commercial banks, to investigate the effect of management by exception on the performance of Nepalese commercial banks.

This study is based on the primary and secondary data. Primary data were gathered from the 100 respondents and secondary data are collected for the time period 2021/22. This study contains the sample of 5 commercial banks. The main sources of data are annual reports of different commercial banks. The data were collected on charisma, inspirational motivation, intellectual stimulation, constructive reward, management by exception, employee performance and return on equity. The pooled cross-sectional data analysis has been undertaken in the study. The research design adopted in this study is descriptive and causal-comparative research design as it deals with the relationship between leadership style and performance of Nepalese commercial banks. Different statistical tests of significance for validation of models such as F-test and t-test have been used to ensure the significance of regression models and individual variables. Charisma, inspirational motivation, intellectual stimulation, constructive reward and management by exception are considered as leadership style variables. Organizational performance is measured by employee performance and return on equity.

Based on the analysis of the data, the major findings of the study are summarized as follows:

1. Out of total respondents, the majority of respondents (53 percent) were male and the rest were female (47 percent).

2. Majority of the respondents fall under the age group of 26-30 years (51.0 percent) followed by age group below 25 years (33 percent), 31-35 years (12.0 percent), 36-40 years (3 percent) and 41-45 (1 percent).
3. In terms of education level, majority of the respondents (52.6 percent) were Master's degree followed by Bachelor's degree (46.9 percent), where intermediate levels were (0.5 percent).
4. In term of designation, the highest portions of the respondents (58.9 percent) were from the job position of assistant.
5. Regarding to work experience, the highest of the respondents (57 percent) have less than 2 years followed by 2 to 5 years (30 percent).
6. The majority of the respondents (61 percent) agreed that they go beyond self-interest for the good of the group. The mean value of the statement is 2.212
7. The large of the respondents (50 percent) strongly agreed that they consider the moral and ethical consequences of decisions. Likewise, majority of the respondents (53 percent) agreed that they make others feel good to be around me.
8. The majority of the respondents (54 percent) agreed that others have complete faith in them. The mean value for the statement is 2.09.
9. The majority of the respondents (57 percent) agreed that others are proud to be associated with them. Respondents (25.0 percent) were neutral on the statement. Similarly, the mean value for the statement is 2.1.
10. The majority of the respondents (55 percent) agreed that they treat each subordinate as an individual with different needs and aspiration. Respondents (25.0 percent) were neutral on the statement. Similarly, the mean value for the statement is 2.08
11. The majority of the respondents (57 percent) agreed that they value the importance of mutual trust among members. Respondents (25 percent) were neutral that they talk optimistically about the future. The mean value of the statement is 2.14
12. The majority of the respondents (56 percent) agreed that they talk optimistically about the future. Respondents (17 percent) were neutral that they talk optimistically about the future. The mean value of the statement is 1.96

13. The majority of the respondents (52 percent) agreed that they talk enthusiastically about what needs to be accomplished. However, some of the respondents (35 percent) strongly agreed and rests (10 percent) of the respondents neutral on the statement. The mean value of statement is 1.82.
14. The majority of respondents (52 percent) agreed that they provide appealing images about what we can do. Similarly, majority of the respondents (49 percent) agreed that they help others find meaning in their work.
15. The majority of the respondents (51 percent) agreed that they express confidence that goals will be achieved. Respondents (26 percent) strongly agreed, whereas rests of the respondents (17 percent) neutral on the statement. Similarly, the mean value for the statement is 2.05
16. The majority of the respondents (55 percent) agreed that they express how achieving goal can benefit the group. Respondents (29 percent) strongly agreed, whereas rests of the respondents (20 percent) neutral on the statement. Similarly, the mean value for the statement is 2.14
17. The majorities of the respondents (54 percent) agreed that they let others know how they think they are doing. Respondents (18 percent) were neutral on the statement and rest of the respondents (17 percent) strongly agreed on the statement, whereas mean value of statement is 2.28.
18. The large number of the respondents (48.4 percent) agreed that they help others to develop their strengths. However, some of the respondents (27 percent) strongly agreed and rests (19 percent) of the respondents were neutral on the statement. The mean value of statement is 2.06.
19. The majority of the respondents (57 percent) agreed that they seek differing perspectives when solving problems, whereas some of the respondents (21 percent) were neutral and rests of the respondents (16 percent) strongly agreed with the statement. The mean value for the statement is 2.19.
20. The majority of the respondents (56 percent) agreed that they consider an individual's needs, abilities, and aspirations of others. Some of the respondents (20 percent) were neutral on the statement. The mean value for the statement is 2.14.
21. The majority of the respondents (57 percent) agreed that they suggest new ways of looking at how to complete assignments. Some of the respondents (13.0

- percent) were neutral and rest of the respondents (23 percent) strongly agreed on the statement. The mean value of the statement is 2.06.
22. The majority of the respondents (56 percent) agreed that they let feel that they can help and assist on the assignment of each individual. Some of the respondents (20 percent) were neutral and rest of the respondents (213 percent) strongly agreed on the statement. The mean value of the statement is 2.16
 23. The large number of the respondents (39 percent) agreed that they tell others what to do if they want to be rewarded for their work. However, some of the respondents (22 percent) were neutral and rests (25 percent) of the respondents strongly agreed on the statement. The mean value for the statement is 2.03
 24. The large number of the respondents (44 percent) agreed that they provide recognition/rewards when others reach their goals. Some of the respondents (35 percent) were neutral and rests of the respondents (15 percent) strongly agreed on the statement. The mean value for the statement is 2.33.
 25. The majority of the respondents (51 percent) agreed that they call attention to what others can get for what they accomplish. Some of the respondents (22 percent) were neutral and rest of the respondents (17 percent) strongly agreed on the statement. The mean value for the statement is 2.27.
 26. The majority of the respondents (53 percent) agreed that they express satisfaction when others meet expectations. However, some of the respondents (26 percent) were neutral and rests of the respondents (14 percent) strongly agreed with statement. The mean value of statement is 2.26.
 27. The large number of the respondents (49 percent) agreed that they provide others with assistance in exchange of their efforts, whereas some of the respondents (20 percent) were neutral with the statement and rests of the respondents (21 percent) strongly agreed on the statement. The mean value for the statement is 2.21
 28. The large number of the respondents (50 percent) agreed they check on the quality of the work performed, whereas some of the respondents (23 percent) were neutral with the statement and rests of the respondents (19 percent) strongly agreed on the statement. The mean value for the statement is 2.2.
 29. The majority of the respondents (52 percent) agreed they call attention to report on the progress of the work, whereas some of the respondents (25 percent) were

neutral with the statement and rests of the respondents (16 percent) strongly agreed on the statement. The mean value for the statement is 2.24.

30. The large number of the respondents (36 percent) agreed that they keep track of all mistakes. Some of the respondents (31 percent) were neutral about the statement and rests of the respondents (9 percent) strongly agreed on this statement. The mean value for the statement is 2.74.
31. The majority of the respondents (56 percent) agreed that they concentrate their full attention on dealing with mistakes, complaints, and failures. Some of the respondents (22 percent) were neutral on the statement. However, the mean value for the statement is 2.19
32. The majority of the respondents (54 percent) agreed that as long as things are working, they do not try to change anything. However, some of the respondents (24 percent) were neutral. The mean value for the statement is 2.43.
33. The large number of respondents (50 percent) agreed that they tell others the standards they have to know to carry out their work, whereas some of the respondents (25 percent) were neutral and rests of the respondents (16 percent) strongly agreed on the statement. The mean value for the statement is 2.25
34. The large number of the respondents (50.0 percent) agreed that they direct their attention toward failures to meet standards. Some of the respondents (26 percent) were neutral, whereas rests of the respondents (16 percent) strongly agreed on the statement. Similarly, the mean value for the statement is 2.27.
35. The majority of the respondents (65 percent) strongly agreed that they understand duties and responsibilities of the work and complete the task with the level of proficiency required. Some of the respondents (4 percent) were neutral about the statement. The mean value on the statement is 1.39.
36. The majority of the respondents (66 percent) agreed that they plan and organize the work well, coordinate with others and established appropriate priorities. However, some of the respondents (9 percent) were neutral and rests (2 percent) of the respondents disagreed on the statement. The mean value for the statement is 1.94.
37. The majority of the respondents (54 percent) agreed that they are able to identify issues and relationships when comparing data from various sources, whereas

some of the respondents (17 percent) were neutral with the statement and rests of the respondents (2 percent) disagreed that they are able to identify issues and relationships when comparing data from various sources. The mean value for the statement is 1.97.

38. The majority of the respondents (52 percent) agreed that they are able to meet all the requirement of the job, whereas some of the respondents (22 percent) were neutral with the statement and rests of the respondents (4 percent) disagreed that they are able to identify issues and relationships when comparing data from various sources. The mean value for the statement is 2.16
39. The majority of the respondents (60 percent) agreed that they actively pursue or initiate projects for the benefit of the organization. Some of the respondents (13 percent) were neutral on the statement and rests of the respondents (3 percent) disagreed on the statement. Similarly, the mean value for the statement is 1.99.
40. The majority of the respondents (51 percent) agreed that they combine the available resources very well to provide quality services. Some of the respondents (17 percent) were neutral with the statement. The mean value on the statement is 2.2.
41. The descriptive statistics of the study showed that the average level of charismatic leadership and inspirational motivation is 2.05, average level of intellectual stimulation is 2.14, average level of constructive reward is 2.29, average level of management by exception is 2.39, average employee performance is 1.94 and average return on equity is 22.53 percent.
42. The correlation matrix of the study revealed that charisma, inspirational motivation, intellectual stimulation, constructive reward and management by exception are positively correlated to employee performance. Also, charisma, inspirational motivation, intellectual stimulation, constructive reward, and management by exception are positively correlated to return on equity.
43. The regression analysis revealed that charisma, inspirational motivation, intellectual stimulation, constructive reward and management by exception have significant positive impact on employee performance for Nepalese commercial banks. The result also revealed that charisma, inspirational motivation, intellectual stimulation, constructive reward, and management by

exception have positive impact on return on equity for Nepalese commercial banks.

5.2 Conclusion

Leadership in an organization has a strong effect on employees' attitude about their job. The role of leadership in today's corporate organizations has changed. The success of any organization is mostly dependent on an organization management team and the leadership style they used.

This study attempts to examine the influence of leadership styles on organizational performance of Nepalese commercial banks. The study is based on primary and secondary data of 5 commercial banks with 100 observations.

The study shows that charismatic leadership, inspirational motivation, intellectual stimulation, constructive reward and management by exception have positive and significant impact on employee performance of Nepalese commercial banks. Moreover, the study also reveals that charismatic leadership, inspirational motivation, intellectual stimulation, constructive reward and management by exception have positive but insignificant impact on return on equity of Nepalese commercial banks. The study concludes that inspirational motivation followed by charismatic leadership is the most dominant factors that influence organizational performance in Nepalese commercial banks.

5.3 Recommendations

In an attempt to analyze the leadership style variables along with their impact on performance of commercial banks in Nepal, this study has been able to document the significant influence of various factors on performance of commercial banks. Thus, based on the findings, the following recommendations have been made:

- i. The study observes a positive relationship between the employee performance and leadership style component and hence the commercial banks willing to increase the employee performance should improve the level of leadership style. Similarly, leadership style has a positive impact on return on equity and hence the commercial banks willing to increase the return on equity should improve the level of leadership style.

- ii. The study shows a positive relationship between the employee performance and charisma and therefore the firm willing to increase the employee performance should increase the level of charisma.
- iii. The study observes a positive relationship between the return on equity and inspirational motivation and therefore the firm willing to increase the return on equity should increase level of inspirational motivation.
- iv. The study shows that commercial banks having higher level of inspirational motivation and intellectual stimulation leads to good performance of the commercial banks, i.e. increased employee performance and return on equity. Therefore, commercial banks willing to increase the employee performance and return on equity should increase the level of leadership style.
- v. Expenditures on the better adoption of leadership style should be capitalized since the study has found positive impact of leadership style on performance of Nepalese commercial banks. Therefore, the banks should identify key people and train them to deliver better leadership style performance as the continuous training program is a vital tool for employees and manager's performance.

5.4 Scope for future research

- a. The study remains enough ground for future investigators, which are listed below:
 - ii. This study includes data of commercial banks only. Development banks, finance companies and insurance companies are not taken into consideration for the study. Hence, the future studies can be carried out by including development banks, finance companies and insurance companies too.
 - iii. The study uses causal comparative methodology but further study can be conducted by using different methodologies to compare the performance of commercial banks with development banks.
 - iv. The findings of this study cannot be generalized to insurance companies, manufacturing and trading enterprises because the study is only based on the banking sector. Hence, the future studies can be carried out by including insurance companies, manufacturing and trading enterprises.
 - v. Only limited statistical and financial tools have been used in the study. Hence, the future studies can be carried out by including more statistical and performance measurement tools.

- vi. This study has taken dependent variables such as return on equity and employee performance to measure the banking performance. There can be other dependent variables such as assets turnover ratio (ATO), book to market ratio (BM), return on assets (ROA) and earnings per share (EPS) which are not included in the study.
- vii. The future studies can select larger sample and more number of observation years for the study that lead to much more valid prediction regarding the effects of leadership style components on performance of Nepalese commercial banks.

REFERENCES

- Adams, J. S. (1963). Wage inequities, productivity and work quality. *Industrial Relations*, (3), 916. Retrieved from https://www.researchgate.net/publication/229676577_Wage_Inequities_Productivity_and_Work_Quality (2022, October 4)
- Adhikari, D. R., & Gautam, D. K. (2010). Human resource development for performance management. *International Journal of Productivity and Performance Management*, 49 (4), 306-324. Retrieved from <https://ideas.repec.org/a/eme/ijppmp/v59y2010i4p306-324.html> (2022, October 4)
- Adhikari, D. R., & Mueller, M. (2001). Human resource management in Nepal. In P. S. Budhwar and Y. A. Debrah (Eds.), *Human Resource Management in Developing Countries*, London: Routledge. Retrieved from https://www.academia.edu/5345300/Pawan_S._Budhwar_and_Yaw_A._Debrah_Eds._.Human_Resource_Management_in_Developing_Countries.London_Routledge_2001_384_pages (2022, October 4)
- Agle, B. R., (2006). Does CEO charisma matter empirical analysis of relationships among organizational performance environmental uncertainty and top management team perceptions of CEO charisma. University of Pittsburgh: 1, 49. Retrieved from https://www.researchgate.net/publication/273978712_Does_Ceo_Charisma_Matter_An_Empirical_Analysis_Of_The_Relationships_Among_Organizational_Performance_Environmental_Uncertainty_And_Top_Management_Team_Perceptions_Of_Ceo_Charisma (2022, October 4)
- Agrawal, G. R. (2011). *Foundation of Human Resource Management in Nepal*. Kathmandu: MK Publishers. Retrieved from http://nkcs.org.np/nja/library/opac_css/index.php?lvl=notice_display&id=404 (2022, October 4)
- Ahanger, R. G. (2009). Building managers as transformational leaders in public sector banks. *International Review of Business Research Papers*, 5 (5), 355-364.

Retrieved from

<http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.512.3383&rep=rep1&type=pdf> (2022, October 4)

Ahmad, H. K., Raza, A., Amjad. W., & Akram, M. (2011). Financial Performance of Finance Companies in Pakistan. *Interdisciplinary Journal of Contemporary Research in Business*, 2(12), 732-744. Retrieved from

<https://www.semanticscholar.org/paper/FINANCIAL-PERFORMANCE-OF-NON-BANKING-FINANCE-IN-Ahmad-Pakistan/a7b245b66151c578d6c4674a53bab27eba21721a> (2022, October 4)

Akram, M., Alam, H. M., Ali, L. & Mughal, M. M. (2012). How leadership behaviors affect organizational performance in Pakistan. *Journal of Economics and Behavioral Studies*, 4 (6), 354-363. Retrieved from

<https://core.ac.uk/download/pdf/288022607> (2022, October 4)

Alam, M., Raza, A., & Akram, M. (2011). Financial performance of leasing sector. *Interdisciplinary Journal of Contemporary Research in Business*, 2 (12), 339-345. Retrieved from

https://www.academia.edu/27649429/Financial_Performance_of_Investment_Banks_A_Comparison (2022, October 11)

Albert, S., Ashforth, B. E., Barker, J. R., Dukerich, J. M., Elsbach, K. D., & Glynn, M. A. (1998). Identification with organizations in identity in organizations. *Building Theory Through Conversations*, eds Whetten D. A., Godfrey P. C., editors. (Thousand Oaks, CA: Sage Publications, Inc.), 209–272. Retrieved from

<https://www.journals.sagepub.com/doi/10.1177/0149206308316059> (2022, October 11)

Alfes, K., C. Truss, E. C. Soane, C. Rees, and M. Gatenby (2013). The relationship between line manager behavior, perceived HRM practices, and individual performance: Examining the mediating role of engagement. *Human Resource Management*, 52 (6), 839-859. Retrieved from

https://www.researchgate.net/publication/259082218_The_Relationship_Between_Line_Manager_Behavior_Perceived_HRM_Practices_and_Individual_Performance

[rformance Examining the Mediating Role of Engagement](#) (2022, October 11)

Anastasia, A. K., & Pawan, S. B. (2007). Human resource management systems and organizational performance. *The International Journal of Human Resource Management*, 17 (7), 1223-1253. Retrieved from <http://koreascience.or.kr/article/JAKO201915658234049.page> (2022, October 11)

Anjali, K. T., & Anand, D. (2015). Intellectual stimulation and job commitment. *Journal of Organizational Behaviour*, 14 (2), 28-41. Retrieved from https://www.researchgate.net/publication/302481902_The_Impact_of_Transformational_Leadership_Style_on_Organizational_Performance_Evidence_from_Jordan (2022, October 11)

Annamalai, T., Abdullah, A. G. K., & Alasidiyeen, N. J. (2010). The mediating effects of perceived organizational support on the relationships between organizational justice, trust and performance appraisal in Malaysian secondary schools. *European Journal of Social Sciences*, 13 (4), 623-632. Retrieved from https://www.researchgate.net/publication/348869460_Compentence_Based_Trust_and_Organizational_Performance_of_Quoted_Pharmaceutical_Firms_in_Nigeria (2022, October 11)

Antonakis, J., Avolio, B. J., Sivasubramaniam, N. (2003). Context and leadership: an examination of the nine-factor full range leadership theory using the Multifactor Leadership Questionnaire. *The Leadership Quarterly* 14, 261–295. Retrieved from [https://www.scirp.org/\(S\(czeh2tfqw2orz553k1w0r45\)\)/reference/referencespapers.aspx?referenceid=2993356](https://www.scirp.org/(S(czeh2tfqw2orz553k1w0r45))/reference/referencespapers.aspx?referenceid=2993356) (2022, October 11)

Armstrong, M. (2006). Human resource management practice. Kogan Page, 251-269. Retrieved from [https://www.scirp.org/\(S\(lz5mqp453edsnp55rrgjt55\)\)/reference/referencespapers.aspx?referenceid=1927862](https://www.scirp.org/(S(lz5mqp453edsnp55rrgjt55))/reference/referencespapers.aspx?referenceid=1927862) (2022, October 11)

- Armstrong, M. (2004). *Human resource management theory and practice*. London: Bath Press Ltd. Retrieved from <https://scirp.org/reference/referencespapers.aspx?referenceid=2875635> (2022, October 11)
- Ashibogwu, M. (2008). *Common failures of family business*. Business Day, Monday, May, 18. Retrieved from <http://ajss.abasyn.edu.pk/admineditor/papers/V8I1-3.pdf> (2022, October 19)
- Avolio, B. J., Bass, B. M., & Jung, D. I. (1999). Re-examining the components of transformational and transactional leadership using the multifactor leadership questionnaire. *Journal of Occupation Organization Psychology*, 72, 441–462. Retrieved from [https://www.scirp.org/\(S\(351jmbntvnsjt1aadkposzje\)\)/reference/ReferencesPapers.aspx?ReferenceID=975516](https://www.scirp.org/(S(351jmbntvnsjt1aadkposzje))/reference/ReferencesPapers.aspx?ReferenceID=975516) (2022, October 19)
- Avolio, B. J., & Bass, B. M. (2004). *Multifactor leadership questionnaire*. 3rd ed. Manual and Sampler set. Redwood City, CA: Mind Garden. Retrieved from [https://www.scirp.org/\(S\(351jmbntvnsjt1aadkposzje\)\)/reference/ReferencesPapers.aspx?ReferenceID=1193290](https://www.scirp.org/(S(351jmbntvnsjt1aadkposzje))/reference/ReferencesPapers.aspx?ReferenceID=1193290) (2022, October 19)
- Avolio, B. J. (1999). *Full leadership development: Building the vital forces in organizations*. Thousand Oaks: CA Sage. Retrieved from https://www.researchgate.net/publication/247981056_Full_leadership_development_Building_the_vital_forces_in_organizations_by_Bruce_J_Avolio_1999_Thousand_Oaks_CA_Sage_234_pp (2022, October 19)
- Awamleh, R., Mahate, A., & Evans, J. (2005). A test of transformational and transactional leadership styles on employees' satisfaction and performance in the UAE banking sector. *Journal of Comparative International Management*, 8 (1), 3-19. Retrieved from https://www.erudit.org/en/journals/jcim/2005-v8-n1-jcim_8_1/jcim8_1art01.pdf (2022, October 19)
- Baldoni, J. (2005). *Motivation Secrets. Great Motivation Secrets of Great Leaders*. Retrieved from [Online] Available: http://govleaders.org/motivation_secrets.htm (2022, October 19)

- Basit, A., V. Sebastian, and Z. Hassan (2017). Impact of leadership style on employee performance: A case study on a private organization in Malaysia. *International Journal of Accounting and Business Management*, 5(2), 112-130. Retrieved from [https://www.scirp.org/\(S\(czeh2tfqw2orz553k1w0r45\)\)/reference/referencespapers.aspx?referenceid=3081774](https://www.scirp.org/(S(czeh2tfqw2orz553k1w0r45))/reference/referencespapers.aspx?referenceid=3081774) (2022, October 19)
- Bass, B. M. & Avolio, B. J. (1997). *Full range leadership development: Manual for the multifactor leadership questionnaire*. Palo Alto, C.A. Mind Garden, Inc. Retrieved from [https://www.scirp.org/\(S\(i43dyn45teexjx455qlt3d2q\)\)/reference/ReferencesPapers.aspx?ReferenceID=975625](https://www.scirp.org/(S(i43dyn45teexjx455qlt3d2q))/reference/ReferencesPapers.aspx?ReferenceID=975625) (2022, October 19)
- Bass, B. M. (1985). *Leadership and performance beyond expectations*. New York, NY: Free Press. Retrieved from [https://www.scirp.org/\(S\(351jmbntvnsjt1aadkposzje\)\)/reference/ReferencesPapers.aspx?ReferenceID=1871416](https://www.scirp.org/(S(351jmbntvnsjt1aadkposzje))/reference/ReferencesPapers.aspx?ReferenceID=1871416) (2022, October 26)
- Bass, B. M., & Avolio, B. J. (1993). Transformational leadership and organizational culture. *Public Administration. Qu.* 17, 112–121. Retrieved from [https://www.scirp.org/\(S\(351jmbntvnsjt1aadkozje\)\)/reference/referencespapers.aspx?referenceid=1207351](https://www.scirp.org/(S(351jmbntvnsjt1aadkozje))/reference/referencespapers.aspx?referenceid=1207351) (2022, October 26)
- Bass, B. M., Avolio, B. J., Jung, D. I., & Berson, Y. (2003). Predicting unit performance by assessing transformational and transactional leadership. *Journal of Applied Psychology*. 88, 207–218. Retrieved from <http://dr-hatfield.com/Download/Leadership/apl882207.pdf> (2022, October 26)
- Bass, B. M., & Avolio, B. J. (2000). *Effects on platoon readiness of transformational/transactional platoon leadership*. US Army Research Institute for the Behavioral and Social Sciences. Orlando, FL. Retrieved from <https://journals.sagepub.com/doi/10.1177/107179190000700302> (2022, October 26)
- Bass, B. M. (1990). *Bass and Stogdill's handbook of leadership theory_ Research, and Managerial Applications*. (3rd ed.). New York: Free Press. Retrieved

from

[https://www.scirp.org/\(S\(351jmbntvnsjt1aadkposzje\)\)/reference/ReferencesPapers.aspx?ReferenceID=1871417](https://www.scirp.org/(S(351jmbntvnsjt1aadkposzje))/reference/ReferencesPapers.aspx?ReferenceID=1871417) (2022, October 26)

Bass, B. M. (1997). Does the transactional-transformational leadership paradigm transcend organizational and national boundaries. *American Psychologist*, 52, 130-139. Retrieved from

[https://www.scirp.org/\(S\(i43dyn45teexjx455qlt3d2q\)\)/reference/ReferencesPapers.aspx?ReferenceID=1497878](https://www.scirp.org/(S(i43dyn45teexjx455qlt3d2q))/reference/ReferencesPapers.aspx?ReferenceID=1497878) (2022, October 26)

Bass, B. M. (1998). *Transformational and transactional leadership of men and women*. En B.M. Bass Transformational leadership: Industrial, military and educational impact. New Jersey: Lawrence Erlbaum Associates. Retrieved from

[https://www.scirp.org/\(S\(351jmbntvnsjt1aadkposzje\)\)/reference/ReferencesPapers.aspx?ReferenceID=1871419](https://www.scirp.org/(S(351jmbntvnsjt1aadkposzje))/reference/ReferencesPapers.aspx?ReferenceID=1871419) (2022, October 26)

Bass, B. M., & Avolio, B. J. (1994). *Improving organizational effectiveness through transformational leadership*. Thousand Oaks, CA: Sage. Retrieved from

[https://www.scirp.org/\(S\(i43dyn45teexjx455qlt3d2q\)\)/reference/ReferencesPapers.aspx?ReferenceID=895080](https://www.scirp.org/(S(i43dyn45teexjx455qlt3d2q))/reference/ReferencesPapers.aspx?ReferenceID=895080) (2022, October 26)

Bass, B. M., & Avolio, B. J. (1997). *Full Range Leadership: Manual for the Multifactor Leadership Questionnaire*. Palo Alto, CA: Mind Garden. Retrieved from

[https://www.scirp.org/\(S\(i43dyn45teexjx455qlt3d2q\)\)/reference/ReferencesPapers.aspx?ReferenceID=975625](https://www.scirp.org/(S(i43dyn45teexjx455qlt3d2q))/reference/ReferencesPapers.aspx?ReferenceID=975625) (2022, October 26)

Bass, B. M., & Riggio, R. E. (2006). *Transformational leadership*. Lawrence Erlbaum Associates 2006. Retrieved from

https://www.researchgate.net/publication/287282133_Transformational_leadership_Second_edition (2022, November 3)

Bass, B. M., & Avolio, B. J. (1993). *Transformational leadership: A response to critiques*. In: M. M. Chemers and R. Ayman (Eds.), *Leadership theory and research: Perspectives and direction*. San Diego, CA: Academic Press.

Retrieved from

[https://www.scirp.org/\(S\(351jmbntvnsjt1aadkposzje\)\)/reference/ReferencesPapers.aspx?ReferenceID=975518](https://www.scirp.org/(S(351jmbntvnsjt1aadkposzje))/reference/ReferencesPapers.aspx?ReferenceID=975518) (2022, November 3)

Bass, B. M., & Avolio, B. J., (1995). *MLQ Multifactor Leadership Questionnaire for research*. Redwood City, CA: Mind Garden. Retrieved from [https://www.scirp.org/\(S\(i43dyn45teexjx455qlt3d2q\)\)/reference/referencespapers.aspx?referenceid=1860311](https://www.scirp.org/(S(i43dyn45teexjx455qlt3d2q))/reference/referencespapers.aspx?referenceid=1860311) (2022, November 3)

Bass, B. M., Avolio, B. J., Jung, D. I., & Berson, Y. (2003) Predicting unit performance by assessing transformational and transactional Leadership. *Journal of Applied Psychology*, 88(2), 207–218. Retrieved from [https://www.scirp.org/\(S\(351jmbntvnsjt1aadkposzje\)\)/reference/ReferencesPapers.aspx?ReferenceID=1777352](https://www.scirp.org/(S(351jmbntvnsjt1aadkposzje))/reference/ReferencesPapers.aspx?ReferenceID=1777352) (2022, November 3)

Belias, D., Sdrolas L., Kakkos, N., Koutivam, M., & Koustelios, A. (2013). Traditional teaching methods vs. teaching through the application of information and communication technologies in the accounting field. *European Scientific Journal*, 9 (28), 73- 101. Retrieved from <https://scirp.org/reference/referencespapers.aspx?referenceid=3063212> (2022, November 3)

Ben-Bernard, P. (2013). Effects of leadership style on organizational performance in small and medium scale enterprises (SMES) in Nigeria. *European Journal of Business and Management*, 5 (23). Retrieved from [https://www.scirp.org/\(S\(czeh2tfqw2orz553k1w0r45\)\)/reference/referencespapers.aspx?referenceid=2471804](https://www.scirp.org/(S(czeh2tfqw2orz553k1w0r45))/reference/referencespapers.aspx?referenceid=2471804) (2022, November 3)

Berelson, B., & Steiner, G. A. (2003). *Human Behavior*. New York, Brace and World. Retrieved from [https://www.scirp.org/\(S\(oyulxb452alnt1aej1nfow45\)\)/reference/ReferencesPapers.aspx?ReferenceID=2419818](https://www.scirp.org/(S(oyulxb452alnt1aej1nfow45))/reference/ReferencesPapers.aspx?ReferenceID=2419818) (2022, November 3)

Bhat, A. B., Rangnekar, S., & Barua, M. (2013). Impact of transformational leadership style on organizational learning. *Elite Research Journal of*

- Education and Review*, 1(4), 24-31. Retrieved from <https://dergipark.org.tr/en/download/article-file/363200> (2022, November 3)
- Bass, B. M. (1990). From transactional to transformational leadership: Learning to share the vision. *Organizational Dynamic*, 18(3), 19-31. Retrieved from <https://www.sciencedirect.com/science/article/abs/pii/009026169090061S> (2022, November 3)
- Bloisi, W., Cook, C.W., & Hunsaker, P. L. (2003). *Management and Organisational Behaviour*, McGraw-Hill, 169-208. Retrieved from <https://qitirex.files.wordpress.com/2014/10/management-and-organisational-behaviour.pdf> (2022, November 3)
- Boehnke, K., Bontis, N., Distefano, J., & Distefano, A. (2003). Transformational leadership: an examination of cross-national differences and similarities. *Leadership and Organization Development Journal*, 24(1/2), 5-17. Retrieved from [https://www.scirp.org/\(S\(351jmbntvnsjt1aadkposzje\)\)/reference/ReferencesPapers.aspx?ReferenceID=1738425](https://www.scirp.org/(S(351jmbntvnsjt1aadkposzje))/reference/ReferencesPapers.aspx?ReferenceID=1738425) (2022, November 3)
- Broussard, S. C., & Garrison, M. E. B. (2004). The relationship between classroom motivation and academic achievement in elementary school-aged children. *Family and Consumer Sciences Research Journal*, 33(2), 106–120. Retrieved from [https://www.scirp.org/\(S\(lz5mqp453edsnp55rrgjt55\)\)/reference/referencespapers.aspx?referenceid=2071338](https://www.scirp.org/(S(lz5mqp453edsnp55rrgjt55))/reference/referencespapers.aspx?referenceid=2071338) (2022, November 9)
- Burns, J. M. (1978). *Leadership*. New York, NY: Harper and Row. Retrieved from [https://www.scirp.org/\(S\(i43dyn45teexjx455qlt3d2q\)\)/reference/ReferencesPapers.aspx?ReferenceID=895083](https://www.scirp.org/(S(i43dyn45teexjx455qlt3d2q))/reference/ReferencesPapers.aspx?ReferenceID=895083) (2022, November 9)
- Bushra, F., Ahmad, U., & Naveed, A. (2011). Effect of transformational leadership on employees' job satisfaction and organizational commitment in banking sector of Lahore (Pakistan). *International Journal of Business and Social Science*, 2(18), 261-267. Retrieved from https://www.researchgate.net/publication/267367371_Effect_of_Transformati

[onal Leadership on Employees' Job Satisfaction and Organizational Commitment in Banking Sector of Lahore Pakistan](#) (2022, November 9)

Bycio, P., Hackett, R. D., & Allen, J. S. (1995). Further assessment of Bass (1985) conceptualization of transactional and transformational leadership. *Journal of Applied Psychology*, 80, 468-478. Retrieved from [https://www.scirp.org/\(S\(i43dyn45teexjx455qlt3d2q\)\)/reference/ReferencesPapers.aspx?ReferenceID=895083](https://www.scirp.org/(S(i43dyn45teexjx455qlt3d2q))/reference/ReferencesPapers.aspx?ReferenceID=895083) (2022, November 9)

Cetin, M., Karabay, M. E., & Mehmet, N. E. (2012). The effects of leadership styles and the communication competency of bank managers on the employee's job satisfaction: the case of Turkish Banks. *Journal of Procedia - Social and Behavioral Sciences*, 58 (12), 227–235. Retrieved from <https://cyberleninka.org/article/n/1000012> (2022, November 9)

Chen, L. Y. (2004). Examining the effect of organization culture and leadership behaviors on organizational commitment, job satisfaction, and job performance at small and middle-size firms in Taiwan. *Journal of the American Academy of Business*, Cambridge. Retrieved from <https://pdfcoffee.com/examining-the-effect-of-organization-culture-and-leadership-behaviors-on-organizational-commitment-job-satisfaction-and-job-performance-3-pdf-free.html> (2022, November 9)

Cheung, A. C. K., & Wong, P. M. (2010). Effects of school heads' and teachers' agreement with the curriculum reform on curriculum development progress and student learning in Hong Kong. *International Journal of Educational Management*, 25 (5), 453-473. Retrieved from https://www.researchgate.net/publication/235322947_Effects_of_school_heads_and_teachers_agreement_with_the_curriculum_reform_on_curriculum_development_progress_and_student_learning_in_Hong_Kong (2022, November 9)

Chowdhary, M. S. (2007). Enhancing motivation and work performance of the salespeople: The impact of supervisors' behavior. *African Journal of Business Management*, 1 (9), 238-243. Retrieved from

<https://academicjournals.org/journal/AJBM/article-full-text-pdf/9D5627617942> (2022, November 9)

Clark, R. A., Hartline, M. D., & Jones, K. C. (2009). The effects of leadership style on hotel employees' commitment to service quality. *Cornell Hospitality Quarterly*, 50 (2), 209-231. Retrieved from <https://bearworks.missouristate.edu/articles-cob/298/> (2022, November 9)

Cole, G. A. (2002). *The Administrative Theory and Workers' Motivation*, ABU Zaria, Nigeria: Zante Institute of Administration Press Ltd. Retrieved from <https://oapub.org/edu/index.php/ejes/article/view/3395> (2022, November 9)

Collins, D. B. (2001). Organizational performance: the future focus of leadership development programs. *Journal of Leadership Studies and Organizational Studies*. Retrieved from https://www.researchgate.net/publication/250961296_Organizational_Performance_The_Future_Focus_of_Leadership_Development_Programs (2022, November 15)

Colvin, R. E. (2002). Transformational leadership: A prescription for contemporary organizations. Retrieved from https://www.google.com/search?q=Colvin%2C+R.+E.+%282002%29.+Transformational+leadership%3A+A+prescription+for+contemporary+organizations.&rlz=1C1GCEU_enNP931NP931&oq=Colvin%2C+R.+E.+%282002%29.+Transformational+leadership%3A+A+prescription+for+contemporary+organizations.&aqs=chrome..69i57.792j0j4&sourceid=chrome&ie=UTF-8 (2022, November 15)

Conger, J. A., & Kanungo, R. N. (1998). *Charismatic leadership in organizations*. Thousand Oaks, CA: Sage. Retrieved from [https://www.scirp.org/\(S\(351jmbntv-nsjt1aadkpozje\)\)/reference/referencespapers.aspx?referenceid=2993360](https://www.scirp.org/(S(351jmbntv-nsjt1aadkpozje))/reference/referencespapers.aspx?referenceid=2993360) (2022, November 15)

- Conger, J. A., & Kanungo, R. N. (1988). Charismatic leadership: the elusive factor in organizational effectiveness. San Francisco: Jossey-Bass. Retrieved from <https://awspntest.apa.org/record/1988-98415-000> (2022, November 15)
- Conger, J.A. & Kanungo, R.N. (1987). Towards a Behavioral Theory of Charismatic Leadership in Organizational Settings. *Academy of Management Review*, 12(4), 637-467. Retrieved from [https://www.scirp.org/\(S\(czeh2tfqw2orz553k1w0r45\)\)/reference/referencespapers.aspx?referenceid=2881543](https://www.scirp.org/(S(czeh2tfqw2orz553k1w0r45))/reference/referencespapers.aspx?referenceid=2881543) (2022, November 15)
- Danişman, Şahin & Tosuntaş, Şule & Karadağ, Engin. (2015). The effect of leadership on organizational performance_ leadership and organizational outcomes. *Meta- Analysis of Empirical Studies*, 143-168. Retrieved from https://www.researchgate.net/publication/283770800_The_effect_of_leadership_on_organizational_performance (2022, November 15)
- Davidson, M. (2003). Does organizational climate add to service quality in hotels. *International Journal of Contemporary Hospitality Management*, 15(4), 206-213. Retrieved from <https://www.cabdirect.org/cabdirect/abstract/20043082156> (2022, November 15)
- Davies, J. (2005). Review of effects of task factors on job attitude and job behavior II. job enlargement and organizational context, *Perdonsi Psychology*, 22, 418 – 426. Retrieved from <https://journals.sagepub.com/doi/10.1177/0018726712454554> (2022, November 15)
- De Jong, S., Bruch, H., & Raes, A. (2013). How top management team behavioural integration can impact employee work outcomes. *Theory development and first empirical tests. Human Relations*, 66, 167-192. Retrieved from <https://journals.sagepub.com/doi/10.1177/0018726712454554> (2022, November 15)

- DeChurch, L. A., Hiller, N. J., Murase, T., Doty, D., & Salas, E. (2010). Leadership across levels: levels of leaders and their levels of impact. *The Leadership Quarterly*, 21, 1069-1085. Retrieved from [https://www.scirp.org/\(S\(i43dyn45te-exjx455qlt3d2q\)\)/reference/referencespapers.aspx?referenceid=3226205](https://www.scirp.org/(S(i43dyn45te-exjx455qlt3d2q))/reference/referencespapers.aspx?referenceid=3226205) (2022, November 15)
- Doody, O., & Doody, C. M. (2012). Transformational leadership in nursing practice. *British Journal of Nursing*, 20 (21), 1212-1224. Retrieved from [https://www.scirp.org/\(S\(lz5mqp453edsnp55rrgjt55.\)\)/reference/referencespapers.aspx?referenceid=2525719](https://www.scirp.org/(S(lz5mqp453edsnp55rrgjt55.))/reference/referencespapers.aspx?referenceid=2525719) (2022, November 22)
- Dumdum, U. R., Lowe, K. B., & Avolio, B. (2002). A meta-analysis of transformational and transactional leadership correlates of effectiveness and satisfaction: an update and extension. In B. J. Avolio, & F. J. Yammarino (Eds). *Transformational and charismatic leadership: The road ahead*. Oxford, UK. Retrieved from https://www.researchgate.net/publication/280727383_A_meta-analysis_of_transformational_and_transactional_leadership_correlates_of_effectiveness_and_satisfaction_An_update_and_extension (2022, November 22)
- Durkin, M., & Bennett, H.(1999). Employee commitment in retail banking: identifying and exploring hidden dangers. *International Journal of Bank Marketing*, 17 (2), 80-88. Retrieved from <https://www.semanticscholar.org/paper/Employee-commitment-in-retail-banking%3A-identifying-Durkin-Bennett/a079ac1f8c2d82ba6cb27f9f005928b62b4f5b1b> (2022, November 22)
- Elkins, T., & Keller, R. T. (2003). Leadership in research and development organizations. *Leadership Quarterly*, 14, 587–606. Retrieved from https://www.researchgate.net/publication/223865952_Leadership_in_Research_and_Development_Organizations_A_Literature_Review_and_Conceptual_Framework (2022, November 22)
- Erkutlu, H. (2008). The impact of transformational leadership on organizational and leadership effectiveness. *Journal of Management Development*, 27(7), 708-

726. Retrieved from <https://www.researchgate.net/publication/256436672> The impact of transformational leadership on organizational and leadership effectiveness The Turkish case (2022, November 22)
- Etemesi, R. (2012). *Thoughts on Leadership Management, Management*, a KIM Publication April 2012 page 19 (2022, November 22)
- Fayyaz, H., Naheed, R., & Hasan, A. (2014). Effect of task oriented and relational leadership style on employee performance. *Journal of Marketing and Consumer Research*, 3. Retrieved from <https://www.researchgate.net/publication/344162092> Effect of task oriented and relational leadership style on employee performance moderating impact of communicator competence (2022, November 22)
- Fenwick, F. J., & Gayle, C. A. (2008). Missing links in understanding the relationship between leadership and organizational performance. *International Business & Economics Research Journal*, 7. Retrieved from <https://www.researchgate.net/publication/301795994> Missing Links In Understanding The Relationship Between Leadership And Organizational Performance (2022, November 22)
- Fernandes, C., & Awamleh, R. (2004). The impact of transformational and transactional leadership styles on employee's satisfaction and performance. *International Business and Economics Research*, 3 (8), 65-76. Retrieved from <https://www.researchgate.net/publication/266467923> The Impact Of Transformational And Transactional Leadership Styles On Employee's Satisfaction And Performance An Empirical Test In A Multicultural Environment (2022, November 29)
- Fokam, J., & Astein, M. (2016). Leadership style and performance of small and medium size enterprises in Cameroon. M. Sc. thesis, University of Yaounde II. Retrieved from <https://ideas.repec.org/p/pramprapa/81417.html> (2022, November 29)

- Frese, M., BeimeI, S., & Schoenborn, S. (2003). Action training for charismatic leadership: Two evaluations of studies of a commercial training module on inspirational communications of a vision. *Personnel Psychology*, 56: 671-690. Retrieved from https://www.researchgate.net/profile/Michael-Frese/publication/227600895_Action_training_for_charismatic_leadership_Two_evaluations_of_studies_of_a_commercial_training_module_on_inspirational_communication_of_a_vision/links/5cd6a39292851c4eab936fb6/Action-training-for-charismatic-leadership-Two-evaluations-of-studies-of-a-commercial-training-module-on-inspirational-communication-of-a-vision.pdf (2022, November 29)
- Fry, L. W. (2003). Towards a Theory of Spiritual Leadership. *The Leadership Quarterly*, 14, 693-727. Retrieved from https://www.researchgate.net/publication/222827010_Toward_a_Theory_of_Spiritual_Leadership (2022, November 29)
- Furnham, A. (2002). Managers as change agents. *Journal of Change Management*, 3 (1), 21-29. Retrieved from https://www.researchgate.net/publication/233661163_Managers_as_change_agents (2022, November 29)
- Gadot, E.V. (2007). Leadership style, organizational politics, and employees' performance. *Personnel Review*, 36 (5), 661-683. Retrieved from https://www.academia.edu/12328303/Leadership_style_organizational_politics_and_employees_performance_An_empirical_examination_of_two_competing_models (2022, November 29)
- Gallos, J. V. (2008). *Business Leadership*. 2nd ed. San Francisco CA: John Wiley & Sons, Inc. Retrieved from <https://download.e-bookshelf.de/download/0002/3725/08/L-G-0002372508-0003340509.pdf> (2022, November 29)
- Garcia, M., Llorens, V. J., Montes, F. J., & Verdu, A. J. (2008). The effects of transformational leadership on organizational performance through knowledge and innovation. *British Journal of Management*, 19(4), 299-319. Retrieved

from

https://www.researchgate.net/publication/228197344_The_Effects_of_Transformational_Leadership_on_Organizational_Performance_through_Knowledge_and_Innovation (2022, November 29)

Gautam, D. K. (2008). *Strategic Human Resource Management in Nepal*, an unpublished Ph. D. thesis submitted to the Faculty of Management, Tribhuvan University, Kathmandu, Nepal. Retrieved from (2022, November 29)

Gberevbie, D. E. (2011). Leadership, the financial sector and development in Nigeria. *International Journal of Humanity and Social Science*, 3 (2), 148-157. Retrieved from https://www.researchgate.net/publication/267818001_Leadership_the_financial_sector_and_development_in_Nigeria (2022, November 29)

George, J. M., & Jones, G. R. (2012). *Understanding and Managing Organizational Behavior*. 6th edition. Reading, MA: Prentice Hall. Retrieved from <https://industri.fatek.unpatti.ac.id/wp-content/uploads/2019/03/086-Understanding-and-Managing-Organizational-Behavior-Jennifer-M.-George-Gareth-Jones-Edisi-6-2011.pdf> (2022, November 29)

Gill, R. (2006). *Theory and Practice of Leadership*. Thousand Oaks, CA: Sage. Retrieved from (2022, December 6)

Glantz, J. (2002). Finding Your Leadership Style. A Guide for Educators; Association for Supervision and Curriculum Development. Retrieved from (2022, December 6)

Goodwin, V. L., Wofford, J. C., & Whittington, J. L. (2001). A theoretical and empirical extension to the transformational leadership construct. *Journal of Organizational Behaviour*. 22, 759–774. Retrieved from [https://www.scirp.org/\(S\(i43dyn45teexjx455qlt3d2q\)\)/reference/ReferencesPapers.aspx?ReferenceID=1777361](https://www.scirp.org/(S(i43dyn45teexjx455qlt3d2q))/reference/ReferencesPapers.aspx?ReferenceID=1777361) (2022, December 6)

Gumusluoglu, L., & Ilsev, A. (2009). Transformational leadership, creativity, and organizational innovation. *Journal of Business Research*, 62, 461–473.

Retrieved from

<https://scirp.org/reference/referencespapers.aspx?referenceid=1661314> (2022, December 6)

Guzzo, R. A. & Dickson, M. W. (1996). Teams in organizations. *Annual Review of Psychology*, 47(1), 307-338. Retrieved from

<https://pubmed.ncbi.nlm.nih.gov/15012484/> (2022, December 6)

Gyawali, A. (2017). Impact of employee participation on job satisfaction, employee fairness perception and organizational commitment: a case of Nepalese commercial banks, *The Saptagandaki Journal*, Vol. VIII. Retrieved from

https://www.researchgate.net/publication/321751973_Impact_of_Employee_Participation_on_Job_Satisfaction_Employee_Fairness_Perception_and_Organizational_Commitment_A_Case_of_Nepalese_Commercial_Banks (2022, December 6)

Hartmann, F., Gil, D. N., & Perego, P. (2010). The effects of leadership styles and use of performance measures on managerial work-related attitudes. *European Accounting Review*, 19 (2). Retrieved from

https://econpapers.repec.org/article/tafeuract/v_3a19_3ay_3a2010_3ai_3a2_3ap_3a275-310.htm (2022, December 6)

Hartog, D. D., Boon, N. C., Verburg, M. R., & Croon, A. M. (2012). HRM, Communication, Satisfaction, and Perceived Performance: A Cross-Level Test. *Journal of Management*, 10, 1-30. Retrieved from

https://www.academia.edu/19885405/HRM_Communication_Satisfaction_and_Perceived_Performance_A_Cross_Level_Test (2022, December 6)

Hater, J. J., & Bass, B. M. (1988). Superiors evaluations and subordinates perceptions of transformational and transactional leadership. *Journal of Applied Psychology*, 73 (4), 695-702. Retrieved from

<https://www.scirp.org/%28S%28lz5mqp453edsnp55rrgjt55%29%29/reference/referencespapers.aspx?referenceid=1777366> (2022, December 6)

- Herrbach, O. (2006). A matter of feeling? The affective tone of organizational commitment and identification. *Journal of Organizational Behavior*, 27, 629–643. Retrieved from <https://www.jstor.org/stable/4093923> (2022, December 13)
- Hiller, N. J., DeChurch, L. A., Murase, T., & Doty, D. (2011). Searching for outcomes of leadership. *Journal of Management*, 37, 1137-1178. Retrieved from <https://www.econbiz.de/Record/searching-for-outcomes-of-leadership-a-25-year-review-hiller-nathan/10009137095> (2022, December 13)
- Hinkin, T., & Tracey, J. (1994). Transformational leadership in the hospitality industry. *Hospitality Research Journal*, 18, 49-61. Retrieved from <https://ecommons.cornell.edu/handle/1813/72390> (2022, December 13)
- House, R. J., & Aditya, R. N. (1997). The social scientific study of leadership: quo vadis. *Journal of Management*, 3 (23), 409-473. Retrieved from [https://www.scirp.org/\(S\(351jmbntvnsjt1aadkposzje\)\)/reference/referencespapers.aspx?referenceid=1633594](https://www.scirp.org/(S(351jmbntvnsjt1aadkposzje))/reference/referencespapers.aspx?referenceid=1633594) (2022, December 13)
- House, R.J. (1971). A path-goal theory of leader effectiveness. *Administrative Science Quarterly*, 16, 321–339. Retrieved from [https://www.scirp.org/\(S\(351jmbntvnsjt1aadkozje\)\)/reference/referencespapers.aspx?referenceid=3007294](https://www.scirp.org/(S(351jmbntvnsjt1aadkozje))/reference/referencespapers.aspx?referenceid=3007294) (2022, December 13)
- House, R.J., & Dessler, G. (1974). *The Path Goal Theory of Leadership: Some Post Hoc And A Priori Tests*. In Hunt, J.G., Larson, L.L. (Eds), *Contingency Approaches to Leadership*, Southern Illinois University Press, Carbondale, IL, Retrieved from <http://www.sciepub.com/reference/205262> (2022, December 13)
- Howell, B. J. (1992). The ethics of charismatic leadership: submission or liberation. The University of Western Ontario, State University of New York at Binghamton: 6. Retrieved from <https://www.jstor.org/stable/4165064> (2022, December 13)
- Howell, J., & Frost, P. (1989). A laboratory study of charismatic leadership. *Journal of Organizational Behaviour and Human Development Processes*, 43, 243–

269. Retrieved from <https://www.semanticscholar.org/paper/A-laboratory-study-of-charismatic-leadership.-Howell-Frost/e4f5837f76bb511974999d8abe2bf31fd73ad476> (2022, December 13)
- Howell, J. M., & Avolio, B. J. (1993). Transformational leadership, transactional leadership, locus of control, and support for innovation. *Journal of Applied Psychology*, 78 (6), 891- 902. Retrieved from <https://www.scirp.org/%28S%28lz5mqp453edsnp55rrgjt55%29%29/referenc/e/referencespapers.aspx?referenceid=1661320> (2022, December 13)
- Humphreys, J. H., & Einstein, W. O. (2003). Nothing new under the sun: transformational leadership from a historical perspective. *Management Decision*, 41 (1/2), 85-95. Retrieved from https://www.researchgate.net/publication/247618421_Nothing_new_under_the_sun_Transformational_leadership_from_a_historical_perspective (2022, December 13)
- Hunt, J. G. (1999). Transformational/charismatic leadership's transformation of the field. *The Leadership Quarterly*, 10, 129–144. Retrieved from <https://www.econbiz.de/Record/overview-transformational-charismatic-leadership-s-transformation-of-the-field-an-historical-essay-hunt-james/10007819291> (2022, December 21)
- Hunter, S. T., Bedell-Aver, K. E., & Mumford, M. D. (2007). The typical leadership study: assumptions, implications, and potential remedies. *The Leadership Quarterly*, 18, 435-446. Retrieved from https://www.academia.edu/33781654/The_typical_leadership_study_Assumptions_implications_and_potential_remedies (2022, December 21)
- Igbaekemen, G. O. (2014). Impact of leadership style on organization performance: A strategic literature review. *Public Policy and Administration Research*, 4 (9), 126-135. Retrieved from <https://core.ac.uk/download/pdf/234669288.pdf> (2022, December 21)

- Iqbal, N., Anwar, S., Haider, N. (2015). Effect of leadership style on employee performance. *Arabian Journal of Bus Management Review*, 5, 146. Retrieved from [https://www.scirp.org/\(S\(351jmbntvnsjt1aadkposzje\)\)/reference/referencespapers.aspx?referenceid=2434468](https://www.scirp.org/(S(351jmbntvnsjt1aadkposzje))/reference/referencespapers.aspx?referenceid=2434468) (2022, December 21)
- Iscan, Ö. F., G. Ersarı, and A. Naktiyok (2014). Effect of leadership style on perceived organizational performance and innovation: The role of transformational leadership beyond the impact of transactional leadership—an application among Turkish SME's. *Procedia-Social and Behavioral Sciences*, 25 (2), 881-889. Retrieved from <https://cyberleninka.org/article/n/491469> (2022, December 21)
- Jackson, E. M., Rossi, M. E., Rickamer, H. E., & Johnson, R. E. (2012). Relationship of leader reward behavior with employee behavior. *Leadership & Organization Development Journal*, 33 (7), 646-661. Retrieved from https://www.researchgate.net/publication/248708010_Relationships_of_leader_reward_behavior_with_employee_behavior_Fairness_and_morale_as_key_mediators (2022, December 21)
- Johnson, J., Rochkind, J., & Doble, J. (2009). A mission of the heart: What does it take to transform a school? Retrieved from <https://www.wallacefoundation.org/knowledge-center/pages/mission-of-the-heart-what-does-it-take-to-transform-a-school.aspx> (2022, December 21)
- Jong, J. P., & Hartog, D. N. (2007). How leaders influence employees' innovative behaviour. *European Journal of Innovation Management*, 10 (1), 41-64. Retrieved from [https://www.scirp.org/\(S\(351jmbntvnsjt1aadkposzje\)\)/reference/ReferencesPers.aspx?ReferenceID=2219856](https://www.scirp.org/(S(351jmbntvnsjt1aadkposzje))/reference/ReferencesPers.aspx?ReferenceID=2219856) (2022, December 21)
- Judge, T. A. & Piccolo, R. F. (2004). Transformational & transactional leadership: a meta-analytic test of their relative validity. *Journal of Applied Psychology*, 89 (5), 755-768. Retrieved from

<https://scirp.org/reference/ReferencesPapers.aspx?ReferenceID=1710506>

(2022, December 21)

Judge, T. A., Bono, J. E., Ilies, R., & Gerhardt, M.W. (2002). Personality & leadership. *Journal of Applied Psychology*, 87(4), 765-780. Retrieved from

<https://scirp.org/reference/referencespapers.aspx?referenceid=1948074>

(2022, December 28)

Jung, D. I. (1999). Effects of leadership style and followers' cultural orientation.

Academy of Management Journal, 208-218. Retrieved from

<http://www.sciepub.com/reference/151304> (2022, December 28)

Jung, D., Wu, A., & C. Chow. (2008). Towards understanding the direct and indirect

effects of CEO's transformational leadership on firm innovation. *The*

Leadership Quarterly, 19, 582-594. Retrieved from

https://www.researchgate.net/publication/222513699_Towards_understanding_the_direct_and_indirect_effects_of_CEOs'_transformational_leadership_on_firm_innovation (2022, December 28)

Kaiser, R., Hogan, R., & Craig, S. (2008). Leadership and the fate of organizations.

American Psychologist, 63, 96-110. Retrieved from

https://www.researchgate.net/publication/5568458_Leadership_and_the_Fate_of_Organizations (2022, December 28)

Katz, D., & St. Kahn, R. L. (1978). *The Social Psychology of Organization* (2nd ed.).

New York: Wiley. Retrieved from

[https://www.scirp.org/\(S\(lz5mqp453edsnp55rrgjt55\)\)/reference/ReferencesPapers.aspx?ReferenceID=669860](https://www.scirp.org/(S(lz5mqp453edsnp55rrgjt55))/reference/ReferencesPapers.aspx?ReferenceID=669860) (2022, December 28)

Keating, Charles. (1982). *The Leadership Book*. New York: Paulist press, Retrieved

from

https://www.researchgate.net/publication/5568458_Leadership_and_the_Fate_of_Organizations (2022, December 28)

Keller, R. T. (2006). Transformational leadership, initiating structure and substitutes

for leadership: a longitudinal study of research and development project team

- performance. *Journal of Applied Psychology*, 91(1), 202-210. Retrieved from <https://psycnet.apa.org/record/2006-00819-018> (2022, December 28)
- Koech, P. M., and G. S. Namusonge (2012). The effect of leadership styles on organizational performance at state corporations in Kenya. *International Journal of Business and Commerce*, 2(1), 1-12. Retrieved from <https://www.scirp.org/%28S%28351jmbntvnsjt1aadkposzje%29%29/reference/referencespapers.aspx?referenceid=3030386> (2022, December 28)
- Koontz, H. & Donnell, C. (1993). *Introduction to Management*. New York: McGraw-Hill Inc. Retrieved from https://80reansot.files.wordpress.com/2013/08/35950_reading_material_1.pdf (2022, December 28)
- Kotter, J. & Schlesinger, L. (1979). Choosing strategies for change. *Harvard Business Review*, 57 (March-April), 106-114. Retrieved from <https://hbr.org/2008/07/choosing-strategies-for-change> (2023, January 5)
- Kotter, J. P. 1999. *What Leaders Really Do?* Boston, MA: Harvard Business School Press. Retrieved from <https://hbr.org/2001/12/what-leaders-really-do> (2023, January 5)
- Kouzes, J. M., & Posner, B. Z. (1987). *The Leadership Challenge: How To Keep Getting Extraordinary Things Done In Organizations*. San Francisco CA: Jossey-Bass Wiley Imprint Retrieved from [https://www.scirp.org/\(S\(lz5mqp453edsnp55rrgjt55\)\)/reference/referencespapers.aspx?referenceid=1871447](https://www.scirp.org/(S(lz5mqp453edsnp55rrgjt55))/reference/referencespapers.aspx?referenceid=1871447) (2023, January 5)
- Kunhert, K. W. (1994). *Transforming Leadership: Developing People through Delegation*. In B. M. Bass, & B. J. Avolios, Improving organizational effectiveness through transformational leadership, 10- 25. California: SAGE. Retrieved from <https://www.turknett.com/wp-content/uploads/2013/07/DevelopingPeopleThroughDelegation.pdf> (2023, January 5)

- Lado, A. A., N. G. Boyd, and P. Wright (1992). A competency based model of sustainable competitive advantage: Toward a conceptual integration. *Journal of Management*, 18 (1), 77-91. Retrieved from <https://www.scirp.org/%28S%28351jmbntvnsjt1aadkposzje%29%29/reference/referencespapers.aspx?referenceid=2762914> (2023, January 5)
- Lee & Chuang. (2009). The impact of leadership styles on job stress and turnover intention: Taiwan Insurance Industry Retrieved from <https://www.turknett.com/wp-content/uploads/2013/07/DevelopingPeopleThroughDelegation.pdf> (2023, January 5)
- Locke, E. A., & Crawford, T. W. (2004). Right problem, wrong solution: A rejoinder to Mitroff's and Swenson's call to action. *Academy of Management News*, 35 (3), 2. Retrieved from <https://journals.sagepub.com/doi/abs/10.1177/0021943607309351?journalCode=jobc> (2023, January 5)
- Lockwood, A., & Jones, P. (1989). Creating positive service encounter. Cornell hotel and leadership theory in the context of china's hotel industry. *Journal of Hospitality*. Retrieved from <https://link.springer.com/article/10.1177/03079459994506> (2023, January 5)
- Luthans, F., & Kreitner, R. (1985). *Organizational Behavior Modification and Beyond*. Glenview IL: Scott Foresman. Retrieved from https://www.researchgate.net/publication/233141280_Organizational_Behavior_Modification_Goes_to_Russia (2023, January 5)
- MacKenzie, S. B., Podsakoff, P., & Rich, G. A. (2001). Transformational and transactional leadership and salesperson performance. *Journal of the Academy of Marketing Science*, 29, 115-134. Retrieved from <https://link.springer.com/article/10.1177/03079459994506> (2023, January 12)
- Madlock, P. E. (2008). The link between leadership style, communication competence, and employee satisfaction. *Journal of Business Communication*,

45, 61-75. Retrieved from

<https://journals.sagepub.com/doi/abs/10.1177/0021943607309351?journalCode=jbc> (2023, January 12)

Matthew, J., Grawich, K., & Barber, L., (2009). Are you focusing both employees and organizational outcomes. Organizational health initiative at Saint Louis University (ohi.sluc.edu), 1-5. Retrieved from <https://sluc.edu/MatthewGrawich/CurriculumVitae> (2023, January 12)

McCloy, R. A., Campbell, J. P., & Cudeck, R. (1994). A confirmatory test of a model of performance determinants. *Journal of Applied Psychology*, 79 (4), 493-505. Retrieved from https://www.researchgate.net/profile/Rodney-Mccloy/publication/232425335_A_Confirmatory_Test_of_a_Model_of_Performance_Determinants/links/558c52fa08ae1f30aa80a1f9/A-Confirmatory-Test-of-a-Model-of-Performance-Determinants.pdf (2023, January 12)

McGrath, G. R., & MacMillan, I. C. (2000). *Entrepreneurial Mindset: Strategies for Continuously Creating Opportunity in an Age of Uncertainty*. Boston: Harvard Business School Press . Retrieved from [https://www.scirp.org/\(S\(lz5mqp453ed%20snp55rrgict55\)\)/reference/referencespapers.aspx?referenceid=3030395](https://www.scirp.org/(S(lz5mqp453ed%20snp55rrgict55))/reference/referencespapers.aspx?referenceid=3030395) (2023, January 12)

Mehra, A., Smith, B., Dixon, A., & Robertson, B. (2006). Distributed leadership in teams: the network of leadership perceptions and team performance. *Leadership Quarterly*, 17, 232-245. Retrieved from <https://psycnet.apa.org/record/2006-07785-003> (2023, January 12)

Memon, Khalid. (2014). Effects of leadership styles on employee performance. *International Journal of Management Sciences and Business Research*, 3, 63-80. Retrieved from https://www.researchgate.net/publication/279851390_Effects_of_Leadership_Styles_on_Employee_Performance_Integrating_the_Mediating_Role_of_Culture_Gender_and_Moderating_Role_of_Communication (2023, January 12)

- Messick, D. M. & Kramer, R. M. (2004). *The psychology of leadership: new perspectives and research*. New Jersey: Lawrence Erlbaum Associates, Publishers. Retrieved from <https://www.taylorfrancis.com/books/edit/10.4324/9781410611406/psychology-leadership-david-messick-roderick-kramer> (2023, January 12)
- Mills, D. Quinn. (2005). *Leadership: How To Lead, How To Live*. Waltham, MA: Mind Edge Press. Retrieved from <https://www.hbs.edu/faculty/Pages/item.aspx?num=19569> (2023, January 17)
- Mishra, A. K. (1996). Organizational responses to crisis: the centrality of trust. In R.M. Kramer, & T. Tyler (Eds.), *Trust in Organizations*, 261-287. Newbury Park, CA: Sage. Retrieved from [https://www.scirp.org/\(S\(351jmbntvnsjt1aadkposzje\)\)/reference/ReferencesPapers.aspx?ReferenceID=1428778](https://www.scirp.org/(S(351jmbntvnsjt1aadkposzje))/reference/ReferencesPapers.aspx?ReferenceID=1428778) (2023, January 17)
- Motowidlo, S. J. (2003). Job performance. In W.C. Borman, D.R. Ilgen, R. J. Klimoski (Eds.), *Hand Book of Psychology* (12), Industrial and Organizational Psychology, 39-53. Hoboken. N J: Wiley. Retrieved from https://www.researchgate.net/profile/Richard-Klimoski/publication/267796178_Handbook_of_Industrial_and_Organizational_Psychology/links/55366e590cf268fd00183fce/Handbook-of-Industrial-and-Organizational-Psychology.pdf (2023, January 17)
- Muterera, J. (2012). Leadership behaviors and their impact on organizational performance in governmental entities. *International Journal of Sustainable Development*, 3 (8), 19-24. Retrieved from (2023, January 17)
- Mwita, J. I. (2000). Performance management model. *The International Journal of Public Sector Management*, 13(1), 19-37. Retrieved from <https://scirp.org/reference/referencespapers.aspx?referenceid=2875668> (2023, January 17)
- Nasir, H. M., Nordin, R., Seman, S. A. A., & Rahmat, A. (2014). The relationship of leadership styles and organizational performance among ipta academic leaders in klang valley area, malaysia. *Business & Entrepreneurship Journal*, 3 (2),

45-65. Retrieved from

https://www.researchgate.net/publication/334735087_The_Relationship_of_Leadership_Styles_and_organizational_performance_among_IPTA_Academic_Leaders_in_Klang_Valley_Area_Malaysia (2023, January 17)

Nazir, A., Nazir, N., Lone, D., Parveez, A., & Syed, Azeem. (2018). *Leadership styles, organizational culture & perceived performance in service sector: an empirical assessment*. Retrieved from

<https://www.researchgate.net/profile/Azeem-Syed> (2023, January 17)

Chien-Wen, T. (2008), Leadership style and employee's job satisfaction in international tourist hotels, in Arch G. Woodside (Ed.) *Advances in Culture, Tourism and Hospitality Research*, (2) Emerald Group Publishing Limited, 293 – 332 Retrieved from <http://jultika.oulu.fi/files/isbn9514268539.pdf> (2023, January 17)

Nicholls, J. (1988). The transforming autocrat. *Management Today*, 3 (1), 114-118. Retrieved from <https://www.scribd.com/document/522089659/nicholls1988> (2023, January 17)

Nivala, V., & Hujala, E. (2002). *Leadership in early childhood education – cross-cultural perspectives*. *universities ouluensis Series E 57*. Oulu: University Press. Retrieved from <http://jultika.oulu.fi/files/isbn9514268539.pdf> (2023, January 23)

Northouse, P. G. (2012). *Leadership: Theory and Practice*. Sage Publication.

Retrieved from

https://www.homeworkforyou.com/static_media/uploadedfiles/Peter_G_Northouse_Leadership_T.pdf (2023, January 23)

Obiwuru, T. C., Okwu, A. T., Akpa, V. O., & Nwankwere, I. A. (2011). Effects of leadership style on organizational performance: a survey of selected small scale enterprises in Ikosi-Ketu Council Development area of Lagos State, Nigeria. *Australian Journal of Business and Management Research*, 1(7), 100-111. Retrieved from

https://www.researchgate.net/publication/285806473_Effects_of_leadership_styles

[tyle on organizational performance A survey of selected small scale enterprises in IKOSIKETU Council development area of Lagos state Nigeria](#)
(2023, January 23)

Orabi, T. G. A., (2016). The impact of transformational leadership style on organizational performance: evidence from Jordan. *International Journal of Human Resource Studies*, 6 (2). Retrieved from https://www.researchgate.net/publication/302481902_The_Impact_of_Transformational_Leadership_Style_on_Organizational_Performance_Evidence_from_Jordan (2023, January 23)

Pandey, P. (2016). Impact of human resource dimensions on employee job satisfaction in Nepalese commercial banks, Nepal. *Journal of finance*, 3 (4), 81-91. Retrieved from (2023, January 23)

Patiar, A. & Mia, L. (2008). The interactive effect of market competition and use of MAS information on performance: Evidence from the upscale hotels. *Journal of Hospitality and Tourism Research*, 32 (2), 209-234. Retrieved from https://www.researchgate.net/publication/29467328_The_Interactive_Effect_of_Market_Competition_and_Use_of_MAS_Information_on_Performance_Evidence_From_the_Upscale_Hotels (2023, January 23)

Popa, B. M. (2012). The relationship between leadership effectiveness and organizational performance. *Journal of Defense Resources Management*, 3 (1), 123. Retrieved from http://journal.dresmara.ro/issues/volume3_issue1/13_popa.b.pdf (2023, January 23)

Purcell, J., Kinnie, N., Hutchinson, S., Rayton, B., & Swart, J. (2004). *Understanding the people & performance link: unlocking the black box*. Research Report, Chartered Institute of Personnel and Development. Retrieved from <https://researchportal.bath.ac.uk/en/publications/understanding-the-people-and-performance-link-unlocking-the-black> (2023, January 23)

- Pushpanathan, Ambalam. (2008). Leadership style and organizational performance in family owned small scale manufacturing industries in Sri Lanka. Retrieved from https://www.researchgate.net/publication/316047127_LEADERSHIP_STYLE_AND_ORGANIZATIONAL_PERFORMANCE_IN_FAMILY_OWNED_SMALL_SCALE_MANUFACTURING_INDUSTRIES_IN_SRI_LANKA (2023, January 23)
- Riggio, R. E, and Conger, J. A. (2007). *The practice of leadership: developing the next generation of leaders*. San Francisco CA 94103-1741: Jossey-Bass Wiley Imprint, Inc. Retrieved from (2023, January 31)
- Rukhmani, K., Ramesh, M., & Jayakrishnan, J., (2010). Effect of leadership styles on organizational effectiveness. *European Journal of Social Sciences*, 15 (3), 365-369. Retrieved from https://www.researchgate.net/publication/290345538_Effect_of_leadership_styles_on_organizational_effectiveness (2023, January 31)
- Saleem, H. (2015). The impact of leadership styles on job satisfaction and mediating role of perceived organizational politics. *Journal of Procedia - Social and Behavioral Sciences*, 172 (27), 563–569. Retrieved from https://www.researchgate.net/publication/273501104_The_Impact_of_Leadership_Styles_on_Job_Satisfaction_and_Mediating_Role_of_Perceived_Organizational_Politics (2023, January 31)
- Saowalux, P., & Peng, C. (2007). *Impact of leadership style on performance: a study of six sigma professionals in Thailand*. International DSI/Asia and Pacific DSI, July, 2007. Retrieved from http://gebrc.nccu.edu.tw/proceedings/APDSI/2007/papers/Final_21.pdf (2023, January 31)
- Schermerhorn, J. R., Hunt, J. G., & Osborn, R. N. (2000). *Organization Behavior*. New York. Wiley and Sons inc. Retrieved from <http://dspace.vnbrims.org:13000/jspui/bitstream/123456789/1075/1/Organizational%20Behavior%20->

[SCHERMERHORN%20Jr%2C%20John%20R %20HUNT%2C%20James%20G%20%26%20OSBORN%2C%20Richard%20N%20-.pdf](#) (2023, January 31)

Shelley, D. D., Francis, J.Y., Leanne, E. A., & William, D. S.(2004).

Transformational leadership and team performance. *Journal of Organizational Change Management*. 17 (2), 177-193. Retrieved from [https://www.researchgate.net/publication/220041908 Transformational leadership and team performance](https://www.researchgate.net/publication/220041908_Transformational_leadership_and_team_performance) (2023, January 31)

Shrestha, A. K. & Mishra, A. K. (2011). Leadership styles, employees' commitment to organizational change, and organizational performance: A study in a Nepali technology based organization. Paper presented at 11th South Asian Management Forum (SMAF), Kathmandu, Nepal. Retrieved from [https://www.researchgate.net/publication/235692190 Leadership styles employees' commitment to organizational change and organizational performance A study in a Nepali technology based organization](https://www.researchgate.net/publication/235692190_Leadership_styles_employees'_commitment_to_organizational_change_and_organizational_performance_A_study_in_a_Nepali_technology_based_organization) (2023, January 31)

Shrestha, Arjun. (2012). Leadership styles, subordinates' satisfaction with the leader and perceived effectiveness: A study in a Nepali telecommunications company. Kathmandu University School of Management Occasional Paper. 5. 1-20. Retrieved from <https://www.kusom.edu.np/uploaded/pdf/KUSOM%20Occasional%20Paper%205.pdf> (2023, January 31)

Shrestha, Y. K. (2006). *Human resource management and organizational performance: Evidence from Nepalese banking industry*. Unpublished thesis, M.Phil. in Management, Tribhuvan University, Kathmandu. Retrieved from (2023, January 31)

Sims, H. P. (1977). The leader as manager of reinforcement contingencies: An empirical example and a model. In Hunt, J. G., Larson, L. L. (Eds.), *Leadership: The Cutting Edge*, Southern Illinois University Press, Carbondale, IL. Retrieved from

<https://journals.sagepub.com/doi/10.1177/0893318991004004007?icid=int.sj-abstract.similar-articles.3> (2023, February 7)

- Sofi, M. A. (2015). Impact of leadership styles on organizational performance: An empirical assessment of banking sector in Jammu and Kashmir (India). *Journal of Business and Management (IOSR-JBM)*, 17 (8). Retrieved from [https://www.scirp.org/\(S\(czeh2tfqw2orz553k1w0r45\)\)/reference/referencespapers.aspx?referenceid=2471801](https://www.scirp.org/(S(czeh2tfqw2orz553k1w0r45))/reference/referencespapers.aspx?referenceid=2471801) (2023, February 7)
- Stone, G. A., Russell, R. F., & Patterson, K. (2004). *Leadership & Organization Development Journal*. 25 (4), 349-361. Retrieved from [https://www.scirp.org/\(S\(czeh2tfqw2orz553k1w0r45\)\)/reference/referencespapers.aspx?referenceid=2871963](https://www.scirp.org/(S(czeh2tfqw2orz553k1w0r45))/reference/referencespapers.aspx?referenceid=2871963) (2023, February 7)
- Sun, R. Y. (2002). *The relationship among the leadership style, organizational culture and organizational effectiveness based on competing value framework: An empirical study for the institute of technology in Taiwan*. Unpublished doctoral dissertation, National Taipei University, Taipei, Taiwan. Retrieved from [https://www.scirp.org/\(S\(czeh2tfqw2orz553k1w0r45\)\)/reference/referencespapers.aspx?referenceid=2471802](https://www.scirp.org/(S(czeh2tfqw2orz553k1w0r45))/reference/referencespapers.aspx?referenceid=2471802) (2023, February 7)
- Sundi, K., (2013). Effect of Transformational Leadership and Transactional Leadership on Employee Performance of Konawe Education Department at Southeast Sulawesi Province. *International Journal of Business and Management Invention*, 12 (2), 50-58. Retrieved from [https://www.ijbmi.org/papers/Vol\(2\)12/Version-1/F021201050058.pdf](https://www.ijbmi.org/papers/Vol(2)12/Version-1/F021201050058.pdf) (2023, February 7)
- Taffinder, P. (2006). *Leadership Crash Course: How to create personal leadership value*, 2nd Edition, London: GBR Ltd Retrieved from. <https://www.coursehero.com/file/146894416/ob-dorisdocx/> (2023, February 7)
- Tarabishy, A., Solomon, G., Fernald, L. W., & Sashkin, M. (2005). The entrepreneurial leader's impact on the organization's performance in dynamic

- markets. *Journal of Private Equity*, 8(4), 20-29. Retrieved from https://www.researchgate.net/publication/240315893_The_Entrepreneurial_Leader's_Impact_on_the_Organization's_Performance_in_Dynamic_Markets (2023, February 7)
- Tracey, C. (2008). Personal characteristics and the impact of transformational leadership behaviours on follower outcomes. ProQuest LLC. Retrieved from https://corescholar.libraries.wright.edu/etd_all/235/ (2023, February 7)
- Tracey, J., & Hinkin, R. (1996). How transformational leaders lead in the hospitality industry. *International Journal of Hospitality Management*, 15 (2), 165-176. Retrieved from <https://www.sciencedirect.com/science/article/pii/0278431995000593> (2023, February 7)
- Uchenwamgbe, M. (2013). Effects of leadership style on organizational performance in small and medium scale enterprises (SMEs) in Nigeria. *European Journal of Business and Management*, 5(23), 53-73. Retrieved from [https://www.scirp.org/\(S\(czeh2tfqw2orz553k1w0r45\)\)/reference/referencespapers.aspx?referenceid=2471804](https://www.scirp.org/(S(czeh2tfqw2orz553k1w0r45))/reference/referencespapers.aspx?referenceid=2471804) (2023, February 12)
- Vroom, V. (1964). *Work and Motivation*. New York, NY: Wiley. Retrieved from <http://garfield.library.upenn.edu/classics1985/A1985AKX9100001.pdf> (2023, February 12)
- Waldman, D. A., & Atwater, L. E. (1994). The nature of effective leadership and championing processes at different levels in a R & D hierarchy. *Journal of High Technology Management Research*, 5 (2), 233-245. Retrieved from <https://asu.pure.elsevier.com/en/publications/the-nature-of-effective-leadership-and-championing-processes-at-d> (2023, February 12)
- Walumbwa, F., Wu, C., & Orwa (2008). Contingent reward transactional leadership, work attitudes, and organizational citizenship behaviour: The role of procedural justice climate perceptions and strength. *The Leadership Quarterly*, 19 (3), 251-270. Retrieved from

<https://www.researchgate.net/publication/223639097> Contingent reward transactional leadership work attitudes and organizational citizenship behavior: The role of procedural justice climate perceptions and strength (2023, February 12)

Weichun, Z., Irene, K. H. C., William D. S., (2006). Corrigendum to CEO transformational leadership and organizational outcomes: The mediating role of human-capital-enhancing human resource management. *The Leadership Quarterly*, 17(3), 316. Retrieved from (2023, February 12)

Whitener, E. M., Brodt, S. E., Korsgaard, M. A., & Werner, J. M. (1998). Managers as initiators of trust: An exchange relationship framework for understanding managerial trustworthy behavior. *Academy of Management Review*, 23 (3), 513–530. Retrieved from
<https://www.researchgate.net/publication/246755074> Managers as Initiators of Trust An Exchange Relationship Framework for Understanding Managerial Trustworthy Behavior (2023, February 19)

Widayanti, A. T., & Putranto, N. A. R. (2015). Analyzing the relationship between transformational and transactional leadership style on employee performance. *Journal of Business and Management*, 4 (5), 561-568. Retrieved from
<https://www.semanticscholar.org/paper/ANALYZING-THE-RELATIONSHIP-BETWEEN-TRANSFORMATIONAL-Widayanti-Putranto/341eaaa7d74e289363a213effdd710008aa2b30c> (2023, February 19)

Yang, H. (2008). Efficiency wages and subjective performance pay. *Economic Inquiry*, 46 (2), 179–196. Retrieved from
<https://www.researchgate.net/publication/4755215> Efficiency Wages and Subjective Performance Pay (2023, February 19)

Yazıcı, N. K. (2008). *The effect of reward system applications on employee performance in service sector*. Marmara University, Institute of Social Sciences, Master's Thesis. Retrieved from (2023, February 19)

Yukl, G. (2010). *Leadership in Organization (7th Edition)*. South Asia, Pearson Education, Inc. Amos. Retrieved from

- <http://www.mim.ac.mw/books/Leadership%20in%20Organizations%20by%20Gary%20Yukl.pdf.No1fvHJjqGHg1RgmjuyjD0oYNhx7MNeo> (2023, February 19)
- Yusuf, M. O. (2014). Management of leadership style: An approach to organizational performance and effectiveness in Nigeria. *International Journal of Humanities Social Sciences and Education*, 1 (2), 17-29. Retrieved from <https://www.arcjournals.org/pdfs/ijhsse/v1-i2/2.pdf> (2023, February 25)
- Zacher, H. P., Liane, K., Rooney, D., McKenna, B. (2014). Leaders' personal wisdom and leader-member exchange quality: The effect of individualized consideration. *Journal of Business Ethics*, 121 (2), 171-173. Retrieved from https://www.researchgate.net/publication/257542243_Leaders'_Personal_Wisdom_and_Leader-Member_Exchange_Quality_The_Role_of_Individualized_Consideration (2023, February 25)
- Zehir, C., Ö. G. Ertosun, S. Zehir, and B. Müceldili (2011). The effects of leadership styles and organizational culture over firm performance: Multi-National companies in İstanbul. *Procedia-Social and Behavioral Sciences*, 24 (1), 1460-1474. Retrieved from https://www.researchgate.net/publication/251714445_The_Effects_of_Leadership_Styles_and_Organizational_Culture_over_Firm_Performance_Multi-National_Companies_in_Istanbul (2023, February 25)
- Zhou, Q., Aryee, S., Walumbwa, F. O., & Hartnell, C. A. (2012). Transformational leadership, innovative behavior, and task performance: Test of mediation and moderation processes. *Human Performance*, 25 (1), 1-25. Retrieved from <https://psycnet.apa.org/record/2012-04563-001> (2023, March 4)
- Zhu, W., Chew, I. K. H., & Spangler, W. D. (2005). CEO transformational leadership & organizational outcomes: The mediating role of human-capital-enhancing human resource management. *The Leadership Quarterly*, 16(1), 39-52. Retrieved from https://www.researchgate.net/publication/222412748_CEO_Transformational_Leadership_and_organizational_Outcomes_The_Mediating_Role_of_Human-Capital-Enhancing_Human_Resource_Management (2023, March 4)

Appendix I

**EFFECTS OF LEADERSHIP STYLE ON ORGANIZATIONAL
PERFORMANCE IN NEPALESE COMMERCIAL BANKS**

QUESTIONNAIRE

Dear Respondent,

I am Rabina Maharjan, one of the Masters in Business Studies (MBS) ongoing graduates of Tribhuvan University, pursuing my studies at Peoples Campus.

I am doing research entitled “Effects of Leadership style on organizational performance in Nepalese commercial banks”. The information provided by you will be used only for the research purpose for MBS.

I will be grateful if you provide just few minutes to answer my questions appearing in the enclosed questionnaire. Your ideas and information will be of great importance for my research. I do assure you that your information will be kept confidential and used for academic purpose only.

Thank you for your cooperation.

.....

Rabina Maharjan

Section A: Demography of Respondents

Name of the bank.....

Please tick (v) according to the answers in the boxes that best represents you.

1. Please select your gender

Male Female

2. Please select your age (in years)

Under 25 26-30 31-35 36-40 41-45 above 46

3. Educational level

Intermediate and below Bachelor Degree

Master Degree M. Phil/ Ph. D Degree

4. Please select your job position

Assistant Officer Manager Senior Manager

5. Years of employment

Under 2 years 2- less than 5 years

5- less than 10 years 10 years and above

Please tick mark (✓) in one of the best option that best matches your opinion.

Section B: Transformational leadership

1. Charisma

S.N	Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
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.					

2. Inspirational Motivation

S.N	Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
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					

3. Intellectual stimulation/Individual Consideration

S. N	Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
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;					

Section C: Transactional leadership

4. Constructive/Contingent Reward

S. N	Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
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					

5. Management by exception

S. N	Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
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.					

Section D: Dependent Variable

6. Employee Performance

S.N	Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
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 able to identify issues and relationships when comparing data from various sources.					
4	You meet all the requirement 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.					

Any suggestion, comments and recommendation to improve leadership style in Nepalese commercial banking industries for better organizational performance?

.....

Thank you for your kind cooper

APPENDIX II
PROPOSAL ON
EFFECT OF LEADERSHIP STYLES ON ORGANIZATIONAL
PERFORMANCE OF NEPALESE COMMERCIAL BANKS.

A Dissertation submitted to the Office of Dean, Faculty of Management,
Tribhuvan University, Nepal
In partial fulfillment of the

Symbol No: 3494/17

TU Registration No: 7-3-271-307-2016

Roll No: 22/073

Submitted By:

RABINA MAHARJAN

TU Registration No: 7-3-271-307-2016

Exam Roll No: 3494/17

Peoples Campus

Paknajol, Kathmandu

Submitted To:

FACULTY OF MANAGEMENT

TRIBHUVAN UNIVERSITY

1.1 General background

Leading is a process of influencing and directing activities of an organization group to accomplish goals by communicating with them. Leadership also involves assuming a considerable amount of responsibility and risk (Mills, 2005). Similarly, leadership is an act that involves influencing others to act toward the attainment of a goal (Conger and Kanungo, 1987). According to Etemesi (2012), good leadership entails listening, getting time to understand and being prepared for the unexpected because that is what is expected.

Traditionally, leadership has been defined in recent years as individual skills that are applied directly to the organizations (Nivala and Hujala, 2002). Cole (2002) has defined leadership as a dynamic process by which, during a specific period of time, and in a specific organizational field, one individual affects the group in order to achieve the overall objective. According to Riggio *et al.* (2007), leadership is a learning process that is not only centered in what needs to be said but also in learning how to say it in ways that others can understand and follow. This relationship of mutual abilities is the leader-follower relation.

Leadership is an ongoing process of building and sustaining a relationship between those who aspire to lead and those willing to follow (Kouzes and Posner, 1987). Likewise, intangible assets such as leadership styles, culture, skill and competence, and motivation are seen increasingly as key sources of strength in those firms that can combine people and processes and organizational performance (Alfes *et al.*, 2013).

According to Bass and Stogdill (1990), leadership is generally defined simply as the process of influencing people to direct their efforts towards achievement of some particular goal or goals. Leadership is vital to employee performance and corporate excellence. Consequently, organization spend substantial sum of money in search of effective leadership in training of their personnel in effective leadership behavior. There is also relative scarcity of effective leadership and that is why organizations search constantly for it. This action leads them to effect, design and develop all the effective leadership potentials possible in those who are associated with corporate management (Igbaekemen, 2014).

Leadership is multidimensional in skill and orientation. Successful leaders need to understand people and organizations, tasks and processes, self and others. They must attend to current realities while envisioning future possibilities, and need confidence and strategies for working competently across a wide range of diverse issues. For example: Firstly, from fostering the organizational clarity that comes from sound structures and policies to unleashing energy. Secondly, creativity through bold visions, from creating learning organizations where workers mature and develop as everyday leaders to managing the conflict inevitable in a world of enduring differences (Gallos, 2008).

Schermerhorn *et al.* (2000) maintained that leadership is the heart of any organization, because it determines the success or failure of the organization. Mills (2005) observed that without leadership, organizations move too slowly, stagnate, and lose their way. Without leadership a people quickly degenerate into argument and conflict, because they see things in different ways and lean toward different solutions. Leaders help reduce un-clarity and uncertainty in organizations, and therefore leadership helps to point staff in the same direction and harness their efforts jointly to achieve organizational goals.

Armstrong (2004) stated leadership as influence, power and the legitimate authority acquired by a leader to be able to effectively transform the organization through the direction of human resources, the most important organizational asset, leading to the achievement of desired purpose. This can be done through the articulation of the vision and mission of the organization at every moment, and influence the staff to define their power to share this vision. Effective leadership is seen as a potent source of management development and sustained competitive advantage for improvement of organizational performance (Avolio, 1999 and Lado *et al.*, 1992).

Zhou *et al.* (2012) used the self-concept based theory of leadership and social exchange theory to hypothesize processes linking transformational leadership to follower performance outcomes. Specifically, the study hypothesized that (a) transformational leadership relates to followers' work engagement both directly and indirectly through their psychological states, (b) work engagement relates to innovative behavior, (c) innovative behavior relates to task performance, and (d) the work

engagement–innovative behavior relationship is moderated by leader–member exchange.

Leadership is a process whereby an individual influences a group of individuals to achieve a common goal (Northouse, 2004). Leadership style is the way in which that process is carried out. Among the various theories of leadership and motivation relating to effective organizational change management, perhaps the most prominent is the transformational-transactional theory of leadership (Saowalux and Peng, 2007). Burns (1978) conceptualized two factors to differentiate “ordinary” from “extraordinary” leadership: transactional and transformational leadership. Transactional leadership is based on conventional exchange relationship in which followers “compliance” (effort, productivity, and loyalty) is exchanged for expected rewards. In contrast, transformational (extraordinary) leaders raise followers’ “consciousness” levels about the importance and value of designated outcomes and ways of achieving them. Leaders also motivate followers to transcend their own immediate self-interest for the sake of the mission and vision of the organization.

Judge *et al.* (2002) explored the strategic role of leadership to investigate how to employ leadership paradigms and use leadership behavior to improve organizational performance. This is because intangible assets such as leadership styles, culture, skill and competence, and motivation are seen increasingly as key sources of strength in those firms that can combine people and processes and organizational performance (Purcell *et al.*, 2004).

McGrath and MacMillan (2000) suggested that effective leadership skills and behaviors can facilitate the improvement of performance when organizations face these new challenges. Jong and Hartog (2007) have defined leadership as the process of influencing people in order to achieve desirable results. Berry (1984) has also defined relationship marketing as increasing the bank’s income by establishing a positive relationship between customers and employees. Thus, with the use of this approach, the focus on employees and customers’ satisfaction is highly important for the success of the bank. The banking field has been a vital pillar in the global economy for many decades. Although the bank’s goal is generally to make profits, their performance is also based on public interest.

1.2 Problem Statement

Messick and Kramer (2004) argued that the degree to which the individual exhibits leadership traits depends not only on his characteristics and personal abilities, but also on the characteristics of the situation and environment in which he finds himself. Locke and Crawford (2004) argued that leadership plays a crucial role in a company's ultimate success or failure. Gill (2006) found leadership to help stimulate, motivate, and encourage the followers so that the company may achieve satisfactory results for the organization. Mehra *et al.* (2006) argued that when some organizations seek efficient ways to enable them outperform others; a longstanding approach is to focus on the effects of leadership. Team leaders are believed to play a pivotal role in shaping collective norms, helping teams cope with their environments, and coordinating collective action. This leader-centered perspective has provided valuable insights into the relationship between leadership and team performance (Guzzo and Dickson, 1996). Understanding the effects of leadership on organizational survival is also important because leadership is viewed as one of the key driving forces for improving a firm's performance and survival.

The research on organizational leadership has progressed in conjunction with the advancement of large-scale industrialization, and over the past century, systematic studies have also been spurred by the two World Wars. Because of this, there is much debate about leadership and a variety of theoretical frameworks influence the theory of organizations. Gberevbie (2011) pointed out that effective leadership exerts influence in a way that achieves organizational goals by enhancing the productivity, innovation, satisfaction, and commitment of the workforce. Sun (2002) compared the leadership style with the leadership performance in schools and enterprises. The study showed that the leadership style has a significantly positive correlation with the organizational performance in both schools and enterprises. Zhu *et al.* (2005) suggested that visionary leadership will result in high levels of cohesion, commitment, trust, motivation, and hence performance in the new organizational environments.

Bass (1985) proposed a theory of transformational leadership based upon the findings of Burns (1978). First, the study argued that transformational and transactional leadership are not separate concepts: rather, they occupy opposite ends of a single continuum. Accordingly, the study showed that the best leaders should possess both

transformational and transactional skills. Second, the study targeted the behavior that manifests transformational and transactional leadership. For example, transformational leader offers a purpose that transcends short-term goals and emphasizes higher-order intrinsic needs, whereas transactional leaders highlight the proper exchange of resources (Erkutlu 2008). Additionally, Bass (1985) and Northouse (2012) suggested a non-transactional factor (or non-leadership) indicating the absence of leadership, the avoidance of intervention, which emerges as the most inactive form of leadership, referred to as *laissez-faire*. Based on these previous findings, Judge and Piccolo (2004) and Erkutlu (2008) proposed three constructs for leadership, including transformational, transactional and non-leadership dimensions, which are the basis for the current research's model.

Fenwick and Gayle (2008) concluded that despite a hypothesized leadership-performance relationship suggested by some researchers, current findings are inconclusive and difficult to interpret. From this review of related literature, it is evident that although some scholars believed that leadership enhances organizational performance while others contradict this, different concepts of leadership have been employed in different studies, making direct comparisons virtually impossible.

Kotter (1999) disagreed with some people's views that there has been a shortage of quality leadership throughout history, the study stated that what is clear is that the increasingly fast-moving and competitive environment we will face in the twenty first century demands more leadership from more people to make enterprises prosper. Without that leadership, organizations stagnate, lose their way, and eventually suffer the consequences. The study concluded that leadership gap exists for many reasons and correcting the problem is made difficult for many additional reasons. Instead of nurturing talent, encouraging people to lead and to learn from mistakes and successes, organizations all too often ignore leadership potential, offer no relevant training or role models and punish who make small errors while trying to lead. Individuals, too, get in their own way by failing to assess their developmental needs realistically and to proactively seek means of meeting those needs. Therefore, this study aims to address the following issues specifically in the context of Nepalese commercial banks:

- i. How do Nepalese commercial bank employees perceive the current practices of leadership style?
- ii. What are the employees' perceived descriptive statistics about the organizational performance in Nepalese commercial banks?
- iii. Is there any relation between leadership style (transformational and transactional) with organizational performance in Nepalese commercial banks?
- iv. What is the effect of transformational leadership style (charisma, inspirational motivation and intellectual stimulation) on organizational performance in Nepalese commercial banks?
- v. Whether constructive reward and management by exception are correlated to organizational performance in Nepalese commercial banks?

1.3 Objective of the study

The major objective of the study is to examine the impact of leadership style on organizational performance in Nepalese commercial banks. The specific objectives of the study are as follows:

- v. To determine the impact of charismatic leadership on organizational performance in Nepalese commercial banks.
- vi. To analyze the impact of inspirational motivation and individual consideration on organizational performance in Nepalese commercial banks.
- vii. To assess the effect of constructive reward and management by exception on organizational performance in Nepalese commercial banks.
- viii. To identify the most influencing factors explaining the organizational performance in Nepalese commercial banks.

1.4 Significance of the study

Charles Keating (1982) observed that leadership is service in the sense that it seeks to meet the needs of one or of the group by performing needed functions. Sometime strong directive power is effective leadership such as when a group has lost its sense of direction or purpose. Sometimes the group needs to be encouraged and supported, at other times it may need to be re-oriented. Individual and group are members of an organization in order to achieve certain personal objectives, the extent

to which they are active members depends on how they are convinced that their membership will enable them achieve their predetermined objectives. Therefore, an individual will support an organization if he believes that through it his personal objectives and goals could be met; if not, the person's interest will decline. Leadership style in an organization is one of the factors that play significant role in enhancing or retarding the interest and commitment of the individuals in the organization. Glantz (2002) emphasized the need for a manager to find his leadership style.

Ashibogwu (2008) noted that one of the reasons for this high failure is lack of use of market research to confirm demand and assess suitability of proposed offering as well as maintaining high level of customer patronage. Inappropriate leadership style could be one of the reasons for high failure of business organizations. Taffinder (2006) considered leadership within the context of business enterprise as the action of managers of the enterprise to contribute their best to the purpose of the enterprise. This study was intended to evaluate the management of leadership style on the performance of business organizations, contribute to empirical studies on leadership style and business performance, proffer quantitative-based recommendations for policies and programs to reposition business enterprises as integral part of the engine of economic growth and development.

More importantly, this study is beneficial for leaders and managers in order to drive the organization in the pathway of right direction and in the meantime, it is helpful to choose the appropriate leadership style for the growth of organizational performance. This study is useful not only to banking industry but also to all the firms and institutions related to non-banking industry. Besides this, the study can also be a reference for academicians for further research on impact of leadership style on organizational performance. Hence, the study will serve as an instrument for harnessing the impact of leadership in the achievement of organization effectiveness and objectives thereby improving organizational performance in banking sectors