
**THE EFFECT OF LEADERSHIP STYLES ON ORGANIZATION PERFORMANCE:
A CASE STUDY OF ABC BANK, NIGERIA**

¹Emmanuel Chinyere, ²Dr. Evans Zoella, ³Dr. Uduak Alika

¹ MBA student, University of Ibadan

^{2,3}Lecturer, University of Ibadan, Nigeria

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ABSTRACT

The purpose of this paper was to identify the various leadership styles, the roles of the different leadership styles at ABC bank and how they relate to performance at ABC bank. Information on the leadership styles and how they relate to performance was captured through comprehensive compilation of literature and further proposes a conceptual framework based on the review of literature. It employed a descriptive research design whose purpose was the description of state of affairs as they were. The target population in this study was the employees at the ABC bank headquarters from the various departments and a sample size of 80 respondents was drawn through purposive sampling. Primary data was then collected through a semi-structured questionnaire with closed ended questions and thereafter analysis of data was done through summarizing findings in terms of mean and frequencies. Data presentation was done by use of charts, percentages and frequency tables. Descriptive statistics was used in drawing relationships. The study found that the leadership styles used at ABC bank are where their leaders give intellectual stimulation, their leaders offer coaching and mentorship, their leaders reward them for goal and target, their leaders monitor their progress and correct where necessary, their leaders are not commanding, their leader do not make all the decisions, their leaders do not strictly comply to policies, leaders do not encourage open communication and their leaders encourage joint decision making. With such leadership characteristics it is evident that ABC bank has a diverse array of leadership. The study recommends ABC bank to enhance the motivational aspect of leaders at the bank as motivation has proven to inspire an employee to exert a higher level of efforts, energy and enthusiasm towards the fulfillment of individual goals resulting in committed and inspired work behavior. The bank should also discourage the laissez faire trait of leaders intervening only when problems arise and instead encourage availability of leadership all the times.

Key words: *Leadership Styles, Performance.*

INTRODUCTION

The rationale of any business entity to be in operation is so as to survive in the business environment for the longest foreseeable future and most importantly improve performance in the period it is in operation (Arslan & Staub, 2013). In order to meet the needs of the highly

competitive markets, organizations must continually increase performance and what better way to do this than by investing in ways that place the organization at a competitive advantage. These competitive forces are causing many organizations to rethink the way they are doing business in order to remain relevant to their stakeholders in the unfolding dispensations (Hadlock, 1999). These not only present organizations with critical challenges, they also present new opportunities for growth and development. Companies are adopting various strategies to respond to these forces in order to survive and grow, particularly the small scale companies. For instance in Kenya horticultural firms are adopting strategic alliances, big conglomerates like Sameer group are adopting diversification strategies. In the light of these new challenges, many other organizations have adopted logical restructuring paths through the adoption of various performance improvement methodologies ranging from organization development, Business Acquisitions, New Technology acquisition, Business Process re-engineering, Total Quality Management and more so focusing on human resource (Hadlock, 1999). Under human resource comes leadership and visionary leaders are part of human resource that brings about the much desired organizational change.

Suitable and competent leaders are one of the biggest human capitals to the organization. Top performance increasingly demands excellence in all areas, including leadership. Organizational leaders derive power from the fact that they are in control of critical resources and are able to dispense them to internal stakeholders in their organizations (Glantz, 2002). This means that they are able to direct internal stakeholders to act in accordance with organizational goals, vision and mission. The extent to which a leader is successful may depend on their ability to build trust between the parties and create opportunities for each party to fulfill both their individual and collective goals. An employee will support an organization if he/she 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 employees in the organization. Thus, Glantz (2002) emphasizes the need for a manager to find his leadership style.

Though leadership has long been of interest to historians and philosophers, scientific studies only began in the early 1900s. Still, the body of knowledge has since been fast growing as attested by the more than 350 definitions of the term which scholars have come up with (Bass, 2009). Previous research into the topic of leadership reveals that the literature on leadership and performance can be broadly categorized into a number of important phases. Early studies on leadership frequently categorized as 'trait' studies on leadership concentrated on identifying the personality traits which characterized successful leaders (Mahoney, 1960). Trait theories assume that successful leaders are born and they have certain innate qualities which distinguish them from non-leaders.

Leadership is about influence; however it could be argued that influence is of little value in an organizational context unless it ultimately yields an outcome in line with the shared aspiration for leadership to be deemed successful. Drucker, (1995) captures this notion by simply stating: Leadership is all about influence and results. Results in this case are the good performance of an organization in line with its vision, mission and goals (Messick & Kramer, 2004). Several reasons indicate that there should be a relationship between leadership, leadership style and organizational performance. Studies have suggested that effective leadership behaviors can facilitate the improvement of performance when organizations face challenges (McGrath & MacMillan, 2000). Amidst business challenges, organizational

leadership should manifest itself 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 (McGrath & MacMillan, 2000).

Leadership style is seen as a potent source of management development and sustained competitive advantage for organizational performance improvement (Avolio, 1999). For instance, transactional leadership 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, Chew, & Spangler, 2005). Some scholars like Zhu *et al.* (2005), suggest that visionary leadership style will result in high levels of cohesion, commitment, trust, motivation, and hence performance in new organizational environments. Mehra, Smith, Dixon and Robertson (2006) argue that when some organizations seek efficient ways to enable them outperform others, a longstanding approach is to focus on the effects of leadership. For instance, 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 (Zhu, Chew, & Spangler, 2005). Several other studies have explored the strategic role of leadership to investigate how to employ leadership paradigms and use leadership behavior to improve organizational performance (Judge & Gerhardt, 2002). 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).

Focusing on the leadership style at ABC bank it is evidently clear through their manager's recruitment criteria that the bank looks to employ a workforce that is able to lead a team and deliver business results, strong leadership coupled with motivation and managerial skills, personnel with decision making ability, team player and with passion and commitment to quality service delivery. With such kind of requirements it is no doubt that ABC bank leans more towards dynamism in leadership with the main aim being to deliver business results (Kenyancareer.com). Hence the reason why this study focused on leadership styles at ABC bank that have contributed to the success story.

Statement of the Problem

Leadership is an important dimension in organizational performance and it is central to the success of any strategic process. Kouzes and Posner (2007) define leadership as the process of social influence in which one person is able to enlist the aid and support of others in the accomplishment of a common task. Recent interest on leadership has focused on the importance of the leadership role to the success of organizations. Fiedler (1996), one of the most respected researchers on leadership, has provided a recent notion on the importance of leadership by arguing that the effectiveness of a leader is a major determinant of the success or failure of a group, organization, or even an entire country. Indeed, it has been argued that one way in which organizations have sought to cope with the increasing volatility and turbulence of the external environment is by training and developing leaders and equipping them with the skills to cope (Hennessey, 1998).

Other studies which examine the links between leadership and performance coincide with the re-emergence of the 'one best way to lead' debate. Of particular relevance is charismatic leadership, which is frequently referred to as transformational leadership (Bass & Avolio, 1993). A number of researchers theorize that transformational leadership is linked to

organizational performance (Howell & Avolio, 1993). Conceptually, it is argued that the visionary and inspirational skills of transformational leaders motivate followers to deliver superior performance (Kouzes & Posner, 2002). In summary, much of the above evidence presented as supporting the claim of a leadership–performance link frequently over-concentrates on the transformational role of leaders in corporate successes (Quick, 1998). It would appear that few studies have responded to the observation of Porter and Mckibbin (1988) that much of the research reported as supporting this claim is either inconclusive or empirically suspect. The limited or inconclusive character of research findings in the area suggests the need to investigate further the nature of the relationship between leadership style and performance. This study was a step in this direction.

The main problem facing most organizations in the developing countries is the kind of leadership that push for results, the kind of leadership that is objective based and improves productivity through employee performance. Koech (2012) asserts that leadership reflects the employees' output, so in the case of shoddy leadership then substandard performance is experienced and company profits drop, employees are less satisfied, less motivated and the turnover rate rises. In the Kenyan banking sector the situation is not different (Koech, 2012). It was under this background that the study tried and focused on the effects of leadership styles on organization performance with particular interest to ABC bank which besides being founded in 1984, still ranked at number 23 out of the 43 commercial banks in Kenya (Bankelele, 2014).

Objectives

This study was guided by the following objectives:

- To identify the leadership styles that has been used at ABC bank.
- To determine the extent to which the leadership styles used have an effect on ABC bank performance.
- To determine the effect of HR policies and organizational culture on leadership styles.

LITERATURE REVIEW

Theoretical review

Trait theory

Trait theory assumes that people inherit certain qualities and traits that make them better suited to leadership. Trait theories often identify particular personality or behavioral characteristics shared by leaders (Ghee & Daft, 2004). In 1948, after examining over 100 studies based on trait approach, Stogdill (cited in Ghee and Daft, 2004) concluded that various traits were consistent with effective leadership, including general intelligence, initiative, interpersonal skills, self-confidence, drive for responsibility, and personal integrity. However, Stogdill (cited in Daft, 2002) finding also suggested the importance of a particular trait was relative to the situation, which may lead to the success of a leader in one situation and irrelevant in other situation. Hughes, Ginnett & Curphy, (2009) stated that, leaders were not qualitatively different from followers and some characteristics, such as intelligence, initiative, stress tolerance, responsibility, friendliness, and dominance, were modestly related to leadership success. In Vancevich, Konopaske & Matteson, (2008) examined the literature and suggested that drive, motivation, ambition; honesty, integrity, and self-confidence are key leadership traits. They believe that leaders don't have to be great minds to succeed, but leaders need to have the right traits to be successful.

Behavioral Theory

In behavioral Theory, the researchers outline that traits alone cannot fully explain leadership effectiveness. Instead, these researchers explored on leader behaviors in the 1950s (Champoux, 2000). This leadership theory focuses on the actions of leaders, not on mental qualities or internal states. According to this theory, people can learn to become leaders through teaching and observation (Ghee and Daft, 2004). These researchers, from the university of Ohio State University, suggested that leadership could be narrowed down into two behavior types, initiating structure and consideration (Jex, 2002; Daft, 2002). Consideration is described as the level of showing interest, mutual trust, respect and concern between leader and follower. Initiating structure is described as leader organizing and communicating well and making sure that follower's behavior stays focused on the tasks that they are supposed to accomplish (Jex, 2002).

During about the same time, Rensis Likert and other researchers at the University of Michigan identified two distinctions between job centered leadership behavior and employee centered leadership behavior (Champoux, 2000). The job centered leader focuses on finishing the task and under supervision so that followers do their tasks using procedures (Kreitner and Kinicki, 2007). In contrast to the job centered leader, the employee centered leader focuses on the employee's needs and leader support, communicate and facilitating with expectation of their employers (Nahavandi and Malekzadeh, 1999).

Contingency Theory

Because trait and behavioral theories do not offer full explanations of leadership in organizations, earlier researchers developed the contingency theory (Champoux, 2000). The contingency theories of leadership focused on successful leadership based on the environment faced by the leadership (Moorhead and Griffin, 1995). These theories offer various ways of thinking about how a leader suits the requirements of a situation (Moorhead and Griffin, 1995). Contingency theories of leadership attempt to add value by incorporating a wider range of variables into the equation. They suggest that the most appropriate style of leadership is contingent on a range of variables from the context within the leadership will be exercised (Martin, 2005).

The most common contingency theory is Fielder's contingency theory. Fiedler's Contingency Model is widely regarded as the Father of Contingency Theory of Leadership (Hersey and Blanchard, 1993; Moorhead and Griffin 1995). This theory postulates that the performance of groups is dependent on the interaction between leadership style and situational favorableness (Ivanevich, Konopaske and Matteson, 2008). According to Nahavandi and Malekzadeh (1999), Fiedler recommends three major important variables which determined whether in a particular situation is favorable to the leaders: Leader-member relation – the degree of confidence, trust, respect in the leader and how the leader relates with the followers; task structure – the level of the structure in the tasks the followers are involved to solve; Position power – the authority power that comes with the leader's position.

Fiedler later then rated managers as to whether they were relationship oriented or task oriented, as follows: Task-oriented leaders tend to do better in group situations that are either very good or unfavorable; Relationship-oriented managers, on the other hand, do better in all other situations, that are intermediate in favorableness. Although Fiedler's leadership theory is important, there is a drawback because judging whether a leadership style is good or bad

can be hard. Each manager has his or her own preferences and styles for leadership (Hughes, Ginnett and Curphy, 2009).

Situational Leadership Theory

The Situational leadership Theory, developed by Paul Hersey and Kenneth Blanchard, is based on the theory that most successful leadership occurs when the leader's style matches the situation. This leadership theory emphasizes the need in flexibility (Ivancevich et al., 2008). Hersey stated that, in some situations, there is no one best way to influence outcomes and the leader must decide how much task behavior and how much relationship behavior to display (Silverthorne, 1999). Also, when a leader must apply a particular leadership style to influence the individuals or group depends on the readiness level of the follower (Schermerhorn, 2001). For instance, a rescue squad arrives at an accident scene. In this crisis-oriented situation, the leader of the squad may rely on a very specific leadership style because there is no time to discuss things over or receive feedback from squad members (Hersey and Blanchard, 1993).

Hersey and Blanchard, (1993) created four leadership styles available to managers regarding situational leadership: Telling- here the leader defines the roles needed to do the job and tells followers what, how, and when to perform the tasks; Selling – the leader provides followers with structured instructions, but is also supportive; Participating – the leader and followers share in decisions about how best to complete a high-quality job; Delegating – the manager provides little specific, close direction or personal support to followers.

The Hersey-Blanchard Situational leadership theory however has its draw back because it has been cited to lack full experimental verification establishing its validity and testing of the model has been limited. Hersey and Blanchard failed to provide enough evidence hence additional research is required to validate this theory (Sashkin and Sashkin, 2003).

Leadership Styles and Organization Performance

McGrath and MacMillan (2000) report that there is significant relationship between leadership styles and organizational performance. Effective leadership style is seen as a potent source of management development and sustained competitive advantage, leadership style helps organization to 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.

Sun (2002) compares leadership style with the leadership performance in schools and enterprises, and found that leadership style had a significantly positive correlation with the organizational performance in both schools and enterprises. Broadly speaking, leadership performance is identical with organizational performance. Business management attributes their successes to leadership efficiency, that is, the leadership style of administrative supervisors has a considerable effect on the organizational performance (Sun, 2002).

FuJin et al. (2010) opine that when executives use their leadership style to demonstrate concern, care and respect for employees, it would increase interest of employees in their work and enable them to put up better performance, thereby affecting their job satisfaction positively. Howell and Frost (1989) cited in Fu-Jin et al, (2010) also confirm that there is a positive relation between leadership style and organizational performance.

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 (Messick & Kramer, 2004). Lee and Chuang (2009), explain 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.

Mehra, Smith, Dixon and Robertson (2006) argue 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). Some studies have explored the strategic role of leadership to investigate how to employ leadership paradigms and use leadership behavior to improve organizational performance (Judge, Bono, Ilies, and Gerhardt, 2002; McGrath and MacMillan, 2000; Yukl, 2002). 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).

Conceptual Framework

The conceptual framework below shows the link between the dependent and the independent variables. Types of leadership styles represent the independent variables and these are the transformational, transactional, laissez faire, autocratic and democratic kinds of leadership styles. Organizational performance in this study is measured by profitability as the financial measure and non-financial measures which include employee satisfaction, employee productivity and employee turnover.

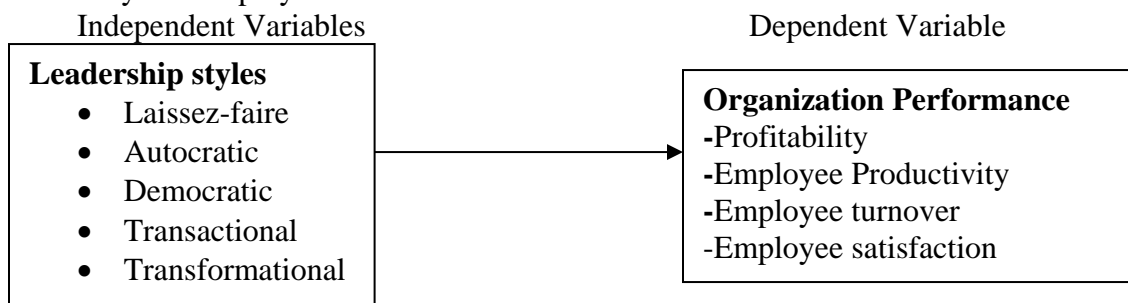


Figure 1 Conceptual framework

METHODOLOGY

The study adopted a descriptive design which aimed at describing the effects of leadership styles on organization performance at ABC bank. According to Peil (1995), a descriptive design involves planning, organizing, collection and analysis of data so as to provide information being sought. This design provided in-depth responses which result in better and elaborate understanding of the phenomena under study. The target population in this study was the 300 employees at ABC Bank House Westland’s. This study employed purposive sampling. In purposive sampling the selection of samples depends on the judgment or discretion of the researcher as to the type of respondents needed for the research(Chandran, 2004). Kothari, (2004) asserts that a sample size of between 10% to 30% of the total population is representative and can be used to draw reliable findings that can be generalized to the whole population hence a sample of 80 will be suitable for this study since it is 27% of the population. The data collection instruments used was a questionnaire. The quantitative data that was obtained from the questionnaires was coded and keyed into statistical package of social science (SPSS) analysis software.

STUDY FINDINGS

Leadership style preferred

Majority of the respondents at ABC bank preferred a democratic leader as shown by 42.9% of the respondents. Transformational leadership came second as the most preferred leadership style as shown by 27.6% of the respondents, followed by transactional leadership at 13.4% response then autocratic at 10.2% and lastly Laissez-faire leadership at 5.9%. The implication here would be that the democratic leader is preferred because he/she allows ideas to move freely amongst the group and matters are discussed openly. Democratic leadership works best in situations where group members are skilled and eager to share their knowledge. It is also important to have plenty of time to allow people to contribute, develop a plan and then vote on the best course of action (Avolio, 1999). From the above statement it would imply that the respondents are well skilled and eager to share their knowledge. This normally leads to creative solutions to problems as such employees focus more on end results.

Table 1 Leadership style preferred

Leadership style	Frequency	Percentage (%)
Transformational leader	12	27.6
Transactional leader	4	13.4
Laissez-faire leader	9	5.9
Autocratic leader	7	10.2
Democratic leader	36	42.9
Total	68	100

Leadership style and ABC bank performance

The study sought to determine the different leadership styles applied at ABC bank and how they affect performance, from the findings majority of the respondents agreed that transactional leadership increases Employee productivity as shown by 64% of the respondents, autocratic leadership increases Employee satisfaction as shown by 63% of the respondents, Democratic leadership increases Employee productivity as shown by 59 % of the respondents, Laissez-faire leadership increases Employee productivity as shown by 58 % of the respondent, Laissez-faire leadership increases Employee turnover as shown by 57 % of the respondent, Autocratic leadership increases Employee turnover as shown by 56% of the respondent, Democratic leadership increases Employee turnover as shown by 54%, Transformational leadership increases employee satisfaction as shown by 54 % of the respondent in each case, Transformational leadership increases Employee productivity as shown by 53% of the respondents, Transformational leadership least increases Employee turnover as shown by 51% of the respondents. Most of the respondents agreed that Democratic leadership increases Employee productivity as shown by 49% of the respondents, Autocratic leadership increases Employee productivity as shown by 45% of the respondents and that Laissez-faire leadership increases Employee satisfaction as shown by 42 % of the respondents.

Going by the above findings transactional leadership enhances performance through productivity at ABC bank as supported by 64 % agreeing that, Transformational leadership increases employee satisfaction as shown by 64% of the respondents and least increases employee turnover as shown by 51% of the respondents. This is consistent with Bass (2000). This would imply that a combination of the three kinds of leadership styles would really enhance performance at ABC bank thus should be fostered. For instance, transactional

leadership 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. This would explain why it boosts productivity more at ABC bank (Zhu, Chew and Spengler, 2005).

Zhu *et al.* (2005), in a study found that transformational leadership normally results in high levels of cohesion, commitment, trust, motivation, and hence performance in the new organizational environments. This would explain why it least increases employee turnover at ABC bank as compared to the other styles of leadership. Fenwick and Gayle (2008) show that transformational leaders tend to encourage and motivate their followers to take on more responsibility and autonomy thereby enhancing employees' sense of accomplishment and satisfaction with their job. This would explain why transformational leadership at ABC bank was supported to enhance employee satisfaction.

Table 2 Leadership style and ABC bank performance

Leadership style	5 (%)	4 (%)	3 (%)	2 (%)	1 (%)	Total in (%)	mean
Transformational leadership increases employee satisfaction	17	64	13	4	2	100	4.01
Transformational leadership increases Employee turnover	26	51	21	2	0	100	3.77
Transformational leadership increases Employee productivity	18	53	20	6	3	100	4.01
Transactional leadership increases Employee satisfaction	24	57	16	2	1	100	3.82
Transactional leadership increases Employee turnover	13	59	25	3	0	100	4.08
Transactional leadership increases Employee productivity	24	64	8	4		100	3.83
Laissez-faire leadership increases Employee satisfaction	24	42	29	3	2	100	3.79
Laissez-faire leadership increases Employee turnover	13	57	27	2	1	100	3.93
Laissez-faire leadership increases Employee productivity	18	58	23	1	0	100	3.66
Autocratic leadership increases Employee satisfaction	6	53	34	5	2	100	3.69
Autocratic leadership increases Employee turnover	15	56	18	5	6	100	3.99
Autocratic leadership increases Employee productivity	31	45	17	6	1	100	3.95
Democratic leadership increases Employee satisfaction	23	49	28	0	0	100	3.76
Democratic leadership increases Employee turnover	16	54	22	6	2	100	3.96
Democratic leadership increases Employee productivity	19	59	21	1	0	100	4.01

Effects of HR policies and organizational culture on leadership style

The study sought to find out the extent to which respondents agreed with the above statement relating to effect of hr. policies and organizational culture on leadership styles. From the study findings most of the respondents as shown by 47% strongly agree that Organizational culture affect the performance of an organization, most of the respondents also agreed that hr. policies affects the leadership style adopted by the organization as shown by 59% of the respondents ,Organization culture affect the leadership style adopted by an organization as shown by 48% of the respondents and that hr. policies affect the performance of the organization as shown by 44% of the respondents. According to Yukl (2002) HR provides leadership skills training to supervisors and managers to ensure that they're capable of managing their department functions and their employees and in turn affects performance that explains the relationship above.

Leadership styles have strong effects on corporate culture because employees tend to act in ways that mirror their leaders. Staff also subconsciously wants to please supervisors and management. Over time, leaders and employees usually become comfortable with each other, which can cause some culture friction when new leaders take over. Every business, regardless of size, has a culture. It can help or hurt operations, often dependent on the strength and efficiency of leadership (Fenwick and Gayle, 2008). This explains the above relationship between organization culture and leadership styles and organizational performance.

Table 3 Effects of HR policies and organizational culture on leadership style

	5 (%)	4 (%)	3 (%)	2 (%)	1 (%)	Total (%)	mean
HR policies affects the leadership style adopted by the organization	22	59	13	4	2	100	3.95
HR policies affect the performance of the organization	33	44	22	1	0	100	4.09
Organization culture affect the leadership style adopted by an organization	24	48	19	6	3	100	3.84
Organizational culture affect the performance of an organization	47	45	5	2	1	100	4.35

Conclusions

The study concluded the leadership styles used at ABC bank are where their leaders give intellectual stimulation, their leaders offer coaching and mentorship, their leaders reward them for goal and target, their leaders monitor their progress and correct where necessary, their leaders are not commanding, their leader do not make all the decisions, their leaders do not strictly comply to policies, leaders do not encourage open communication and their leaders encourage joint decision making. With such leadership characteristics it is evident that ABC bank has a diverse array of leadership. However, democratic leadership stands out as the dominant style, followed by transformational leadership then autocratic leadership. All of these styles have proven to also have an effect on performance at ABC with regards to employee satisfaction, employee turnover and productivity. The study therefore concludes that indeed leadership styles have an effect on performance at ABC bank. HR policies and organizational climate have also been proven to have an effect on leadership style and performance at ABC bank.

Recommendations

The study recommends ABC bank to enhance the motivational aspect of leaders at the bank as motivation has proven to inspire an employee to exert a higher level of efforts, energy and enthusiasm towards the fulfillment of individual goals resulting in committed and inspired work behavior. The bank should also discourage the laissez faire trait of leaders intervening only when problems arise and instead encourage availability of leadership all the times. This is synonymous with transactional, transformational and democratic styles of leadership.

In encouraging and improving transformational leadership ABC bank ensures employee turnover is low and by enhancing both democratic and transactional leadership, the bank enhances employee satisfaction and productivity hence recommended. The study recommends that ABC bank improve on their HR policies and culture and foster those that bring out the best out of their employees and in turn boosts performance of the bank. The bank should also look into ways on how to enhance positive leadership that will enable departmental performance move from average/moderate to best performance.

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