

Bank Employees Task Performance: A Role of Leadership Style with Reference to Indian Banking Industry

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Abstract

Leading with sustainability in this high-tech global competition had become a major concern for every single organization all over the world. Here, not only customer expectation but employees' aspirations were also accelerating day by day, which had captivated banks too for focusing on the excellency whether it was a company's product or its company employees. Employee's high-level performance & development had become an enormous challenge, where it had been acknowledged that manager's leadership behavior can had a constructive influence on their employees, which stimulate employee's performance for long term growth. Task performance was most pertinent and directly connected to the organization's goal, where employees' behaviors, efforts were rightly indulged into the prescribed job activities, and technical process of organizations. Thus, to retain & increase task performance in banks, there was a need to strategized a perfect leadership style along with other HR tactics. Thus, this analytical study aim was to identify the role of Bank supervisor's leadership style on their employee task performance, where the hypothesis was tested through a multi-stage sampling of 422 employees from public & private banks in India.

Key Words: Transformational, transactional, Leadership styles, task performance, banking sector

1. Introduction of the Study:

Organizations, internal & external frameworks had been facing a huge challenge; every single company, currently adapting themselves to gain an advantage in this dynamic state of competition. Here, human resource management continuously focusing on inducing a high-level performance with core competencies in every employee (Barney, 1995). The notion performance had been extensively researched, but still, no specific dimension or factors had noticed. It might be the reason that employee performance was a multifaceted term, which cannot quantify in one

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parameter, as different employees had a different way of performing or putting efforts in a different zone. Over that, the researcher, Borman, and Motowidlo (1993) framed two different employee's performance dimensions, as per employees' behavior for organizational success i.e., task & contextual performance. It was stated that task performance depicts the efforts of employees, which were related to their job description which directly assists in the process of creating goods and services in the organization and which were more linked with the company's formal system (Borman and Motowidlo, 1997; Werner, 2000). Moreover, contextual performance related to the "employee's extra-role behaviors. Thus, both were significant in their place, while focusing at the urgency in the banking industry related to high-tech employees for core competencies, there was a need to give utmost importance to employee's behavior for producing task performance

which involved task responsibility and specific job attitude to perform the technical function at stipulated time. (Motowidlo & Schmit, 1999). There had been several theories which were signifying that leadership style marked a massive difference in any of its follower's performance, but theoretical work found it tough to make a clear association among "which leadership styles relate which performance factors of employees", since both the notions had multiple perplexing variables which made it difficult to validate the reliable source and outcome among them. The problem statement of this research paper was that the banking sector plays a lead and significant role in Indian economic growth. However, to accelerate it for future uncertain challenges with the more effective result in the overall world, banking top officials and supervisors were required to inspire their subordinates for High-level performance. Leadership was a critical aspect that might had a high impact on employee individual job performance" (Yukl, 1998). Hence, the banking sector, including public and private banks, must hire a specialized leader to understand the importance of banks' mission and vision along with employees' aspirations. So, to trace the bright and positive relationship among a leader and performance, this paper through primary data, had attempted to explore bank employees' level of task performance concerning three independent leadership style (Transformational, transactional and laissez-faire). Consequently, this research paper will also examine that which style mostly prevails in the bank and the different levels of impact of all three styles on their follower's performance in Rajasthan, directed to project the study hypotheses.

2. Literature Review:

Looking towards the banking structure of India, there was a need for restructuring the banking management system from top to down, wherever there was a lacking in innovation or zeal to work for core competitive advantage. Besides, in today's banking era, where change was not constant, and it was unavoidable, which needs a prompt response, the challenge of employee performance development had also become an enormous concern for leaders. Every organization possesses a diverse source, which discriminates them

from their opponents; one of these was the company manager's or leader's capacity to accelerated organization services with new know-how to acquaint the hastily reformed probabilities (Hamel & Prahalad, 1990). Several leadership styles had dissimilar relation with their employee's behavior; an efficient leader always gives direction, guidance by persuading their cohorts (employees) on the way to attain individual & organizational objectives, which cover all facets of in & out of the organization. Kumar (2014) explained that "The term leadership was valued as a distinct course through which a manager or a person stimulus other to accomplish an objective & leads everyone in the organization in such a manner that develops them in a more unified and lucid way." Although many experts had acclaimed that leaders always make efforts in fostering, the aspiration of the organization by inspiring subordinates towards the positive effort collectively. However, Still, academicians contend that here was a gap in the leadership literature of the Indian banking sector. Although, there had been several individuals and organizational factors that result in employee's performance like employee's personality, satisfaction, engagement, abilities, and skills (Flippo, 1995) or the organization's culture, structure, superior behavior peers, reward system and many more. Among them, the leadership style of superior was found as the most impacting factor. The past facts on leadership & work performance had made various authors & researchers to rethink in some specific way as the past the result was lacking consistency. Deinert et al. (2015) stated that even though there was a need to observe "specific "transformational factor or the behavior of leadership" on the scale in India. Additional explicitly, we can notice that still, studies had not yet explored the leadership behaviors of Indian bank officials and its connection with bank employees' task performance.

3. Research Methodology:

In the current study, the quantifiable method was implemented to gather data from nearly 422-respondents comprised of 212 employees from a private bank and 210 employees from a public bank in Rajasthan state. The multi-stage sampling the technique was used to collect data from three cities

(Jaipur, Jodhpur, and Udaipur) of Rajasthan based on the highest number of bank branches, in this explorative research, primary data was collected by online questionnaire-based on two verified tools i.e., MLQ (Bass 1999) for measuring leadership style of supervisor's, and secondly, the employee's task performance was measured based on IWPQ (Koopman's 2013, 2015). Descriptive and inferential statistical analysis was conducted for analysis of data-based on objectives of the current study i.e., mean, SD, Pearson correlation, and Multi-regression method.

3.1 Objective of the Study:

1. "To determine the Transformational, Transactional and Laissez faire leadership style of supervisor's in banks".
2. To determine the Task performance of employees in banks.
3. "To identify the relationship between Leadership style and task performance of subordinates in banks."
4. "To evaluate the extent to which leadership styles impact employees' Task performance in banks."

3.2 Hypothesis of the Study:

H01a "Transformational leadership style was most prevailing style of managers in banks".

H02a "There was a significant relationship between leadership style and Task performance of subordinates in banks".

H03a "There was significant impact of superior's leadership style on Task performance of subordinate's in banks".

4. Data Analysis:

Cronbach alpha values must be between 0.7 to 0.8 or above. In the current study, the calculated value of Cronbach's Alpha of MLQ and IWPQ was .886 with mean value 176.62, which was more than a minimum permissible value, hence proved that there was consistency in responses. Thus, the result of a reliability test confirmed the internal consistency of both the tool and all 54 items seems quite logical and suitable.

Objective 1: "To determine the Transformational, Transactional and Laissez-faire leadership style of the supervisor's in banks".

Table 4.1: Descriptive statistic of group variable Three leadership styles

Descriptive statistics - Variables					
Research variables	Mean	Median	Mode	SD	Range
TSLS	3.23	3.25	3	.592	3
TFLS	3.40	3.50	3	.720	4
LFLS	2.43	2.25	1	1.067	4
TS+TF+LF=Leadership style	3.24	3.28	3	.547	3

The table above 4.1 compares the ratings of the responses received from the targeted sample of this study (bank employees). The results clearly show that the concentrated bank employees view on their leaders or reporting managers style where it was found that leaders were more practicing the transformational leadership characteristics, that discloses that leaders exhibited transformational style "often" with, its mean value of (M=3.40), and (SD=0.720) standard deviation expressed variation in employees responses. Nearly only a few employees view their reporting managers

practicing "seldom" transformational style (Min=1) whereas more than few other employees perceived their reporting managers adopting "frequently" this style (Max=5). Secondly, the result of the transactional style of leadership discloses that their reporting manager exhibited this style in-between "sometimes" and "Often" with the means value of (M=3.23), and (SD=5.92) standard deviation expressed variation in employees' responses. Next when we measured the result in terms of the laissez-faire style of leadership, exhibits the views of employees about their reporting

managers as subjective with the mean value between “seldom to sometimes” ($M=2.43$) & ($SD=1.068$) standard deviation stated variation in employees’ responses. Further, the range showed that the lowest score of ($\min=1$) concludes that some applicants specified that their reporting manager or supervisors never shows this style whereas others ($\max=5$) specified that supervisors showed the Laissez fare style as frequently. Hence this Mean score of 2.43 proves the Laissez-Faire leadership style was not much prevailing

in banks of Rajasthan state. Therefore, the above table explores that the most dominating style of superior was transformational style, which comes before the transactional leadership style. Hence, this would accept our study alternate hypothesis that **Ha1: “Transformational leadership style was the most prevailing leadership style in banks of Rajasthan state”**.

Objectives 2: To determine the Task performance of employees of banks in Rajasthan.

Table 4.2: Samples Statistics of Mean, Standard Deviation of employee Task Performance

DEPENDENT VARIABLE							
Dependent variable Scale	Mean	Median	Mode	Std. Deviation	Range	Minimum	Maximum
Task performance	3.81	3.80	4	.690	3	2	5

Table 4.2: After observing the performance of subordinates of Rajasthan’s public and private sector Bank, employees task performance was assessed subjectively, i.e. the person’s assessment of his/her performance was asked. “According to the frequency analysis, the study can verify that the data gathered for Task performance had been normally distributed and the data had gathered around the mean of 3.81 and with an std. dev. of 0.690. The bell curve indicates that almost every reply to the questions to quantify the task performance of the bank employees was close to the mean, while fewer people had provided answers unlike from the mean value”. Timely planning mean score was 4.1 with $SD=0.92$, optimal planning mean score was 3.53 & $SD=0.96$, employees keep in mind the result mean score was 4.01 & $SD=0.978$, ability to separate main issues mean value which was 3.6 and $SD=1.064$ and ability to perform in time mean value was 3.79 and $SD=0.94$. In this survey, the highest scores were received in “I manage to plan my work so that it was completed on given duration” ($M=4.10$ & $SD=0.928$) and the lowermost scores were in “My planning was always optimal” ($M=3.53$ & $SD=0.966$). Through the above result, we can depict that bank employees were more than average in their Task performance where they found to be a focus on planning and organizing of their work, optimization of the task, giving priorities to the most important

work, time management.

Objective: 3: “To identify the relationship between Leadership style and task performance of subordinates in banks”.

Hypotheses H02: “There was no relationship between the leadership styles and employees Task performance of banks in Rajasthan.”

Now, next, to examine the above hypothesis Ha2, a Pearson correlation will be used among leadership styles & employee performance. Table 4.3 below displays the result of the correlation matrix.

Leadership styles with Task Performance: The Above (Table no-1.3) exhibits the results on the relationship among the supervisor’s different Leadership styles (as measured by SPSS_LS) and Task performance (as measured by SPSS_TP). The outcome shows a “significant a positive relationship between Task performance and leadership styles, where a value of “ $r = 0.404$, $p=0.000 < 0.05$, with an almost a strong level of the task performance, found associated with Leadership styles”. Thus, the null hypothesis “H02: Leadership styles had no significant relationship with Task performance”, got rejected. Now we would also evaluate the different styles of an individual relationship with task performance in the next paragraph. **Result of correlation of three types of Supervisor leadership styles with task performance:**

Table 4.3: Pearson Correlation between leadership style & task performance

Correlations		
Variables	Pearson Correlation	Task performance (SPSS_TP)
Leadership Styles SPSS_LS	r value	0.404**
	P value	0.000
Transactional style SPSS_TSLS	r value	0.360
	P value	0.000
Transformational style SPSS_TFLS	r value	0.375
	P value	0.000
Laissez-Faire style SPSS_LFLS	r value	0.000
	P value	0.995
**. “Correlation was significant at the 0.01 level (2-tailed).”		
*. “Correlation was significant at the 0.05 level (2-tailed).”		

- Supervisors Transformational Leadership style with subordinates Task Performance: From the above table 1.3, results show a significant positive relationship between TP and TFLS, $r=0.375$, $p-0.000 < 0.05$, with moderate levels of task performance associated with TFL”.
- Supervisors Transactional Leadership with subordinates Task Performance: From the above table 1.3, results show A significant positive relationship was found between TP and TSLS, $r = 0.360$, $p-0.000 < 0.05$, with moderate levels of task performance associated with Transactional Leadership”.
- Supervisors Laissez-Faire Leadership with subordinates Task Performance: From the above table 1.3, results show a non-significant relationship was found between TP and LFLS, $r = 0.000$, as $p-0.995 > 0.05$, with zero levels of task performance association with Laissez-Faire leadership, task performance had no significant relationship with Laissez-Faire”. Thus, this shows that among all three styles it was a transformational style, which depicts the highest correlation and then the transactional style also found to be positively related to employees’ task-related work. Means if leaders focused on employee’s individual need and aspiration, with the idealized attribute, intellectual stimulation, and motivation along with contingent rewards, then the follower’s task performance got enhance more.

Objective: 4: “To evaluate the degree to which leadership styles impact employees’ Task performance in banks.” To test this Hypothesis multi regression was run on data

H03 “There was no significant impact of superior’s leadership style on Task performance of the employee’s in banks.”

The table below 4.1.1 showed the model of regression with three (transactional, transformational and laissez-faire leadership style) independent variables, which explicates 16.4 % of the variance in followers task performance. further, we found that the adjusted R² indicates “no over-fitting of the model & that the outcomes had better be generalizable from the viewpoint of the ratio of observations to variables in the equation”. Here, the standard error of estimate had been abridged to 0.63293.

Further, in the table 4.1.2, the result of the F statistic found with a degree of freedom of 3 and 418, where the considered F value i.e. 27.304 was far above 1.00 ($\alpha = 0.05$), which specified that in totally the regression was extremely significant. We approached the identical inference by observing the value of p was 0.000, as this prob value was below the significant level of $\alpha = 0.05$, this concludes that the regression as a whole was significant.” $F(3, 418) = 27.304$, $p = .000$, $R^2 = .164$, suggesting that the leadership subscales factors do significantly predict task performance among bank employees.

Table 4.1.1: Multiple Regression for Leadership Styles & Subordinate /Employee Task Performance

Model Summary						
Model		R	R Square	Adjusted R Square	Std. Error of the Estimate	
1		.405 ^a	.164	.158	.63293	
a. Predictors: (Constant), Laissez-Faire LS, Transactional LS, Transformational LS						
b. Dependent Variable: Task performance						

Table 4.1.2: Showing Analysis of Variances with respect to regression

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
Regression		32.814	3	10.938	27.304	.000 ^a
1	Residual	167.452	418	.401		
Total		200.265	421			
a. Predictors: (Constant), Laissez-Faire LS, Transactional LS, Transformational LS						
b. Dependent Variable: Task performance						

Table 4.1.3: Beta values and significance level in predicting employee Task performance

Coefficients									
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
(Constant)	2.169	.197		11.015	.000	1.782	2.557		
Transactional LS	.169	.081	.145	2.080	.038	.009	.329	.412	2.427
Transformational LS	.285	.070	.298	4.076	.000	.148	.422	.375	2.663
Laissez-Faire LS	.052	.034	.081	1.553	.121	-.014	.118	.742	1.349
a. Dependent Variable: Task performance									

The table-4.1.3 above, explaining that probability value, through which it was clearly signified that among all three leadership style laissez-faire style ($p=0.121$) was found as non-explanatory variable for bank employee's task performance, while transformational style (0.000) followed by transactional style (0.038) were explanatory variables for subordinate task performance.

$$\text{EQUATION 1 TP} = 2.169 - 0.169 \text{ TRANSACTIONAL} + .285 \text{ TRANSFORMATIONAL} + .052 \text{ LFL}$$

As it can be noticed that, "residual distribution was comparatively uniform, near normal distribution, which signifies that research dependent variable follow a normal distribution."

Research Contributions and Discussion: The empirical study rejected the null hypothesis and it was found the utmost dominant styles among bank managers were transformational leadership style followed by transactional leadership styles. That means the leaders in banks "encourage their subordinates or group members to realize targets beyond their own predictions through inducing every single employee

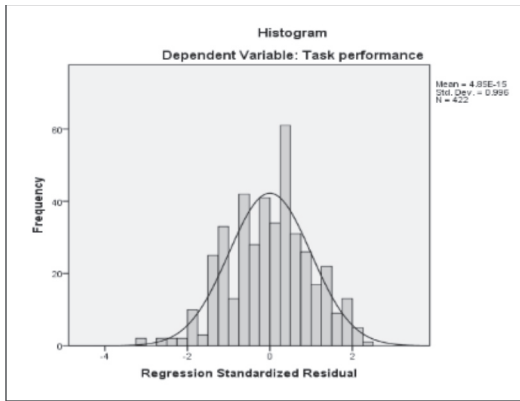


Figure-2

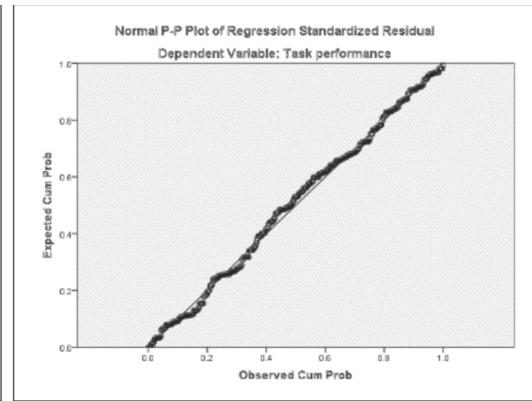


Figure-2

to pursue even complex performances. And Leaders also convince their followers to exchange their self-interests with organizational interests by fulfilling their aspirations (Bass, 1985; Bass and Avolio, 1993)". Further, finding also rejects both the second and the third hypothesis and depicts that overall leadership style was highly correlated and impacted the employee's task performance in the bank. Here, the study found TFLS and TSLS, both these styles were positively related to follower's task performance, though effect sizes differ substantially. Nonetheless, cross-sectional research designs with different other performance dimensions or measures inclined to get moderately many strong effects. Descriptive analysis of the correlation matrix displayed a transformational leadership style as most significantly related style with task performance of employees tracked by transactional leadership style and there was no relation found in Laissez-faire style with task performance "Empirical data of Regression coefficient proved 16% of the variance of followers task performance through leadership style where the highest positive influence was through transformational leadership style."

5. Recommendations & Managerial Implications:

The applicable results of this paper had not only marked its reflection on leadership topic but also had expanded the present knowledge on employees' performances and its implications across India & globally. Furthermore, from a banking industry real-world lookout, public & private sector banks were

directed to capitalize extra in training of transformational leadership, and banks must select the top-level executives/managers based on transformational behavior and a few factors of transactional behavior for collective high employee performances. Similarly, this study also induces bank leaders' consideration of employee's aspiration and need to promote their behavior for a high level of task performance, through employee's psychological development program and also by creating belongingness in employees with full security, self-identity and appreciation. These initiatives of leaders in banks would also develop organizational effectiveness by creating core competencies in employees. Banking organizations essential to give due consideration to a new intervention training programs that improve managers' styles of influencing. Bank leaders themselves can promote their replicas by selecting and endorsing their followers for becoming an exclusive future transformational and transactional leader, that would support in succession planning in banks.

6. Research Limitations & Scope for Future Research:

Although the finding was limited to the public & private bank sector in the Rajasthan zone with one source, so viewing that to generalized it all over India, the research could be expanded geographically wise. Forthcoming experimental research with other banks like foreign, cooperative banks with not only followers' views but also the perception of peers, supervisors can

be covers, which would assist and approve the contributing paths explored in the present study. By focusing on other new emerging factors or parameters could be included for a clearer picture of the overall performance of followers. Further, more research must observe other new styles of leader behaviors concerning these consequences like a servant and an ethical leadership style.

7. Conclusion:

This current study determined and attempted to examine the effect of several bank manager' leadership styles and their relation with employee's

task performances, where it was explored that the highly dominated style in the bank was Transformational leadership styles, which was certainly connected to the task performances. Along with that transactional style also appeared as the contributory feature and displayed vital parts in enhancing followers task performance in banks. Furthermore, still, there was a demand for exposing more surveys and initiatives for knowing the impact of individual factors of both leadership styles by examining, the antecedents of such behavior in leaders, instead of normal exercise of merging all into one general scale as per previous literature.

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