



Examining The Influence of Leadership Styles on Employee Motivation: A Case Study of Banking Sector Employees in India

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Abstract

This Study Uses A Sample Of 384 Respondents Chosen At Random From A Variety Of Financial Organizations To Investigate The Impact Of Leadership Styles On Employee Motivation In India 'S Banking Industry. The Research Examines Transformational, Transactional, And Laissez-Faire Leadership Styles And Their Effects On Employees' Intrinsic And Extrinsic Motivation Using The Multi-Factor Leadership Questionnaire (Mlq) And Workplace Extrinsic And Intrinsic Motivation Scale (Weims). The Results Of Statistical Analyses, Such As Multiple Regressions Performed With Spss Amos 22, Show A Strong Correlation Between Employee Motivation And Leadership Styles. The Findings Suggest That Whereas Transactional And Laissez-Faire Leadership Styles Have Moderate To Negligible Effects, Transformational Leadership Considerably Increases Both Inner And Extrinsic Motivation. These Findings Highlight The Crucial Role That Leadership Plays In Promoting Employee Engagement In Organizational Contexts And Offer Recommendations For Management And Leadership Development Strategies For India 'S Banking Sector.

Keywords: Influence, Leadership Styles, Employee Motivation, Banking Sector, Employees

1. Introduction

In The Ever-Changing And Fiercely Competitive Indian Banking Industry, Strong Leadership Is Essential To Fostering Employee Engagement And Motivation, Which In Turn Drives Organizational Success. The Primary Goal Of This Research Is To Determine How Various Leadership Philosophies Used By Indian Banks Affect Worker Motivation. There Is A Wide Range Of Approaches That Make Up Leadership Styles. These Include Transformational Leadership, Which Is Defined By Vision, Inspiration, And Individual Consideration; Transactional Leadership, Which Places An Emphasis On Performance-Based Rewards And Clear Expectations; And Laissez-Faire Leadership, Which Is Characterized By Little Intervention And Decision-Making.

Because The Banking Industry In India Plays A Vital Role In The Economy Of The Nation And Employs A Varied Workforce That Needs Good Leadership To Manage Obstacles And Seize Opportunities In A Fast Changing Financial Landscape, It Provides An Appropriate Context For Our Study. In This Industry, Leadership Strategies Affect Not Just Employee Motivation But Also Corporate Culture, Customer Happiness, And Performance Indicators As A Whole. Employee Productivity, Job Happiness, And Retention Are Significantly Influenced By Employee Motivation, Which Is The Internal Drive That Steers And Maintains Behavior Toward Reaching Goals. Higher Levels Of Dedication, Creativity, And Output Are More Likely To Be Displayed By Motivated Workers, Which Supports Organizational Expansion And Competitive Advantage. In Order To Maximize Human Capital And Preserve A Competitive Edge, Financial Institutions Must Comprehend How Various Leadership Philosophies Affect Employee Motivation.

Furthermore, The Research Delves Into The Distinct Socio-Cultural Milieu Of India, Wherein Conventional Beliefs, A System Of Hierarchy, And A Range Of Demographic Traits Impact The Dynamics Of Leadership And Employee Attitudes. The Effectiveness Of Leadership Styles Can Be Influenced By Cultural Quirks, Thus It's Critical To Investigate How These Elements Interact With Motivational Outcomes In The Banking Industry. Through An Analysis Of Theoretical Frameworks And Empirical Research On Motivation And Leadership, This Study Seeks To Provide Important New Insights Into Effective Leadership Strategies That Are Adapted To The Indian Banking Environment. These Observations Are Anticipated To Guide Strategic Interventions And Leadership Development Programs



Targeted At Improving Employee Engagement, Creating A Happy Workplace, And Eventually Propelling Organizational Performance In The Indian Banking Industry.

2. Review Of Literature

Amussah, (2020) Examines The Connection Between Employee Performance And Leadership Philosophies, Emphasizing Different Leadership Philosophies And Their Impact In Corporate Environments. This Study, Which Was Published By The School Of Social Sciences At Near East University, Nicosia, Examines How Various Leadership Philosophies—Such As Transformational, Transactional, And Laissez-Faire—Affect Worker Productivity And Organizational Outcomes By Synthesizing Prior Research And Empirical Data. The Study Highlights The Significance Of Proficient Leadership In Cultivating A Favorable Workplace Atmosphere And Augmenting The General Productivity Of Employees In Various Industries.

Chaubey, A., Sahoo, C. K., And Khatri, N. (2019) In Their Study That Was Published In The Journal Of Strategy And Management, The Authors Examine The Connection Between Organizational Innovation, Employee Creativity, And Transformational Leadership. The Study Employs An All-Encompassing Framework To Investigate Mediating And Moderating Factors, With The Aim Of Comprehending How Transformational Leaders Stimulate Creativity And Innovation In Businesses. The Results Indicate That Transformational Leadership, Which Is Defined By Intellectual Stimulation, Vision, And Personalized Attention, Has A Favorable Effect On Employee Creativity And Hence Fosters An Innovative Culture That Is Necessary For The Growth And Competitiveness Of An Organization.

Dwivedi, P., Chaturvedi, V., And Vashist, J. K. (2020) Examine How Transformational Leadership Can Be Used To Increase Worker Productivity, Paying Particular Attention To How It Can Act As A Mediator For Knowledge Sharing. The Study, Which Was Published In Benchmarking: An International Journal, Examines How Transformational Leaders Encourage Information Sharing Among Staff Members To Boost Productivity And Performance Within Organizations. The Study Advances Our Knowledge Of How, In A Variety Of Organizational Contexts, Collaborative, Empowered, And Learning Leadership Behaviors Can Maximize Operational Procedures And Strategic Results.

Hajiali, I., Kessi, A. M. F., Budiandriani, B., Prihatin, E., & Sufri, M. M. (2022) Examine The Relationship Between Work Motivation, Leadership Style, Job Happiness, Employee Competence, And Performance In Their Study That Was Published In The Golden Ratio Of Hrm. This Study Takes A Comprehensive Approach To Investigate The Ways In Which Employee Competency, Leadership Styles, And Motivational Factors Interact To Affect Job Satisfaction And Performance Outcomes. The Study Highlights The Crucial Role That Effective Leadership And Motivational Techniques Play In Boosting Employee Satisfaction And Organizational Success By Fusing Theoretical Frameworks And Empirical Data To Illuminate The Complex Dynamics Within Organizational Settings.

3. Methodology

3.1 Population, Sample, And Gathering Of Data

The Population Of The Current Study Was Chosen From Among The India I Banking Institution Personnel. In India , There Are Over 80,000 Workers Spread Throughout Several Financial Institutions (Correspondent, 2018). The Method Of Random Sampling Was Employed To Select Participants From A Range Of Financial Establishments. The Respondent Was Given 550 Questionnaires In All. 407 Of Them Responded To The Poll. Twenty-Three Replies Were Returned Because The Information Was Insufficient. In The End, 384 Questionnaires Were Chosen For Examination.

3.2 Tools

The Multi-Factor Leadership Questionnaire (Mlq), Created In 1994 By Bruce J. Avolio And Bernard M. Bass, Was Used To Gauge The Leadership Style Of Participants (Bass & Avolio, 1994). A Wide Variety Of Leadership Styles Can Be Identified With The Use Of This Survey Tool. Twenty Items In Total—Eight For Transformational Leadership, Eight For



Transactional Leadership, And Eight For Laissez-Faire Leadership—Were Recommended By The Author. The Leadership Styles Are Measured On A Scale With Points Ranging From 1 (Not At All) To 5 (Often).Conversely, The Workplace Extrinsic And Intrinsic Motivation Scale (Weims) Was Utilized To Assess The Intrinsic And Extrinsic Motivation Of Employees (Vallerand, 1989). The Scale's Creator Proposed A Total Of 18 Items To Measure Extrinsic And Intrinsic Motivation.The Respondent Received The Survey Instrument In Both An Online And Offline Mode. Respondents Who Lived Farther Away Received An Email Copy, While Those Who Lived Closer Received A Paper Copy. The Survey Took The Participants, On Average, Twenty To Thirty Minutes To Complete.

3.3 Technique

Using Spss Amos 22, Multiple Regressions Were Used To Examine How A Leader's Style Affected Staff Motivation. To Determine The Demographic Status, Descriptive Statistics Such As Mean, Median, And Standard Deviation Were Computed. The Study Variable's Correlation Was Assessed To Look For Patterns, Verify The Variable's Multicollinearity, And Assess Its Normalcy. Lastly, In Order To Determine The Potential Relationship Between The Leaders' Style And The Employees' Motivation, Multiple Regression Analysis Was Performed Between The Dependent And Independent Variables.

3.4 Hypothesis

H01: Workers' Intrinsic Motivation In India 'S Banking Industry Is Unaffected By Transformational, Transactional, Or Laissez-Faire Leadership Styles.

Ha: The Intrinsic Motivation Of Workers In India 'S Banking Industry Is Impacted By Transformational, Transactional, And Laissez-Faire Leadership Styles.

H02: There Is No Discernible Effect Of Transformational, Transactional, Or Laissez-Faire Leadership Styles On The Intrinsic Motivation Of Workers In India 'S Banking Industry.

Hb: Employee Intrinsic Motivation In India 'S Banking Industry Is Impacted By Transformational, Transactional, And Laissez-Faire Leadership Styles.

4. Analysis Of the Study

4.1 Demography

Of Those Surveyed, 27% Identified As Female And 67% As Male. Employee Experiences Ranged From Less Than A Year To Fifteen Years. Of The Participants, 14.6% Had Less Than Three Years' Experience, 42.2% Had Four To Six Years' Experience, 17.9% Had Seven To Nine Years' Experience, And 25.3% Were Workers With Ten To Fifteen Years' Experience.

4.2 Testing Normality And Multicollinearity

Table 1 Displays The Study Variable's Descriptive Statistics. This Section Looked At Multicollinearity And Normality. According To Trochim (2006), The Variable That Was Skewed Between ± 1.96 Demonstrated That There Is No Issue With Normalcy.

Table 1 Presents The Analysis's Findings, Which Reveal That The Predictor Variable's Vif Value Is Less Than 10.

Table 2 Demonstrated That There Is Less Than A 0.8 Correlation Between The Predictor Variables. The Predictor Variables Do Not Have A Strong Correlation With One Another. According To The Available Data, Multicollinearity In The Predictor Variable Is Not An Issue.

Table 1: Descriptive Statistics

	N	Min	Max	Mean	Std. Dev	Skewness		Kurtosis		VIF
						Statistic	Std. Error	Statistic	Std. Error	
Transformational leadership	384	1.20	4.95	3.266	1.067	-.194	.125	-.960	.248	3.76
Transactional leadership	384	1.00	5.00	3.410	.967	-.547	.125	-.636	.248	2.56
Laissez fair leadership	384	2.00	4.75	2.495	.965	.641	.125	-.339	.248	2.41
Extrinsic Motivation	384	1.27	6.93	4.272	1.730	-.269	.125	-1.324	.248	
Intrinsic motivation	384	1.00	7.00	4.123	1.799	-.006	.125	-1.233	.248	

Table 2: Correlation, Reliability, And Internal Consistency



		1	2	3	4	5
1	Transformational leadership	0.91[20]				
2	Transactional leadership	.780**	0.78[8]			
3	Laissez fair leadership	.764**	.625**	0.94[8]		
4	Extrinsic Motivation	.778**	.609**	.632**	0.88[15]	
5	Intrinsic motivation	.785**	.659**	.663**	.654**	0.91[3]

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

Note: Cronbach Alpha value are noted along the diagonal. The number of items is noted in [brackets].

4.3 Testing Hypothesis

To Assess The Studied Variable, Two Hypotheses Were Postulated. The Null Hypothesis Stated That Employees Working In India'S Banking Industry Are Not Affected By The Manner Of Their Bosses In Terms Of Motivation. Multiple Regression Analysis Was Used In The Following Hypothesis Test.

Hypothesis 1

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Multiple Regression Analysis Was Used To Investigate The Relationship Between Employee Intrinsic Motivation And Leadership Style. The Results Of The Multiple Regression Model Show A Significant Relationship ($F (3, 380) = 216.44, P = .0040, R^2 = .631$) Between The Intrinsic Motivation Of Employees And The Style Of Their Leaders. The Combined Effect Of Transactional, Transformational, And Laissez-Faire Leadership Styles On The Intrinsic Motivation Of Employees Was 63.1%.

The Multiple Regression Analysis Coefficient Between Employee Intrinsic Motivation And Leadership Style Is Displayed In Table 3. Transformative Leadership Was The Most Significant Predictor Of Intrinsic Motivation Among The Three Leadership Styles ($T = 9.75, P = .000$), While Transactional Leadership Had The Least Significant Impact On Intrinsic Leadership ($T = 2.14, P = .032$). There Was A Moderate ($T = 2.99, P = .003$) Significant Influence On Intrinsic Motivation For The Remaining Laissez-Faire Leadership.

Table 3: Multiple Linear Regression With Subscales Of Leadership Predicting Intrinsic Motivation

Model	Unstand.		Stand.		95% Confidence		
	Coefficients		Coefficients		Interval for B		
	B	Std. Error	β	t	Sig.	Lower Bound	Upper Bound
1 (Constant)	-.484	.208		-2.328	.020	-.893	-.075
Transformational leadership	.995	.102	.590	9.758	.000	.795	1.196
Transactional leadership	.200	.093	.107	2.147	.032	.017	.382
Laissez fair leadership	.271	.090	.145	2.999	.003	.093	.449

a. Dependent Variable: Intrinsic motivation

The Foregoing Analysis's Findings Demonstrate The Falsity Of The Null Hypothesis. Thus, The Study Agrees With The Alternative Hypothesis, Which States That The Intrinsic Motivation Of Employees Working In India'S Banking Industry Is Statistically Significantly Impacted By Transformational, Transactional, And Laissez-Faire Leadership Styles.

Hypothesis 2

The Second Hypothesis Held That The Mlq-Measured Leadership Style Had No Bearing On The Extrinsic Motivation Of Employees. To Test The Hypothesis, Multiple Regression Analysis Was Done To Look At The Relationship Between Employee Extrinsic Motivation And Leadership Styles.

The Multiple Regression Analysis's Anova Table Revealed A Strong Correlation ($F (3, 380) = 232.32, P = .000, R^2 = .608$) Between A Leader's Style And The Intrinsic Motivation Of Their

Workforce. The Combined Impact Of Transactional, Transformational, And Laissez-Faire Leadership Styles On The Extrinsic Motivation Of Employees Is 60.8%.

Table 4 Displays The Analysis's Results. The Association Between Transformational Leadership And Extrinsic Motivation Was Shown To Be Stronger ($T = 11.362$, $P = .000$) Than That Of Transactional And Laissez-Faire Leadership. Conversely, There Was Little Correlation Between Transactional And Laissez-Faire Behavior And Extrinsic Incentive.

Table 4: Multiple Linear Regression Predicting Extrinsic Motivation With Leadership Subscales

Model	Unstand. Coefficients		Stand. Coefficients		95% Confidence Interval for B			
			Std. Error	Beta	t	Sig.	Lower Bound	
	B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound	
1 (Constant)	.117	.206			.566	.572	-.288	.522
Transformational leadership	1.147	.101	.708	11.362	.000	.949	1.346	
Transactional leadership	.001	.092	.001	.014	.989	-.180	.182	
Laissez faire leadership	.162	.089	.090	1.809	.071	-.014	.338	

a. Dependent Variable: Extrinsic Motivation

Even Yet, There Is A Considerable Collective Influence Of A Leader's Style On The Intrinsic Drive Of Their Workforce. However, For Transactional And Laissez-Faire Leadership, The Individual Effect On Extrinsic Drive Is Negligible. There Was Only A Substantial Correlation Between Extrinsic Drive And Transformative Leadership. The Study Comes To The Conclusion That The Alternative Theory Has Some Merit.

5. Conclusion

This Study Uses A Thorough Approach To Poll 384 Respondents Chosen At Random From Various Financial Organizations To Evaluate The Effect Of Leadership Styles On Employee Motivation Within India 'S Banking Sector. With Significant Statistical Findings ($P <.05$), The Research Found That Transformational Leadership Was The Most Influential Factor In Improving Both Intrinsic And Extrinsic Motivation Among Employees, As Measured By The Workplace Extrinsic And Intrinsic Motivation Scale (Weims) And The Multi-Factor Leadership Questionnaire (Mlq). Less So Than Transformational Leadership, Transactional And Laissez-Faire Leadership Styles Also Showed Modest Effects On Motivation. Regression Analyses Conducted For The Study Showed That The Combined Effects Of Leadership Styles Explained 63.1% Of The Variance In Intrinsic Motivation And 60.8% Of The Variance In Extrinsic Motivation. These Findings Validated The Study's Hypotheses And Highlighted The Critical Role That Leadership Plays In Influencing Motivational Outcomes In Organizational Settings. In Order To Maximize Staff Motivation And Organizational Performance Within India 'S Banking Sector, These Findings Support Customized Leadership Development Strategies That Highlight Transformational Leadership Attributes. They Also Have Implications For More General Organizational Management Practices.

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VOLUME-19, ISSUE-SE



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