

Journal of Finance and Accounting Research (JFAR)

Volume 4 Issue 2, Fall 2022

ISSN_(P): 2617-2232 ISSN_(E): 2663-838X

Homepage: <https://ojs.umt.edu.pk/index.php/jfar>



Article QR



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DOI: <https://doi.org/10.29145/jfar.42.01>

History: Received: June 24, 2022, Revised: August 14, 2022, Accepted: October 21, 2022,
Published: December 25, 2022

Citation: Zaib, S. Z., Haq, N. U., & Kashif, U. (2022). Effect of leadership styles in employee performance during COVID pandemic: Evidence from the banking sector of Pakistan. *Journal of Finance and Accounting Research*, 4(2), 01–31. <https://doi.org/10.29145/jfar.42.01>

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Conflict of Interest: Author(s) declared no conflict of interest



A publication of

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Effect of Leadership Styles on Employee Performance During COVID-19: Evidence from the Banking Sector of Pakistan

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Abstract

COVID-19 pandemic was a detriment for the overall world's economy. Due to Covid-19, practically all business sectors were affected. Despite the economic slump and modification in client transaction penchants, COVID-19 had a considerable sway on the banking business. In this study we have analyzed the employee's intrinsic motivation as a primary component to study the abiding relationship of transformational leadership and employee's performance and engagement during COVID -19. The current study suggests that leaders can be trained, empowered, and assisted to develop their competence and leadership styles, required to manage staff personnel in difficult situations. To accomplish this aim, the current study sought to ascertain leadership styles that are suitable for enhancing employee performance in the banking sector. The findings revealed that transformational leadership has a progressive but small influence on employee performance, although transactional management has a positive and considerable influence on employee performance. Furthermore, with the mediating influence of work engagement, transformational leadership's influence on employee performance becomes a positive and substantial factor.

Keywords: employee performance, laissez-faire style leadership, transformational leadership, transactional leadership, work engagement

Introduction

COVID-19 brought chaos in states worldwide and society has found itself in an unexpected predicament. As a result of global pandemic, this predicament has resulted in a worldwide catastrophe that has embraced every area of our lives, with household, education, fitness, occupation, and even the front-runner connection (Bobadilla-Rosado et al., [2021](#)). Covid-19 was harmful for the world economy. Due to this economic slump and

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modification in client transaction penchants, COVID-19 had a considerable sway on the banking business. Therefore, when individuals regulate a new environment at work, company leaders play a significant role in framing employee proficiencies during and after the pandemic (Hamududu et al., [2020](#)). The banking framework has advanced over the most recent twenty years massively. Given that, leaders still have a substantial impact on supporters' performance, conduct, and emotional suffering through their managerial level of communiqué which provides more structural policies for the betterment of employee performance (Wu & Parker, [2017](#)).

To maintain the immovability and financial equilibrium in the face of COVID-19, several businesses have introduced pay cuts and lay-offs. As a result, many employment positions were then closed to save the organizations from bankruptcy. These considerations would impact on an employee present workplace (Baum & Hai, [2020](#)). Therefore, this current study examined the abiding bond between leadership styles and employees work engagement as the job outcomes. Several, previous studies Carasco-Saul et al., ([2015](#)) have revealed a lack of knowledge linking leadership styles and employee job assignment.

During COVID-19, high bank turnover has increased the demand for an operative leadership style. To sustain this evolution and to reach prime areas, bank administrators require significant recognized topics and new introduced methods to address them, for instance, working from home or online to please customers, retain staff, and inspire them to put in the extra effort (Samra Noor. IJMS 2020). Furthermore, employee performance includes meeting defined duties, adhering to time restrictions, cooperating with coworkers, and achieving departmental goals. Therefore, skilled leaders are desperately to be desired, particularly in this time of pandemic, commercialism, and political unrest, which necessarily involves hiring additional pioneers with exceptional abilities. With the recent advancement in technology that occurred in the world during 2019-2020 leadership styles have demonstrated and encouraged higher performance outcomes.

Overall, the current research helps organizational researchers and practitioners to manage and maintain employee job engagement during these crucial times of crisis by filling the gap for leadership attributes.

Research Gap

- Reexamining the strategies and needs for selecting leaders for the teams/task forces.
- Focusing on rebuffing the low degree of execution and simultaneously respecting and valuing the superior.
- Preparing and engaging leaders to help them assemble the aptitudes and leadership styles which are expected to oversee representatives during extraordinary conditions.

Research Question

- The inquiry request in this revision involved the difficulties for transactional leaders dealing with their associations during COVID-19.
- How can leadership styles be valuable in employee performance and work engagement during the pandemic?
- What will be the importance of the link between transactional, transformational, and laissez-faire leadership styles and the performance of workers working in Pakistan's banking industry during COVID-19?
- Does work arrangement mediate the association of transformational Leadership style and bank employees' performance?

This study aims to test whether dissimilar leadership styles' positive or negative effect on employee acts during COVID-19, were helpful while working distantly and which leadership style could be most helpful for employees' pandemic performance. Furthermore, this research investigates the abiding connection of leadership style and bank employees' performance. To identify whether work engagement plays any significant role in the bank's employee performance this research aims to scrutinize transformational leadership styles with an employee performance.

Research Objectives

- The objective of this research is to test whether the positive or negative results of different leadership styles on employee performance during COVID-19 were helpful while working distantly and which leadership style was more affective for employee regarding their performance in the pandemic.

- To identify the connection between leadership style and bank employee's performance.
- To investigate whether work engagement plays any significant role on bank's employee performance or not.

Literature Review

Leadership and Leadership Styles

The lockdown was imposed to prevent the spread of Covid-19 which has halted economic activity in numerous areas, with serious consequences for businesses and individuals. Companies which relied on direct client interaction, such as hotels and transportation, lost their revenue streams, and households that worked in these industries lost their income. However, there is an absence of a characterization that is generally acknowledged. As Saleem et al., (2020) clarified; that the administration is a point-by-point measure that portrays leadership, obligation, and force designation. Nyaera and Okeyo, (2019) considered leadership to be a social impact measure during which the leaders look for the willful cooperation of subordinates which try to prevail an association objective. Accordingly, a pacemaker might be unique that represent or impacts on people to act on indicated destinations. Memon et al., (2014) characterized the initiative as an interaction by which it could impact contemplations, perspectives, and practices of others by assuming liability for situation heading for the company.

Globally, banks were better positioned to serve real economy's loan demands as COVID-19 economic crisis spread out. Therefore, the banks' capital and liquidity buffers were far higher at the initial stage of these crises (Borio, 2020; Lewrick et al., 2020). Governments deliberately encouraged banks to continue issuing loans by intervening aggressively in financial markets, enabling buffers to be depleted.

The employment of incentives and promotions by a leader to elicit the desired conduct from their followers is known as 'contingent reward'. When things go wrong and out of control, management executives, on the whole, take action. According to active exception management, the leader provides the expected conduct. When a leader employs a transactional leadership style, he or she aims to prevent an emerging issue. The leader in passive exception management does not anticipate a problem but only responds when one comes.

The financial industry was also affected by the pandemic but in a largely indirect manner. While banking services could be supplied remotely without direct client contact, the sector's connection to the real sector as a source of payment, savings, credit, and risk management services extended Covid-19 crises. Hence, causing a detrimental impact on banks and other financial organizations. At the same time, the banking industry has a responsibility to play in assisting businesses and people through this period of decreased revenues and incomes, which has prompted financial regulators and governments to take significant regulatory initiatives.

Memon et al. (2014) described leadership and ways in which a leader gives commands, inspires others, and carries out ideas in a referred style. Therefore, these methods of leading companies, departments, or groups are referred as leadership styles (Abbas et al., 2011). Leaders looking for the utmost successful leadership style might discover that a mixture of styles works best as no one's leadership style could be considered perfect (Leffel, 2010). Consequently, it becomes a shared vision which each individual perceives as their own AL-Nawafah et al. (2020) looked at how transformational, transactional, and laissez-faire management styles affected employee acts. Furthermore, the data revealed that transformational leadership style and transactional leadership style obligate a positive, durable, and substantial association through employee performance. However, laissez-faire leadership require a detrimental inspiration on employee performance (Chawda et al., 2020; Rahahleh et al., 2019)all agreed on the inspiration of transformational leadership on an employee performance.

Transformational Leadership and Employee Performance

Transformational leadership was introduced by Menges et al. (2011) he asserted that, “ it is a force and method of driving created by every forerunner in an association which enormously impacted transformational authority”. The democratic technique of incorporating employees in decision-making is known as ‘transformational leadership’ (Lohano et al., 2019). Subordinates like transformational leadership in a service context 'helps to ease them, leading in high motivational work engagement (Breevaart et al., 2014). Conferring to Raveendran and Gamage (2018) using transformational leadership behaviours more frequently which would considerably influence the psychological empowerment at workplace.

During COVID-19 pandemic 2019-2020, organizations were under a lot of stress. For the safety of their citizens, numerous countries implemented quarantine, causing many businesses to shut-down and by impacting their profitability and overall performance.

According to Bass et al. (2003), transactional leadership employs corrective and constructive transactions to ensure that followers do their scheduled tasks, and leaders would trade anything for effort (Bright, 2018). Their leadership style was less flexible because they use a reward-punishment system and have maintained work standards that carefully comply with standard operating procedures (SOP). The transactional leadership style was frequently employed and extremely good for the organization to insure a balanced organization which is steady and stable (Sithole et al., 2014). According to Bian et al. (2019), leaders who adopt a transactional leadership style assist the group members in fulfilling their tasks and achieving self-fulfillment.

Transactional Leadership and Employee Performance

Transactional leaders, according to experts, were not a suitable match for firms which require creativity and innovative ideas to complete tasks (Afsar et al., 2017). Transactional leaders showed deference to their subordinates, acting only when the workplace's integrity and employee performance are in jeopardy (Judge et al., 2004). In this present age, stronger emotional bonds between employees and their managers (as leaders) are required, where workplace policies are expected to reduce the detrimental consequences of such conduct. According to Rusandi et al. (2021), transactional management is a type of leadership that emphasized the transaction between the leader and its followers. By exchanging recognition for an exacting performance, transactional leadership excites its followers.

Laissez-faire Leadership and Employee Performance

Laissez-faire leaders give their subordinates full decision-making authority, by enabling them to make their own decisions. It has been scientifically proven that this kind of leadership leads to lower productivity levels across all members of any organization (Wong & Giessner, 2018). Few studies have labelled the laissez-faire leadership styles at workplace as "the absence of leadership", indicating that it is utilized to avoid leadership

styles. Wellman and LePine (2017) viewed that organizational politics were higher and any kind of response could have damaged their career and future.

Gentzler and Kerns (2004) argued that standards which are linked with his study strongly support his main concern which was that laissez-faire would establish a suitable atmosphere in which the gap between the business and its employees could be filled. With this major concern laissez-faire would produce a suitable environment in which the gap between the firm and its employee's people would be covered and employees would like to work. Rothbard and Patil (2011) took a marginally unique viewpoint and characterized commitment as a two-dimensional persuasive development.

This situation is essential to take memo of that critical position of commitment for Khan (1990) which is the workplace. For the individuals who contemplate commitment as the absolute positive opposite of exhaustion, it is the representative's effort movement or the exertion itself. Maximum researchers have harmonized that commitment integrates vitality and identifiable proof measurements. Therefore, the viewpoint of this special issue is that, the field is best served by a steady build for a work commitment; early works put together themselves concerning the burnout model to explain the idea of representative commitment. Maslach and Leiter, (2008) for example stated that, components of commitment are energy, contribution, and viability, which are as distinctively different to the three burnout measurements: depletion, pessimism, and absence of achievement, individually.

As an idea for the correct work obligation, it was subsequently categorized as a positive, sufficient, business-related perception described by life cycle, commitment, and retention (Schaufeli et al., 2002). Several studies on the relevant mediation function of work engagement have discovered the relation of transformational leadership with correlation of different individual and organizational outcomes. Work engagement has been found to mediate the relationship between transformational leadership and employees' subjective occupational success, as measured by career satisfaction, social and career successes Vincent-Hoper et al., (2012), extra-role performance by staff nurses Salanova et al., (2011), organizational performance Evelyn and Hazel (2015), and organizational knowledge creation practices (Evelyn & Hazel, 2015). According to leadership styles, work engagement, and employee outcome behaviors, a closer examination of the literature on the linkages between the most often addressed concerns

was the quality of leader–subordinate relationships, empowering leadership, and transformational leadership behavior (Zhang & Bartol, [2010](#)).

Now a days organizations strive a lot to gather extensive information about the employee, as well as his performance at workplace, in order to ensure improvement and advancement in their performance, through the evaluation of occasional execution of representatives. Generally this is done by employing various techniques and methodologies (SalasVallina et al., [2020](#)). Execution management is the management and control of representatives, offices, and associations to accomplish objectives productively. This specific part of policy management incorporates characterizing the structure and attributes of robust execution, just to create an apparatuses and systems to quantify this execution (Tiab et al., [2018](#)).

The board's execution has a clear purpose of improving the nature of work in the most efficient way. Therefore, by assessing the present state of worker's labour, organizing aims and wants, and calculating the time and effort required to achieve the stated targets, chiefs could make amendments or recommend new methods to understand and achieve ideal objectives (Para-González et al., 2018). According to Kesumawati et al., (2018), supervisors in some organizations were required to provide complete directions that clarify how representatives should approach a

Theoretical Framework

Good leadership entails adapting one's leadership style in changing circumstances which could be controlled based on these three factors: the leader's relationship with his or her followers, the degree of task structure, and the leader's authority, position, or power. Contingency theory might be a management elegance during which the usefulness of a pacesetter is influenced by the interplay of personal characteristics of the leader, and by its conditions. The contingency hypothesis proposed that the link between structure and company outputs are frequently tempered, therefore, the outputs of leadership style cannot be anticipated by situational difficulties relating it with the environmental and situational aspects (Chan et al., [2002](#)).

Purpose and Significance of Study

Leadership styles have the ability to complement staff performance which allows wiser decision-making in the banking sector, especially with ever-expanding data storage and computing capacity. It might eliminate human biases and errors, leadership styles and skills that might be able to save revenue in order to avoid poor decisions. As a result, possibilities are that the decision-making process would speed up.

Firstly, this study proposes a research model where work engagement is treated as an intermediary of the impacts of leadership styles and employee act simultaneously during COVID-19 performance. This paper endeavours to fill in a few gaps. In today's ever-changing business environment, strategic management experts have argued that leadership is now one of the resources that can be used for sustainability.

Secondly, it is argued that employees that are satisfied, perform their jobs to a level that yields benefits to the organizations. One of the important factors that have an impact on employee presentation is the quality of leadership. In this regard, it is evident that leadership and employee performance can be considered as an attribute that can ensure organizational growth and sustainability during COVID-19

Thirdly, studies conducted on the issue of leadership in the banking sector in developed countries and other developing countries argued that COVID-19 crises are experienced by every country in this ever-changing global environment. Hence, the significance of this study is to bring the impression of leadership styles on work engagement and employee act in Pakistani bank context.

Hypotheses and Conceptual Framework

This paper suggests a model that emphasized the measurement of direct and indirect influences of transformational leadership style, transactional leadership style, and laissez-fair leadership style on employees act during COVID-19 trending the banking industry of Pakistan. In this study, work engagement plays a mediation role in connecting transformational leadership style, transactional leadership style, and laissez-fair leadership style and employee performance. Following are the suggested hypothesis for this study.

H1: Laissez-faire leadership style is negatively associated with employee performance.

H2: Laissez-faire leadership style is negatively connected to work engagement.

H3: Transactional leadership style is negatively linked to employee performance.

H4: Transactional leadership style is positively interrelated to work engagement.

H5: Transformational leadership style is positively linked to employee performance.

H6: Transformational leadership style is positively linked to working engagement.

H7: Work engagement is positively correlated to employee performance.

H8: Work engagement does not mediate between laissez-faire and employee performance.

H9: Work engagement mediates between transactional leadership and employee performance.

H10: Work engagement does not mediate between transformational leadership and employee performance.

Figure 1

Conceptual Framework

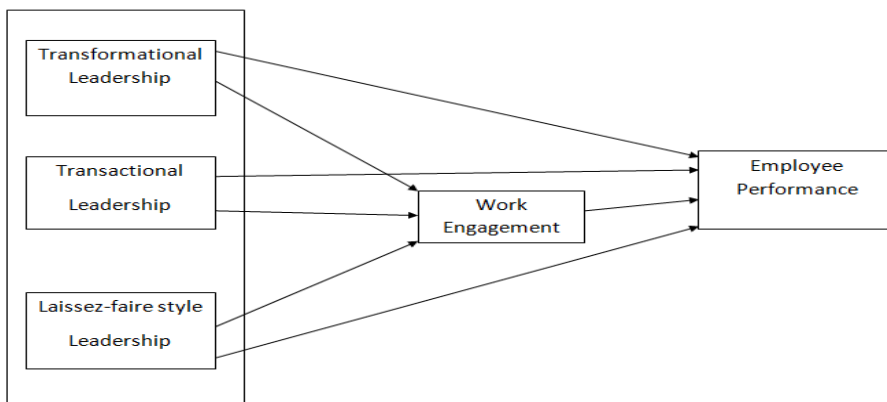


Figure 1 shows the conceptual framework, in which transactional leadership, transactional leadership, and laissez-faire leadership are the independent variables, and employee performance is the dependent variable.

Data and Methodology

Therefore, this study adopted a quantitative procedure as an exploration technique to collect information. The current study used a quantitative technique as a research strategy to collect data

Research Approach

The following are two research methodologies that are regularly employed in all studies: inductive research approach, deductive research approach. The inductive method began with a set of real facts and then looks for the specific patterns in the data before formulating the suggested hypotheses. However, the deductive approach starts with a hypothesis and then collects and analyses data to test the ideas. This study would be conducted using a deductive research approach.

Population and Sampling Methods

In this case, the researcher has used a questionnaire uploaded in the form of a google form that was designed in accordance with the current COVID situation and was filled by individuals within banking sectors in Pakistan. After the application process, only 250 individuals replied to the survey, resulting in a statistically acceptable response rate. The questionnaire (study tool) was divided into two sections: First study tool was used to collect data on study sample's demographics (age, gender, education, and banks), and the other presented statements about the questionnaire's independent and dependent variables that are transformational leadership style, transactional leadership style and laissez fair leadership style, work engagement, and employee performance). During COVID, these bank officials were requested to look through questionnaire for different management flairs that required an influence happening on staff performance, equally well as the role of work engagement. As previously stated, the sample size was used in (Krejcie & Morgan, [1970](#)) Table which is shown below.

Table 1*Sample Size with Reference to Population*

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note: *N* = population size, *S* = sample size

Source: Krejcie and Morgan ([1970](#)).

Data Processing Analysis Technique

Using Smart PLS and SPSS, we did two procedures to test the homological validity of our theoretical model. For route analytical models, the PLS approach has been applied. Firstly, we assessed the measures which were 'validity and reliability'. Secondly, we assessed the structural model to see how strong the hypothesized relationships between variables were. For this, we also looked at composite gauge reliability (SCR), typical alteration mined (AVE), besides discriminant validity to check how well the structural model worked Henseler et al. (2016). Furthermore, Hair et al. (2019) highlighted the following compensations of using PLS-SEM. PLS-SEM could use a small sample size. Models with developmentally specified builds could be divided with PLS-SEM. PLS-SEM is better than revert investigation while evaluating mediator.

Results and Discussion

Demographic Data Results

According to the Table 2, 148 or 59.2 % of those surveyed were males, while 102 or 40.8% were females. As a result, the majority of banking personnel were men. The effects of the respondent's age could be seen in Table 4.2. The bulk of respondents, 126 (50.4%), were between the ages of 26 and 40, which was followed by 70 (28.0%) in the age range of 20-25, in the age range of 40-50 was followed by 43 (17.2%) and the shortest age range was 51 years or more, which was only represented by 11 people (4.4%). This meant that the bulk of people who responded was between 26 and 40.

Therefore, the findings demonstrated were socio-demographic in terms of educational background; survey participants had the following characteristics. Attainment among the participants, 46.8% of the employee has a Master's degree. Of these employees, 41.6% were having bachelor's degree. Only 11.6% of respondents were reported having an M.Phil degree. This indicated that the mainstream of the respondents were Master's degree holders.

Table 2 present the outcomes of the respondent's bank. It is substantial that the mainstream of defendants 52 (20.8%) was in Alfalah Bank, this was followed by 38 (15.2%) in Allied Bank. Silk Bank was followed by 37 (14.8%), whereas United Bank was followed by 31 (12.4%). Similarly, Summit Bank was followed by 28 (11.2) Meezan Bank was followed by 26

(10.4), and Bank al Habib was followed by 23 (9.2). Habib Bank was followed by the minor employees who represented only 15 (6.0%). This indicated that most respondents were from Alfalah Bank 52 (20.8%).

Table 2

Demographic Data Results

Variables	Frequency	Percent
Gender		
Male	148	59.2
Female	102	40.8
Age		
20-25 Years	70	28.0
26-40 Years	126	50.4
40-50 Years	43	17.2
51 or Above	11	4.4
Education		
Bachelors	104	41.6
Masters	117	46.8
M.Phil.	29	11.6
Banks		
Silk Bank	37	14.8
Alfalah Bank	52	20.8
Bank Al-Habib	23	9.2
Allied Bank	38	15.2
United Bank	31	12.4
Summit Bank	28	11.2
Meezan Bank	26	10.4
Habib Bank	15	6.0

Descriptive Analysis

Descriptive analysis displays the mean values, standard deviations, skewness, and kurtosis of all variables under consideration. Transformational leadership, transactional leadership, laissez-faire leadership, employee performance, and work engagement had respective mean values of 3.91, 3.85, 3.88, 3.68, and 3.70. The skewness and kurtosis values in Table 3 are likewise within acceptable limits. Skewness, kurtosis, and histograms were used to assess normality (Munro, 2005)

Table 3

Descriptive Statistics of All Variables (N=250)

Valid	Min	Max	<i>M</i>	<i>SD</i>	Skewness	<i>SE</i>	Kurtosis
TFL	1	5	3.911	0.7800	-0.43	0.154	0.17
TCL	1	5	3.859	0.7848	-0.317	0.154	-0.008
LFL	1	5	3.883	0.858	-0.485	0.154	-0.37
EP	1	5	3.688	0.9410	-0.206	0.154	-0.818
WE	1	5	3.7	0.8368	-0.534	0.154	0.476

Alpha Reliabilities Coefficient

The term "reliability" refers to scale's consistency between items. Alpha constants and inter-item correlation of under investigation variables are used to measure instruments reliability. The reliability analysis is shown in Table 4 using Cronbach's alpha coefficients, which would be greater than 0.7. Therefore, the coefficient alpha value of this study's data of transformational leadership style is 0.824, transactional leadership style is 0.767, laissez-faire leadership style is 0.851, employee performance is 0.895, and work engagement is 0.847.

Table 4

Alpha Reliability Coefficients of All Scales (N= 250)

Variables	No. of Items	α
Transformational Leadership	5	0.824
Transactional Leadership	4	0.767

Variables	No. of Items	α
Laissez Faire Leadership	5	0.851
Employee Performance	6	0.895
Work Engagement	5	0.847

Measurement Model Assessment (MMA)

Table 5 the outer loadings, CR values (CR), and average variance (AVE) were cast-off to measure the constructs' convergent validity. When items load heavily (>0.50) on their constructs, validity of the constructs is said to be converging (Ringle & Sarstedt, 2011). Therefore, the result demonstrates that the factor loadings were larger than 0.50. The typical variance retrieved, and hence the composite reliability remained discarded to evaluate constructs' convergent validity. Although, the AVE values for all of the constructs were not greater than 0.50. Transformational Leadership Style, Transactional Leadership style, and Individualism Leadership style in the composite reliability was greater than 0.8, indicating that the construct's convergent validity had been established. Hence, because of the outer loading values were more than 0.50, all variables are correlated.

Table 5
Convergent Validity

Constructs	Items	Loadings	CR	AVE
Transformational Leadership	TFL1	0.779	0.876	0.586
	TFL2	0.789		
	TFL3	0.749		
	TFL4	0.727		
	TFL5	0.782		
Transactional Leadership	TCL1	0.705	0.852	0.591
	TCL2	0.739		
	TCL3	0.821		
	TCL4	0.804		

Constructs	Items	Loadings	CR	AVE
Laissez Faire Leadership	LFL1	0.766	0.894	0.630
	LFL2	0.815		
	LFL3	0.852		
	LFL4	0.844		
	LFL5	0.679		
Employee Performance	EP1	0.704	0.920	0.661
	EP2	0.703		
	EP3	0.875		
	EP4	0.862		
	EP5	0.877		
	EP6	0.833		
Work Engagement	WE1	0.743	0.888	0.614
	WE1	0.837		
	WE1	0.758		
	WE1	0.821		
	WE1	0.755		

Heterotrait Monotrait Ratio of Correlation (HTMT) might be a novel approach which aimed at determining discriminant validity in part tiniest square structural equation modelling, which is one of the foremost important components of model evaluation. Table 6 displays HTMT ratio, which is a useful method for determining discriminant validity. According to (Kline, 2011), HTMT ratio would remain detriment than 0.85 to establish discriminant validity and all of the ratio values were larger than a minimum threshold, indicating discriminant validity.

Table 6
Discriminant Validity (HTMT Ratio)

	1	2	3	4	5
1.Employee Performance	-				
2.Laissez Faire Leadership	0.513	-			
3.Transaction Leadership	0.680	0.805	-		
4.Transformational Leadership	0.673	0.657	0.953	-	
5.Work Engagement	0.733	0.486	0.657	0.579	-

Figure 2 and 3 show the measurement model assessment run on Smart PLS software, where each construct shows its correlation and loadings.

Figure 2
Structural Model Assessment

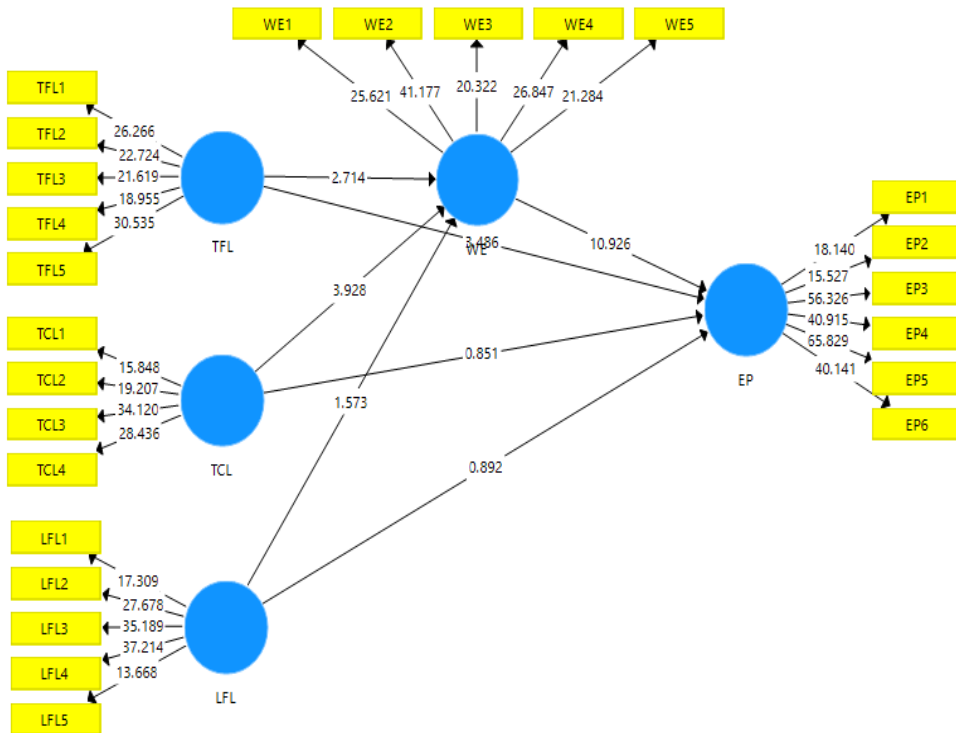
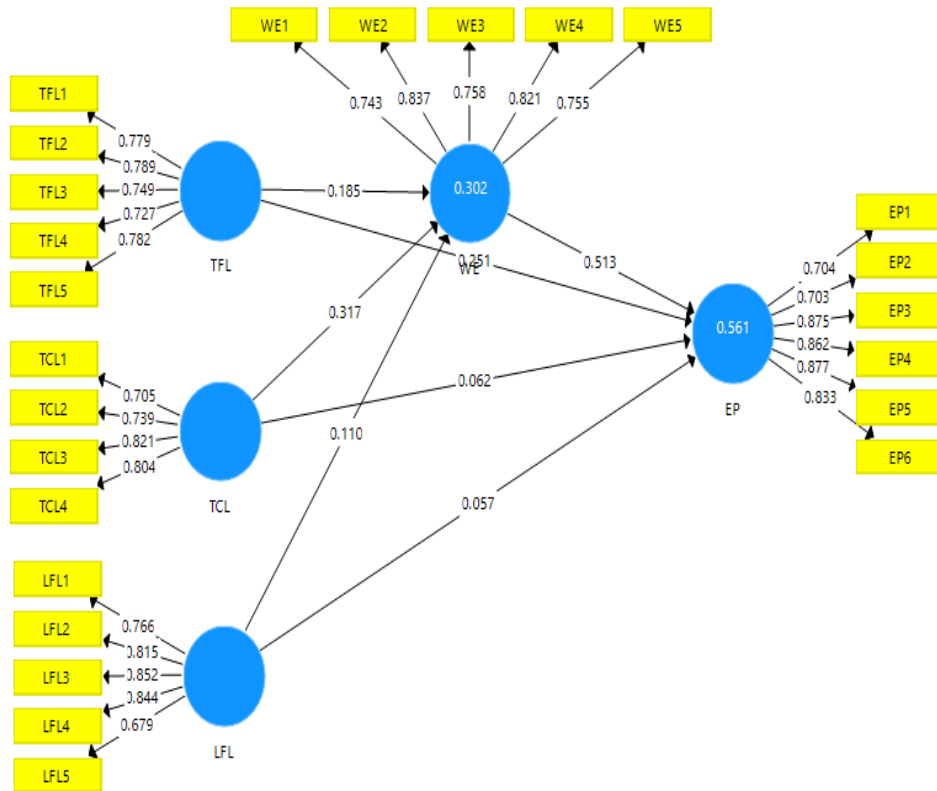


Figure 3
Measurement Model Assessment



Structural Equation Modeling (SEM)

SEM is a second-generation statistical approach that shows the modeling of several independent and dependent hypotheses at the same time (Gefen et al., 2000). SEM is used to explore or confirm the theory. SEM is a rational subsequent technique for confirmatory factors analysis. This started since the structural model defined relations among unobserved variables. SEM is the combination of Confirmatory Factor Analysis (CFA) and path (or Regression) analysis.

Table 7 (a)
Path Analysis

c	Relationships	β	SE	t	p	Decision
H1	Laissez Faire Leadership -> Employee Performance	0.06	0.06	0.89	0.37	Not Supported
H2	Laissez Faire Leadership -> Work Engagement	0.11	0.07	1.57	0.116	Not Supported
H3	Transactional Leadership -> Employee Performance	0.06	0.07	0.85	0.395	Not Supported
H4	Transactional Leadership -> Work Engagement	0.32	0.08	3.93	0.00	Supported
H5	Transformational Leadership -> Employee Performance	0.25	0.07	3.49	0.001	Supported
H6	Transformational Leadership -> Work Engagement	0.18	0.07	2.71	0.007	Supported
H7	Work Engagement -> Employee Performance	0.51	0.05	10.9	0.00	Supported

Table 7 (b)
Indirect Analysis

c	Relationships	β	SE	t	p	Decision
H8	LFL -> WE -> EP	0.056	0.036	1.56	0.118	Not Supported
H9	TCL -> WE -> EP	0.163	0.043	3.785	0.00	Supported
H10	TFL -> WE -> EP	0.095	0.036	2.615	0.009	Supported

As described earlier, the first two conditions were partly completed. Thus, for the mediation test, two indicators of work outcomes were regressed over leadership styles consecutively while controlling the background factors and work engagement.

The SEM PLS was used to evaluate and identify the crucial relationship effects within the constructs. To regulate this meaning of the trail coefficients, the researchers performed a boot-strapping approach. From Table 7 (a) individualism leadership was shown to be substantially connected with employee performance ($\beta = 0.057, t = 0.892$) and not supported by H1. In H2 individualism leadership was knowingly related to work engagement ($\beta = 0.110, t = 1.573$) and not supported. In Transactional leadership style was expressively connected with employee performance ($\beta = 0.062, t = 0.851$) and not supported. Moreover, around stood a constructive affiliation between transactional Leadership style and work engagement ($\beta = 0.317, t = 3.928$) and supported H4. Additionally, the findings also divulged transformational leadership stood positively that were not significantly associated with perceived employee performance ($\beta = 0.251, t = 3.486$) and supported H5. Similarly, the findings also revealed transformational leadership was positively associated with perceived work engagement ($\beta = 0.185, t = 2.714$) and supported H6. Table 7 (b) the results also disclosed work engagement was absolutely allied with employee performance ($\beta = 0.513, t = 10.92$) and supported H7.

Meanwhile, there was no association between individualism leadership style, work engagement, and employee performance ($\beta = 0.056, t = 1.56$) and it didn't support H8. Additionally, the findings also disclosed transactional leadership, work engagement, and employee performance that is positively associated with one another ($\beta = 0.163, t = 3.785$) and supported H9. Eventually, there is no association between transformational direction style, work engagement, and employee presentation ($\beta = 0.095, t = 2.615$) and supported H10.

Discussion

The purpose of this study was to look at the influence of leadership in maintaining excellent employee performance during the quarantine. In order to attain this goal, the researcher used a quantitative technique based on a questionnaire. In Pakistan, the questionnaire was uploaded in the form of a Google form to (250) personnel in the private sector. Therefore, the study's findings revealed the following.

Despite all the evaluated statistics, this chapter affirms the statistical findings, conclusions, and future recommendations Therefore, this chapter

covers the managerial ramifications and research hypotheses for future researchers.

Findings

The tenacity of this inquiry was to look at the influence of leadership in maintaining excellent employee performance during the quarantine. In order to attain this goal, the researcher has used a quantitative methodology which was created after a survey. In Pakistan, this questionnaire was filled by (250) staff personnel in the banking sector. Therefore, this study's findings revealed the following:

- Respondents in the survey appeared to have the necessary understanding of leadership styles and attributes, as well as their impact on prominent teams and employees performance. Therefore, the performed methodology aims to score greater than the mean of scale 3.73, indicating statistically good attitudes.
- This study utilized sub variables extracted from leadership styles such as (Transactional Leadership, Transformational Leadership, and Laissez-faire Leadership). Therefore, the findings supported a few hypotheses and showed that transactional and transformational leadership styles have an influence on employee acts at various levels and levels of influence.
- The most impactful leadership style during COVID19 quarantine appeared to be transformational leadership.
- Given that, in that case leaders had to lead teams from afar, it's easy to see why transformational leadership seemed to have more clout. Therefore, the modern scientific definition of leadership highlighted that leadership is 'the capacity or willing by which a separate may guide the efforts of others toward the efficient and successful completion of a task'. The leaders in this situation are retainers who lead by example and by serving first so that they drive or lead and might serve and inspire the workforce. Additionally, because of the exceptional circumstances that controlled (COVID19 lockdown), transformational leadership appeared to be the most influential leadership style. In these exceptional circumstances, transformational leadership encourages individuals to strike a balance in their lives between exercising leadership and serving others.

Conclusions

The focus of this research was to appropriately describe and observe the impression of several leadership distinction of banking staff routine (transformational leadership style, transactional leadership style, and laissez-faire leadership style). A merged analytical review research approach was used, wherein 250 individuals were chosen randomly from a study population of banking sector employees and were questioned by various people, including management and employee representatives. Furthermore, to get primary information from the samples, COVID-19 required the use of a survey method.

- Human resource administration is one of the most essential aspects of a company since it is a dynamic component that impacts and regulates the rest of the firm's parts. Leadership and its styles are often regarded as one of the most significant aspects of human behavior and a central axis in the interaction among leaders and its subordinates. It's also a significant appliance that may help employees to perform better during COVID via the joy of innate or taught leadership qualities.
- The study found that management helped to maintain an acceptable level of performance by accurately diagnosing the problem and by identifying the parties who might help in treating it. In general, there is an abiding bond between the leadership line and the performance of employees in businesses, despite the fact that the study's settings were far from the expected leadership in all forms.
- Transformational behavior also includes leaders taking an active role by limiting working hours, recognizing high-performing workers, establishing work-life balance programs, and offering full support to employees during the transition process which are all for a leader to drive better employee engagement.

Recommendations

One of the goals of this article is to raise awareness among banking sector organizations about the elements that must be taken into account while formulating regulations.

- Educating and authorizing leaders to assist them to develop the abilities and leadership styles required to accomplish personnel in difficult situations.

- Concentrating on punishing low-level performance while praising and recognizing high-level performance during distant working during the pandemic.
- Rethinking the processes and priorities for choosing task force leaders.

Limitations

Despite the significant theoretical and practical contributions, this research work has numerous shortcomings. The researchers were unable to show causation since they utilized a cross-sectional methodology to study certain factors. This means that the indicated links between the variables should not be taken as causal ties, but rather as associations that suggest causal ordering, which should be validated by longitudinal study. Secondly, this study's data was acquired via a self-report questionnaire, which had its own set of advantages and disadvantages, particularly when it comes to the participants' evaluations of their immediate supervisor. Finally, this study focused on the complete range of leadership models, including transformational, transactional, and laissez faire leadership styles, as antecedent factors. That is to say, there are other components of leadership nature as well that might be significant but are not included in this research. Finally, the transactional leadership style impact was relatively higher, which might detract its importance in the web. As a result, the researchers recommended a longitudinal research design whose outcomes were monitored by using certain techniques other than self-reports in future studies.

Theoretical and Practical Implications

For analysts and experts in the banking sector, the findings of this inquiry have some theoretical and practical consequences. Thus, the examination provides tidbits of information on the ongoing assessments of workers' and colleagues' work involvement. Therefore, the investigation might disclose information about the fauna of the leadership-followership connection styles, job commitment, and fundamental work results, such as staff performance among bankers. It might also reveal the role of transformational leadership, particularly in terms of workers' willingness to cooperate with job execution and development efforts. In practice, the findings of this study implicate the need of improving leadership through the use of a transformational style, since it is critical for firms to have people who are capable of performing their jobs and ready to put out the

discretionary effort. As a result, practitioners in this sector should devise methods and training programs which aimed at developing transformational leadership abilities including being helpful and intellectually engaging, as well as communicating a vision to employees, so that leaders might impact on their workforce. Significantly, more focus should be paid to leadership development in Pakistan's banking sector in order to boost its human resources and contribute considerably to the country's growth.

Additionally, after the examination of effects of features the leaders must develop leadership by relating to a transformational leadership style, as it is fundamental for associations to require bank employees that play out their jobs. Besides leaders are ready to exhibit optional endeavors along with the lines of professionals in the field which ought to create procedures and prepare programs that focus on transformational initiative abilities.

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