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**Impact of Transformational Leadership on
Employee Productivity Through Mediation of
Employee Motivation in Banking Industry of
Pakistan**

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ABSTRACT:

This thesis examines how employees of the banking sector in Pakistan are influenced in terms of motivation and productivity level through transformational leadership. The objective of the study was to look at the relationships between these variables directly as well as mediated ones and how the motivational style selected by leaders affects how motivated and productive people become. The quantitative approach was applied whereby both primary and secondary data were collected through a structured Likert-scale questionnaire from 100 banking employees. SPSS was utilized to analyse the data and test the hypotheses made (H1, H2, H3, H4) regarding significant associations.

According to the findings, it emerged that transformational leadership is effective in increasing employee motivation and productivity. The hypotheses tested show a direct relationship with productivity (H1) and motivation (H2), a productive relationship between the motivation of employees and their output (H3), and a mediated relationship of transformational leadership effects on productivity through motivation (H4). The employee motivation as a regulating factor has been confirmed by all hypotheses studied.

The research report finishes with the assertion that if the motivation of the employees is improved, then rather transformational leadership ought to be called a tool for enhancing employee productivity. Contributions of theoretical nature expand the scope of leadership theory by broadening the model of leadership to include the elements of motivation, while practice oriented contributions suggest that the banks would be concerned with transformational leadership in order to enhance employee commitment and performance.

Keywords: Transformational leadership, employee motivation, employee productivity, banking industry.

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Abbreviations

TL	Transformational leadership.
EM	Employee motivation
EP	Employee Productivity

1 Introduction

1.1 Introduction to the Study

Transformational leadership plays a crucial role in boosting productivity among employees in various economic sector specifically in Pakistan (Garad et al., 2022; Younas, 2024). Before defining the transformational leaderships, let's have a look at what leadership is? The act of directing and impacting people or groups inside or outside an organization to successfully achieve desired goals of an organization is termed as leadership (Goleman, 2017). Furthermore, transformation leadership is a leadership style that seeks to motivate employees by creating a shared vision, encouraging intellectual stimulation and personal needs (Shafi et al., 2020). In the banking sector, transformational leadership is especially pertinent given the industry's need for change, flexibility and high employee participation. Employee productivity means the extent to which employees carry out their tasks and support organizational objectives (Ugoani, 2020). This means that motivation as a mediator describes how and why transformational leadership affects productivity and this is the mechanism by which leadership influences employee behavior and outcomes (Khan et al., 2020; Chen & Cuervo, 2022). In highly pressurized regulatory environments with economic instability like Pakistan's banking sector, motivated employees are vital for maintaining high levels of production and accomplishing organizational objectives (Khan & Iqbal, 2013). Leadership therefore assumes an important meaning as a factor shaping employee motivation amidst strong cultural emphasis on hierarchical structures and respect for authority (Areiqata et al., 2020). Transformational leadership promotes higher productivity through aligning organizational goals with both intrinsic and extrinsic motivations of their subordinates (Aljumah, 2023).

The current trends of digitalization and sustainability are transforming the recent business milieu and changing the nature of competition (Aagaard & Vanhaverbeke, 2024). Within such quick changes, companies do not only pursue the goal of achieving perfection, rather, they have to pursue the latest technologies and sustainable practices if they

wish to stay competitive (Aljumah, 2023). Such modern trends and adoption require organizational change and strategy revolution altogether. This is crucial as it enables the organization to respond properly and maintain in the competitive positions in the marketplace. It should be noted here that a lot of factors are responsible for and drivers of organizational performance, however, employees themselves are the most crucial asset of a company (Anwar et al., 2023). Therefore, it is required to trigger motivation and loyalty of employees with a company in order to ensure achievement of organizational goals resulted from the best efforts put by those employees (Goleman, 2017). However, not all employees exhibit this level of dedication, many focus solely on their tasks, often neglecting the importance of cohesion and collaboration (Younas, 2024). This is where leadership plays a vital role. It ensures that every employee performs efficiently and they are aligned with what the entire firm aims at accomplishing (Akdere & Egan, 2020).

The current literature has provided detailed information on transformational leadership's affirmative influence on the performance of employees within different sectors and settings (Purwanto, 2020; Jaroliya & Gyanchandani, 2022). However, there is no research that deals with particular problems that exist in Pakistani banking sector (Anwar et al., 2023). The economic conditions in Pakistan which are defined by fluctuating interest rates, inflation, and regulatory changes (Ali, 2020) create a turbulent atmosphere that can impair worker morale and productivity. In addition, cultural context in which authority is respected as well as hierarchical structures prevail may shape perceptions about transformational leadership and the extent to which it can be practically applied (Areqata et al., 2020). It is therefore important to investigate whether or not transformational leadership tenets tuned towards meeting specific requirements peculiar to the Pakistani banking industry can help boost employee motivation to enhance their productivity.

A significant role is being played by leadership in identifying whether the organization will embrace success or not because leadership is directly involved in employee's motivation, decision making, and performance as a whole (Aljumah, 2023). Good leadership

encourages good working relationships, stimulates innovations as well as aligns organizational objectives with employee efforts to boost productivity and achieve long-term goals (Northouse, 2021). There are different kinds of leaders with different characteristics and effects. Transformational leadership, in particular, is characterized by the motivation and inspiration of workers through vision building, creativity promotion, innovation fostering and meeting individual needs (Shafi et al., 2020). This kind of a leader makes it possible to achieve high employee satisfaction as well as productivity since creates an environment where employees feel valued and empowered (Saira et al., 2021). Other styles such as transactional leadership use control and rewards based on performance (Lee & Ding, 2020), whereas autocratic leaders take control over every decision made in their firms (Khan et al., 2021).

The introduction of Fintech solutions and the advent of digital banking applications have changed the model of how financial services have traditionally been rendered prompting the need for traditional banking systems to come up with novel products and services in order to keep pace with consumers need for speedy provision of services (Rajapathirana, 2023; Wu, 2023). Furthermore, adherence to strict regulations such as the anti-money laundering and the know the customer principles raises the degree of engagement and innovation for an organization, thereby complicating the banking processes management Sokoli (2023). In such a fast-paced environment, effective leadership-strategic leadership in particular-is indispensable. It is the transformative leadership style that will help to bring changes within the employees by enhancing innovation, supporting flexibility, and boosting employee morale, and hence guiding the teams through the changes (Mcisaac & Ly, 2019). This leadership style helps to enhance the performance of banking institutions not only in coping with the fast-changing environment but performing by ensuring customer satisfaction and regulatory compliance. By adopting transformational leadership practice, totality of banking operations and activities can be made active in an increasingly challenging marketplace.

The ability of leaders who use this style to clearly articulate the direction of an organization, provide supportive and innovative environments, and question conventional wisdom is well recognized (Chitiga, 2018). This method encourages staff workers and enhances a culture of continuous improvement as well as a dedication for organizational objectives (Abdulfatai, 2021). Transformational leadership has had a deep effect on organizations. One study found that it leads to higher employee satisfaction by instilling in them purpose and belongingness hence improving morale and reducing turnover (Davis, 2023). In addition, transformational leadership style promotes creativity and innovation that necessitate better problem-solving skills and adaptability in a rapidly changing environment. Furthermore, this leadership also improves productivity by linking the actions of employees to the organizational strategic objectives which gives them a sense of ownership and accountability (Patil et al., 2024). Additionally, transformational leaders play an important role in changing the attitudes and behaviors of non-committed ones by motivating and inspiring their workers, thus fostering a strong commitment (Monje-Amor et al., 2020). For instance, research on transformational leadership within Spanish communities has shown that there is a positive link between job performance and OCB directed towards the organization (Buil et al., 2019).

In banking, output is often captured in terms of metrics such as number of transactions processed, customer satisfaction levels and revenue earned per employee. Banks need high productivity because this directly affects the profitability, competitiveness and overall performance (Anwar et al., 2023). Employee production in the banking sector depends on a few factors. Good leadership has a major role to play since good leaders inspire and direct workers towards improved performance. Additionally, motivation which stems from intrinsic factors such as job satisfaction and extrinsic rewards like bonus pay also has great effects on productivity (Hoque et al., 2021). Besides that, the work environment and organizational culture are very important; an inclusive supporting atmosphere produces collaboration and creativity leading to improved productivity (Mukherjee, 2020). On the other hand, a toxic or unstructured environment can demotivate staff members hampering their work rate.

Employee motivation describes the internal and external aspects that push a worker to desire doing job-related activities and strive for organizational goals (Nwannebuife, 2017). It is a key motivator of productivity because motivated employees are more likely to be loyal, efficient and go further than expectations in their roles. Furthermore, it impacts not just the quantity and quality of work produced but also overall team morale and cohesion (Lozano-Jiménez et al., 2021). Transformational leadership has a significant impact on employee motivation by creating an enabling environment where followers feel supported and inspired (Shafi et al., 2020). On a deeper level, transformational leaders engage with employees, inspiring them through shared visions as well as intellectually stimulating them according to Akdere & Egan (2020). This type of leadership style satisfies the higher-level needs such as self-actualization and esteem which are fundamental components of motivation as described Maslow's hierarchy of needs Ngudieh Njuakoh (2012). Empirical studies have shown that transformational leadership has positive correlations with increased employee motivation, which leads to greater productivity and job satisfaction (Davis, 2014).

Banks in Pakistan contend with economic instability and changing regulations, which makes it important for leaders to motivate their teams (Abdullah & Anwar, 2021). Transformational leadership helps to steer banks through these challenges as they promote an innovation culture, empower their workforce and keep the organization competitive in a vibrant market (Minhaj et al., 2019). The unique challenges faced by employees in the banking industry of Pakistan affects productivity. Additional complication of routine operations is brought about by regulatory pressures such as adherence to stringent financial legislations. Continuous learning and training are necessitated by incessant technological adjustments; this coupled with stress from economic instabilities resulting into low morale, lack of focus among employees (Ajayi & Udeh, 2024). In order to survive in this tough business environment, these barriers require strategic leadership and a supportive culture that promotes productivity (Patil et al., 2024).

1.2 Problem Statement

Leadership is a major factor affecting employee productivity. The leadership style employed within an organization can greatly influence employees' task performance, their motivation, and their overall job satisfaction (Paais & Pattiruhu, 2020). Furthermore, transformational leadership leads to increased productivity in such areas (Shafi et al., 2020). Although the evidence has strongly predicted that there is a direct relationship between transformational leadership and organizational performance (Fu et al., 2022) rather few studies have taken the initiative to investigate the direct effect of transformational leadership on employee performance in the banking sector ever since its inception in Pakistan. To a large extent most pre-existing literature will focus on general outcomes of leadership including innovation, motivation, and general success of the firm rather than how transformational leadership affects an average employee productivity in the area (Khan et al., 2020). In addition, considering the fact that this sector operates in Pakistan where the culture and regulations are different compared to the Western countries that most of these studies have been centered on that is not clear if the same leadership dynamics will result in the same productivity. This lacuna however indicates a need and justification for delving deeper into how leadership oriented on transformational leadership might be geared at enhancing the productivity of employees working in the banking sector of Pakistan, which is still sparsely addressed by adequate empirical literature.

However, only a few studies have examined employee motivation as a mediator in this relationship and context (Ismael et al., 2022; Sujatha, 2023). Prominently, motivation is a key element that induces behavior and performance of an employee (Ratnaningtyas et al., 2021). It provides a connection between leadership practices and its resultant productivity levels. Therefore, when workers are motivated, they will be more likely to be involved in their assignments by showing increased commitment level and executing their duties efficiently (Lozano-Jiménez et al., 2021). Nevertheless, the need to maintain high motivational levels is explicitly difficult considering Pakistan's banking sector which is regularly characterized by; high competition, rigid hierarchical structures and frequent

economic uncertainties (Khan et al., 2020). This brings about the question; How can transformational leadership effectively enhance employee productivity under such demanding circumstances and what role does motivation play in this process?

1.3 Research Objectives

The broader objective of this study is to identify the influence of transformational leadership on employee productivity and employee motivation. In addition, the impact of employee motivation on employee productivity and the mediating role of employee motivation between transformational leadership and employee productivity in the banking industry in Pakistan are also objectives of the current study.

1.4 Research Questions

RQ1. What is the impact of transformational leadership on employee productivity and employee motivation, and employee motivation on employee productivity?

RQ2. Does employee motivation mediate the relationship between transformational leadership and employee productivity?

1.5 Significance of the Study

Academically, it contributes to the literature on leadership and employee productivity with specific reference to the banking industry in Pakistan. Nonetheless, not much has been done regarding transformational leadership's effect on employee productivity within Pakistan's emerging markets' banking sectors (Aleem & Bowra, 2020). This study seeks to fill this gap by exploring how transformational leadership may impact productivity through the mediating effect of employee motivation that provides a deep understanding of these phenomena in an environment characterized by economic instability and cultural uniqueness.

The practical implication of the research is that it will help those in charge of leading banks in Pakistan. The study identifies factors that can increase the motivation and productivity levels of employees (Ali & Anwar, 2021), which implies that managers and leaders will find useful data in this document to improve an organisation's performance. In a highly competitive and challenging environment where regulatory pressures and economic instability are prevalent (Honig & Samuelsson, 2021), effective leadership is crucial for sustaining growth and competitiveness. This means that the management could use these findings to develop leadership training programs or come up with strategies on how they can have a motivated workforce who works hard (Khan et al., 2019).

Moreover, it is important to mention that the role of employee motivation in this relationship is very critical. However, it is still unclear how much this inspiration gets translated into increased productivity in Pakistan's banking sector (Khan et al., 2020). It is therefore essential to understand this connection so as to develop leadership strategies that can not only enhance productivity but also be consistent with the sustainability perspective in the long run. The purpose of the study is to investigate the effects of transformational leadership on employee productivity in Pakistan's banking sector through a focus on the mediating effect of employee motivation (Jufrizen & Hutasukhut, 2022). The research will offer useful insights into how leadership styles can be adjusted to meet cultural and economic differences unique to Pakistan, while providing guidance for enhancing employee productivity within a challenging and dynamic industry. By investigating this relationship, the study will contribute to knowledge about leadership and productivity in emerging economies that have significant influence on organizational outcomes through economic volatility and cultural forces.

1.6 Scope and Limitations of the Study

The area under scrutiny in this research only covers the relationship between transformational leadership and employee productivity within the banking sector of Pakistan, emphasizing on how employee motivation mediates it. The study will be carried out in some selected banks in Pakistan, both public and private ones to ensure that there is a

wide range of leadership styles and organizational environments. Quantitative research methods such as surveys will be used to measure the impact of transformational leadership on productivity while also assessing mediating influence of motivation.

Nevertheless, this investigation has some limitations which are good to take into account. To begin with, the research is confined to the banking sector in Pakistan, which implies that there may be a limitation on the use of the findings elsewhere or regularity over different geographical regions. The unusual cultural and economic setting of Pakistan can make these findings not applicable to other contexts (Aleem & Bowra, 2020). Next, this study uses subjective responses by employees and managers that could be distorted by social desirability or self-deception (Quinio & Lam, 2021). Moreover, since it is a cross-sectional study; it cannot establish any clear causal relationship between transformational leadership style and motivation as well as productivity. The insight into these relationships over time can be enhanced through carrying out longitudinal studies.

1.7 Structure of the Thesis

The thesis was structured in such a way that it provides comprehensive exploration of the research topic, and progresses logically from introduction to conclusion. Introduction chapter highlights an overview of the study which includes background, problem statements, research objectives and questions as well as significance, scope and limitations. Literature Review chapter examines the body of knowledge on transformational leadership, employee motivation and productivity in banks. This chapter outlines what gaps are to be filled by this study. Research Methodology chapter sheds light on research design, data collection techniques, sampling methods and analytical procedures used in this study. It also discusses issues relating to validity and reliability for the research instruments employed here. Findings and Analysis chapter presents the results of data analysis inclusive of statistical findings with their interpretation thereof. This chapter investigates how transformational leadership relates to motivation or productivity. Discussion chapter compares findings from other studies with the current one while looking at their implications for theory or practice. This chapter further looks into the limitations

involved in this study while pointing out areas for future researches or improvements thereof. Conclusion and Recommendations chapter summarizes the key findings of the study and provides practical recommendations for bank managers and policymakers to enhance leadership practices and employee productivity.

2 Literature Review

2.1 Theories of Leadership in the Banking Industry

Throughout the banking sector, due to the presence of special threats emanating from regulatory shifts, advancement of technology, and fluid markets, different leadership theories have been used to deal with the challenges of the sector (Belias & Koustelios, 2014; Murinde et al., 2022). One of those leadership styles that needs special attention is transformational leadership. This leadership promotes leaders who motivate their followers to be supportive, intellectually stimulating, and challenging to their employees, which makes employees put organizational goals above their self-interests and promote cohesiveness in the organization (Vij, 2022). With respect to the aforementioned demands in the sector, transformational leadership features advocate for creativity and innovativeness, which are important in addressing sectorial challenges (Bass & Riggio, 2006).

Transformational leaders are capable of establishing the strategy that captivates and encourages employees to complete the work successfully (Schiuma et al., 2022). This style has helped in increasing personal drive as well as cooperative productivity, which is vital for the business (Della Porta, 2023). In banks, where employees perform in confined, high-stress, high-demand, and high-compliance environments, this effect of motivation becomes more pronounced. Team transformational leaders increase the sense of purpose while providing team members' intellectual challenges in order to foster engagement and resilience so that organizations are able to cope with rules and regulations (Mishra et al., 2019).

Furthermore, it must be emphasized that this type of leadership style is beneficial in the banking sphere, as it promotes the ability to learn and adapt to circumstances at all times (Zeesahn et al., 2020). The leaders with such styles encourage their workers to innovate, adopt change, gain necessary competencies, and continue to develop with the industry.

Transformational leadership is said to help in the development of employees who are not just engaged but have high abilities to cope with changes in technology and processes, which are always present in this industry (Avolio & Bass, 2004). This mode of leadership does not only assist in handling present shifts. It empowers the organization to be proactive and well prepared for future shifts that may occur.

As well as encouraging flexibility, transformational leadership has also been associated with a higher level of employee satisfaction and performance, which is important in attaining the organization's goals in the long run (Hoque et al., 2021). In the banking sector, which can experience high employee attrition, transformational leaders are instrumental in helping retain talent through creating a culture that appreciates individual development and employee input (Nyakomitta, 2021). Such retention has direct benefits to the organization with respect to improvement in stability and consistency in the workforce, hence saving on recruitment and training expenses in the long run (Avolio & Bass, 2004). Transformational leadership also helps employees look inwards towards their work and personal growth, whereby such focus enriches employees' sense of accomplishment as well as motivation, which in turn enhances productivity.

Transformational leadership is effective; however, one can learn valuable lessons from other leadership theories that may complement the transformational leadership approach and its strengths. A situational approach to leadership where a transformative approach is blended with task-oriented strategies should be optimal in banking (Zeesahn et al., 2020). This combination of leadership styles makes it possible to focus both on the human aspects of the bank, such as motivation or involvement, as well as on operational priorities, such as meeting relevant regulations. Collectively, these approaches also create a performance-oriented and dynamic culture so that for banks, the swift changing nature of the industry is not an impediment but rather a challenge that they can overcome successfully (Nyakomitta, 2021).

2.2 Transformational Leadership

Transformational leadership is a style of leadership in which you can inspire and motivate your employees to go beyond their self-interests for the good of company goals (Shafi et al., 2020). This approach to leadership is based on creating an appealing vision, an intellectually stimulating environment, and responsiveness to individual needs (Bass & Riggio, 2006). Transformational leaders are change agents who always produce innovations by allowing workers follow the same thing together in terms of a mission and performance. They do this through being charismatic, showing personal consideration and providing inspirational motivation (Northouse, 2021). Transformative leadership has been found to positively affect several organizational outcomes. For instance, researches have shown that transformational leaders improve employee satisfaction as well as performance by fostering a motivating work climate that creates sense of belongingness and purpose (Davis, 2023). Through alignment of individual goals with organizational objectives, transformational leaders can responsibly encourage employees towards higher productivity levels and involvement.

2.2.1 Transformational Leadership and Employee Productivity

Employee productivity is widely influenced by transformational leadership through its influence on employee motivation and engagement (DeSilva, 2021). They create a vision of what tomorrow looks like and promote an innovative working environment with personal growth opportunities, thereby motivating their subordinates to achieve more as well as enhancing their commitment and enthusiasm towards work (Purwanto, 2020). This is done by establishing high goals, offering customized assistance and acknowledging the successes of employees. Transformational leadership has been shown in research to have a positive impact on employee motivation which is a vital determinant of productivity. For example, in a research Della Porta (2023) conclude that job satisfaction and performance of employees is significantly increased by transformational leadership exercised in the organization that leads to improved productivity of employees.

Moreover, transformational leadership raises employee productivity by inculcating a culture of constant improvement and learning (Jaroliya & Gyanchandani, 2022). By encouraging intellectual stimulation, transformational leaders lead employees to think creatively and look for fresh ideas to problems. This strategy of motivating employees helping them to develop strong problem-solving skills and develop them a proactive attitude towards work or role so that they will become more productive for the organization (Northouse, 2021). Transformative managers set the pace for high productivity and performance through establishing an environment where workers can freely share their ideas and take steps. Intellectual stimulation is prioritized as well as personal growth which enables skills and competencies among workers so as to influence their output levels (Patil et al., 2024).

In the banking industry, where pressures to reach targets and embrace advanced technology are high, this style is particularly applicable (Anwar et al., 2023). In conclusion, banks that practice transformational leadership have a higher ability of dealing with these challenges by creating a motivated workforce (Shafi et al., 2020). For instance, scholars in their study indicated that transformational leadership in bank institutions leads to improved employee performance and organizational outcomes through provision of support and dynamic work environment (Anwar et al., 2023). In such a competitive and rapidly changing sector, having highly productive employees is very crucial for maintaining operational efficiency and achieving strategic goals. Therefore, it is important to have transformational leadership so as to not only improve employee motivation but also enhance productivity within the banks as well as other sectors with similar problems. Hence, it is hypothesized as:

Hypothesis 1: There is a positive relationship between transformational leadership and employee productivity in banking sector (Anwar et al., 2023).

2.3 Employee Motivation

Employee motivation is an internal and external factor that sparks a person's passion to work on job tasks and follow organizational goals (Jufrizen & Hutasuhut, 2022). For high performance and productivity, motivation determines how involved and devoted employees are in their roles (Lozano-Jiménez et al., 2021). Some of the major theories of motivation include Maslow's Hierarchy of Needs which claims that people are motivated by various needs ranging from basic physiological requirements to self-actualization (Ihensekien & Joel, 2023) and Herzberg's Two-Factor Theory which differentiates between motivators such as achievement, recognition; and hygiene factors such as working conditions, salary. Motivation is key when it comes to transformational leadership since it acts as a mediator between leadership practices and employee performance. Transformational leaders enhance motivation through setting a vision that resonates with the values and aspirations of employees, offering personal development opportunities, giving rewards for accomplishments (Dhiman & Kumar, 2020). In turn, these lead to increased job satisfaction, commitment levels as well as enhanced performance (Bass & Riggio, 2006).

2.3.1 Transformational Leadership and Employee Motivation

Through encouraging and motivating employees to become more engaged in their work, transformational leadership would have a possible way of causing influence on employee motivation through the alignment of personal goals with organizational objectives (Kimeto & K'Aol, 2018). They are charismatic leaders who develop a vision for the future, create an intellectually-stimulating environment and offer one-on-one support to each member of their team (Bass & Riggio, 2006). When transformational leaders create clear and meaningful visions for the organization, it makes it easier for workers to identify how their job is connected to and can help achieve overall company mission (Northouse, 2021) thus enhancing intrinsic motivation. In so doing this, they not only align employees' commitment with their roles but also enriches their sense of purpose and involvement in their positions (Jufrizen & Hutasuhut, 2022).

The leader's ability to provide individualized thought and help intensifies the influence of transformative leadership on employee motivation (Shafi et al., 2020). Transformative leaders understand each worker's exceptional requirements and goals, and provide them with guidance, motivation, and opportunities for professional development (Bojovic & Jovanovic, 2020). Employees are more likely to engage fully in their tasks and contribute entire organizational objectives because they are highly motivated when given this kind of attention. Research has proved that an employee's perception of his or her leader as a support system actively involved in his/her growth results into higher motivation levels and job satisfaction (Paais & Pattiruhu, 2020). This increased motivation is associated with improved performance and commitment because employees participate actively, work harder thus leading to better organizational achievements.

Transformational leadership plays a very critical role in the banking sector, where maintaining customer relationships, achieving sales targets and operational efficiency require high levels of motivation. To stay motivated and focused in a demanding industry that is heavily regulated and faces tough competition, employees play an important role (Ali, 2020). By creating a vision aligned with employee values and providing the required support for individual and professional development, this can be achieved by transformational leaders within this field (Jufrizen & Hutasuhut, 2022). Della Porta (2023) shows that in high-performance demanding industries like banking, transformational leadership can enhance productivity and service quality through staff motivation. Therefore, maintaining a high level of performance in these challenging situations is only possible because transformative leaders may also be able to motivate their employees which is vital for an organization's success. Therefore, it is proposed that:

Hypothesis 2: Transformational leadership is positively supporting employee motivation in banking sector (Jufrizen & Hutasuhut, 2022; Della Porta, 2023).

2.3.2 Employee Motivation and Employee Productivity

For an organization to increase its productivity, it is vital that the employees of the organization are motivated. This results in higher performance and output because being active, committed and going above and beyond what is required of them become characteristics of a highly motivated workforce. There are two types of motivation recognized by self-determination theory that have a great influence on productivity as stated by Deci and Ryan (2012). In order for both intrinsic motivation, which is based on personal satisfaction or pleasure derived from performing a task and extrinsic motivation derived from rewards and recognition, lead to innovation (Hoque et al., 2021), they need to be supported by higher levels of productivity. Employees who work with enthusiasm are expected to apply themselves more assiduously, show inventive thinking and enhance their effectiveness in completing assignments when they possess high levels of desire for success.

Studies show that motivation and productivity are related. One specific area examined in many studies is job satisfaction which was linked to job performance (Babalola, 2016). Moreover, commitment to one's role as well as willingness to participate in organizational citizenship behaviors by employees are also influenced by motivation which may be viewed as discretionary efforts leading to the overall productivity of an organization (Akindipe & Fadun, 2023). Another reason why motivation is important relates to its influence on goal setting among workers such that they strive for higher levels of task accomplishment thus raising the overall organizational performance (Ali & Anwar, 2021).

Employee motivation has a big impact on productivity especially in the case of the banking sector. Banks operate in an extremely competitive and customer-centered world where efficiency and quality of service matter most (Anwar et al., 2023). The banks require motivated workers to have high service standards, meet their operational goals and satisfy the customers. Studies carried out within the banking industry indicate that motivated employees are likely to be more effective in performing their duties, dealing positively with clients and adding value to the organization (Paais & Pattiruhu, 2020).

Consequently, through recognition, rewards, opportunities for growth among others; they can create a motivating work setting that will increase employee productivity which will lead to better performance and competitive advantage in this field. Based on review of literature, it is hypothesized that:

Hypothesis 3: Employee motivation is positively affecting employee productivity in banking sector (Paais & Pattiruhu, 2020).

2.3.3 Employee Motivation as mediator

Employee motivation is very important to mediate between transformational leadership and employee productivity; it connects two things: effective leadership practices and better performance outcomes. Transformational leadership, which is aimed at inspiring and motivating employees, plays a key role in determining the level of motivation in organizations (Shafi et al., 2020). Through setting a compelling vision, providing individualized support and creating an environment of intellectual stimulation, such leaders can increase workers' intrinsic motivation levels. This increased motivation then results in increased effort, engagement, and thus higher productivity (Hoque et al., 2021).

It is supported by research that employee motivation acts as a mediating variable in the relationship between transformational leadership and productivity. For example, research has shown that transformational leaders who possess the ability to inspire and involve employees result into higher levels of motivation among their team members (Chua & Ayoko, 2021). This increased motivation then leads to better productivity since workers with intrinsic motivation are more likely to work hard, be persistent in the face of challenges and have high performance standards (Ali & Anwar, 2021). A dynamic and supportive workplace environment created by such leaders will encourage employees to make their personal goals align with organizational goals which will in turn boost their motivation and thus increase their productivity (Jaroliya & Gyanchandani, 2022).

In practice, motivation's role as a mediator is especially apparent in industries where the success of an organization depends on the performance of its workforce (Astuti et al., 2020) such as banking. In banks, transformational leaders can increase worker motivation by setting clear objectives, recognizing achievements and providing opportunities for development thus impacting productivity and customer satisfaction (Khan et al., 2020). Hence, employees who are motivated tend to exhibit high levels of achievement because they contribute towards organizational goals. For instance, Anwar et al. (2023) found that transformational leadership positively influenced both motivation and productivity illustrating how it affects performance through motivating employees. Consequently, organizations can enhance the benefits of transformational leadership through understanding and using employee motivation as a mechanism that leads to higher productivity rates. So, it is proposed that:

Hypothesis 4: Employee motivation is positively mediating the relationship between transformational leadership and employee productivity (Ali & Anwar, 2021; Jaroliya & Gyanchandani, 2022).

2.4 Employee Productivity

Employee productivity is a measure of how effectively employees perform their tasks in relation to the company's objectives (Ugoani, 2020). The output per employee, the quality of work and its efficiency in completing tasks are some of its indicators. Employee productivity has an impact on the profitability, operational efficiency and competitive advantage of a business and organization (Ali & Anwar, 2021). There are multiple factors that affect employee productivity such as; leadership style, motivation, work environment and organizational culture. Transformational leadership improves such features like; motivation which determines how productive workers can be. Encouraging employees to be motivated and feel valued will make them have a better contribution to higher outcomes for organizations (Della Porta, 2023). In addition, it helps to develop collaboration by creating a positive work environment that enables sharing of ideas and adequate resources for high productivity.

2.5 Theoretical Framework and Discussion on Hypotheses

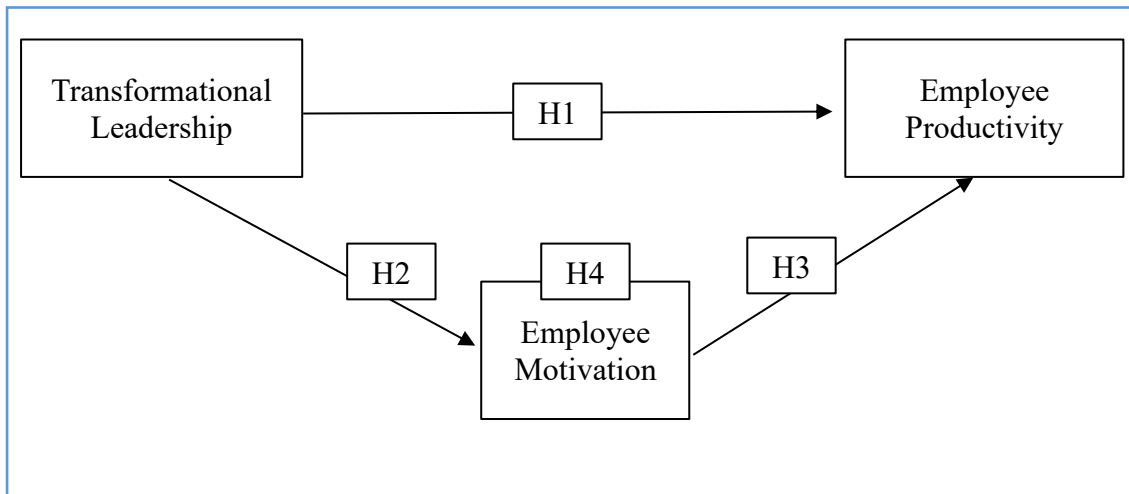


Figure 1. Theoretical framework (self-made)

The assumptions about this research are well grounded in the already existing leadership and motivation theories with recent practical evidence backing the claims.

Hypothesis 1 assumes that transformational leadership has a positive impact on the productivity of the employees in the banking industry. This hypothesis builds on the transformational leadership theory, which places emphasis on the role of leaders as being those who inspire and encourage their employees to achieve more than what is expected of them. Iqbal (2022), and Della Porta (2023) have also pointed out that transformational leaders cultivate circumstances for the high performance by embracing individual aspirations into organizational ones. Jaroliya and Gyanchandani (2022) leave no doubt about the positive effects of transformational leadership on employee productivity, resigning to it the negative consequences of stress and time limitations typical for banking. Finally, Anwar et al. (2023), and Patil et al. (2024) adds further proof to these claims scanning the followers of such leaders regarding their performance and overall efficacy within organizations.

It proposes in the hypothesis 2 a positive correlation between transformational leadership style and motivation among employees. In a way it found support by Self-Determination Theory which says that transformational leaders do satisfy employees instinctive psychological necessities of his Autonomy, Competence and Relatedness which in return heightens their motivation. According to Kimeto and K'Aol (2018), transformational leaders 'inspire employees to engage in their duties and commit themselves toward the organization by creating an environment which is favourable. Paais et al. (2020), agree with earlier studies, asserting that motivation is further improved when leaders articulate a vision, motivate and allow for self-improvement.

While hypothesis 3 explains how employee motivation bears a positive impact on employee productivity, this is reinforced by expectancy theory which states that active effort from employees would yield higher performance and productivity. Surveys done by Hoque et al. (2021) and Akindipe et al. (2023) state likewise that motivation improves productivity among employees' performance due to much focus and dedication. Such arguments are also shared by Anwar et al. (2022), and Ali et al. (2021) who state that motivation is a vital factor in enhancing employee performance in most industries including banking.

Despite their differences, the leaders employed by various organizations share some common leadership characteristics that propelled them to the level of the leaders of the company. In this regard, hypothesis H4 suggests that motivation acts as a mediator in the relationship between transformational leadership and productivity. This hypothesis is consistent with the Full Range Leadership Model that puts an emphasis over motivators for productivity primary productivity increases later on. Shafi et al. (2020), and Ali and Anwar (2021) further contend that their leadership styles tend to become more effective in terms of productivity improvement there is a high motivation among employees. Khan et al. (2020) further notes the mediating role of motivation in linking leadership to performance outcome. They advocated a great deal of intrinsic motivation to be developed in order to get the most out of transformational leadership.

3 Research Methodology

Chapter 3, in a more detailed manner, explains the research methods used to assess how transformational leadership influences employee productivity, bound by the mediating factor of employee motivation, specifically within the Pakistan banking industry. This chapter presents a comprehensive narrative of the research design which includes research philosophy, research approach and the techniques deployed for collecting as well as processing the data. Since leadership is complex and key in influencing employee outcomes, this chapter acts as an anchor so as to ensure that the research process is thorough, well-organized, and credible.

The research purpose of this paper is confirmatory and, therefore, it adopts a quantitative research design. It intends to seek empirical data that will capture the relationship that exists between transformational leadership and employee motivation and productivity. The data will be gathered by closed-ended questionnaires that will be given to the employees of the banking industry using non-probability convenience sampling with the assistance of personal contacts. A total of 100 respondents were recruited to ensure that the study has sufficient statistical sufficiency to draw valid conclusions. This quantitative approach was adopted because it has the ability to provide accurate assessment of the situation and make inferences from the sample to the whole population which is relevant in recognizing the leadership frameworks within the banking institutions of Pakistan. The selection of this particular research design guarantees that the work will be able to advance the existing body of knowledge and more importantly be of practical use to the practitioners in the field.

3.1 Contextual Description of Banking Industry in Pakistan

The banking sector holds a lot of weight in Pakistan's financial system and also plays an important role in the development and stability of the economy. For years, it has

changed significantly due to regulatory shifts, economic fluctuations and technology advancement (Prati et al., 2003). It is essential to understand the context within which the banking industry works for examination of leadership challenges and employee productivity among others (Bhattacharya et al., 2025). There are various phases through which Pakistani banking has evolved over history. After its independence in 1947, the banking sector was mainly controlled by government with 1974 bank nationalization being a defining moment (Shahbaz et al., 2019; Haneef & Mirakhor, 2006). With limited competition and innovation during this period as state ownership led to inefficiencies and bureaucratic inertia (SBP, 2016). However, these were just some of the steps that opened up liberalization into privatizations and deregulations efforts of the 1990s which leads to a new era of growth and modernization. These changes encouraged entry of private banks as well as foreign banks who contributed towards more competitive environments leading to enhanced service delivery (Tasheda & Mmmmm, 2019). The privatization of major banks, such as Habib Bank Limited (HBL) and United Bank Limited (UBL), was particularly instrumental in enhancing operational efficiency and financial performance (Awais, 2016).

Presently, the country's banking system is constituted by a mix of state-owned, private and foreign banks (Burki & Niazi, 2010). Major contenders are HBL, UBL, National Bank of Pakistan and Askari Bank. Meezan Bank, Allied bank, Bank Alfalah, Standard Chartered Bank, Bank AL Habib, MCB Bank, Sindh Bank and The Bank of Punjab and The Bank of Khyber control the market in terms of assets, deposits as well as branch networks. This industry is regulated by SBP which plays a key role in ensuring financial stability and international compliance with banking standards as well as encouraging sound banking practices (SBP, 2021). Despite this progress made there are several challenges that affect its performance and sustainability.

The first one is the problem of economic instability which is characterized by changing percentages of inflation, fluctuating currency exchange rates and unpredictable fiscal policies (Ali 2020). These factors create a volatile operating space that affects banks'

profitability and growth. Moreover, this sector has strict legal requirements such as; risk management rules, capital adequacy norms and anti-money laundering laws (Mian 2023). It is argued that although these measures are essential in maintaining financial system stability, they impose high costs on compliance as well as operational burdens for banks (Khan et al., 2020). The other important aspect that has shaped the banking industry in Pakistan is technology change (Aleem & Bowra, 2020). Digital banking services, mobile banking and fintech innovations have revolutionized bank operations and customer relations. Nonetheless, this digital transition also comes with its own challenges like continuous investing in new technologies cyber threats and the pressure to up-skill employees to manage emerging digital platforms (Nawaz et al., 2024). Such problems highlight the need for capable leaders who would be able to navigate through complicated situations of contemporary banking industry.

For the reason that in this context, leadership is imperative in guiding banks through these difficulties, while still keeping employees productive and maintaining the performance of an organization. What makes it especially appropriate is its focus on vision, motivation, and adaptability as necessary attributes for effective management of change and stimulating innovation in a very dynamic industry (Shafi et al., 2020). Better place to be would be among leaders who know how to inspire and engage their staffs to solve such problems within the industry with growth chances (Abdullah & Varatharajoo, 2017). Furthermore, leadership dynamics within the banking sector are influenced by Pakistan's cultural context which includes hierarchical structures and reverence of authority. Traditional but dynamic demands required by a competitive modern banking environment have to be balanced by leaders. This way is important since improved employee motivation and productivity which are key success drivers for the sector (Patil et al., 2024).

3.1 Research Philosophy

This particular research is built around positivism as the prevailing research philosophy. Positivism maintains that all knowledge must come from what is observable, and that the investigator must be detached and unbiased. This philosophy is in consonance with

the study seeking to analyze measurable parameters (transformational leadership, employee attitude, and performance in productivity) within a bank management situation, where measurable data is manipulated to confirm interaction of the variables. Creswell (2014) argues that this research believes in and supports theories which in most cases depend on hypothesis testing and or any statistical science.

A largely deductive approach is best served for this study as it supports the needs for the constructs that are to be determined objectively. Established scales used in the questionnaire can also be applied to measure the transformational leadership and its effects on employee motivation and productivity. There are particular reasons, however, for relying on quantitative data collection methods in this study such as structural testing of the stated relationships among these variables as well as seeking clear insights (Bryman, 2016). This study embraces the positivist philosophy so that its findings are based on data and not on cultural or personal views, which is one important aspect that can influence the understanding of leadership practices in the highly diversified banking sector.

The relevance of positivism in this specific situation is found in the characteristics of the re-search question. This study is looking for cause and effect relationship between variables mostly of numerical values such as leadership styles, motivation and productivity outputs. Since the technique of data Collection is through a closed ended questionnaire, the positivist philosophy enables destruction of patterns and trends that are useful across the Pakistani banking industry (Saunders et al., 2019). Additionally, the adoption of such sampling methods poses some drawbacks in terms of representativeness, but it is also a necessary evil because of the reality and time-boundedness that this study has to operate in. Considering the nature of the data This study employed and the techniques of analysis the positivist approach provided enough justification for the research design.

3.2 Research Approach

This study employs a deductive research design. In deduction, researchers formulate hypotheses that are general and then proceed to subject them to empirical testing (Bryman, 2016). This is given the research aim – To investigate the relationship between transformation leadership and employee productivity, while focusing on the employee motivation as a moderating variable - The deductive method seems valid. Such manner of proceeding enables the author to apply theoretical models of leadership, motivation, and productivity in the banking industry of Pakistan.

As such, the reason for using the deductive approach in this work is determined by the problem of the research. Numerous studies have been undertaken across various countries in different parts of the world dealing with the influence of transformational leadership on different employee outcomes and many theories have been developed explaining these relationships (Bass, 1985; Burns, 1978). However, there has been very few if any empirical studies conducted in the specific subsection of Pakistan's banking industry. Using the deductive approach, this research makes use of propositions that have already been developed in the study of leadership and motivation, and based on these, develops research hypotheses and provides measures to test the same in the sector. This is indeed appropriate in the development of new theories that apply to specific areas and industries that are new to the particular theory, like in this case.

3.3 Research Design

This research employs a quantitative research design, defined as the collection and analysis of numeric data in order to reveal themes, interconnections, or relationships between the variables under consideration. The main variables which are under the investigation are transformational leadership, employee motivation, and employee productivity, all of which can be adequately measured using set scales and closed-ended questions. This particular approach is favourable for the present study because it enables the objective measuring of these variables and leads to some degree of statistical robustness

which is necessary for testing hypotheses (Creswell, 2014). Similarly, it also makes it possible to apply the results to a wider context, here – the Pakistan banking industry.

In terms of the temporal arrangement, the study employs cross-sectional design, which involves collection of data at one time. Cross sectional design is especially useful in research that aims to provide a snap shot of some aspect of the phenomena of interest at a specific period, which in this case is leadership behavior and employee productivity (Sekaran & Bougie, 2016). In this research, the population under study shall be eye bank employees, who shall be sampled over time in order to assess the present existence of transformational leadership and its role in employee productivity through motivation.

There are several reasons why a cross-sectional design is selected instead of a longitudinal design. First, the scope and the objectives of the study do not allow for such a design in collecting data over time as it should be done in longitudinal studies. Second, the objective is to investigate the relationships among the variables at one point in time rather than observe variation or growth over time. In addition, the cross-sectional research design is effective in resolving the research questions and to test the proposed hypotheses without needing the long-term data collection, which is very characteristic of the convenience sampling method, which relies on social networks to gather data.

Furthermore, there are practical considerations in the choice of a cross-sectional design whereby the aim of the study is to provide practical solutions to the problem in a relatively short period. Given that data will be collected through a self-administrated instrument with closed ended items and that the aim is to uncover relationships and report such relationships, statistically a cross-sectional design permits a rapid collection of data and analysis followed by a quick dissemination of the results (Bryman, 2016). The design chosen is therefore appropriate in meeting the objectives of the research and the nature of the study.

3.4 Research Strategy

The chosen methodology for this study is survey. Survey strategy is effective where the intent is to collect structured quantitative data from a large population sample particularly for the purpose of testing hypotheses and exploring relationships among constructs like transformational leadership, employee motivation, and employee productivity (Saunders et al., 2019). With this kind of questionnaire, there is a uniform way of collecting information that makes it easier to manage the various responses that arise. This is consistent with the aforementioned self-explanatory approach where the formulated theory is verified through facts.

The survey strategy chosen in Pakistan's banking sector is based on the sector's size and the easiness to access the respondents. Most of the employee productivity and leadership studies have indicated that the survey strategy is convenient in collecting information from a wide population and hence the results are representative and generalizable (Creswell, 2014). Moreover, it is common knowledge that survey's experimental methodology is most applicable in the examination of people's perceptions, their attitudes, their emotions, and so forth. The reasons make it possible to find out how transformational leadership affects the motivation and the productivity of the bank employees. The survey method is also highly controlled which allows for a certain degree of statistical analysis which is needed to find out the relationships between the variables in the study.

3.5 Population and Sampling

3.5.1 Target Population

The target population of this study is comprised of employees from the banking sector of Pakistan. It consists of persons occupying a variety of positions: junior employees through to the senior management of different departments within the banks. The Pakistan banking industry is inefficient, inflexible, and lacks motivated employees; thus, it

provides a unique opportunity to study transformational leadership (Avolio et al., 2009) in practice. Considering the specific focus on employees of the banks makes it possible to obtain the opinions of those members of personnel that are important for the performance of the industry and are affected by the management style.

3.5.2 Sampling Technique

The study utilizes convenience sampling which is a non-probability sampling method in which subjects are selected because of their convenient accessibility and proximity to the researcher (Etikan et al., 2016). This method is quite helpful and reasonable in situations when there are time and resource constraints. Since primary data will be gained from the author's contacts, with some of the author's brothers and relatives working in the banks and serving as access gate to the respondents, convenience sampling is justified. It is recognized that convenience sampling cannot be regarded as generalisation and random sampling of the population but it is ideal for such studies which are exploratory in nature where the relationships between the variables are the key considerations as opposed to whether the estimates hold true for the entire population or not (Bryman, 2016).

3.5.3 Sample Size

The target population in this study has been determined accordingly for practical reasons such as ease of getting the respondents and the nature of the study at hand. In scenario quantitative researches, it is worth noting that a sample size in the range of 100 is often necessary and acceptable in doing issues such as various correlations and regression analysis of multiple variables (Hair et al., 2010). Thus, in this case, the sample size is enough to provide sufficient statistical power in establishing meaningful links between transformational leadership, motivation of employees, and their productivity levels.

Also, it is useful point to make that other studies seeking to establish the interlinkage between leadership and employees' productivity in similar studies have also managed

to use approximately the same sample sizes hence establishing some basis for this study (Bass, 1985). The sample of 100 employees will also ensure that the scope of the study covers employees of different banks to allow for comprehensive understanding of the phenomena understudied. Even if the use of convenience sampling has certain limitation with regards to the overall external validity of the findings of this research, the sample size is still reasonably enough for the purpose of testing the proposed hypothesis in this particular study.

3.6 Data Collection Method

For the research, data was gathered through Google forms, thus making it easier and quick to target a larger population of bank employees in Pakistan. This tool included a well-oriented closed-ended questionnaire which was focused on obtaining numeric data with regards to transformational leadership, employee motivation and productivity. Flexibility was the main reason for choosing Google Forms, supplemented by the convenience it gave respondents as they could conduct the surveys from different devices at any appropriate time.

The link of the survey was shared with the intended respondents via WhatsApp, emails, and professional sites such as LinkedIn in a bid to get a larger audience within the banking industry. The questionnaire was sent to slightly over 150 employees but only 100 employees completed the questionnaire. To enhance the response rate, assurance was given that a follow-up would be done on those who had not responded after a certain timeframe elapsed. Completion of many forms or associated portions of them as well as the analytic features of Google Forms itself was useful for real-time monitoring of responses.

To handle the missing information, the form was designed in such a way that it automatically made some relevant questions mandatory so that the chances of not completing the data submission was minimum. Still some respondents left answers incompletely. Seeking to increase completeness of responses, they were accounted for, and in the end

of the process any response that did not include the basic answers was dropped from the dataset as a measure to maintain the quality of the data. This strategy made it practicable to use only completed surveys for analysis, which protected the integrity and quality of the outputs.

3.6.1 Primary Data Collection

For the primary data collection, a survey method was utilized. It is worth mentioning that surveys are most appropriate in this case, as they enable the collection of data that can be quantified, which serves the purpose of testing the hypotheses or establishing patterns (Saunders et al., 2019). In this particular research, as previously mentioned, an online survey was utilized with a close-ended questionnaire. Employing closed-ended questions is in line with the deductive approach of the research; as it allows one to quantify variables—transformational leadership, employee motivation, and employee productivity—and perform statistical procedures (Bryman, 2016). The questionnaire was administered to employees of different banks with the collection of the data aided by author's relatives connected to the banking industry. Respondents were drawn using convenience sampling, with a total of 100 questionnaires returned from a large size of banking staff that was targeted in this study.

3.6.2 Instrument Design

The questionnaire developed addressed the main concepts examined: transformational leadership, employees' motivation, and employee productivity. The individual components of the questionnaire were developed to consist of multiple items measuring various aspects of the constructs. For example, the transformational leadership approach used 20 items taken from the Multidimensional Leader Questionnaire (MLQ) designed by Podsakoff et al. (1996) which measures aspects such as charisma, intellectual stimulation, and individualized consideration of followers. In the same vein, employee motivation's six item scale adopted from Shahzadi et al. (2014), and productivity was assessed using standard scale from Chen and Tjosvold (2008) that has been tested in previous

studies (detailed questionnaire is given in the appendix 1). Following table has summarized the number of items used in each construct and sources from where they are adopted.

Variable	No of items	Source
Transformational Leadership	20	Podsakoff et al. (1996)
Employee motivation	60	(Shahzadi et al., 2014)
Employee productivity	5	(Chen & Tjosvold, 2008)

Source. (Self-made)

3.6.3 Pilot Testing

The pilot study for the current study was conducted in a circumspect manner in order to assess the precision of the tool with a total of thirty bank workers from four major cities of Pakistan, namely, Islamabad, Rawalpindi, Peshawar, and Lahore. The wide-ranged sample also made it possible for the study to receive a broader perspective of different ways the questionnaire may be understood and interpreted, making it clear and relevant to various target audiences. The respondents not only filled in the questionnaire but also scored it and expressed their views on its construct, enabling the researchers to recognize and rectify problems of clarity, cultural context, and the form of the questions.

Subsequent to collecting this feedback, the questionnaire was evaluated for reliability using Cronbach's alpha, which is a commonly used statistical technique to measure the internal consistency of a scale, and an alpha coefficient of 0.7 or 70% is the preferred target (Hair et al., 2019). It was useful to determine whether the constructs that were supposed to be measured were indeed measured and that the survey instrument was consistent in its intention of achieving the objectives of the study. The reliability tests also pointed out the areas where certain questions could be improved or deleted as they were repetitive. This made the overall quality of the survey better and its focus sharper.

As a result of qualitative and quantitative evidence, several revisions were made to enhance question construction, remove ambiguities, and simplify the order in which questions are asked. This approach made sure that the instrument is relevant to the banking sector in Pakistan, strengthening it for the main study. Such aimed at ensuring the instrument was properly tested, and so the study enhanced the precision and reliability of the questions and thus enabled informed data collection in the entire study.

3.6.4 Data Collection Procedure

To enhance consistency and reduce bias, this study employed a systematic data collection procedure. The surveys were handed out by the author's brothers and relatives who are employed in different banks within Pakistan. This strategy was adopted because of the practical benefits of direct distribution like enhanced response rates or the clarification of issues that the respondents may have (Dillman et al., 2014). This phase in the distribution of surveys lasted for two weeks. During this time, the participants were adequately informed about the objectives of the research and how to fill in the questionnaire.

I assured the respondents that the information with their names would be kept confidential and that their privacy would be respected. Such attentiveness has proven effective in increasing the response rates and obtaining candid responses from the survey (Cre-swell, 2014). When surveys were finished, these intermediaries reunited the material back to the author for further analysis. Utilising a convenience sampling strategy, conscious efforts were made towards including respondents of varying roles and departments within the banks so that the sample would be more representative.

3.7 Data Analysis Techniques

The data analysis techniques employed in this study are such that quantitative data collected from the bank employees is made to follow a systematic approach in order to answer the objectives of the study. Considering the purpose of this study is to analyse

the effect of transformational leadership on employee's productivity, where employee's motivation is the mediating factor, it employs reliability, descriptive analysis, inferential analysis, and mediation analysis.

3.7.1 Descriptive Analysis

The first level of analysis of any data consists of descriptive analysis which helps to present, retrieve and understand the basic aspects of the collected data. In this regard, statistical tools such as dispersion and distribution measures were employed to clarify the demographic profile of the respondents (age, gender, experience) and their different responses to transformational leadership, employee motivation, and workplace productivity (Field, 2013). This particular approach provides information concerning the skewness and the spread of the distribution and highlights important patterns and features so that further statistical analysis is concentrated on relevant parts of the data. The outcomes of this particular stage of analysis deserve consideration as they help to create the primary picture of the data and the general patterns of responses among the banking sector employees within Pakistan.

3.7.2 Inferential Analysis

After the descriptive analysis, an attempt of hypothesis testing was made as part of the inferential analysis which comprises this study. In general, inferential statistics allow concluding about the population based on the results obtained. In the current study, relationship interplay between transformational leadership as an independent variable and employee productivity as an outcome variable was examined through the regression modelling; employee motivation was treated as the mediating variable (Hair et al., 2019). Regression analysis makes it easier to determine with regards to the research questions, the strength and the direction of the relationships between these variables as well. Moreover, correlation analysis was conducted to understand the relationship between transformational leadership, employee motivation and employee productivity. Those

tests are important for proving the theoretical concept of the study as they show whether there is a significant relationship among variables tested.

3.7.3 Mediation Analysis

The main objective of this study is to assess the role of employee motivation working as a mediator between transformational leadership and employee productivity. For this purpose, Baron and Kenny's (1986) mediation analysis, which is a series of regression analyses to look into the indirect effect of the mediator on the dependent variable, was utilized. In addition, Hayes' PROCESS macro performed bootstrapping that served as mediation in a more sophisticated way as it was able to evaluate the indirect effects by utilizing resampling procedures (Hayes, 2017). The findings of this mediation analysis are important as they provide evidence on the mediating role that employee motivation plays in the two variables of transformational leadership and employee productivity in the context of the banking sector.

3.8 Ethical Considerations

Regardless of the different forms that scientific investigation may take, and bearing in mind that it is human beings as subjects that are central to this study, ethical issues must be considered and addressed. In the course of this particular study, the author practiced adherence to ethical issues so that the data collection and analysis process did not or rather respect the rights and well-being of the participants. During the research itself, in order to guarantee the respect of the participants' privacy, confidentiality and anonymity were assured normally to the respondents, even before the participant and their information and answering had been utilized (Saunders et al., 2019). This was important in minimizing response biases from the respondents.

Each participant's active informed consent was obtained as well as subject information for the study. This form detailed their participation on a voluntary basis amongst others, their ability to withdraw at any time unless they wished, and the confidentiality of the

study. During data collection, the authors ensured that the basic principles of informed consent were observed. This implies that the participants were adequately informed about the study and were free from any form of pressure to participate (Bryman, 2016). Last but not least, the research complied with the ethical principles established by the advisory board such as the institutional review boards (IRBs) as well as any legal implications that address the rights of individuals in research. These ethical measures helped to safeguard the conduct of the research process as well as the outcomes of the research undertaken.

4 Data Analysis and Results

4.1 Introduction to Data Analysis

This chapter presents the data analysis and findings derived from the responses of bank employees in Pakistan regarding transformational leadership, employee motivation, and employee productivity. The objective is to analyse and interpret the data to address the research questions and hypotheses formulated in earlier chapters. A quantitative methodological design was utilized, starting with demographics, reliability and descriptive statistics to present the demographic variables, reliability of instrument and the responses and then moving to inferential and mediation analysis of studied variables (Field, 2013).

This analysis is fundamental to first understand relationships between the basic characteristics of research participants and their responses to the research questions, through the application of descriptive analysis to demographic data and employee motivation statistics. The relationship between transformational leadership and productivity, transformational leadership and employee motivation, employee motivation and employee productivity, with motivation as a mediator, is examined next, employing correlation and regression techniques (Hair et al., 2019). The analysis therefore tests the proposed and seeks to support the theoretical framework by showing statistical significance and strength of such relationships. Lastly, mediation analysis helps to consider the productivity of transformational leadership through motivation, which helps to show some pathways connecting these variables (Hayes, 2017). The author also present main conclusions of the chapter and thus provide grounds for a discourse in the next chapter.

4.2 Demographic Analysis

To better characterize certain characteristics of a population, it needs to be described by sociological and economic factors such as gender, age, education, the amount of earnings, experience and job position. This kind of analysis is important as it places the data

in proper perspective by understanding the population sample and their diversification and distribution (Creswell & Creswell, 2017). In this regard, demographic information was gathered from employees in the banking sector in Pakistan with the objective of understanding their backgrounds, which is important in know-how these characteristics may influence the perception of transformational leadership, motivation and productivity.

Table 1. Demographic analysis of sample.

Respondents Gender		
	Frequency	Percent
Male	59	59.0
Female	41	41.0
Total	100	100.0
Age Group		
18 - 25 Years	26	26.0
26 – 34 Years	43	43.0
35 – 42 Years	17	17.0
43 – 50 Years	12	12.0
Above 50 Years	2	2.0
Total	100	100.0
Highest Qualification		
Intermediate	2	2.0
Bachelors	29	29.0
Masters	56	56.0
M.Phil.	10	10.0
Ph.D.	3	3.0
Total	100	100.0
Income Per Month		
Below 60K	13	13.0
60-75K	27	27.0
76-90K	31	31.0
91-105K	18	18.0
Above 105K	11	11.0
Total	100	100.0
Highest Work Experience		
< 3 Years	21	21.0
3 to 5 Years	34	34.0
6 to 7 Years	27	27.0
8 to 10 Years	12	12.0

> 10 Years	6	6.0
Total	100	100.0
Current Job Position		
Junior Level	17	17.0
Mid-Level	48	48.0
Senior Level	30	30.0
Top Management	5	5.0
Total	100	100.0

Of the 100 respondents, 59 percent were male and 41 percent were female, exhibiting a strong male gender penetration dominance which is a stark contrast imbalance. It's likely this distribution is also reflective of the gender ratio in Pakistan's banking industry where men tend to outnumber women due to culture and trends within that sector (Javed et al., 2018).

There was a pronounced concentration of respondents who belonged to an age group of 18 to 50 years. According to the findings, the largest share of respondents, 43%, were in the age band of 26-34 years and the next largest percentage was 26% who were in the 18-25 age bracket. This indicates that the workforce in Pakistan's banking industry is relatively young probably because this industry tends to lure people in the early stages of their career. The low proportion of respondents exceeding the age of 50, comfortably sitting at just 2%, perhaps speaks towards an absence of a considerable number of senior employees in this industry as younger individuals dominate the industry due to policies regarding retirement or turnover ratios (Omar et al., 2012).

Educational levels were also high with majority having a Master's degree (56%) what is more important followed by Bachelor's (29%). The education level is surely related to the nature of employment in the banking institutions, as such jobs require deep knowledge and proper analysis. All were a doctoral or a higher degree, M. Phil was 10% suggesting that advanced education may not be widespread among the work-force but exists in the upper or advanced levels, or research bases (Mahmood et al., 2014).

The majority (31%) of respondents earn a monthly salary range of PKR 76,000 to 90,000 per month, while 27% earns a range of between 60,000 to 75,000 monthly. This provides knowledge on economic placement of workers working in the banking industry where salary is average or above average compared to national level in Pakistan due to the highly rated nature of banking jobs (Bhatti et al., 2023).

Respondents had differing domains of work experience with the majority, 34% having about 3 to 5 years while 27% had some experience between 6 to 7 years. This portrays an average year of experience which is expected of a dynamic yet progressive sector in terms of employee positions. Only 6% were significantly higher than 10 years which was in tandem with the age graph which resulted in a low number of older participants taking part in this study (Rasheed et al., 2024).

The majority of respondents, 48%, occupy middle level positions, with a senior share of 30%. This composition highlights that middle management is the most popular source of occupation within banking, since only 5% of respondents occupied senior management. Again, as noted above, this sort of stratification may be expected in sectors such as the banking industry, which possess strict vertical slugger, single pathway, career advancement with less direct lateral movement (Anwar et al., 2023).

4.3 Reliability Analysis

Reliability analysis deals with the constancy of results obtained from a measurement instrument on multiple occasions or its replicability (Tavakol & Dennick, 2011). One widely used measure of reliability for this purpose is Cronbach's alpha (α), which ranges from 0 to 1. Advocates of this coefficient believe that, the threshold value for a satisfactory Cronbach's alpha should approximately be around 0.70, stating that, the items in a scale category are egoistically connected (Nunnally & Bernstein, 1994).

Table 2. Reliability analysis of scale.

Variable	No of items	Alpha Value
Transformational Leadership	20	0.875
Employee Motivation	6	.0.837
Employee Productivity	5	0.873

The scale that was used to measure transformational leadership has 20 items and a Cronbach's alpha value of 0.875. This high alpha value corresponds with strong internal consistency in the items so that the questions have a good bearing on transformational leadership. This consistency is important since transformational leadership is a complex construct including idealized influence, intellectual stimulation and individualized consideration (Bass & Avolio, 1995). A trustworthy measure guarantees that these dimensions are not undermined in the responses given.

A reliability score of 0.837 was given to the employee motivation scale which consists of six items. This result, in turn, shows that a fairly high level of the respondents' reliability is determined which testifies to the fact that the items capture different aspects of motivation of the employees' perspective. Motivational measures that are valid are highly needed since motivation is an antecedent of job satisfaction and performance (Ryan & Deci, 2000). An adequate measurement and its subsequent use in this study as a mediating variable gives assurance in dealing with such issues.

The same level of consistency was also recorded in the employee productivity scale where a Cronbach's alpha of 0.873 was registered on five items. The significance level of this consistency lies in the fact that productivity is expected to be measured reliably. High reliability in this instance means that the items are capable of yielding a consistent measure of productivity which is important for the analysis which is likely to be set up in determining the role of transformational leadership in employee performance (Hackman & Oldham, 1976).

4.4 Descriptive Statistics

As Tabachnick et al. (2013) elaborate, the data is further understood with the help of descriptive statistics, providing a detailed summary including mean, standard deviation, skewness and kurtosis. These statistics are sufficient to get a brief idea about how the respondents view transformational leadership, motivation and productivity in the banking sector in Pakistan. More specifically, there is a focus on the mean which is viewed as the average level of a response and standard deviation as the amount of the change. The data distribution is also described these days by significant indicators which are skewness and type which assist in understanding the role of employee perceptions through the concept of normalcy where the central tendencies are the focus (Field, 2013).

Table 3. Descriptive Statistics

Descriptive Statistics					
	N	Mean	Std. Deviation	Skewness	Kurtosis
	Statistic	Statistic	Statistic	Statistic	Statistic
TL	100	4.0325	.49835	-.324	-.487
EM	100	4.1000	.67253	-.342	-.959
EP	100	4.0120	.78821	-.512	-.825

Transformational Leadership (TL) with the assistance of a mean score of 4.0325 shows that majority of employees in the organization are likely to score leadership practices, slightly below the maximum possible on the scale. From the sample analysed, the results showed a standard deviation of 0.49835 and so it is noted that the replies are relatively close to the mean representing a high agreement amongst employees. Thirdly, a skewness of -0.324 and a kurtosis of -0.487 implies a minor degree of left skewness as well as a relatively low degree of steepness of the curve. This indicates that transformational leadership is generally liked, but there may be a few low scores due to low frequency, meaning that employees are indeed confident in the leadership effectiveness (Gravetter & Wallnau, 2016).

For Employee Motivation (EM), the mean score is 4.1000, the highest among the other recorded variables, showing that there are a lot of motivated employees. The moderate standard deviation of 0.67253 shows that although most of the respondents experience a high level of motivation, there is room for some quirk. The data distribution is ascertained to have a negative skewness indicating that more responses tend towards the higher end of the motivation scale where the mean is - 0.342 (and kurtosis - 0.959). This positively skewed distribution suggests that there is a closer fit among employee motivation as well as the leadership environment as far as the banking sector is concerned (Klein, 2023).

In Employee Productivity (EP), a mean of 4.0120 is recorded portraying that transformational leadership under which the respondents view themselves as generally productive. A higher standard deviation of 0.78821 depicts more variance as compared to other variables meaning employee productivity perception tends to be more widely dispersed. The negative skewness - 0.512 coupled with negative kurtosis -0.825 also implies that the data is higher concentration toward the left-tailed with flatter distributions. This adheres to the facts that while high productivity perceptions are the norm, there is a wide variation in productivity perception between employees (George & Mallery, 2019).

4.5 Correlation Analysis

Correlation analysis is a technique in statistics that is used to assess the degree of closeness, as well as the strength of the linear relationship, between two variables (Cohen, 2013). Provides a strong understanding of the relationships between the most important variables allowing to gain the picture of the relationships and whether they move together and in which manner. The results of the performed correlation analysis can be expressed in the correlation coefficient, which value is reported as “r” and normally ranges between -1 and +1. If the coefficients measure is positive, it suggests a direct relationship that when one of the variables increases the other one also increases while a negative coefficient implies a reverse relation (Field, 2013). This study looked at the relationships between Transformational Leadership (TL), Employee Motivation (EM) and

Employee Productivity (EP), in which the Pearson's correlation coefficient is applied to this analysis as appropriate for the methods applicable to interval level data.

Table 4. Correlation Analysis

Correlations				
		TL	EM	EP
Transformational Leadership (TL)	Pearson Correlation	1	.790**	.766**
Employee Motivation (EM)		.790**	1	.799**
Employee Productivity (EP)		.766**	.799**	1
**. Correlation is significant at the 0.01 level (2-tailed).				

Cohen (2013) reports the correlation between Transformational Leadership (TL) and Employee Motivation (EM) as $r = 0.790$, which is a strong positive association. This finding ($p < 0.01$) means that when transformational leaders set the goals and link those goals to the vision of the company and other relevant channels, employees elevate their productivity. This relationship level underlines that leadership approach probably matters in stimulating productive engagement among employees, and such findings have related transformational leadership style with enhancement of positive aspects in employees including engagement and commitment (Bass & Riggio, 2006).

Likewise, the correlation between Transformational Leadership (TL) and Employee Productivity (EP) is also significant with the correlation strength factor percentage at $r = 0.766$ ($p < 0.01$). This significant finding correlates positively meaning that there exists a strong effect of transformational leadership on productivity on the premise that as transformational deeds are improved greater probability exists that employees will be productive. This finding confirms the findings of earlier studies where transformational leadership was found to be positively related with employee performance and higher productivity since these leaders motivate and energize normal people to accomplish vision and set goals (Podsakoff et al., 1996).

A strong connection between the employee motivation (EM) and the employee productivity (EP) has been determined where the correlation coefficient $r = 0.799$ ($p < 0.01$). This high association implies that the more motivated the people are, the more productive they are. This fits with motivational theory which maintains that employees who are motivated are able to concentrate more and be productive since they are actively involved in their work (Ryan & Deci, 2000). The essence of this relationship highlights the role of motivation as an intervening variable between the practices of the leaders and the productivity outcomes.

In conclusion, all correlations are statistically significant and in the positive direction which indicates that transformational leadership, employee motivation and productivity are closely related. The results provide evidences in support of the need for transformational leadership as a vital factor aimed at raising motivation and productivity levels among employees, particularly amongst the Pakistani banking industry, where leadership can enhance the performance of the work force.

4.6 Hypothesis Testing (Regression Analysis)

The goal of regression analysis which is defined as a statistical tool in predicting or explaining the variation on the dependent variable due to the variation on the independent variable (Field, 2013) is achievable in most cases. It examines how many independent variables explain or predict the outcome of a single dependent variable or how many dependent variables one or more independent variables can predict or explain the outcome (Tabachnick & Fidell, 2007). Within TL, there exists an independent variable while EP subsists as a dependent variable in which the focus is on the impact of transformational leadership on employee productivity in the banking industry in Pakistan.

4.6.1 Direct Effect of Transformational Leadership on Employee Productivity

Table 5. Testing Hypothesis 1

Hypothesis	IV	DV	R	R ²	F	Sig	Beta	T	Action
H1	TL	EP	0.766	0.587	139.22	0.000	0.766	11.78	Accepted

The correlation between TL and EP is exhibited by regression analysis with an R value equal to 0.766. This R-value shows that there is correlation between transformational leadership practices and employee productivity. In addition, the R-squared (R²) value of 0.587 explains that about 58.7% of variance in employee productivity can be predicted by transformational leadership thereby indicating clear cause and effect relationship. (Cohen, 2013).

As the F-statistic is 139.22 and the significance is 0.000, we conclude that the overall regression model is statistically significant. For a significance level (p-value) of less than and equal to 0.05, the outcomes can be regarded as not simply random and therefore, the model can be confirmed as able to predict employee productivity given the transcendental leadership practices. In addition, the beta coefficient (β) is 0.766, which suggests that each unit increase in transformational leadership causes an increase in employee productivity of about 0.766 units. A T-value of 11.78 more substantiates that this association has a statistical significance and hence H1 is accepted, establishing a positive association between TL and EP.

Given the positive outcomes, they are consistent with the literature available in this subject. In this instance, the findings of DeSilva (2021) and Purwanto (2020) posit that transformational leadership has a beneficial impact on productivity among employees especially in organizations that demand vigorous motivation and commitment. There is however a difference in the level of intrinsic motivation of employees where Della Porta (2023) and Northouse (2021) explain that transformational leaders are effective in im-

proving the intrinsic motivation of employees, thus having better performance outcomes. Also, more recent work of Patil et al. (2024) as well as Anwar et al. (2023) emphasize that transformational leadership improves the work environment through instilling a degree of work orientation towards organizational objectives within employees. Jaroliya and Gyanchandani (2022) and Shafi et al. (2020) are also able to demonstrate such effect, which comes to strengthen H1.

To conclude, the dominant outcomes of the present study provide evidence to support H1 with respect to transformational leadership style and that this style of leadership affects the productivity of employees in a positive manner. The findings backed by the literature reviewed suggest that the banking institutions in Pakistan can promote transformational leadership in order to positively influence employee productivity.

4.6.2 Direct Effect of Transformational Leadership on Employee Motivation

Table 6. Testing Hypothesis 2

Hypothesis	IV	DV	R	R ²	F	Sig	Beta	T	Action
H2	TL	EM	0.790	0.624	162.93	0.000	0.790	12.74	Accepted

The direct effect of Transformational Leadership (TL) on Employee Motivation (EM) was analysed under Hypothesis 2 (H2) which was posed to be true. TL is positively correlated to EM within the banking sector. The analysis produced R-value of 0.790 which depicts a nearly strong relationship between TL and EM. This shows that transformational leadership practices have a close bearing towards employee motivation. This infers with the basis conceptualized of transformational leadership where an emphasis is put on inspiring and motivating employees towards improved performance (Northouse, 2021).

Also, it can be further noted that TL as an independent variable accounts for 62.4 percent of the variance in employee motivation as indicated by the R-squared (R²) value of 0.624. This proportion is significant, implying that transformational leadership plays a key role

in motivating employees within the context under investigation. This finding corroborates the findings of Kimeto and K'Aol (2018) who also identified TL as a potential influencer of each employee's motivation within the organization, arguing that the active transformational leaders ingrain inspiring practices in work environments and motivate employees to better engage in work.

The F-statistic of 162.93 at significance of 0.000 indicates that the model is significant and that the relationship could be confidently said not to be due to chance alone. This is in consonance with the findings of Shafi et al. (2020) who showed how transformational leadership positively affects the motivation of employees by stating employees with visionary leaders who encourage them to think out of the box and are individually considerate can be more motivated. In this research, the researcher Zobrist- Wilke and Matutina's (2014) study where they cite a beta coefficient (β) of 0.790 states it as a reasonable positive effect where one unit increase in transformational leadership is expected to increase employee motivation unit by an approximate 0.790. The T-value of 12.74 also comes in support of the claims made in H2 where a significant effect is seen.

These conclusions are also supported by several other research studies. For instance, Bojovic and Jovanovic (2020), and Paais and Pattiruhu (2020) established that motivation in an organizational setting may be enhanced through transformational leadership style particularly in areas where other stakeholders' involvement is important for the performance of an organization. Similarly, Ali (2020), and Jufrizen and Hutasuhut (2022) explain thanks to transformational leadership, such leaders are able to encourage employees to have sense of purpose and direction which in turn results in greater motivation and better performance at work. Della Porta (2023), who in addition, explains how transformational leadership may prove effective in addressing such questions in other cultures, including the banking institutions of Pakistan, also supports these claims.

Lastly, there is a broader consensus across the studies in the literature that has been reviewed regarding the transformational leadership practices being necessary in improving employee motivation in organizations. This could also mean that if any organization or institution in this case the banking industry decided to implement transformational leadership practices, it would improve its operations in the current time of high competition in the banking industry.

4.6.3 Direct Effect of Employee Motivation on Employee Productivity

Table 7. Testing Hypothesis 3

Hypothesis	IV	DV	R	R ²	F	Sig	Beta	T	Action
H3	EM	EP	0.799	0.639	173.38	0.000	0.799	13.17	Accepted

The direct effect of Employee Motivation (EM) on Employee Productivity (EP) was subjected to analysis to answer Hypothesis 3 (H3), which claims that there exists positive relationship between motivation and productivity of bank employees. The analysis shows that there is a high value of the correlation coefficient with a value of R, that is, 0.799. Most important, this shows the existence of strong relationship between EM and EP. This suggests that, as employees have high motivation, their productivity increases, a position supported by Deci and Ryan (2012) who said that, when people are motivated, especially by internal reasons, they become more involved for the better results and performance of tasks.

It is calculated that R-squared (R²) is equal to 0.639 which means that 63.9% composition of the variance in productivity is due to employee motivation. This result is not surprising considering the current practice where performance driven by employee motivation is commonplace. This finding is consistent with the findings of Paais and Pattiruhu (2020) who stated that employee motivation is one of the important motivators of productivity in organizations especially in service sector where performance of employees is fundamental in enhancing customer satisfaction and service quality. Likewise, Babalola (2016)

asserted that motivation is one significant factor that can affect work efficiency and output especially in customer related activities which require high standard of service delivery.

A model was ascertained to be statistically significant through an F-statistic of 173.38 with a P-value of .000. This implies that the relationship between motivation and productivity cannot be attributed to random outcomes. This is in agreement with the observations of Hoque et al. (2021) who explain that motivation is a primary driver of productivity as targeted employees are bound to put in more effort, more commitment, and aim to improve organizational performance. When employee motivation is increased by one unit, productivity increases by 0.799 units as stated by $\beta = 0.799$; such relationships have a strong influence. Also, this relationship is further justified by the T-value of 13.17 leading to a statistical admission of H3.

Also consistent with these remarks, Akindipe and Fadun (2023) also noted that when an employee is motivated, he or she is generally more enthusiastic with work and performs work efficiently, which ultimately leads to productivity. A similar view was presented by Ali and Anwar (2021) who stated that such employees are much more likely to take responsibility and exceed the expectations of their job, which in turn has favourable consequences on productivity. For example, Anwar et al. (2023) have also posted this view, claiming that motivation has a positive relationship with job performance, especially in sectors needing great deal of accuracy and good face-to-face customer management, like the banking industry.

Thus, the results of this analysis seem to be in complete agreement with H3, which avers that employee motivation plays an important and positive role towards employee productivity in the banking industry. This simply reiterates what has been established in the earlier research and draws attention on the need to maintain an ever-motivated workforce for better organizational and productivity performance.

4.6.4 Mediation Analysis: The Role of Employee Motivation

Table 8. Testing Hypothesis 4

Model Summary						
R	R-sq	MSE	F	df1	df2	p
0.7661	0.5869	0.2593	178.51	1.000	98.000	0.000

The mediation analysis explores the possibility of Employee Motivation (EM) being a mediator in the relationship between transformational leadership (TL) and employee productivity (EP). The model offers a strong predictive capacity of the four variables as it explains 58.69% of the variance in productivity with an R-value of 0.7661 and R-squared of 0.5869. It is also in agreement with Shafi et al. (2020) study which embow sketched that, motivation helps mediate in tapping into the productivity through the effectiveness of the leadership.

TOTAL, DIRECT, AND INDIRECT EFFECTS						
Total effect of X on Y						
	Effect	SE	T	p	LLCI	ULCI
	1.2117	0.0907	13.3608	0	1.0317	1.3916
Direct effect of X on Y						
	Effect	SE	T	p	LLCI	ULCI
	0.5669	0.1577	3.5944	0.0005	0.2539	0.8799
Indirect effect of X on Y						
	Effect	Boot SE			BootLLCI	BootULCI
EM	0.6448	0.1348			0.3694	0.8943

The total effect of TL on EP as evidenced by only one strong indicator having an effect size of 1.2117 and T value 13.36 ($p < 0.001$) provides a clear picture portraying a positive and significant relationship between the (TL and EP). This shows that, there is a positive

relationship of TL over productivity even when motivation is not considered as a mediator. Where the direct influence of TL on EP is concerned after the effect of EM as a mediator, an effect size of 0.5669 and T value of 3.59 ($p < 0.001$) shows spirit for significant influence to continue. The reduction from the total effect to the direct effect seems to suggest that some effect of TL on productivity is through the indirect way of motivation which has been noted by Hoque et al. (2021), and Ali and Anwar (2021), that TL does increase employee productivity through the intrinsic motivation uplifted.

With a bootstrapped standard error of 0.1348, the TL's indirect effect on EP with regards to EM is estimated at 0.6448, which lies between the 95% confidence interval of 0.3694 and 0.8943. The EM significantly mediates the influence of TL on EP suggesting that TL indeed boosts employee motivation which in turn increases productivity as was noted by Chua and Ayoko (2021). The findings are also consistent with those of Astuti et al. (2020) as well as Anwar et al. (2023) where it was concluded that employees' motivation is critical in improving productivity under transformational leadership.

The above findings support the EM mediating role of TL influence on EP. This eliminates the misconception that productivity is influenced only by direct interaction but confirms that transformational leaders promote motivation towards productivity. Furthermore, three distinct success factors such as motivation, leadership, and productivity were described in several interdisciplinary references reviewed and in particular, Jaroliya and Gyanchandani (2022) where motivation was identified as a predominant mediatory route for leadership style to influence productivity in an organizational context.

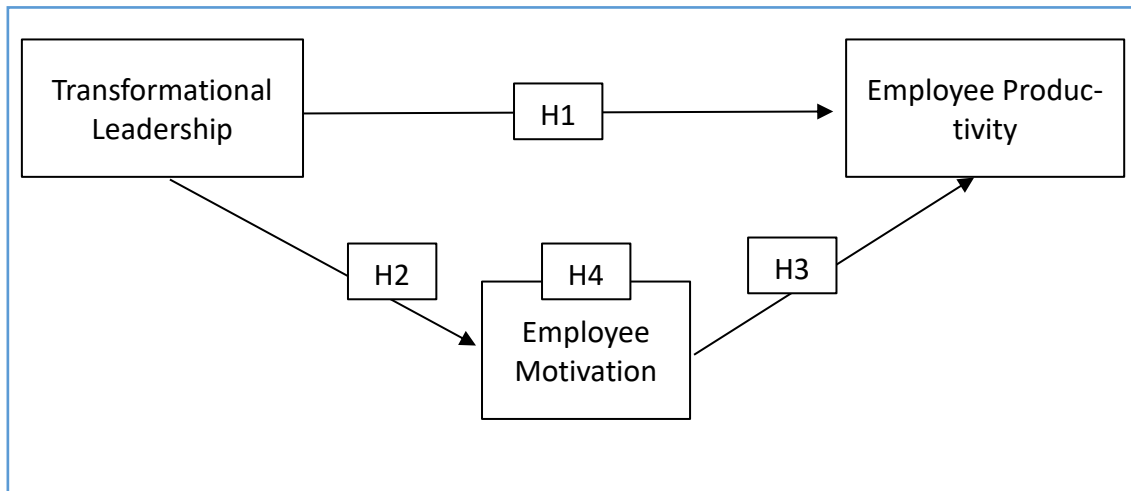
In conclusion, these results confirm H1 thus proving that transformational leadership enhances the productivity of employees and more specifically their motivation levels. This mediation effect illustrates the role of transformational leadership in a two-fold way: increasing productivity directly and increasing the productivity of employees who are provided with a high motivational environment indirectly, as substantiated by prior literature on the subject.

4.7 Summary of Findings

The summary of findings highlights the critical relationships among transformational leadership, employee motivation, and employee productivity. The analysis reveals that transformational leadership significantly influences employee productivity, both directly and indirectly, through its positive effect on employee motivation. The mediation analysis confirms that motivation serves as a key mechanism by which transformational leadership enhances productivity, reinforcing the dual impact of leadership styles in promoting effective work outcomes. These findings align with prior studies, which suggest that transformational leaders foster a motivated workforce, thus improving productivity. Overall, the results validate the hypotheses and emphasize the importance of transformational leadership in driving motivation and productivity in organizational settings.

5 Discussion and Conclusion

5.1 Overview of the Model and Hypotheses



Theoretical Model

The first hypothesis of this study seeks to investigate the direct relationship between transformational leadership (TL) and employee productivity (EP). According to this hypothesis, the presence of transformational leaders raises employee productivity because they provide a conducive atmosphere where employees can be innovative and work towards the set objectives. DeSilva (2021) and Della Porta (2023) found in their studies that employees in organizations led by transformational leaders are inspired to work harder than the normal capabilities hence increasing productivity.

The second alternative hypothesis also tests the direct relationship between TL and EM. Transformational leaders also exert influence by boosting employee motivation as they are able to inspire and engage with employees of the firm. This is again echoed in Kimeto and K'Aol (2018), and Jufrizen and Hutahun (2022) where it is clear that, leadership style is an appropriate tool for increasing motivation by fulfilling the emotional and occupational needs of the employees.

The third concern of this study is the direct relationship between EM and EP. The hypothesis states that there is an increased productivity of employees with intrinsic motivation. This direct correlation is also supported by Hoque et al. (2021), and Akindipe and Fadun (2023) who expressed that with high motivation comes high levels performance, high engagement and greater organizational performance outcomes.

Lastly, the fourth hypothesis when given validity, considers the mediating role of EM, in the nexus between TL and EP. It follows those stronger motivational influences, in the form of EM, enables a weaker relational effect of TL on EP. While this has been shown to be the case in studies by Shafi et al. (2020), and Ali and Anwar (2021), transforming leadership of motivated employees strengthen positive productivity outcomes and are more productive. This mediation also emphasizes the bi-dimensional aspect of motivation as a factor affected by strong leadership and also an energizer of productivity.

5.2 Interpretation of Key Findings

5.2.1 Hypothesis 1

Hypothesis 1	R ²	Beta	T	F	p
TL → EP	0.587	0.766	11.78	139.22	0.000

The study's key findings emphasize the positive impact that transformational leadership can have on increasing the motivation and productivity of employees in Pakistan's banking sector. The high and positive correlation between transformational leadership and productivity ($R = 0.766$, $Sig = 0.000$) suggests that transformational leaders actively make it possible for employees to perform more than usual. This is in line with studies which propose that transformational leadership can significantly enhance employee motivation and performance by creating an inspiring vision and a sense of importance towards the work (Shafi et al., 2020; Northouse, 2021).

Hypothesis 1 regarding the relationship between transformational leadership (TL) and employee productivity (EP) is further contextualized ideally in the literature based on Pakistan's banking sector. Bass and Riggio (2006) define the term transformational leadership as where leaders encourage and inspire their employees by providing directions, promoting creative initiatives, and nurturing their growth. The positive relationship observed in this research between TL and EP is also rationalized with these theoretical underpinnings, as transformational leaders are known to apply their influence over employees' behavior by increasing their level of commitment to the organization's strategies and elevating their internal drives (Northouse, 2021). This is of special relevance in the banking or similar industries, which are demanding in terms of focus and effectiveness.

The connection between TL and EP is cut deeper still by researches indicating employee outcomes are greatly influenced by transformational leaders. According to Della Porta (2023), and Jaroliya and Gyanchandani (2022), transformational leadership creates a culture which enhances the level of performance as well as drives employees to go beyond what is required of them. Also, Patil et al. (2024) argues that in development-oriented fields like the banking industry, such leadership, transformational leadership in particular, is key in ensuring that employees are engaged and productive even when there are challenges. The results of the study are therefore consistent with these views and provide further evidence that the transformational leadership constructs are essential in enhancing employee motivation, and the same in the end enhances their productivity.

5.2.2 Hypothesis 2

Hypothesis 2	R ²	Beta	T	F	p
TL → EM	0.624	0.790	12.74	162.93	0.000

Hypothesis 2 shows a decisive relationship between transformational leadership (TL) and employee's motivation, with the R-square value being as high as 0.790 (Sig = 0.000). This

demonstrates that transformational leadership does motivate employees, as leaders are able to build up an engaging vision while encouraging employees to be empowered and recognized. Also, by encouraging vigorous intellectual stimulation and individual support for staff, transformational leadership enhances job satisfaction and energizes people at work. Previous research shows that leaders having transformational features tend to concretely encourage employees to be more involved and committed to work (Akindipe & Fadun, 2023; Anwar et al., 2023).

Other studies also support the connection between employees' motivation and transformational leadership. For example, Jufrizen & Hutasuhut (2022) noted that transformational leaders were able to enhance employees' motivation by providing a distinct vision and involving them in worthwhile tasks. In 2020, Ali also showed how employees' motivation could be increased with the application of transformational leadership techniques. Such a link is particularly important in banking management, where flexibility and responsiveness to shifts in competitive environments are required.

The findings are also consistent with research done by Paais and Pattiruhu (2020) which states that transformational leadership promotes employee motivation by providing room for creativity and a favourable organizational climate. This results into improving the level of employee engagement as well as their level of effort towards achieving organizational objectives. The findings also emphasize that engaged employees are able to demonstrate good working behaviors, are flexible, and are able to perform in a manner that works for the organization (Park et al., 2020). As such, the results of this study further complement theory on transformational leadership in relation to the banking sector and how this leadership style provides adequate motivation for the employees in such a fast changing and competitive environment.

5.2.3 Hypothesis 3

Hypothesis 3	R ²	Beta	T	F	p
EM → EP	0.639	0.799	13.17	173.38	0.000

Hypothesis 3 notes a high positive correlation between employee motivation (EM) and employee productivity (EP) with a very decent R-square statistic of 0.639 (Sig = 0.000). This means that as the motivation level of the employees increases, so does the level of their productivity. The evidence supports the contention that employee motivation is crucial in going outside the required scope to complete assigned goals, thus benefiting the business. Employees who are motivated are the ones who tend to be engaged in their work, take full responsibility of the tasks assigned to them, and play an active role in the attainment of the organization's set objectives (Hoque et al., 2021).

There is a wealth of literature from previous studies that highlights the connection between the motivation of the employee and the productivity resulting from that motivation. According to Garad et al. (2022), employees with high motivation are happiest in their job, thus enabling them to perform their tasks effectively and increase productivity. Younas (2024) supports this view as well and asserts that motivated employees are more likely to extend their effort for achieving extra results, which benefits the organization in the end. Likewise, Shafi et al. (2020) found that firms or organizations with motivated employees are more innovative and productive. These studies provide adequate evidence for the theoretical premises of this study with regard to the importance of employee motivation to productivity.

Consistent with other studies, the high correlation between employee motivation and productivity can also be explained by the fact that motivation is one of the determinants of work performance (Alam et al., 2020). This may be of significance in the banking field as employees work in a relatively high-pressure environment, and the motivation of the employees can be a major contributory factor in improving organizational efficiency and achievement of goals. When people are motivated, they not only work better but also

have an enhanced ability to cope with change, which is important in an industry that is changing fast, like banking (Ng et al., 2024). Thus, this study adds to the existing field of employee motivation and organizational performance management while informing the necessary strategies to engage employees in the banking sector.

5.2.4 Hypothesis 4

Hypothesis 4			Effect	p		
TL	→	EM	→	EP	0.6448	0.000

For hypothesis 4, it is shown that employee motivation (EM) acts as a mediator between transformational leadership (TL) and employee productivity (EP) with an indirect effect of 0.6448 ($p = 0.000$). From the result, it is meaningful that employee motivation is indeed a crucial factor in the relationship between TL and P of the employee. Leaders who exercise transformational leadership tend to motivate their employees' motivation, and this subsequently leads to better productivity outcomes. These findings are consistent with previous research on the premise that there is a positive relationship between performance and motivated employees and that transformational leadership strengthens both motivation and productivity.

One implication is the presence of employee motivation as a mediator, meaning, transformational leadership fosters productivity indirectly through empowering different lenses of motivation. But this indirect path or mechanism which was established through mediation analysis shows that although transformational leadership singlehandedly enhances productivity, the result when combined with high levels of motivation is even higher. Such findings confirm previous findings by Hoque et al. (2021) who suggested that such employees are most likely able to work towards the target set by their leader and be clearly productive.

These findings further vindicate the study's hypothesis that envisaged transformation leadership to enhance employees' productivity directly and indirectly through motivation. This strengthens the literature articulating the dual benefit of transformational leadership where the employees' level of work satisfaction and the organization's level of productivity are improved. Babalola et al. (2016) and Paais & Pattiruhu (2020) have also substantiated this dual effect, that as transformational leaders pay attention to employees' personal development and motivation, the employees are further developed thereby improving organizational performance.

To conclude this heading, this research provides evidence for the importance of transformational leadership in the world of banking and specifically in the developing countries like Pakistan. Transformational leaders are able to inspire employees which increases the level of motivation to the extent that productivity is achieved, thereby making it a core leadership style. This two-fold contribution also emphasizes the importance of inducing transformational leadership in the banking sector to realize increased productivity and effective employee involvement over time.

5.3 Theoretical Implications

The research provides substantial advances in the field of leadership and motivation theory, especially in bank orientated building contexts such as Pakistan. First, the study gives support through empirical data for the transformational leadership theory which was first proposed by Burns in 1978 and developed further by Bass in 1985. According to this theory, transformational leaders motivate and stimulate followers which results in enhanced organizational effectiveness. The findings of the present study sustain this theory by showing that transformational leadership is not only pertinent but in fact very relevant and instrumental in improving the motivation and productivity of employees in a non-Western context, hence broadening the reach of the theory (Della Porta, 2023; Northouse, 2021).

Additionally, the results in this study deepen the Self-Determination Theory (SDT) postulate of Deci and Ryan (2012), which states that optimal employee functioning and performance is attributed to their feelings of intrinsic motivation. The outcomes assert that transformational leadership effectively increases intrinsic motivation, suggesting that as followers of transformational leaders, the followers are more likely to feel competent, autonomous, and connected (Jufrizen & Hutasuhut, 2022). This result finds support in SDT in that the motivational impact of transformational leadership embodies central features through which worker productivity and job satisfaction are boosted (Bojovic & Jovanovic, 2020; Anwar et al., 2023).

This study also emphasizes the necessity of practicing culturally responsive leadership approaches in other emerging markets. Transformational leadership has been applied in western societies over the years where the principle of the individualism may dictate the style and results of leadership. But this investigation confirms that transformational leadership is also feasible within the context of Pakistan banking sector which is a collectivistic society that emphasizes on relationship and group serene (Shafi et al., 2020). This understanding points out that transformational leadership can be practiced everywhere but may require adaptation to local cultural norms and values.

5.4 Implications for Practice in the Banking Industry

Actionable implications are presented in the study with respect to productivity and motivation in the case of banking institutions emanating from leadership styles. It was also established that bank employees' productivity improves with transformational leadership and such leadership has a correlation value of ($R = 0.766$, $Sig = 0.000$) within the banking sector which makes it applicable to management. As a result of the fast changes in the market, it is important for banks to have leadership styles that will motivate and engage their employees. In order to possess a motivated workforce and to increase productivity within the organization, transformational leadership style which focuses on a goal oriented and united workplace could be of great help to the banks (Shafi et al., 2020; Northouse, 2021). This way, the managers are able to provide power to employees,

facilitate them in building their careers and increase their level of job satisfaction which in return is valuable to both the employee and the organization.

Moreover, this research emphasizes the importance of employee motivation as a moderating variable in the transformational leadership - productivity linkage. Banks are advised to undertake measures such as development of the employees' potential through training, empowering them on the performance and making them feel appreciated members of a team (Ali & Anwar, 2021; Akindipe & Fadun, 2023). At the same time, satisfaction of these psychological needs of employees translates into greater commitment and job satisfaction hence better production, which can be beneficial in a highly competitive and dynamic industry structure as that of banking (Paais & Pattiruhu, 2020; Bojovic & Jovanovic, 2020). The study therefore recommends that in order to stay afloat amid industry turbulence, banking organizations under study need to emphasize on leadership practices that inspire motivation and development of employees.

The insights of the study may have impact in the Pakistani banking, where transformational leadership is able to offer culturally relevant managerial competencies. In view of the fact that the sector is collectivist in nature, transformational leaders can tap into the emphasis on relationship building, group cohesiveness and, trust over time (Anwar et al., 2023). What this insight implies is that banks within such cultural frameworks should embrace transformational strategies that are congruent with the local ideology for increased effectiveness.

5.5 Limitations of the Study

In regard to its importance, this study suffered from a few limitations, however, those are worth mentioning. Firstly, the entire research was limited to the banking sector in Pakistan which further restricts the scope of the study findings to be applicable in different sectors or cultures. While the findings demonstrate the significance of transformational leadership and motivation in the context of Pakistan, their endorsement may vary in other nations or industries owing to socio-industrial peculiarities (Della Porta, 2023;

Hoque et al., 2021). Such boundary condition, however, can only be overcome by pursuing cross-sectoral and cross-national studies in the future.

Because of social desirability and response bias, self-reported data from the employees is likely to have a few distortions in the study. While every effort was made to maintain the accuracy of the information collected, it was acknowledged that these biases may affect the trustworthiness of the findings. These limitations can be addressed in future research which combines both qualitative and quantitative measures or a longitudinal study which will answer questions about dynamics of motivation and productivity and the degree of message consistency (Jufrizen & Hutasuhut, 2022). One other limitation was that only transformational leadership was studied while other types which could be potentially important like transactional or laissez faire leadership were ignored. Making such comparisons in further work will allow for a more complete understanding of how different aspects of leadership influence employee outcomes in the banking sector (Shafi et al., 2020; Chua & Ayoko, 2021).

This study highlights the influence of transformational leadership on productivity but focuses on quantitative measures, which restrains the study on some qualitative scope opportunities available. In future studies, it would be useful to conduct interviews and focus groups alongside these quantitative methods in order to elicit various and more complex employee views on managerial styles, motivation and leadership in the company (Astuti et al., 2020; Anwar et al., 2023).

5.6 Recommendations for Future Research

This research also offers numerous pillars on which future work can be built to enhance the understanding of transformational leadership and its relevance to employee motivation and productivity, especially in the context of the banking sector. First, because of the cultural context of this particular research, it is proposed that for further work on transformational leadership, attention should also be paid to cases from other cultures and countries that can provide comparisons on the effectiveness of certain leadership

styles (Hoque et al., 2021; Jufrizen & Hutasukhut, 2022). Also extending research to other types of industry or type of sector would further add to the findings and serve to bring forth new perspectives to the industry with distinct structural patterns and employee – relationship dynamics (Northouse, 2021).

Furthermore, a longitudinal study may be useful in understanding how transformational leaders stimulate employee motivation and productivity over time. With the longitudinal perspective, one can analyse the transformational practices to a greater detail, that is whether the such leadership approaches are productive in the long run or short run (Bojovic & Jovanovic, 2020; Astuti et al., 2020). In addition, examining other leadership models, for instance, transactional or servant leadership, would provide the potential to evaluate the synergies between the approaches and to what extent they were effective in different contexts. These alternatives would allow greater apprehension of the role of leadership in the outcomes of the employees, especially, for the active and high-performance environments such as banking (Shafi et al., 2020).

Insofar as future research is concerned, it is also necessary to include qualitative approaches such as interviews or focus groups, which enable hearing employees' point of views and feelings. Such methods would complement quantitative results, allowing deeper understanding of the employees' opinion on leadership behaviors and the particular aspects of these behaviors that motivate and enable their work performance (Ali & Anwar, 2021). This multi-method residual approach could deal with concerns about response bias, and bring in greater depth to what quantitative data show.

5.7 Conclusion

This research has contributed to new understanding of the effects of transformational leadership on employees' inner drive and performance in the context of Pakistani banks. Results support the hypothesis of a positive relationship between transformational leadership and these outcomes, hence, emphasizing the importance of pursuing leadership styles like transformational leadership, which nurture growth, share visions and arouse

self- motivation. Highly active motivation as the third most active imitation worked as a more active mediator suggesting that it is imperative for them to be engaged in effective leadership so that productivity can be maximized. These findings call for banks to create such an environment that is more conducive and focused and which would consequently enhance employees' motivation and organizational performance.

Although the research makes an addition to leadership literature, there are certain limitations pertaining to culture specificity and research design and methodology which warrant future work. Suggestions for future direction include increasing the cultural and sector scope, using longitudinal and comparative methods, and using qualitative methods to develop better understanding. This research eventually demonstrates the effectiveness of transformational leadership to enhance productivity and offers strategies to banking sector leaders on how to improve employee outcomes and maintain relevance in a competitive market environment.

6 References

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7 Appendices

Appendix 1: Questionnaire

Gender?					
1.	Male	Female			
Age Group?					
2.	18 - 25 Years	26 – 34 Years	35 – 42 Years	43 – 50 Years	Above 50 Years
Income Per Month?					
3.	Below 60K	60-75K	76-90K	91-105K	Above 105K
Education?					
4.	Intermediate	Bachelors	Masters	M.Phil.	Ph.D.
Experience?					
5.	< 3 Years	3 to 5 Years	6 to 7 Years	8 to 11 Years	> 10 Years
Employment Level?					
6.	Junior Level	Mid-Level	Senior Level	Top Management	

Kindly show your level of agreement by marking tick (✓) against each statement:

1= Strongly Disagree | 2= Disagree | 3= Neutral | 4= Agree | 5= Strongly Agree

Transformational Leadership						
S/N	Items	SD	D	N	A	SA
TL1	My leader instills pride in me when associated with others	1	2	3	4	5
TL2	My leader talks about my most important values and beliefs	1	2	3	4	5
TL3	My leader specifies the importance of a strong sense of purpose	1	2	3	4	5
TL4	My leader convinces me to go beyond self-interest for the good of the group	1	2	3	4	5
TL5	My leader acts in ways that build others' respect for me	1	2	3	4	5
TL6	My leader considers moral and ethical consequences of decisions	1	2	3	4	5
TL7	My leader displays a sense of power and confidence	1	2	3	4	5
TL8	My leader emphasizes the importance of having a collective sense of mission	1	2	3	4	5
TL9	My leader talks optimistically about future	1	2	3	4	5
TL10	My leader talks enthusiastically about what needs to be established	1	2	3	4	5
TL11	My leader articulates a compelling vision of future	1	2	3	4	5
TL12	My leader expresses confidence through his/her behaviors that goals will be achieved	1	2	3	4	5
TL13	My leader re-examines the critical assumptions and questions whether they are appropriate	1	2	3	4	5
TL14	My leader seeks differing perspective when solving problems	1	2	3	4	5
TL15	My leader gets others to look at problems from many different angles	1	2	3	4	5
TL16	My leader suggests new ways of looking at how to complete assignments	1	2	3	4	5
TL17	My leader spends time coaching, teaching and mentoring his/her followers	1	2	3	4	5
TL18	My leader treats others as individuals rather than just as a member of a group	1	2	3	4	5
TL19	My leader considers an individual as having different needs, abilities and aspirations from others	1	2	3	4	5
TL20	My leader helps others to develop their strengths	1	2	3	4	5

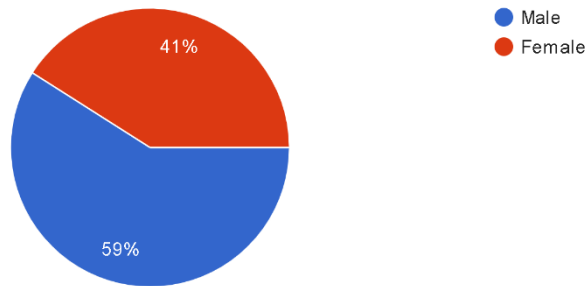
Employee Motivation						
S/N	Items	SD	D	N	A	SA
EM1	I feel a sense of personal satisfaction when I do this job well.	1	2	3	4	5
EM2	My opinion of myself goes down when I do the job badly.	1	2	3	4	5
EM3	I take pride in doing my job as well as I can.	1	2	3	4	5
EM4	I feel unhappy when my work is not up to my usual standard.	1	2	3	4	5
EM5	I like to look back at a day's work with a sense of a job well done.	1	2	3	4	5
EM6	I try to think if ways of doing my job effectively.	1	2	3	4	5

Employee Productivity						
S/N	Items	SD	D	N	A	SA
EP1	I do large amount of work each day.	1	2	3	4	5
EP2	I accomplish tasks quickly and efficiently.	1	2	3	4	5
EP3	I have a high standard of task accomplishment.	1	2	3	4	5
EP4	My work outcomes are of high quality.	1	2	3	4	5
EP5	I always beat our team targets.	1	2	3	4	5

Appendix 2: Data Analysis

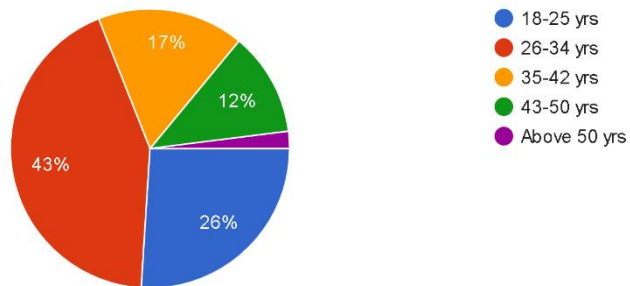
What is your gender?

100 responses



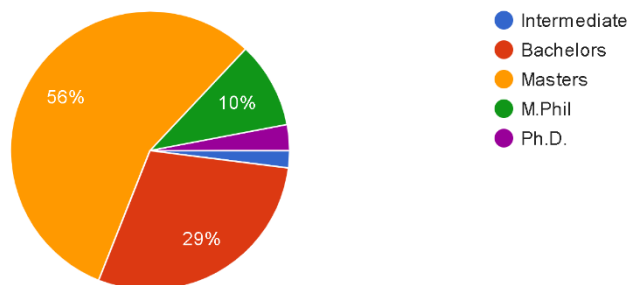
What is your age group?

100 responses



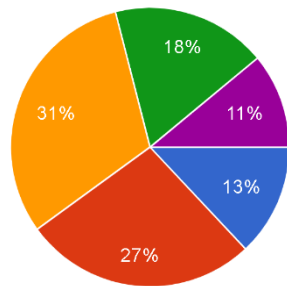
Highest Qualification?

100 responses



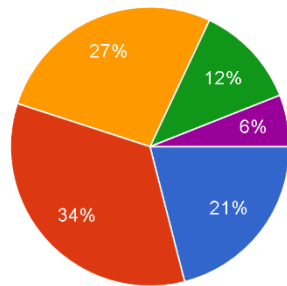
Your Income per month (pkr)?

100 responses



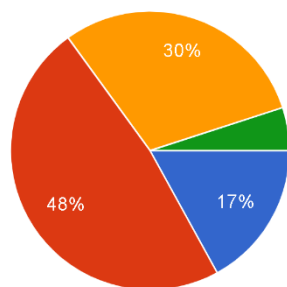
Your Experience in Years?

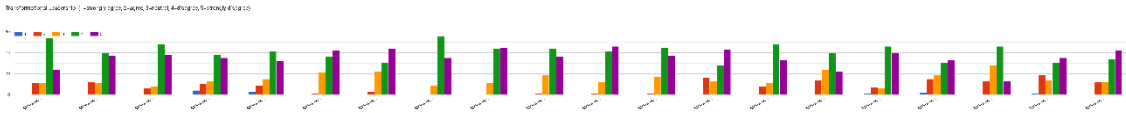
100 responses



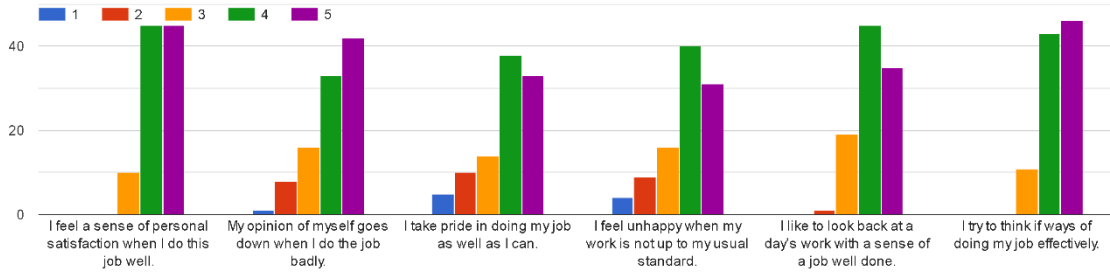
Your Employment Level?

100 responses





Employee Motivation (1=strongly agree, 2=agree, 3=neutral, 4=disagree, 5=strongly disagree)



Employee Productivity (1=strongly agree, 2=agree, 3=neutral, 4=disagree, 5=strongly disagree)

