

Impact of Leadership Styles on Organizational Performance: An Empirical Assessment of Banking Sector in Jammu and Kashmir (India)

Muzaffar Ahmad Sofi¹

Ph.D Research Scholar, Annamalai University Tamil Nadu, India

E.Mail:muzuforyou@gmail.com

Dr. K. Devanadhen²

Abstract: This Study Proposes A Conceptual Model Of The Impact Of Leadership Styles (Transformational, Transactional, Participative, Supportive And Instrumental) On Organizational Performance Of Select Banking Organizations In Jammu and Kashmir, India. At The Same Time, The Secondary Objective Of This Research Work Is To Find Out The Dominance Of The Leadership Styles In The Concerned Banking Companies. The Descriptive Survey Research Design Was Operated In Order To Accomplish The Above Stated Objectives. The Model Is Tested On The 290 Respondents Consisting Of Branch Heads, Executive Level And Senior Staff Of Banking Sector Organizations In The State Of Jammu And Kashmir, (India). All The Data Analysis Was Operated Through The Statistical Packages For Social Sciences (SPSS) And Analysis Of Moment Structures (Amos) Version 20. To find the fit Of the Conceptual Model, the Structure Equation Model (SEM) Analysis was operated. The Findings Reveal That Only Transformational Leadership Style Has Significant Direct Impact On Organizational Performance While Other Leadership Styles Showed Insignificant Impact. Moreover The Transformational Leadership Was The More Dominant Form Of Leadership Style Prevailing In The Concerned Banking Organizations of Jammu and Kashmir, India.

Keywords: Banking Sector; Transformational Leadership; Transactional Leadership; Participative Leadership; Supportive Leadership; Instrumental Leadership; Organizational Performance;

I. Introduction

Leadership

The Term Leadership Has Been Used In Various Aspects Of Human Behaviour Such As, Business, Academics, Social Work, And Politics. Leadership Is A Complex Issue That Generates Plenty Of Interest And Discussion Among Various Readers, Academicians, And Scholars. In A Business Organization, Several Vital Tasks Like Creating The Vision And Mission, Determining And Setting The Objectives, Designing The Policies, Methods And Strategies To Achieve These Objective Efficiently And Effectively, Directing And Coordinating The Activities Of Various Departments, Creating Enthusiasm Among The Employees To Achieve The Vision And Mission And Cope With The Changes In The External Environment Of The Business Can Be Successfully Performed Only If There Is Quality Leadership (Robbins, 1993; 2003; Schein, 1992; Schein, 2004). A Review Of The Literature On Leadership Suggests That Scholars Do Not Agree On The Definition Of The Leadership, They Define The Leadership In Different Ways (Barker, 1997). Leadership Can Be Defined As A Process In Which A Person Tries To Influence, A Set Of Individuals In The Pursuit Of Achieving Individual, Group, And Organizational Objectives. Leadership Is The Ability To Inspire Confidence And Support Among People Who Are Needed To Achieve Organizational Goals (Kim And Maubourgne, 1992). Leadership Is A Process In Which Pressure Is Exerted Over The People Intentionally, To Guide Structure And Facilitate The Activities And Relationships In Either A Group Or An Organization (G. Yukl, 2010). One Of The Most Respected Researches On Leadership Is From The Fielder (1996), Which Makes The Statement About The Relationship Between Leadership And Organizational Performance As; 'Effectiveness Of A Leader Is A Major Determinant Of The Success Or Failure Of A Group, Organization, Or Even An Entire Society. Leadership In An Organization Is One Of The Important Factors That Play Significant Role In Enhancing Or Retarding The Interest Of The Individuals In An Organization (Obiwuru, Okwu, Akpa, & Nwankwere, 2011). A Particular Leadership Style Created And Maintained Within An Organization Is A Key Factor For A Leader To Be Successful In Achieving Long Term Goals. Leadership Holds The Pivotal Position In An Organization And Effectiveness Of A Leader Is One Of The Most Important Determinants Of Success Or Failure Of An

¹ Ph.D Research Scholar, Department of Commerce, Annamalai University, Chidambaram, Tamil Nadu India

² Assistant Professor, Directorate of Distance Education, Department of Commerce, Annamalai University, Chidambaram, Tamil Nadu India

Organization, A Group And Even An Entire Country (Fiedler, 1996). Success In An Organization In Terms Of Attainment Of Objectives And Goals Effectively And Efficiently Depends Upon The Managers And The Leadership Styles They Adopt (Mokgolo, Mokgolo, & Modiba, 2012)..

There Are Several Theories And Styles Of Leadership Propounded By Different Authors From Time To Time. More Recently, the Dominant Topology of Leadership Styles Is Articulated By Bass (1980-1997) and His Associates, Avolio and Goodheim (1987). It Was Actually The James Macgregor Burns In (1978) Who Worked On The Leadership And Propounded The Theory In The Form Of Transactional And Transformational Leadership Styles, But Later Bass And Avolio (1980-1997) Further Developed The Theory. Burns (1978) Defines Transformational Leadership As That Leadership Which Is Able To Lift Followers Up From Their Petty Preoccupations And Rally Around A Common Purpose To Achieve Things Never Thought Possible. It Is The Process Of Influencing The Major Changes In The Attitudes And Assumptions Of Organizational Members And Building Commitment For The Organizational Mission Or Objectives (Yukl, 1989). Transformational Leadership Encompasses Role Modeling, Handling Of Personal Relationships With Subordinates, Effective Motivation, Critical Thinking And Effective Supervision For Achieving Higher Standards (Singh & Krishnan, 2007). Transformational Leadership Significantly Affects The Organizational Innovation And Creativity At Work Place, Some Of Which Are Vision, Individual Autonomy, Recognition, Encouragement And Accepting Challenges (Gumusluoglu, Lale, & Arzu, 2007). Transformational Leaders Are Proactive, Work To Change Organizational Culture By Implementing New And Innovative Ideas, Motivates And Empowers The Employees To Accomplish The Ultimate Targets, By Incorporating New Ideas And Moral Values (B. Bass, 1986). Transformational Leadership Ensures Positive Change In Behavioral Components Which Is Recognized In The Form Of Improving Performance And Innovation Among The Members Within An Organization (B. M. Bass & Avolio, 1995; Jung, 2001). The Leaders Are Truly Transformational When They Increase The Awareness Of What Is Right, Good, Important And Beautiful, When They Help To Elevate Follower's Needs For Achievement And Self-Actualization, When They Foster In Followers High Moral Maturity, And When They Move Followers To Go Beyond Their Self-Interests For The Good Of Their Group, Organization Or Society (Kavita, 2010). Transformational Leadership Is Based On Five Main Components; (I) Idealized Influence, (Ii) Attributive Charisma (Iii) Individual Consideration, (Iv) Inspirational Motivation And (V) Intellectual Stimulation (B. M. Bass & Avolio, 1995; Burns, 1978). By Idealized Influence We Mean Leaders Charismatic Actions That Focus On Values, Beliefs And Mission. The Leader Inspires Admiration, Respect And Loyalty Among Followers And Makes Them To Accept And Achieve Organizational Mission Collectively. Attributive Charisma of the Leader States Leader's Social Charisma and Indicates Perception of the Leader as Being Confident and Powerful. By Individual Consideration, A Leader Builds Peer Relationship I.E. One To One Relationship with Subordinates. The Leader Understands and Takes Care Of Followers' Different Needs, Emotions, Skills and Aspirations. By Inspirational Motivation, The Leader Articulates The Vision Among The Followers Makes Them To Accept This Vision, Showing Different Ways To Achieve Organizational Goals And Makes Them Feel That They Can Achieve It. By Intellectual Stimulation, The Leader Broadens And Enhances The Mind Power Of Followers, Makes Them Mentally Prepare For Solving The Business Problems With New Methods And Innovations (Bass, 1990; B. Bass, 1986).

Transactional Leadership Is That Leadership Which Is Based On The Exchange Of Rewards Between The Leader And His Followers. The Crux Of The Leadership Is That It Is Based On Rewards And Punishments And When Followers Perform Better, They Are Rewarded And When They Perform Poor They Are Punished In Some Way Or The Other (Bhat, Rangnekar, & Barua, 2013; Northouse, 2006). The Main Concern Of The Leader Is Towards The Tasks Required For Achieving Organizational Objectives And There Is No Concern For The Upliftment And Development Of Followers (Boehnke, Bontis, Distefano, & Distefano, 2003). The Main Objective Of The Transactional Leadership Is To Make The Followers Fully Understand The Goals To Be Achieved, Remove The Potential Barriers Within The System And At The Same Time Motivate Them To Strive For Achievement Of Organizational These Goals (House & Aditya, 1997). Transactional Leadership Is Based On Three Components; (1) Contingent Rewards: Contingent Reward Is That Leadership Style Which Ensures Material Rewards To The Employees For Their Standard Performance. It Involves The Classification Of Work Required To Obtain Rewards And Use Of Incentives And Motivation Forces In The Form Of Rewards To Influence Employee's Actions, (2) Active Management-By-Exception: It Is That Leadership Style Whereby The Leader Ensures Effective Supervision And Proactiveness In Order To Avoid Mistakes. The Leader Implies Close Watch For Checking Deviations Or Mistakes And Takes Remedial Action At The Right Time To Ensure Accuracy As Per Requirement, (3) Passive Management-By-Exception: This Leadership Style Is Considered As Inactive And Some Sort Of Laziness From The Leader Whereby, He/She Intervenes Only After Followers Commit Mistakes Or Behavior Which Is Against The Standards (Bass, 1986; Bass & Avolio, 1995; Bass, 1990).

Organizational Performance

Organizational Performance Has Become One Of The Multi-Dimensional And Complex Phenomenon In The Business Literature. Although The Concept Of Organizational Performance Is Very Common In The Academic Literature, But There Is No Unanimous Agreement On Its Definition And Measurement . There Are Two Ways Of Measuring Organizational Performance: Subjective And Objective. Subjective Measures Are Non-Financial Or Non-Economical Indicators Of Performance Measurement Like Sales Growth, Market Share, Employee Satisfaction, Customer Satisfaction, Product Development, Competitive Advantage, Customer Retention And Some Other Factors. Objective Assessment Is Financial Or Economic Measure Of Organizational Performance By Using Financial Data Like Profit, Revenue, Return On Investment (ROA), Return On Equity (ROA), And Return On Assets (ROA), Share Price, Liquidity And Operational Efficiency. Subjective Measures Are Based On The Opinion Of The Respondent/ Employees In An Organization To Assess Performance (Narver & Slater, 1990). There Was An Inconsistent Measurement Of Organizational Performance-Although Most Researchers Measured Organizational Performance By Using Quantitative Data Like ROA, Return On Sales, Return On Assets, Return On Equity, And So Forth (Kotter And Heskett, 1992; Marcoulides And Heck, 1993; Denison And Mishra, 1995; Sorenson, 2002; Rashid, Sambasivan And Johari, 2003; Puni, Samuel And Okoe, 2013). However, The Definition Of Performance Includes Both Efficiency Related Measures As Well As Effectiveness Related Measures. The Best Criterion For Assessing Organizational Performance Is Next To Impossible (Snow & Hrebiniak, 1980; Cameron, 1986. However, Many Studies Show A Preference For Subjective Measures During The Assessment Of Business Performance Due To Difficulties In Objective Financial Data. Managers Often Refuse To Provide Accurate, Objective Performance Data To Researchers. The Availability Of Financial Data Does Not Mean Its Reliability For Objective Assessment, Because The Data Often Do Not Fully Represent Firms' Actual Performance. It Is Possible That Managers May Manipulate The Data To Avoid Personal Or Corporate Taxes And Even If Transparency Is There, It Will Indicate The Short Term Performance Of The Organization (Dess & Robinson, 1984; Sapiena, Smith, & Gannon, 1988). Further, Performance Measures Such As Profitability May Not Accurately Indicate The Underlying Financial Health Of A Company. Profitability May Vary Due To Reasons Such As The Level Of Investment In R & D Or Marketing Activity That Might Have Longer Term Effects. Last, There Have Been Several Studies That Show A Strong Correlation Between Objective And Subjective Measures (Dess And Robinson, 1984; Venkatraman And Ramanujam 1986). Some Of The Past Studies Which Have Used The Subjective Or Perceptual Assessment Of Organizational Performance Are Mentioned As Below:

- ❖ Narver and Slater (1990); Subjective Assessment of ROA for Self and Competitors.
- ❖ Deshpande Et Al. (1993) In 50 Japanese Firms. Subjective Evaluation Of Profit, Size, Market Share And Growth Compared To Largest Competitor.
- ❖ Jaworski and Kohli (1993) In USA Subjective Measures-Overall Performance.
- ❖ Slater and Narver (1994) In 81 SBUs. Subjective Evaluation of ROA Relative to Competitors.
- ❖ Greenley (1995a) In 240 UK Companies. Subjective Assessment of ROA, New Product Success and Sales Growth.
- ❖ Deshpande and Farley (1993) In Us. Subjective Evaluation of Sales Growth, Customer Retention, Returns on Investment and Return on Sales.
- ❖ Balakrishnan (1996) In 139 Firms. Subjective Evaluation of Relative Profit, Satisfaction with Profit, Customer Retention and Repeat Business.
- ❖ Deshpande and Farley (1999); Between Indian and Japanese Firms- Subjective Assessment of Profitability, Business Size, Growth and Market Share.
- ❖ Ogbonna and Harris (2000); Among 1000 SMEs of Uk- Subjective Assessment of Customer Satisfaction, Sales Growth, Market Share, Competitive Advantage and Sales Volume.
- ❖ Zhang and Xiancheng (2012); In 25 Enterprises of China- Customer Satisfaction, Market Share, and Customer Retention.
- ❖ Aziz, Mahmood and Abdullah (2013); Among 5138 SMEs of Malaysia- Subjective Assessment of Sales Growth, Employment Growth, Market Value, Profitability Overall.

All These Above Studies Provide Sound Base And Validity Of Measurement Of Organizational Performance Through Subjective Or Perceptual Assessment. Keeping In View The Nature Of Study And Review Of Literature, Organizational Performance Was Measured On The Basis Of Subjective Assessment Of 6 Factors Which Are As:

1. Deposit Growth
2. Profitability/ ROA
3. Market Share
4. Quality Of Products And Services
5. Competitive Advantage/ Position, and

6. Employee Satisfaction

The Branch Heads, Executives And Senior Staff Of J&K Bank, SBI, PNB and HDFC Bank Were Asked To Rate Their Organizational Performance Level Regarding These Performance Parameters In A Five Point Rating Scale, Ranging From (1) Very Low To (5) Very High.

Objectives of the Research

1. To Identify The Impact Of Transformational, Transactional, Participative, Supportive And Instrumental Leadership Styles On Organizational Performance In Select Banking Organizations Of Jammu and Kashmir, India.
2. To Find Out Which Leadership Style Is The Dominant Form Of Leadership Mostly Prevailing In The Banking Organizations Of Jammu and Kashmir.

Research Hypothesis

Keeping In View The Nature And Objectives Of The Study Following Hypothesis Have Been Formulated And Will Be Tested With Structural Equation Model (SEM).

H₁: Leadership Affects Organizational Performance Directly and Significantly.

H_{1a}: Transformational Leadership Affects Organizational Performance Directly and Significantly.

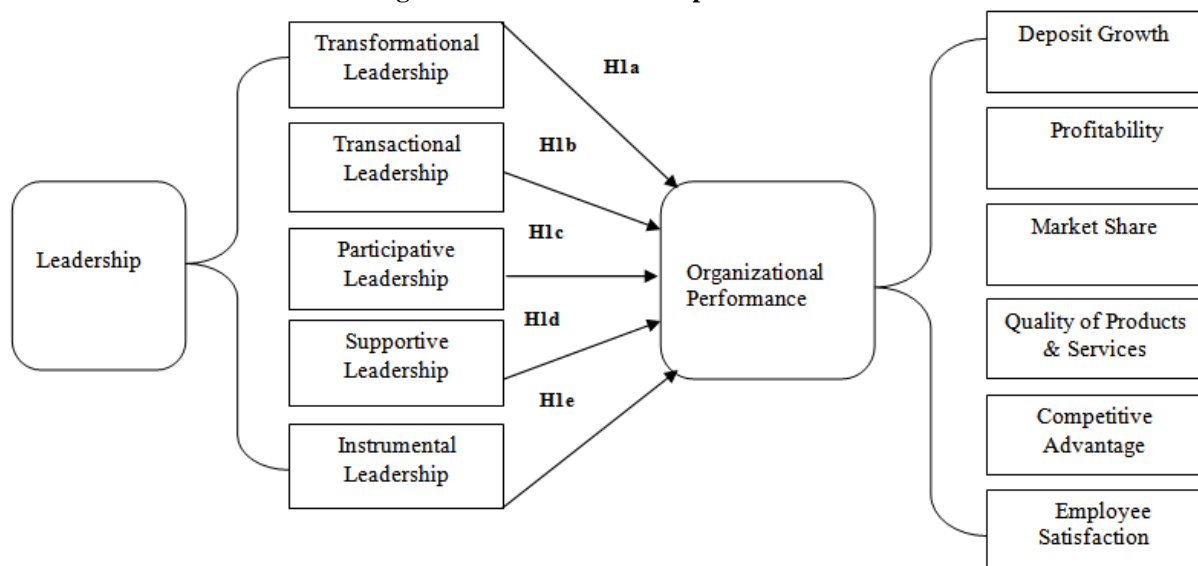
H_{1b}: Transactional Leadership Affects Organizational Performance Directly and Significantly.

H_{1c}: Participative Leadership Affects Organizational Performance Directly and Significantly.

H_{1d}: Supportive Leadership Affects Organizational Performance Directly and Significantly.

H_{1e}: Instrumental Leadership Affects Organizational Performance Directly and Significantly.

Figure 1: Theoretical/Conceptual Model



II. Research Methodology

Research Instrument

The Main Purpose Of This Study Is To Determine The Relationship Among Leadership Styles And Organizational Performance. This Research Adds To The Existing Body Of Knowledge By Identifying The Simultaneous Link Among All The Three Constructs And By Assessing Whether Leadership Affects Organizational Performance Directly Whether, The Organizational Culture Acts As A Mediating Role Between Leadership Styles And Organizational Performance. For This Purpose, A Relevant And Well Established Structured Questionnaire Was Designed For Measuring Leadership Styles, Organizational Culture And Organizational Performance In The Sample Organizations. The Formulation And Implementation Of Standard And Effective Survey Influence Significantly The Overall Success Of Data Collection And Achievement Of Satisfactory Responses (Churchill, 1991; Dillman, 1978; Faria & Dickinson, 1992). To Ensure The High Content Validity And Reasonable Response Rates The Survey Was Designed, Formulated And Implemented In A Particular Manner After Taking Into Consideration The Recommendations Of Many Authors. The Method Of Formulating Questionnaire Design, Pilot Surveying And Pre-Notifications And Post- Survey Follow-Ups Was Followed After Taking Into Consideration The Research Works Of (Churchill, 1991; Conant, Mokwa, &

Varadarajan, 1990; Dillman, 1978). One Of The Crucial Aspects Of Survey Design Is The Development Of Questionnaire(Churchill, 1991).

The Leadership Construct Used In This Research Work Is Based On Five Leadership Styles Namely; Transformational Leadership, Transactional Leadership, Participative, Supportive And Instrumental Leadership Which Were Incorporated On The Basis Of Pilot Study.

After A Deep Review Of Literature On Leadership, It Was Decided To Use Full Range Development Theory Of Leadership Construct For Transformational And Transactional Leadership Styles Propounded By (Bass And Avolio, 1997). So Multi-Factor Leadership Questionnaire (MLQ) Form 5x Developed By Bass And Avolio (1997) Was Adopted For The Present Research. Actually These Two Leadership Styles Have Been Originated By James McGregor Burns In 1978 And Later It Was Full Developed By Bass In 1985. This Questionnaire Has Gone Through Several Modifications. Bass's (1986) Initial Multi-Factor Leadership Questionnaire (MLQ) Included Five Subscales Of Charisma, Individualized Consideration, Intellectual Stimulation, Contingent Reward And Management-By-Exception. Later, Bass and Avolio (1990) Introduced the Multifactor Leadership Questionnaire Form 5R (MLQ Form 5R), Which Contained Six Subscales As: - Charisma, Inspirational Motivation, Intellectual Stimulation, Individualized Consideration and Management by Exception. In 1995, Bass and Avolio Presented MLQ Form 5X. This New Version Of MLQ Consists Of Nine Subscales: Idealized Influence (Attributed) Idealized Influence (Behaviors), Inspirational Motivation, Intellectual Stimulation, Individualized Consideration, Contingent Reward, Management By Exception (Active), Management By Exception (Passive), And Laissez- Faire. The MLQ Form 5X Uses 36 Items to Measure the Nine Subscales. However, The Instrument Used In The Present Study Is MLQ 5x (1997) By Bass And Avolio. The MLQ 5X Is Based On Three Leadership Styles Namely (1) Transformational Leadership Which Consists Of Five Items Or Subscales As; Idealized Influence (Attributed), Idealized Influence (Behaviors), Inspirational Motivation, Intellectual Stimulation, And Individualized Consideration, (2) Transactional Leadership Which Consists Of Three Items Or Subscales As; Contingent Reward, Management By Exception (Active), And Management By Exception (Passive), And (3) Laissez-Faire Leadership Which Is Described As Non-Leadership Style I.E. That Leadership Which Offers No Feedback Or Support Has Been Omitted From The Present Study As Per The Expert Views And Opinions Taken From The Different Expert People From The Sample Organizations During The Pilot Study. This Scale Contains 32 Items For Measuring The Transformational And Transactional Leadership Styles. The MLQ Uses Five-Point Likert Scale. This Leadership Instrument Has Been Used By Other Researchers Like (Ardichvili & Kuchinke, 2002; Gumusluoglu & Ilsev, 2007; Schimmoeller, 2010; Saad & Mazzarol, 2010; Rukmani, Ramesh, & Jayakrishnan, 2010; Aydogdu & Asikgil, 2011; Belonio, 2012; Fasola, Adeyemi, & Olowe, 2013; Bhat, Rangnekar, & Barua, 2013). It Has Proven To Be An Effective Tool In A Wide Range Of Settings. For Example, It Has Been Applied to Studies in Savings Banks, Community Action Agencies, Offshore Oil Platforms, The United States Army, Chinese State-Run Industry, And the Israel Defense Force Infantry .The MLQ Has Been Employed Effectively In More Than 30 Nations To Measure Leadership (Bass & Avolio, 1995,1997). This Leadership Instrument Has Proven Its Reliability And Validity And Has A Track Record Of Being Incorporated In More Than 200 Dissertations (Avolio And Bass 2000). Thus, This Research Uses Mlq Leadership Instrument For Measuring Transformational And Transactional Leadership Styles.

For The Measurement Of Other Three Leadership Styles Namely Participative, Supportive And Instrumental Leadership, The Perceived Leadership Style Of House (1971a,B) Has Been Used For The Present Study. This Leadership Instrument Is Actually Based On The Earlier Work Of Stogdill (1963). This Leadership Scale Has Been Widely Used In Many Research Studies And Is Unanimously Considered As Good Measure Of Leadership Style (Teas, 1981; Kohli, 1989; Ogbonna & Harris, 2000). This Instrument Uses Five-Point Likert Scale Ranging From 1= Strongly Disagree To 5= Strongly Agree And Each Leadership Style Or Dimension Is Defined By Four Observable Items.

Data Collection Method

The Data Collection Method Used In This Research Work Is Questionnaire Method. A Well Structured Questionnaire Was Designed And Distributed Through Face To Face Interaction With Banking Sector Employees Of Jammu and Kashmir.

Sampling Design

Sample Survey Was Undertaken By Identifying The Total Number Of Banks Operating In The State Of Jammu And Kashmir. The Jammu And Kashmir State Has Been Divided Geographically In Two Parts; 1) Jammu And 2) Kashmir As Name Indicates Itself And Each Part Has Been Divided Into Eleven Districts. So, in Total There Are Twenty Two Districts in the State Of Jammu And Kashmir (Eleven in Jammu and Eleven in Kashmir). The Banks Having The Highest Business In Terms Of Market Share And Network Of Branches, And Were Selected For The Sample. It Was Found That J&K Bank, State Bank Of India (SBI), Punjab National

Bank (PNB) And HDFC Banks Have The Highest Network Of Businesses And Branches In The Concerned State And Thus Were Selected As Sample For The Present Study.

Sample Population

Sample Population Means The Population From Which The Sample For The Present Research Study Is Drawn. The Population For This Study Consists Of The Branch Heads, Executives And The Senior Staff Of J&K Bank, SBI, PNB And HDFC Banks Operating In The State Of Jammu And Kashmir.

Sampling Technique

The Sampling Technique Used In This Study Is Cluster Sampling Technique Which Is Probability Sampling Method. The Population For This Study Has Been Divided Into North, Central And South Zones As Already Mentioned That The Jammu And Kashmir State Is Divided To Two Broad Regions Namely Jammu Region And Kashmir Region And Each Region Is Divided Into Eleven Districts Which Make It A Total Of Twenty Two Districts. So, Both Jammu and Kashmir Region Has Been Divided Into North, Central And South Zones Which Makes It Six Zones And From Each Zone One Main District As The Main Town Having The Highest Number Of Bank Branches Has Been Chosen For Sample Collection. From Kashmir Region, The Baramulla, Srinagar And Anantnag Districts And From Jammu Region, Jammu, Udhampur And Kathua Districts Have Been Taken For Data Collection.

Data Analysis

All The Data Analysis Was Operated Through The Statistical Packages For Social Sciences (SPSS) And Analysis Of Moment Structures (Amos) Version 20. To Find The Fit Of The Conceptual Model, The (Structure Equation Model) SEM Analysis Was Used Incorporated By Relevant Statistical Tools For Checking Some Statistical Assumptions.

Refinement and Validation of the Scale

Prior To Investigating The Relationship Between Leadership Styles And Organizational Performance, It Was Necessary To Have Purification Of The Scale And As Such Reduce And Streamline The Data As Per Requirement. The Construction Of The Appropriate And Feasible Indices Was Initiated By The Use Of Principal Component Analysis With Varimax Rotation. Factor Analysis Was Deemed Necessary And Statistically Appropriate To Find Out The True Measures Of Leadership Styles And To Ensure That Adopted Measures Of Leadership Capture Different Dimensions Of Leadership Style. Consequently, The Principal Component Analysis For Leadership Styles Was Conducted So As To Make An Appropriate And Viable Constructs Of Leadership.

Table 1: KMO and Bartlett’s Test

KMO Measure Of Sampling Adequacy	Approx. χ^2	Bartlett’s Test Of Sphericity	
		Df	Sig.
0.874	2124.628	345	0.000

The Above Table Represents the Kaiser-Meyer- Olkin (KMO) Sample Adequacy and Bartlett’s Test of Sphericity. The KMO Test Provides An Index Ranging From Zero To One And It Reaches One When Each Variable Is Perfectly Predicted Without Error By Other Variable. The Value of KMO Sample Adequacy Index Should Be Above .5 (Under 0.5 Is Unacceptable) and Above 0.8 Is Considered As Meritorious (Hair, Blake, Babin, & Anderson, 2010). As It Is Evident That KMO Index Is 0.874 And Significance Value (P=0.00) Which Indicate The Sound Criteria For Data Analysis And The Application Of Factor Analysis For The Measurement Scale.

Table 2: Principle Component Analysis for Measurement of Leadership after Deleting Of Items

Items	Factor Loadings (Dimensions)				
	Transformational Leadership	Transactional Leadership	Participative Leadership	Supportive Leadership	Instrumental Leadership
Lq1	0.709	–	0.258	–	–
Lq3	0.710	0.268	–	–	–
Lq4	0.735	–	0.257	–	–
Lq5	0.694	–	–	–	–

Lq6	0.732	-	-	0.374	-
Lq7	0.693	-	-	-	-
Lq8	0.667	-	0.377	-	-
Lq9	0.739	-	-	-	0.280
Lq11	0.810	-	-	-	-
Lq12	0.768	-	0.289	-	-
Lq13	0.586	-	-	-	-
Lq14	0.738	-	0.259	-	-
Lq15	0.704	-	-	-	-
Lq17	0.710	-	-	-	-
Lq18	0.807	-	-	-	0.430
Lq19	0.583	-	-	-	-
Lq20	0.765	-	-	-	-
Lq21	-	0.672	-	0.264	-
Lq23	-	0.695	-	-	-
Lq24	-	0.714	-	0.263	-
Lq25	-	0.735	-	-	-
Lq26	-	0.816	0.332	-	-
Lq27	-	0.738	-	-	0.289
Lq28	0.293	0.721	-	-	-
Lq29	-	0.705	-	-	-
Lq31	-	0.763	-	-	-
Lq32	-	0.839	-	0.250	-
Lq33	-	-	0.713	-	-
Lq34	-	-	0.549	-	-
Lq35	-	-	0.810	-	-
Lq36	-	-	0.792	-	-
Lq38	-	-	-	0.742	-
Lq39	-	0.325	-	0.607	-
Lq40	-	-	-	0.845	-
Lq41	-	-	-	-	0.738
Lq42	-	-	-	-	0.684
Lq43	-	-	-	-	0.623
Lq44	-	0.316	-	-	0.790
Eigen Value	6.715	4.492	3.126	2.632	2.043
% of Variance	27.42	16.23	10.14	9.37	7.08

Explained					
Cumulative Variance %	27.62	43.65	53.79	63.16	70.24

Note: The Cross Factor Loadings Less than 0.25 Have Been Suppressed

The Table 2 Represents The Principal Component Analysis Of Dimensions Or Leadership Styles Adapted From Bass And Avolio (1997) And House (1971a). As Expected, This Factor Analysis Leads To The Extraction Of Five Factor Solutions Which Explain Over 70 Percent Of Variance. The First Component or Factor Solution Loads Very Heavily On the Vector Generating an Eigen Value Of Over Six with Variance Of 27.42 Percent. This Factor Comprises Of 17 Items (After Deleting 3 Items) Which Hears Towards The Measurement Of Transformational Leadership Style. The Items In This Factor Stand Conceptually Consistent And Easily Interpret Thus Leading Towards The Fit Measure Of Transformational Leadership Style. The Second Facto Solution Also Loads Heavily On The Vector Thus Generating An Eigen Value Of Above Four. This Factor Comprises Of 10 Items (After Deleting 2 Items) Accounts For The Variance Of 16.23 Percent And Appears Perfect Gauge Of Transactional Leadership And Therefore, Considered As A Fit Measure For Labeling It As Transactional Leadership Style. The Third Leadership Factor or Dimensions Loads Heavily On a Vector Generating An Eigen Value Of Above Three With The Variance Of 10.14 Percent. The Factor Solution Consists Of Four Items With Above 10 Percent Of Variance Appears To Gauge The Participative Leadership And Considered As A Fit Measure To Name It As Participative Leadership Style. The Fourth Factor Solution Loads on A Vector Generating An Eigen Value Of Above 2 With The Variance Extraction Of 9.37 Percent. This Leadership Factor Is Comprised Of Three Items (After Deletion of One Item) Expresses A Rationale Measure of Leadership Factor and Thus Considered As A Good Gauge of Supportive Leadership Style. The Fourth As The Last Factor Solution Also Loads Heavily On The Vector Generating An Eigen Value Of Two. This Factor Is Based On Four Items Which Accounts For The 7.08 Percent Of Variance And Thus, Considered As A Good Measure Of This Leadership And Thus A Fit For Labeling It As Instrumental Leadership Style.

Table 3: Refinement Scale of Leadership after Deletion of Certain Items

Dimension	Items	
Transformational Leadership		
Idealized Influence (Attribute)	Lq1	Instills Pride In Me For Being Associated With Him/Her.
	Lq3	Acts In Ways That Builds My Respect
	Lq4	Displays A Sense Of Power And Confidence
Idealized Influence (Behaviour)	Lq5	Talks About His/Her Most Important Values And Beliefs
	Lq6	Specifies The Importance Of Having A Strong Sense Of Purpose
	Lq7	Consider The Moral And Ethical Consequences Of Decision
	Lq8	Emphasizes The Importance Of Having A Collective Sense Of Mission
Inspirational Motivation	Lq9	Talks Optimistically About The Future
	Lq11	Articulates A Compelling Vision Of The Future
	Lq12	Expresses Confidence That Goals Will Be Achieved
Intellectual Stimulation	Lq13	Re-Examines Critical Assumption To Question Whether They Are Appropriate
	Lq14	Seeks Differing Perspectives When Solving Problems
	Lq15	Gets Me To Look At Problems From Many Different Angles
Individualized Consideration	Lq17	Spends Time Teaching And Coaching
	Lq18	Treats Me As An Individual Rather Than Just As A Member Of Group
	Lq19	Considers Me As Having Different Needs, Abilities, And Aspirations From Others
	Lq20	Helps Me To Develop My Strengths
Transactional Leadership		
Contingent Reward	Lq21:	Provide Me With Assistance In Exchange For My Effort
	Lq23:	Makes Clear What One Can Expect To Receive When Performance Goals Are Achieved
	Lq24:	Expresses Satisfaction When I Meet Expectation
Management-By-Exception (Active)	Lq25:	Focuses Attention In Irregularities, Mistakes, Exceptions, And Deviations From Standards
	Lq26:	Concentrates His/Her Attention On Dealing With Mistakes, Complaints, And Failure
	Lq27:	Keep Track Of All Mistakes
	Lq28:	Directs My Attention Toward Failures To Meet Standards
Management-By-Exception (Passive)	Lq29:	Fails To Interfere Until Problems Become Serious
	Lq31:	Shows That He/She Is A Firm Believer In ‘ If It Isn’t Broke, Don’t Fix It’
	Lq32:	Demonstrates That Problems Must Become Chronic Before Taking Action
Participative Leadership		
	Lq33:	Consults With The Subordinates For Fruitful Suggestions
	Lq34:	Trusts His/Her Subordinates
	Lq35:	Before Taking Any Decision, He/She Considers What His/Her Subordinates Have To Say
	Lq36:	Considers Your Suggestions For Immediate Solution Of The Problem
Supportive Leadership		
	Lq38:	Helps His/Her Subordinates In Smooth Functions Of Work
	Lq39:	Makes Your Task Simplified
	Lq40:	Treats His/Her Subordinates As Equals
Instrumental Leadership		

	Lq41:	Acts As A Mentor, Explains His/Her Subordinates What And How Things Should Be Done
	Lq42:	Defines The Work And Explains Ways It Should Be Carried Out
	Lq43:	Maintains The Definite Standards Of Performance
	Lq44:	Schedules The Work In Conformity With The Subordinates

Note: The Question Was ‘Please Indicate The Extent To Which The Following Statement Are True About Your Head Or Executive Officer (Or Equivalent) Of Your Organization By Tick Mark The Appropriate Point Measured On A Five Point Likert-Type Scale Respectively Anchored By (1) Strongly Disagree To (7) Strongly Agree

Unidimensionality Analysis

While Undertaking The Statistical Analysis, Unidimensionality Should Be Always Identified First, Before The Measurement Of Reliability And Validity, (Hair, Blake, Babin, & Anderson, 2010), Because The Concept Of Reliability And Validity Is Based On The Assumption Of Unidimensionality. Unidimensionality Explains Whether All Items Belonging To A Particular Single Variable Or Construct Are Fit For Measuring That Single Theoretical Variable Or Construct. In Order To Test The Unidimensionality Of The Constructs, Confirmatory Factor Analysis Was Conducted On The Measurement Model For Each Of The Constructs And Their Dimensions. Multiple Goodness Of Fit Index Is Used To Test The Unidimensionality. The Two Widely Used Goodness of Fitness Indexes Are CFI And RMSEA. If CFI Values More Than 0.90, And If RMSEA Value Is Not Beyond 0.10 Then That Construct Is Meant To Be Unidimensionality Construct (Nunnally & Bernstein, 1994). As It Is Evident From The Table That CFI For All The Constructs And Dimensions Are Above 0.90 And RMSEA Less Than 0.10 Which Shows The Evidence Of Unidimensionality.

Table 4: Showing Results of Unidimensionality Analysis

Leadership Styles	Items	CFI	RMSEA
Transformational Leadership	17	0.964	0.084
Transactional Leadership	10	0.975	0.091
Participative Leadership	4	0.948	0.093
Supportive Leadership	3	0.913	0.073
Instrumental Leadership	4	0.936	0.076
Organizational Performance	6	0.958	0.854

Note: CFI=Comparative Fit Index; RAMSEA=Root Mean Square Error of Approximation

Measurement of Reliability and Validity

Prior To Exploring And Identifying The Relationship Between Leadership Styles And Organizational Performance, It Was Deemed Necessary To Gauge The Extent Of Reliability And Validity For Each Of The Constructs Used In The Study. Reliability Can Be Defined As The Ability Of A Measuring Instrument To Give Accurate And Consistent Results. The Question Of Reliability Arises Only For The Psychometric Items Or Questions Used To Measure Perception Which Cannot Be Measured With Perfect Accuracy. In This Research Study, Statements Are Used To Measure Leadership Styles As Independent Variables And Organizational Performance As Dependent Variable In The Banking Organizational Of Jammu and Kashmir.

The Table 5 Represents The Reliability And Validity Of The Constructs Used In The Study Both Item And Dimension Wise. Reliability Of The Constructs Was Judged Through The Measurement Of The Cronbach Alpha Coefficient (Cronbach, 1951) Which Is A Widely Used Measurement Of The Internal Consistency Of A Multi-Items Scale In Which The Average Of All Possible Split-Half Coefficients Is Taken. Normally, Reliable Coefficient Alpha Of Above 0.70 Is A Good Measure For Reliability (Nunnally, 1978). But, The Criteria Of Cronbach Alpha Coefficient Of 0.60 Is Also Considered As A Reliable Coefficient Measure (Peterson, 1994; Slater, 1995). The Value of Cronbach’s Alpha Coefficient Above 0.70 Is Considered To Be ‘Acceptable Reliability’, above 0.80 ‘Good Reliability’, And Above 0.90 ‘Excellent Reliability’ (Hair, Blake, Babin, & Anderson, 2010). The Cronbach Alpha Values of Transformational, Transactional, Participative Supportive and Instrumental Leadership Styles Have Been 0.869, 0.826, 0.870 0.681 And 0.749 Respectively. The Cronbach Alpha Coefficient Values Of Sub-Dimensions Of Transformational And Transactional Leadership Range From 0.685 To 0.873 And 0.732 To 0.861 Respectively Which Is Above 0.70 Alpha Coefficients (Nunnally & Bernstein, 1978) And Could Therefore Be Classified As An Acceptably Reliable Measure For Further Analysis. Even The Criteria Of Cronbach Alpha Coefficient Of 0.60 Is A Reliable Coefficient Measure (Peterson, 1994; Slater, 1995).

Validity Testing Means Testing The Instrument Whether It Has Ability To Measure What It Intends To Measure. The Two Forms Of Validity Testing Are 1) Convergent Validity And 2) Discriminant Validity. For Evaluation Of The Convergent Validity Of Constructs, Measurement Of Inter-Item Correlations And Item-To-Total Correlations Are Sound Base For It (Hair, Blake, Babin, & Anderson, 2010). The Acceptable Criteria Value Of Inter-Item Correlation And Item-To-Total Correlation Is Above 0.30 And 0.50, Respectively (Hair, Black, Babin, & Anderson, 2010). This Analysis Indicated Significant Bivariate Relationships In The

Anticipated Directions, Indicating Convergent Validity. If The Correlation Is Moderately High (Above 0.40), Then The Item Will Make A Good Valid Component Of The Scale (Leech, Barrett, & Morgan, 2005). To Check The Sound Convergent Validity Of Leadership Styles And Organizational Performance, Inter-Item And Item-To-Total Correlation Was Operated In The Scale. As It Is Evident From The Table That All Values I.E. Inter-Item Correlations And Item-To-Total Correlations Of Leadership And Organizational Performance Are Greater Than Criterion Value, Thus Fulfilling The Acceptance Criteria And Indicating The Sound Convergent Validity Of The Scale And As A Result, No Further Items Were Dropped.

Discriminant Validity On The Other Hand, Measures The Extent To Which All The Latent Variables Concerned In The Study Are Discriminating Each Other I.E. Discriminant Validity Denotes The Independence Of The Constructs Used For The Study. It Indicates The Degree To Which The Constructs Used In The Study Are Different Among Themselves. Constructs Studied Shall Be Having Discriminant Validity If The Average Variance Explained (AVE) Value Of Any Two Constructs Exceeds The Square Of The Correlation Among The Two Constructs. To Test The Discriminant Validity For The Proposed Measurement Model, The Average Variance Extracted And The Square Correlation For Every Possible Pair Of Factors Were Calculated. Consequently, The Results Obtained From The Tables Below Showed That Average Variance Extracted For Each Pair Of Latent Variables Were Greater Than The Square Correlation For The Same Pair Thus Indicating Discrimination Among The Variables.

Table 5: Measurement of Reliability and Validity for Leadership, Culture and Performance

Leadership Dimensions	Items		Cronbach's Alpha Coefficient	Inter-Item Correlation	Item-To Total Correlation
	Before	After		Lowest to Highest	Lowest to Highest
Transformational Leadership	20	17	0.869	0.382-0.894	0.513-0.814
IIA	4	3	0.786	0.413-0.713	0.582-0.849
IIB	4	4	0.873	0.456-0.712	0.628-0.893
IM	4	3	0.685	0.348-0.645	0.598-0.782
IS	4	3	0.772	0.364-0.689	0.530-0.827
IC	4	4	0.741	0.339-0.785	0.558-0.886
Transactional Leadership	12	10	0.826	0.381-0.687	0.658-0.863
CR	4	3	0.796	0.377-0.683	0.612-0.789
MBEA	4	4	0.732	0.426-0.715	0.546-0.751
MBEP	4	3	0.861	0.326-0.567	0.589-0.810
Participative Leadership	4	4	0.870	0.423-0.610	0.674-0.856
Supportive Leadership	4	3	0.681	0.398-0.714	0.602-0.798
Instrumental Leadership	4	4	0.749	0.468-0.726	0.560-0.723
Organizational Performance	6	6	0.886	0.337-0.614	0.563-0.792

Table 6: Discriminant Validity Test of Measures of Leadership Styles

	Transformational Leadership	Transactional Leadership	Participative Leadership	Supportive Leadership	Instrumental Leadership
Transformational Leadership		0.910	0.892	0.874	0.908
Transactional Leadership	0.340		0.913	0.878	0.936
Participative Leadership	0.412	0.257		0.962	0.897
Supportive Leadership	0.147	0.407	0.388		0.882
Instrumental Leadership	0.268	0.277	0.335	0.194	

Note: Figures in Bold Form Represent The Average Variance Extracted While Others Represent The Square Of Correlations For Each Pair

Measurement of Model Fit

After Identifying The Reliability And Validity Of The Measuring Instrument Of Leadership Style And Organizational Performance, It Was Also Statistically Important To Identify The Overall Fit Of The Measurement Model. The Measurement Of The Fit Model Is Statistically Necessary So As To Ensure That All Possible Factors Present In The Model Are Nested Perfectly And Are Appropriate For The Model. The Overall Fit Of The Measurement Model Was Identified By Conducting The Confirmatory Factor Analysis (CFA). To

Evaluate The Measurement Model In This Research, It Was Deemed Necessary To Use Multiple Goodness Of Fit Indices (Bagozzi & Foxall, 1996; Byrne, 2001), The Assessment Of Model Fit Was Based On The Number Of Criteria: Likelihood Ratio Chi-Square (χ^2) Statistics Or χ^2/ Df Ratio Which Is Called Normed Chi-Square And Is The Widely Used Fit Test That Estimates Variation Among The Observed Data Covariance Matrix With Estimated Or Fitted Covariance Matrix, $P > 0.05$ Or $\chi^2 \geq 3$ Indicating Good Fit, Root Mean Square Error Of Approximation (RMSEA) < 0.05 Indicates Good Fit, An Adequate Fit If $RMSEA \leq 0.08$ And From 0.08 To 0.10 Indicates Mediocre Fit And That Of Above 0.10 Indicates Poor Fit. Comparative Fit Index (CFI) ≥ 0.9 Indicates Good Fit, Goodness Of Fit Index (GFI) ≥ 0.9 Indicates Good Fit, Tucker-Lewis Fit Index (TLF) Also Known As Non-Normed Fit Index (NNFI) ≥ 0.9 , Incremental Fit Index (IFI) ≥ 0.9 Indicates Good Fit And Relative Fit Index (RFI) ≥ 0.9 Indicates Good Fit (Hair, Blake, Babin, & Anderson, 2010).

Table 6: CFA Tests of Model Fit for Leadership Styles and Performance

Dimensions	χ^2 / DF	RMSEA	CFI	GFI	TLI/ NNFI	IFI	RFI
Justified Index	FC ≤ 3	Fc ≤ 0.08	Fc ≥ 0.9	Fc ≥ 0.9	Fc ≥ 0.9	Fc ≥ 0.9	Fc ≥ 0.9
Leadership							
Transformational	4.76	0.065	0.96	0.93	0.92	0.90	0.91
Transactional	3.93	0.049	0.98	0.91	0.95	0.94	0.95
Participative	2.35	0.081	0.94	0.89	0.91	0.92	0.93
Supportive	3.65	0.062	0.97	0.92	0.89	0.90	0.93
Instrumental	4.12	0.088	0.92	0.90	0.97	0.96	0.94
Organizational Performance	3.91	0.078	0.93	0.89	0.90	0.94	0.97

Note: FC= Fit Criteria; χ^2 = Chi-Square Value; RAMSA=Root Mean Square Error of Approximation; CFI=Comparative Fit Index; GFI=Goodness of Fit Index; TLF=Tucker-Lewis Fit Index; NNFI= Non-Normed Fit Index; IFI=Incremental Fit Index and RFI=Relative Fit Index

As The Result From The Above Table Shows That χ^2/Df Values For All The Leadership Styles Except Participative Leadership And Organizational Performance Exceeds The Acceptable Criteria Of 0.3, Thus Indicates Poor Fit Of The Model. It Is To Be Mentioned That Problems With Chi-Square Goodness Of Fit Are Evident In Case Of Model Fit, This Is Because One Big Limitation With Chi-Square Is That It Is Sensitive To The Sample Size Which Means As The Sample Size Increases, It Becomes More Likely To Reject The Null Hypothesis. However, Chi-Square Value In Case Of Organizational Performance Is Greater Than 3 And Thus Shows Good Fit. Overall, the Chi- Square Value Shows Poor Model Fit For This Research Work. However, This Is Not The Only Model Fit Indicator And Fitness Of The Model Can Be Evaluated Through Other Indices Included In The Table. One Corroborating Test Index Of Model Fit Is Root Mean Square Of Approximation (RMSEA) Statistic Which Is Propounded By Steiger And Lind In 1980. RMSEA Is Different From The Chi-Square Test In The Sense That It Is Sensitive To The Number Of Parameters Estimated Rather Than Sensitive To Sample Size. As It Evident That The Value Of RMSEA For All The Constructs Is Less Than Or Equal To 0.08 (Except One Construct Which Exceeds The Acceptable Criteria) Thus Indicates The Fitness Of The Model. The Other Measurement Indices Like, CFI, GFI, TFI, IFI And RFI Are More Than Or Equal To 0.9 Which Fall Within The Acceptable Fit Criteria For All The Constructs Of Leadership Styles And Organizational Performance Except Very Few Values In Case Of GFI. Overall, The Values Of The Concerned Indices Of The Measurement Show Fitness Of The Model Statistically And Indicate That Model Fitted Well In Representing And Analysis Of The Data.

III. Results And Discussion

Figure 2 Illustrates The Amos (Path) Representation Of The Hypothesized Model Portraying The Influence Of Leadership Styles On Organizational Performance. It Depicts The Measurement of Latent Variables (Unmeasured, Hypothetically- Existing Constructs) Which Are Enclosed In The Oval Shapes. These Latent Variables Are Measure On The Basis Of Observable Variables Which Are Enclosed In Squares And The Measurement Errors And Residuals Are Enclosed In Circles. As, It Can Be Seen That There Are Six Latent Variables And Each Of These Latent Variables Are Defined In Terms Of Observable Variables Thus Depicting The Relationships With Unstandardized Path Coefficients. IIA Idealized Influence (Attributes), IIB Idealized Influence (Behaviour), IM Inspirational Motivation, IS Intellectual Stimulation And IC Individual Consideration Constitutes Transformational Leadership, Cr Contingent Reward, MBE(A) Management-By-Exception Active And MBE(P) Management-By-Exception Constitutes Transactional Leadership And Participative, Supportive An Instrumental Leadership Styles Are Imbued By Four, Three And Four Observable Variables Respectively.

The Figure Demonstrates The Influence Of These Five Leadership Styles On Organizational Performance Made Up Of Six Performance Parameters Namely; Deposit Growth, Profitability, Market Share, Quality Of Products And Services, Competitive Vantage/ Position And Employee Satisfaction. It Can Be Observed From The Figure That Only Transformational Leadership Affects Organizational Performance Significantly And Transactional, Participative And Supportive Leadership Styles Show Insignificant Impact As Already Explained In The Table No. 7.

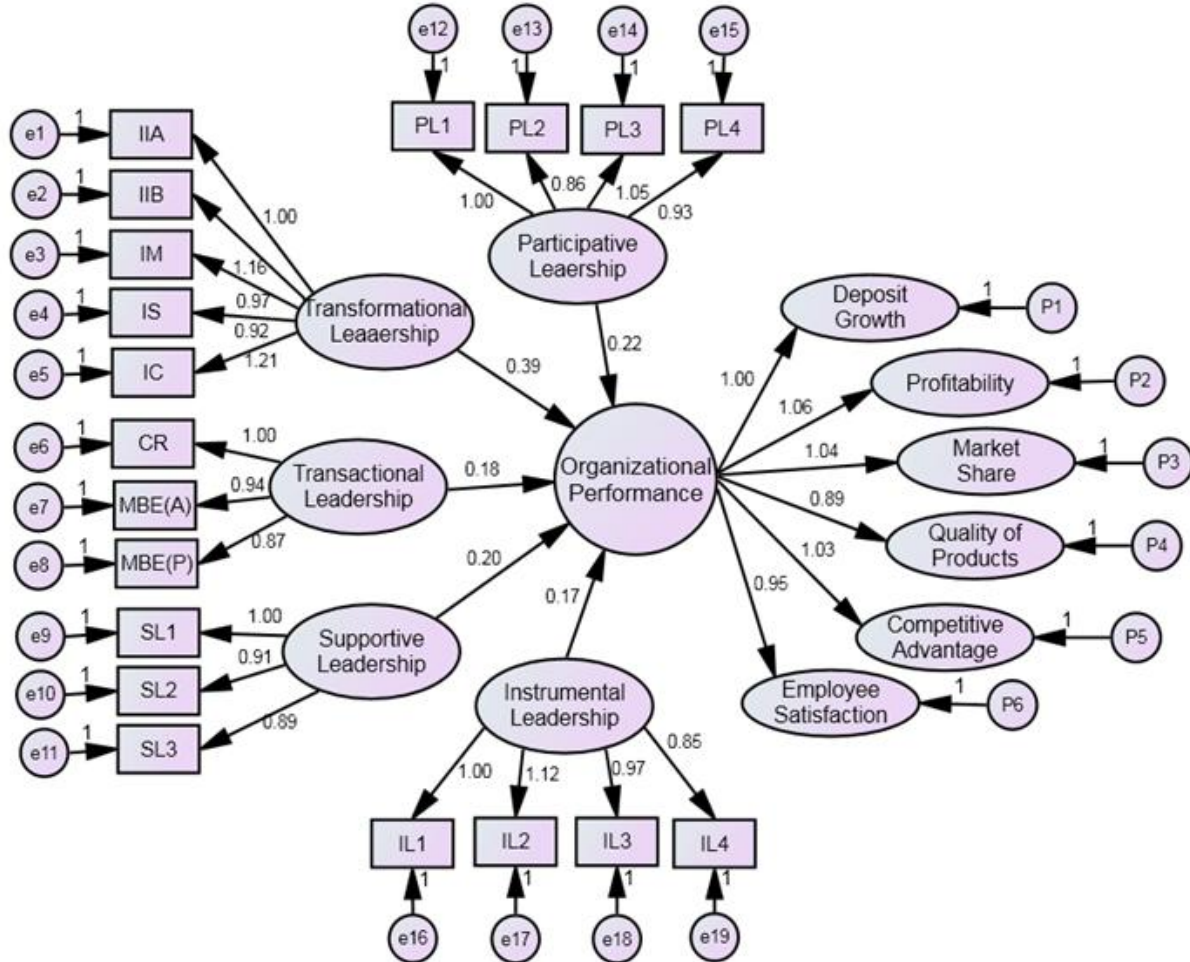


Figure 2

Table 7: Hypothesized Model of Leadership and Organizational Performance

Criteria Variable	Explanatory Variable	SRW	URW	SE	CR	Decision
Performance	← Transformational Leadership	0.310	0.392	0.102	2.86*	H _{1a} Supported
Performance	← Transactional Leadership	0.276	0.185	0.110	1.68	H _{1b} Not Supported
Performance	← Participative Leadership	0.289	0.218	0.121	1.80	H _{1b} Not Supported
Performance	← Supportive Leadership	0.322	0.196	0.118	1.67	H _{1b} Not Supported
Performance	← Instrumental Leadership	0.316	0.177	0.101	1.75	H _{1b} Not Supported
Idealized Influence (Attribute)	← Transformational Leadership	0.864	1.000			
Idealized Influence (Behaviour)	← Transformational Leadership	0.713	1.167	0.072	16.20**	
Inspirational Motivation	← Transformational Leadership	0.658	0.966	0.067	14.42**	
Intellectual Stimulation	← Transformational Leadership	0.705	0.923	0.069	13.37**	
Individual Consideration	← Transformational Leadership	0.689	1.215	0.086	14.12**	
Contingent Reward	← Transactional Leadership	0.810	1.000			

MBE (Active)	← Transactional Leadership	0.731	0.948	0.062	15.29**
MBE (Passive)	← Transactional Leadership	0.724	0.869	0.076	11.43**
Deposit Growth	← Organizational Performance	0.882	1.000		
Profitability/ROA	← Organizational Performance	0.906	1.065	0.046	23.15**
Market Share	← Organizational Performance	0.854	0.840	0.044	19.09**
Quality Of Products And Services	← Organizational Performance	0.938	0.895	0.051	17.54**
Competitive Advantage/Position	← Organizational Performance	0.885	1.035	0.039	26.53**
Employee Satisfaction	← Organizational Performance	0.893	0.947	0.055	17.21**

Note: SRW= Standardized Regression Weights; URW= Unstandardized Regression; Se =Standard Error; Cr= Critical Ratio

** P < 0.01

The Table 7 Portrays The Relationships Between The Leadership Styles As The Independent Or Explanatory Variables And The Organizational Performance As The Outcome Or Dependent Variable. The Standardized And Unstandardized Values Of Coefficients Are Provided Which Are In The Form Of Regression Weights To Identify Whether Coefficients Are Significant. As It Is Observed That Transformational Leadership Affect Organizational Performance Directly As The Unstandardized Regression Weight (URW) Being 0.39 And Critical Ratio (Cr) 2.86. So The Hypothesis H_{1a} Which States That Transformational Leadership Affects Organizational Performance Directly And Significantly Is Accepted. However, It Is Evident That The Leadership Styles Namely, Transactional, Participative, Supportive And Instrumental Leadership Styles Do Not Affect The Organizational Performance As The Unstandardized Regression Weights (URWS) And Critical Ratios (Cr) Are Very Poor As 0.18 (1.68), 0.21 (1.80), 0.19 (1.67) And 0.17 (1.75) Respectively And Thus Hypothesis H_{1b}, H_{1c}, H_{1d} And H_{1e} Are Rejected. Overall, The Result From This Observation Is That Only Transformational Leadership Does Affect Organizational Performance As Other Leadership Styles Showed Insignificant Impact On Organizational Performance.

Further, It Is Also Observed From The Table That All The Five Sub-Dimensions Namely Idealized Influence (Attribute), Idealized Attribute (Behaviour), Inspirational Motivation, Individual Consideration And Intellectual Stimulation Affect And Thus Constitute Transformational Leadership Styles Significantly As The Unstandardized Regression Weights Being 1.00, 1.107, 0.96, 0.92 And 1.21 Respectively. Similarly, the Sub-Dimensions Of Transactional Leadership Style Namely Contingent Reward, Management-By-Exception (Active) And Management-By-Exception (Passive) Affect And Constitute This Leadership Style Significantly As The URWS Being 1.0, 0.94 And 0.86 Respectively. At The Same Time, It Is Also Observed From The Table That All Six Dimensions Or Parameters Of Organizational Performance Namely Deposit Growth, Profitability, Market Share, Quality Of Products And Services, Competitive Advantage And Employee Satisfaction Affect Organizational Performance Significantly And Thus Constitute It Very Well As The URWS Being 1.00, 1.06, 0.84, 0.89, 1.03 And 0.94 Respectively.

IV. Conclusions And Implications

This Paper Presents The Results Of Research Work On The Impact Of Leadership Styles (Transformational, Transactional, Participative, Supportive And Instrumental) On Organizational Performance Of Banking Sector Organizations In Jammu and Kashmir, India. The Paper Comprised Of Two Research Questions Viz. To Investigate Empirically The Impact Of Leadership Styles On Organizational Performance. And Secondly; To Find Which Leadership Style Is Dominantly Prevailing In The Concerned Banking Companies In Jammu and Kashmir, India. The Data Were Collected From Face To Face Interaction With Respondents Through A Structured Multifactor Questionnaire (SMQ) Which Was Successfully Tested And Implemented For Measuring The Relationships Between Leadership Styles And Organizational Performance With The Inclusion Of Certain Demographic Variables. The Findings Reveal That Transformational Leadership Affects Organizational Performance Directly And Significantly Which Is Supported By Some Previous Researches As Well Like (Xenikou & Simosi, 2006; Choudhary & Akhtar, 2012; Ojokuku, Odetayo, & Sajujigbe, 2012) And Is The Dominant Form Of Leadership Style Prevailing In The Banking Organizations Of Jammu And Kashmir, Thus Provide Strong Statistical Support To Accept The Hypothesis Number H_{1a}. But, The Transactional Leadership Showed Insignificant Impact On Organizational Performance Which Is Opposite To The Results Of Some Previous Researches Like (Belonio, 2012; Koech & Namusonge, 2012; Aziz, Mahmood, & Abdullah, 2013) And These Researches Say That Both Transformational And Transactional Leadership Have

Significant Impact On Organizational Performance. Further, The Other Three Forms Of Leadership Styles Namely Participative, Supportive And Instrumental Have Also Shown Insignificant Impact On Organizational Performance And This Result Is Also Supported By (Ogbonna & Harris, 2000) Who Have Stated That All These Three Leadership Styles Affect Organizational Performance Indirectly Through Organizational Culture. So The Research Hypotheses H_{1b}, H_{1c}, H_{1d} And H_{1e} Were Rejected. So It Is Observed That All The Five Leadership Styles Are Prevailing In The Banking Organizations Of Jammu and Kashmir But, Among All Transformational Leadership Affects Directly To The Performance Which Indicates That Managers Of Banking Organizations Should Opt For Transformational Leadership Style So As To Better Organizational Performances. Although The Results Of This Research Is Supported By Some Previous Researches But At The Same Time, It Also Contradicts With More Previous Studies As Mentioned And Thus Creates A Debatable Issue In This Regard.

Implications

The Results Of The Present Study May Have A Number Of Implications For The Managers Of Banking Companies, Both Public And Private Sectors In Jammu And Kashmir. First Of All, This Research Work May Highlight The Theoretical Framework, Giving An Indication To The Managers Regarding The Importance Of Leadership Styles Especially, Transformational Leadership And Its Direct Impact On Performance Of The Organization. Secondly, Creating And Adoption Of The Appropriate Leadership Style Is Of Indispensable Phenomenon In Achieving And Maintaining Employees' High Commitment In An Organization. As Per Some Previous Researches, Leadership Style Is Considered As An Important Factor, An Essential Condition For The Creation Of Organizational Commitment In An Organization. Still, This Research Work Was An Attempt To Bring Some Value Addition To The Existing Literature In The Business Management Scenario, Especially For The Banking Companies, Both Public And Private Sector In Jammu And Kashmir Which Are Under Tuff Competition, Moreover, The Results From The Study May Help Managers In Identifying The Areas To Be Improved So As To Achieve High Employee Commitment With The Help Of Transformational Leadership Which Is Very Important For The Success Of An Organization.

Limitations and Further Research

There Are Few Limitations Of This Research Work That Must Be Reckoned. First Of All, The Data Are Perceptual In Nature And At The Same Time Respondents May Likely To Assess The Positive Aspects Of Questionnaire More Favorably Than Negative Aspects. Secondly, Some Branches Of Concerned Insurance Companies Are Located In Hilly Areas Of Jammu and Kashmir Which Were Not Reckoned Because Of Inaccessibility Due To The Winter Season. There Are Some Other Factors In An Organization Which Affect Organizational Performance Like Culture Of An Organization, Employee Satisfaction And Commitment. Therefore, Further Research May Be Undertaken To Find Out Elaborately The Impact Of These Factors On Organizational Performance. Further, The Only Banking Companies Have Been Taken For The Study; The Research Can Be Undertaken Elaborately In Many Different Organizations With Different Nature Of Business In Order To Get A Sound Base For Inferences And Judgments Regarding The Leadership Styles And Organizational Performance.

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