



ADA University

School of Business

A Research Project Submitted In Partial Fulfillment of The Requirements of
Degree of The Master of Business Administration

**The Effects of Leadership Styles on Individual Work Performance of
Employees in the case of Banking Sector of Azerbaijan**

Aysun Kalbaliyeva

May, 2022

STATEMENT OF AUTHENTICITY

I have read ADA's policy on plagiarism and certify that, to the best of my knowledge, the content of this paper, entitled *Effects of different leadership styles on individual work performance in the case of banking sector of Azerbaijan* is all my own work and does not contain any unacknowledged work

Signed: Aysun Kalbaliyeva

Abstract

With an effective leadership, the employee's efforts to achieve the goals of the organization, his desire to remain as a member of the organization, the increase in the performance of the employee by adopting and integrating the organization, adding value to the organization and the costs that may occur when the employee leaves the job are prevented. While many factors play a role in ensuring commendable job performance, the influence of the leader in this process is quite large. The leader ensures that the employees adopt the vision, mission, and strategies of the organization, create the necessary environment for them to do their jobs more lovingly in the working environment, and ensure that the individual goals of the employees and the goals of the organization meet on a common ground. The leader is the enforcer of the rules regarding the working principles of the organization. In this study, the relationship between leadership styles and individual work performance of employees in the banking sector of Azerbaijan is examined.

Keywords:

Table of Contents

1. Introduction	5
1.1 Banking sector in Azerbaijan.	7
1.2 Leadership style in Azerbaijan	9
1.3 Problem statement	10
1.4 Aim of the study	11
1.4.1 Research question and hypothesis of the study:	11
2. Literature review	12
2.1 Leadership theories	13
2.2 Leadership Styles	16
2.2.1 Transformational Leadership	16
1.2.2 Transactional Leadership	20
1.2.3 Outcome of transformational and transactional leadership on contextual work performance	22
2. Research methodology	24
Scale of the Research	24
2.1 Hypothetical Model	26
Hypotheses	28
Research Method	29
3.4 Validity, Reliability and Explanatory Factor Analysis Results	35
3.5 Analysis of Distributions and Differences Regarding Demographic Variables	39
3.5 Results Evaluation	46
Conclusion	51
Practical implications	52
Recommendations	54
References	55

1. Introduction

“Good leadership makes it easy for followers to follow and good ‘followership’ makes it easy for leaders to lead”(Richard B. Gasaway, 2006). Leadership is one of the most essential topics in both scientific inquiry and corporate practice. It is defined as a person's ability to influence other people in work processes, innovation, and the attainment of the organization's goals. Leadership is a key aspect in a company's success, as well as a resource for gaining a competitive edge and improving corporate performance. It is more about development of employees ‘job performance, their motivation and engagement rather than leaders’ self-interest. Leaders are the people who inspire subordinates to achieve organizational goals. Leadership is defined as the process of influencing the actions of employees to achieve certain goals (Rowe, 2007).

Throughout the history different leaders apply different leadership styles, however, they all have one thing in common: to bring the in people. Northouse (2007) argues that leadership style is about providing direction and motivating employees which will lead to higher job performance of employees. Lamb and McKee (2004) argue that different organizations’ cultures require different type of leadership, therefore, the style that adopted by leader should be the one that effectively achieve objectives of individuals and organization.

According to Bass’s six-factor leadership model, there are 3 leadership styles which are transformational, transactional, and laissez-faire. Each leadership style has its factors, such as inspirational motivation, intellectual stimulation, individualized influence, contingent reward, management-by-exception. According to Bass, transformational leaders inspire followers to put organization’s self-interest into the first place rather than employees’ self-interest. Subordinates follow transformational leaders due to qualities and behaviors that distinguish them from others.

Transformational leaders inspire followers to solve problems from different perspectives and those leaders spend time with followers to guiding and training them (Bass, 2008, p. 619). Transactional leadership on the other hand, focus on exchange between manager and followers. Defined company goals such as improved customer service, cost reduction, and enhanced output are the focus object of transactional leaders (Sadeghi & Pihie, 2012). Those leaders direct followers' attention to mistakes so that they can meet standards and express satisfaction when employee fulfill expectations.

Work performance differ from work productivity because productivity is about input divided by output. It is about successful completion of tasks by individuals or groups. Effective management of employee job performance is crucial for achieving objectives of organization (Amos, 2004). Traditionally, when we say work performance, task performance is meant which is defined as a professionalism that individual perform while doing his task (Dalal, 2005). However, recently the focus moves to the factors that are indirectly contributes to the goals of organization such as organizational citizenship, extra-role behavior and contextual performance (Lepine, 2002). It has been assumed that what factors are included to individual work performance differs organization to organization, therefore, there are lots of different measures of individual work performance. Since work performance is abstract phenomena, it cannot be measured directly, but dimensions and indicators of it can be measured (Srinivasan, 2012). It is argued that individual work performance is about 2 main components which are task performance and contextual performance (Robson,2012). Task performance are the behaviors that contribute to the organizational goal from technical perspective. Viswesvaran (Zacharatos, 2005) stated that productivity, quality, and job knowledge are the dimensions of task performance. On the other hand, contextual performance is behavior of employee about supporting organizational and social

environment that helps technical function to perform. Contextual behaviors are volunteering, cooperating, and following rules within organization (Robson,2012). This study will focus on effects of different leadership styles on contextual work performance of employees in banking sector in Azerbaijan.

The banking sector is described as “a work environment where employees are often busy, work under pressure and are constantly in an emotionally laborious state. This is related to the demand of work, prudence in financial management, and extended time of interaction between bank employees and customers” (Dartey, 2017). Since successful leadership encourages staff dedication and brand-supporting behaviors, it can be one of the approaches to meet the banking sector's strategic demands and problems (Vaccaro, 2012). It was stated that interaction method of leader with employees determines employees job performance (Drucker, 2003). In order to solve organizational problems within banks, creating strong relationship between leaders and employees development of their employees are the main goal of banks.

The purpose of this study is to determine effect of leadership styles (transformational and transactional) on work performance of employees in the case of banking sector of Azerbaijan. The methodology of the research is analysis of the available literature and statistical analysis of the data collected from survey results.

1.1 Banking sector in Azerbaijan.

The Republic of Azerbaijan located at the crossroads between Europe and Asia, which serves as a bridge between East and West. Azerbaijani is the official language of the country and national currency is manat (AZN). Due to globalization, the country open to international market in

political and economic terms. While the economy mainly depends on oil and gas sector, it is transitioning other sectors as well (OEC, 2015). Thus, a modern banking and business sector are also developing in Azerbaijan (Advameg, 2010).

The importance of the banking sector is increasing in the globalizing world where international trade is rapidly developing. Problems in the banking system have importance in the emergence of negativities in the economy. Since the performance of the banking sector affects all economic units in the country, it is important to measure and audit the performance of the sector. In this regard management quality plays and leadership style play significant role in the performance of employees.

Banking in Azerbaijan in its present form dates to 1992 although it had started in 19th century and continue to operate during Soviet period. Currently, there is a developed banking system in Azerbaijan which are the Central Bank of the Republic of Azerbaijan in the first place; commercial banks, and other non-bank credit organizations in the second place. According to banks 'audit report, TOP-3 biggest banks of Azerbaijan in terms of cash reserves are "International Bank of Azerbaijan", "Capital Bank" and "PASHA Bank" (TOP-10 banks in terms of cash reserves, 2019).

There have been several studies about effects of leadership styles on employee job performance. However, there is lack of evidence about effects of different leadership styles on individual work performance in banking sector of Azerbaijan. Since leadership style has significant influence on attitudes and behaviors of employees, it is assumed that this study will bring new perspective to organizational behavior of banks in Azerbaijan.

1.2 Leadership style in Azerbaijan

Leadership differs along the globe based on culture and traditions of different countries. Although globalization has widely spread in Azerbaijan, culture, tradition, family and religion still take precedence above commonly accepted principles. Turkish professor Aynur Dogan (2018) has done research about different leadership styles in private and public sector in Azerbaijan. She has found that leadership in Azerbaijan can be categorized semi-authoritarian because government organizations are ruled through hierarchy while Western styles of leadership is mainly applied in private sector. Until 1991 Azerbaijan had been under Soviet influence for years which was characterized by one party system. This has affected people's way of thinking and has caused several stereotypes about leaders in Azerbaijan. For example, people grew-up soviet era thought that leaders should be harsh and they should be addressed by their titles (Dogan, 2018).

A survey about power distance was conducted in 2006 in Azerbaijan. Respondents showed a high-power distance and high uncertainty avoidance (Hatcher, 2008). However, nowadays since foreign investments are increasing in the country, it allows choosing individualistic approach while doing businesses (Kaasa, 2013). Research shows that age is also an important factor in countries where power distance is high. Research done by Gihan Osman and Susan C.Herring (2007) show that older people feel uncomfortable while interacting with young generation in decision making process. Older people are given importance in organizations, and they have office space and transportation according to their positions in Azerbaijan. For instance, you cannot see older leaders in public transportation but rather private driver if preferred by them. Moreover, old generation prefers authority, loyalty and strong leadership while young generation is keen on to find new opportunities in order to meet the globalizing world's need (Commisceo Global, 2016b).

Generally, Azerbaijanis are group-oriented people, however, middle and lower ranking people do not participate in decision making process. Baymarov (2011) indicates that in contrast to western companies, having a lot of decision maker is rare in Azerbaijani companies.

If we take into consideration that young generation is eager to adapt western business styles and international business environment requires leaders of new type, different leadership styles should be developed in the country through management trainings. Therefore, this study will help banks to understand which leadership styles has a positive effect on individual work performance of employees which directly affects performance of organization as well.

1.3 Problem statement

Azerbaijan's banking sector is a rapidly expanding business sector. Since the number of operating banks is increasing day by day, the competition among them is increasing as well. To make continuous growth, bank managers must motivate employees to reach organizational goals. Banks need leadership styles that can achieve organizational goals by increasing employee involvement and job performance. Since leadership is an important factor in improving employee performance of an organization, the good performance of employees depends on effectiveness of leadership at all (Randall, 2012).

Several organizations today are grappling with the issue of leadership and the best way to lead staff. Organizations have had to deal with bureaucratic leadership over the years in Azerbaijan. Poor employee performance and a lack of enthusiasm were found as a result of different studies. Effects of leadership styles on job performance had been arguable among

researchers through many years. Maxwell (2015) argue that transactional leadership styles is the most motivating leadership style among others because it enables subordinates to do beyond their capability. On the other hand, it is said that transformational leadership generates more motivation among employees and increase job performance than transactional leadership (Rasool, 2015).

Effects of different leadership styles on job performance and negative or positive relationship between them are revealed in different researches. However, there is no research done before that focus on effects of transformational and transactional leadership styles on individual work performance of employees (in terms of contextual performance) in banking sector of Azerbaijan. Thus, this research would investigate management leadership style and its effects on individual work performance of employees in banking sector.

1.4 Aim of the study

If we take into consideration that leadership is a significant factor in increasing the performance of employees, the effectiveness of leadership at all levels determines the success or failure of all organizations (Choudhary et al, 2013). The primary goal of this study is to examine the existing leadership styles in several Azerbaijani banks, as well as to determine whether there is a link between leadership styles and individual work performance of bank employees. This study will help managers to understand which leadership styles should be applied in banking sector in Azerbaijan to achieve higher extra effort of employees towards job. The study will be conducted by examining the leadership styles of employees working in different Azerbaijani banks.

1.4.1 Research question and hypothesis of the study:

- 1) To what extend different leadership styles are applied in banking sector of Azerbaijan?

- 2) What are the effects of transactional and transformational style on individual work performance in the banking sector of Azerbaijan?

Hypothesis

1. H1. Transactional Leadership has negative effect on individual work performance of employees
2. H2. Transformational Leadership has positive effect on individual work performance of employees

Independent variable of our research will be Transformational and transactional leadership styles. Dependent variable will be contextual work performance of employees and other control variables such as gender, age, education etc. will be measured as well.

The impact of independent variables on dependent variable will be explored in two steps first, theoretically through literature review and then is tested empirically in the Azerbaijani banking sector via survey questionnaire.

2. Literature review

Throughout history a lot of theories and definitions about leadership has defined in the literature. In some cases, leadership has been defined as a process, but most leadership theories and research focus on the individual (Homer, 1997). The ability to organize is necessary for the development of leadership and adherence. Leadership is mainly characterized by leaders' characteristics, qualities, and behaviors.

Since there are different characteristics of leaders, there different perspectives on leadership theories. "While most current research has shifted focus from trait or personality-based theories to

a situation theory, which states that the situation in which leader's leadership skills and characteristics are determined by situation (Avolio, Walumbwa, & Weber, 2009), all contemporary theories can be classified into one of two perspectives”: “leadership as a relationship and leadership as a combination of traits or personality characteristics” (Amanchukwu, 2015).

The main theories that emerged during 20th century include: the Great Man theory, Trait theory, Process leadership theory, Style and Behavioral theory, Transformational, Transactional and Laissez Faire leadership theory (Ahmed Khan, 2016).

2.1 Leadership theories

Trait Theory

This theory focuses on the physical and personal characteristics of leaders. According to that, leaders are born with leadership characteristics and it stay stable over the period. The theory argues that finding leaders with right traits will lead to great employee performance. Over the decades, researchers developed the traits that are linked to successful leadership. Self-confidence, intelligence, emotional stability, creativity, understanding of follower, courage and resolution, adaptability, task competence and motivation are the traits that are included to the list (Fleenor, 2006). Some scholars argue that traits of leaders differ situation to situation. According to recent research, the personality attributes of leaders have an impact on individual work performance of employees. To reach defined organizational goals company should improve the employees' positive feelings about their manager (Bhatti et al., 2014). A successful leader's behavioral habits, such as full cooperation, support, and positive feedback, may outperform employee job performance.

Contingency Theory

Contingency theory of leadership says that there are certain variables that influence leadership style which is most suited for a given work circumstance. According to the theory, there is no single leadership style that is suitable for all situations. In order to be successful, number of variables, such as qualities of employees and situational features should be taken into consideration (Cherry, 2012). Contingency theory argues that effective leadership depend on balance between leadership style and specific situation's demand (Lamb, 2013). According to this theory, most effective leaders are those who can adapt their style based on different situations. The theory argues that leaders should change degree of supportiveness to followers according to the requirement of certain situations and adopting a single leadership style is not effective in all situations (Ghazzawi, Shoughari, & Osta, 2018).

Behavioral Theory

While Trait theory focuses on leaders' personality characteristics, Behavioral theory focuses on behaviors of leaders. Behavioral theory argues that great leaders are not born but made. Unlike Trait theories, behavioral theory of leadership argues that leadership can be learned through observations and trainings over a period. According to the theory, success of leaders depends on their behavior. Proponents of this theory argues that if a person can learn and implement certain behaviors, he can be successful leader. This theory encourages leaders to be self-aware of the behaviors that affects employee job performance. According to Northouse (2007), there are 2 types of behavior in this theory: 1) Task behavior and 2) Relationship behavior. Task behavior mainly focuses on how tasks are accomplished within organization. Relationship behavior focuses on how leaders motivate followers to do certain tasks. Studies found out that according to behavioral

theory, leadership styles are practiced in different ways. Thus, leaders influence subordinates initiating and consideration structure (Gill, 2006).

Participative Theory

Participative theory argues that effective leaders are those who encourages participation of groups in decision-making process. Scholars claim that this type of leadership has many benefits, such as enhancing correspondence of decisions and improving work life quality of subordinates (Bell, 2014). Researchers suggest that employees that involve in decision-making process become more motivated and inspired by team which itself increases their performance (Hersey& Blanchard, 2010). It is argued that bringing employee to the decision-making process strengthen relationship between employee and manager and as a result, employees' responsibility towards work increase (Jones, 2013). Involving employees in decision-making process may bring transparency to the organization and this leadership method might be suitable for banking industry since employee performance plays crucial role in banks' performance.

Leader-Member Exchange Theory

According to Leader-Member Exchange theory, leaders and some followers build a special relationship, and this group of people is called in-group. Remaining followers who are not part of this group are called out-group. Followers that are in-group get some favorable attitudes from leaders, therefore, they have high-quality relationship with leaders. The aim of this theory is to analyze quality of relationship between leaders and followers. It is argued that every pair of leader and follower has a unique relationship with each other, and that various followers may have different descriptions or relationships with the same leader (Gill, 2006). Although subordinates,

who are in-group, get more confidence from leaders, they also do extra tasks and have more responsibilities (Megheirkouni, 2019). According to LMX theory, relationship between leaders and followers has significant effect on job performance of employees (Martin et al., 2005).

2.2 Leadership Styles

Due to employee dissatisfaction and high workload banks may face high employee turnover (Ojokuku et al., 2012). Authors suggest that in order to eliminate this turnover, managers should choose right leadership styles. However, in some cases applying appropriate leadership style make create conflict and dissatisfaction among managers and employees. Some managers think that using of certain leadership style may diminish his power. On the other hand, other managers do not understand and properly analyze the result of appropriate leadership style on employee performance, therefore, they do not apply it.

2.2.1 Transformational Leadership

General definition of transformational leader is that it is the ability of leader to inspire and influence subordinates (Ghasabeh et al. 2015) It was stated that transformational leadership focuses on satisfying needs of employees by motivating them to reach organizational goals.

Transformational leadership depend on personality and capabilities of leader that help him to make positive change within organization by motivating followers and setting goals that increase employee performance (Chan, 2014). According to Jyoti and Bhau (2015), transformational leaders motivate followers by putting high ideas and by this way they prefer organizational interest rather than self-interest. Transformational leaders clearly identify followers' needs and try to meet them with involvement of subordinates (Puni, 2018).

In order to rise motivation transformational leaders both influence and are influenced by subordinates (Burns, 1978, p.20). Those leaders are not only lead but also, they develop themselves within the process. Their main achievement is not title or their position, but positive change within the organization is their main goal. Transformational leaders can easily change subordinates' beliefs and behaviors for the sake of organization, and those leaders achieve this goal by convincing followers that organizational outcome affects employee's performance positively (Sun et al, 2014).

Studies have found that communication style of transformational leaders reduce subordinates stress and role conflict (Garcia, 2008). Therefore, due to communication, transformational leadership style is most preferred one among others. Moreover, a study done by Wang and Xi (2007) found that due to trust in leaders in transformational leadership style, it has a positive effect on job performance. Transformational leadership positively affect employee performance because it affects their motivation (Sofi and Devanadhen, 2015).

Industrial psychologist Bernard Bass expanded transformational theory and created Full Range Leadership (FLR) model in 1985. According to this model, transformational leadership has 4 main factors which are idealized influence, inspirational motivation, intellectual stimulation and individualized consideration.

Idealized influence

Leaders with idealized influence are role models for their subordinates. Those leaders gain respect by doing what is right. They are respected, trusted and believed to have certain qualifications that differ them from others (Verissimo & Lacerda, 2015). According to some

scholars, since leaders are respected by subordinates, directives provided by them will be accepted by followers regardless of complexity and difficulty of it (Chu& Lai, 2011). The power of leaders idealize them for their followers and inspire subordinates to do tasks effectively to meet high performance (Avoli, 2011).

Inspirational motivation

Leaders with inspirational motivation `creates vision for their followers by providing clearly defined expectations and commitment to certain goals. Those leaders set high expectations to followers and as a result, followers achieve goals more than they thought. It is argued that leaders with inspirational motivation encourages followers to align their personal goals with organization's goals (Doody, 2012). Through this process organization's goals are achieved and it has effect bot on individual and organization. It is believed that inspirational motivation creates trust and satisfaction for employees (Rawung, 2015).

Intellectual stimulation

Intellectual stimulation demonstrates a leader's capacity to motivate followers by fostering an environment that everyone has values and respects and therefore, employees show extra effort in order to meet organizational goals (Avolio, 2011). Leaders with intellectual stimulation encourages subordinates to be creative while finding solution to the problems. It is argued that leaders with intellectual stimulation empower follower by communicating and identifying problems (Smothers, Doleh, Celuch, Peluchette, & Valadares, 2016). Intellectual stimulation leads to employee commitment and by this way it increases employee's performance to reach its goals (Anjali & Anand, 2015). Researches indicate that leaders with intellectual stimulation try to solve

issue with different ideas and they motivate their follower to look situations from different perspectives.

Individual consideration

Leaders with individual consideration style approach every follower individually. Those leaders consider followers' needs, abilities and help them to strength these abilities by guiding them. Approaching each subordinate individually can lead to employee job satisfaction, higher levels of commitment and motivation in the organization (Zhang, and Almaz,2013). Leaders with individual consideration play mentor and coach role to their followers by providing guidance (Zigarmi et al., 2005). If all employees face this kind of leadership, as a result organizational performance will improve (Snell et al., 2013).

Effective transformational leaders should meet all components of this style and it is argued that if all these components are met, it means performance is beyond expectations (Northouse 2001). Northouse (2001) states that individuals with transformational leadership styles were found with better performance outcome in different studies.

Transformational leadership and job performance

Research show that transformational leadership style has positive impact on employees' performance (Hoxha, 2015). Transformational leadership changes individuals' behavior and it leads to reaching high organizational performance (Trmal, Bustamam, and Mohamed, 2015).

A study done by Wang, Hackett and Chen (2005) in China about leader-member exchange as a relationship between transformational and transactional leadership found that transformational

leadership has positive impact on job performance of employees because those leaders motivate people in order to reach expected goals.

Transformational leadership create an environment where employees are motivated and engaged (De Jong and Bruch, 2013). Employees that are motivated and work in a positive environment give better customer service, boosting organizational performance and resulting in financial rewards for shareholders (Giroux & McLarney, 2014). Therefore, using transformational leadership styles in banking sector would be helpful for companies to increase employee's job performance.

1.2.2 Transactional Leadership

Leaders with transactional leadership style promote job performance of followers by punishments and rewards. Although transformational leaders motivate and inspire followers, transactional leaders' success depend on self-motivated subordinates. According to research, transactional leadership style is effective because leaders reward juniors for their performance, therefore, juniors get motivated to perform well and get rewards (Zeb, Saeed, Shafiq ur Rehman, Hamid Ullah, & Rabi, 2015). Transactional leadership helps to clearly identify roles and responsibilities of team members because everyone is judged based on their performance (Bass, Avolio, 2003). On the other, some researchers argue that transactional leadership has negative effect on employee performance because employees get de-motivated, and they try to achieve minimum expectations to avoid penalties (Bass, 1990). It is also stated that if managers do not perform-well and follow reward promises, they are accepted ineffective leaders by their subordinates (Howell, 1993). Since employees always want to achieve tangible and intangible

rewards, therefore, their capabilities are maximized. Therefore, transactional leadership has a positive impact on employee job performance (Longe, 2014). On the other hand, research conducted by Sofi and Devanadhen (2015) shows that transactional leadership style does not have significant effect on job performance because in this style, leaders do not motivate and inspire followers, therefore, employees do not perform according to the expectations of organization.

Transactional leadership has 3 components:

- 1) Contingent reward- Contingent reward can be positive and negative (Odumeru and Ifeanyi (2013). Positive contingent reinforcement is given by rewards when goals are achieved. On the other hand, negative contingent reinforcement is given by punishments when defined goals and objectives are not met and performance fall.
- 2) Management by exception – Active – Those leaders observe employee’s performance, act according to this performance and solve the problems.
- 3) Management by exception – Passive – Those leaders do not intervene problem solution process, until problems become serious.

Transactional leadership style and job performance

Many organizations use leadership styles to increase performance of employees by offering them incentives (Bass, 1985). Goals of transactional leaders are short-term because their objectives that are used for motivating factor for employees, are simple to achieve. Therefore, transactional leadership approach is not appropriate for long-term which has significant effect for individual and organizational change. Even though many leaders utilize transactional leadership, they frequently fail to implement it due to a lack of time, limited opportunities to analyze, inadequate appraisal systems, and a lack of skills (House, 1996). This leadership theory is also criticized by its inability

to motivate people because some people are not motivated by money or appraisals. Since employees' motivation is on base level, it has negative effect on their job performance.

1.2.3 Outcome of transformational and transactional leadership on contextual work performance

Arvey and Mussio (Durham, 2009) stated that dimensions of contextual work performance are cooperating and taking on extra load, showing responsibility and initiative in the organization. Campbell and Wise (Maes, 2012) described creativity, extra-role performance, solving problems, suggesting solutions, and showing responsibility as dimensions of contextual work performance. It is understood from the literature that contextual work performance is about what behaviors or actions that employee does towards reaching organizational goal, rather than results of these actions.

Different leadership styles have different effect on behaviors of employees towards work. It is evident from literature that transformational leadership has positive effect on employee motivation, involvement, extra effort, and creativity while transactional leadership has negative effect on long-term performance of employee (Bronkhorst, Steijn, & Vermeeren, 2015). On the other hand, it is argued that both transformational and transactional leaders influence employee performance (Bommer, Rubin, & Baldwin, 2004).

A study conducted in banking sector of Pakistan shows that employees of transactional leaders are more motivated than employees of transformational leaders in terms of putting extra efforts to work (Chaudry and Javed, 2012). Scholars argue that motivating employee's engagement

for job performance is leaders' responsibility (Truss, 2013). On the other hand, others argue stated that both managers and workers are responsible to achieve high organizational performance by employee engagement (Metha, 2013).

Evidence shows that better employee performance has a favorable impact on retention, progression, facilitating customer services, and motivating employees to improve the organization's performance (Purcell, 2012). It is suggested that organizations should promote and maintain employee well-being, since it is one of the varia

When the studies on the relationship between the transformational leader, transactional leadership and employee performance are examined, Daniele evaluated the studies carried out to measure the relationship between leadership and employee performance in Italy in 2012 with a meta-analysis. She included charismatic leadership along with transformational and transactional leadership in her work, and researched studies examining the relationship between these leadership styles and job performance. The study was not limited to a specific date range and stated that most of the studies were conducted between 2003 and 2012. According to the results of the research, the first study in this field was carried out in 2003, and the studies conducted between 2008 and 2011 constitute 82% of the total studies. The study was carried out mostly in the field of education and this order is followed by health, business - finance, tourism, public - local governments and other sectors, and Europe is where it is done the most (Daniele, 2013).

The importance of the research conducted in the banking sector of different European countries can be evaluated as follows:

1. In terms of the importance of perceived leadership style on perceived job performance

2. In terms of the significant potential of the selected sector in the region to measure the relationship between perceived leadership style and perceived job performance.
3. The relationship between perceived leadership style and perceived employee performance is important in terms of the limited number of studies within the scope of Azerbaijan.

bles that affects reaching organizational goals with better performance (Albrecht, 2012).

2. Research methodology

Scale of the Research

The Employees' Employee Performance Scale is a 13-item scale developed by Wong and Law (2000), its literature adaptation and validity-reliability study conducted by Moore (2008), Sarrabia et. al. (2010), Fletcher et. al. (2015). The scale is one-dimensional and a five-point Likert scale. This arrangement was made in the form of strongly disagree (1), slightly agree (2), moderately agree (3), strongly agree (4) and completely agree (5). The performance mentioned here is the performance perceived by individuals regarding their own performance. In the study conducted by Fletcher et. al. (2015), the Cronbach Alpha value is .93. There is no reverse coded item in the scale. An increase in the score obtained from the scale is considered as an increase in perceived performance.

The Multifactor Leadership Questionnaire-MLQ (Multi-Factor Leadership Questionnaire) created by Bass (1985) as the transactional and transformational leadership styles scale was utilized within the scope of the research. When the studies in this field are examined, this scale has been used many times before in scientific studies in two scales and has been accepted by many scientists (Davar & Ranju, 2012; Zhang & Venkatesh, 2013)

The online survey was used as a data collection tool in this study. In the first part of the survey questions, there are demographic questions. The second part of the survey consists of questionnaire items measuring transactional and transformation leadership styles, which is followed by the performance-evaluating question. Responses of the participants were measured with a 5-point Likert scale (1=Strongly Agree, 2=Agree, 3=Agree Slightly, 4=Disagree, 5=Strongly Disagree) on all three categories. The surveys were conducted online, and the correct information was tried to be reached by explaining the questions when necessary. The survey was distributed exceptionally to the banking sector employee via e-mail and LinkedIn accounts. The data of the respondent being truly employed in the banking sector was double checked through their LinkedIn profiles as well as, before handling the survey, respondents were asked to verify the sector of their employment. Each of the respondents were informed about the strict confidentiality of the survey data so that provide conducive grounds for the respondents to answer the questions without any bias. It is obvious from literature that contextual work performance questionnaire was developed as a self-report questionnaire. Although it has some downsides such as lower correlation with objective performance than managerial ratings and rating are overly positive, in self-report questionnaire employees have more chance to observe their behavior rather than their manager. Berry (2005) reported that in contextual work performance self-report is more suitable comparing to other methods because most of the time these behaviors are private and cannot be observed by peers or managers. Moreover, if questionnaires are done among managers, there may be halo effect; meaning that managers' will rate employees based on their impressions and it would lead to overestimation.

The assumptions of research can be expressed as follows:

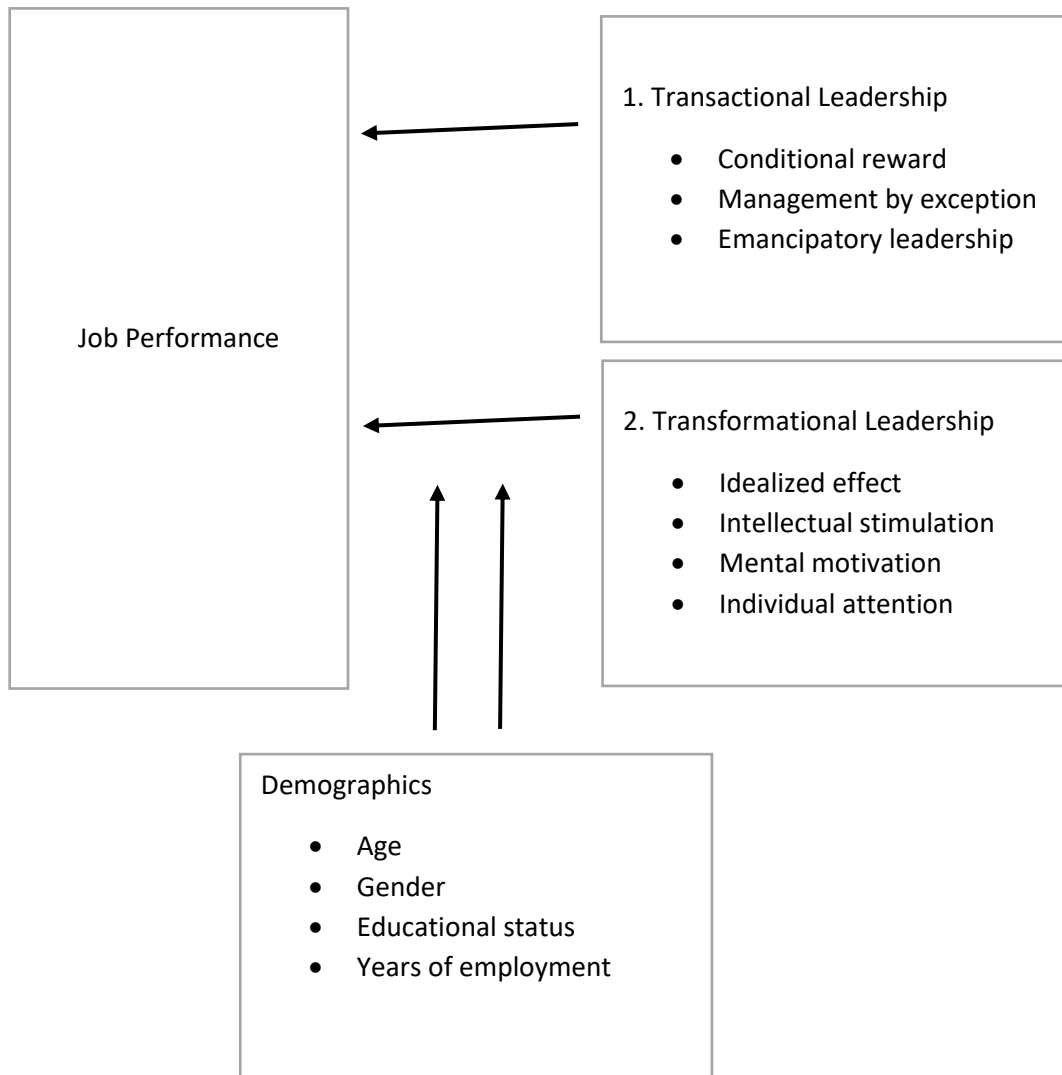
1. It is stated that the survey questions serve the purpose of the research.
2. In the study, it was determined that the sample represented the universe.
3. It is assumed that the employees participating in the survey answered the survey objectively and accurately.

2.1 Hypothetical Model

The relationship between perceived leadership style and perceived employee performance is examined in the research. While examining the effect of the perceived transformational and transactional leadership styles on perceived employee performance, demographic variables were

also taken into account. Accordingly, the model of the research created and the variables in the research model are shown in the figure below.

Figure 1. Hypothetical Model.



Hypotheses

Employee performance may differ according to the perceived leadership style. It was observed that different results were obtained in many studies examined in the second part of the study (Akbolat et al., 2013; Morgin and Bilgin, 2014; Amale et al., 2015). In addition, within the scope of Wong and Law (2000), it has been stated that there are many demographic variables that affect job performance. These demographic variables were analyzed by forming hypotheses with the approach that they may cause differences in the perception of leadership style.

Table 1. Main Hypotheses.

H₁: Transformational leadership has a significant effect on the perceived job performance.

H₂: Transactional leadership has a significant effect on the perceived job performance.

Table 2. Control Hypotheses.

H₃: Perceived employee performance varies by gender.

H_{1a}: Transformational leadership perception changes according to gender.

H_{2a}: Transactional leadership perception changes according to gender.

H_{3a}: Perceived employee performance varies by educational level.

H_{1b}: Transformational leadership perception changes according to educational level.

H_{2b}: Transactional leadership perception changes according to educational level.

H_{3b}: Perceived employee performance varies by years spent in the current organization.

H_{1c}: Transformational leadership perception changes according to years spent in the current organization.

H_{2c}: Transactional leadership perception changes according to years spent in the current organization.

H_{1d}: Transformational leadership perception changes according to age.

H_{2d}: Transactional leadership perception changes according to age.

H_{3c}: Perceived employee performance varies by age.

Research Method

The aim of the research is to test the impact of transformational and transactional leadership perceptions on the perceived employee performance in the banking sector of Azerbaijan. For this purpose two bivariate regression analysis were utilized:

$$Y (\textit{Perceived Employee Performance}) = \beta_0 + \beta_1 (\textit{Perceived Transformational Leadership}) + \varepsilon$$

$$Y (\textit{Perceived Employee Performance}) = \beta_0 + \beta_1 (\textit{Perceived Transactional Leadership}) + \varepsilon.$$

Because of the high significant correlation between perceived transactional and transformational leadership variables (according to Pearson test mentioned below), the multiple regression model with the presence of both leadership styles is eliminated within the scope of this thesis study.

In addition, the demographic variables were tested separately because of the nature of the Likert Scale survey analysis so as they cannot be combined under the same regression model. Despite that, the aim was to test the perception of different leadership styles according to gender, age, education, and years spent in organization. For that purpose, the variance between demographic groups were analyzed, and in case of significance variance between some groups, the variance between the pairs of that specific group were analyzed.

The data obtained in this study were evaluated with STATA statistical software program. A questionnaire was applied to 130 employees of the banking sector in Azerbaijan. Frequency and percentage distributions of demographic data are given.

The necessary sample size has been determined in the following fashion:

$$\textit{Necessary Sample Size} = [(Z \textit{score})^2 \times \textit{standard deviation} \times (1 - \textit{standard deviation})] / (\textit{margin of error})^2 = 129 \textit{ respondents}$$

Source: <https://www.calculator.net/sample-size-calculator.html?type=1&cl=99&ci=1&pp=0.195&ps=19500&x=100&y=28>

, where confidence level = 99%

Margin of error = 1%

Population proportion = 0.195% (banking sector employees over total population of Azerbaijan, 19,500/10,000,000).

Population Size = 19,500 (number of workers in the banking sector of Azerbaijan (European Banking Federation, 2020)).

Systematic sampling is a kind of probability sampling method in which sample members from the larger population are selected randomly, but at a fixed and periodic interval. This interval, called the sampling interval, is calculated by dividing the size of the population by the desired sample size. Even though the sampling frame has been pre-selected, a systematic sample is still considered random if the periodic interval is defined in advance (Iachan, 1982)

As a result of systematic sampling method which assures that the population is sample evenly, total of 130 responses were collected. The systematic sampling was conducted through LinkedIn in a way that the term “Banking Sector” was inserted in the search engine of LinkedIn, and every 5th LinkedIn member was contacted. The population list consisted of nearly 2,000 LinkedIn members, from where every 5th individual was selected and contacted. There have been cases of unavailability to get response from some 5th members of the list; that’s why a total of 2,000 LinkedIn members were listed in the population sample.

The reliability analysis of the questionnaire was obtained by using the Cronbach Alpha value. The Cronbach Alpha coefficient is a measure of the homogeneity of the items in the Likert-type scale. It can be interpreted that the higher the Alpha coefficient of the relevant scale, the items in this scale consist of items that are consistent with each other and that examine the items of the same feature (Carpenter, 2016). This test is used to measure reliability of survey questions; meaning that to see how the answers gathered from the survey were generated fairly.

Table 3. Cronbach Alpha Value Interpretation.

Alpha Coefficient	Meaning
0.81 – 1.00	The scale has high reliability
0.61 – 0.80	The scale is quite reliable
0.41 – 0.60	Scale reliability is low
0.00 – 0.40	The scale is not reliable.

Source: Carpenter (2016).

Relationships between variables were analyzed with the Pearson Chi-Square test. 0.05 was used as the significance level, and it was stated that there was a significant relationship in case of $p \leq 0.05$, and there was no significant relationship in case of $p > 0.05$.

In the explanatory factor analysis, the factors of the "Transformational Leadership Scale" and "Transactional Leadership Scale" question groups were tried to be found.

Kolmogorov-Smirnov (K-S) test is used if the sample size is larger than 50, and the Shapiro-Wilk test is used if the sample size is larger (Collin, 2004) to determine whether the test to be applied is a parametric or non-parametric test. Kolmogorov-Smirnov (K-S) test was used because the sample size was larger than 50.

Table 4. Test Results of Examining the Fit of Data to Normal Distribution.

	Transformational Leadership	Transactional Leadership	Job Performance
N	130	130	130
Kolmogorov – Smirnov Z	1.437	1.608	1.307
P-value	0.032*	0.011*	0.066

(*: The distribution of the population the sample does not come from the normal distribution).

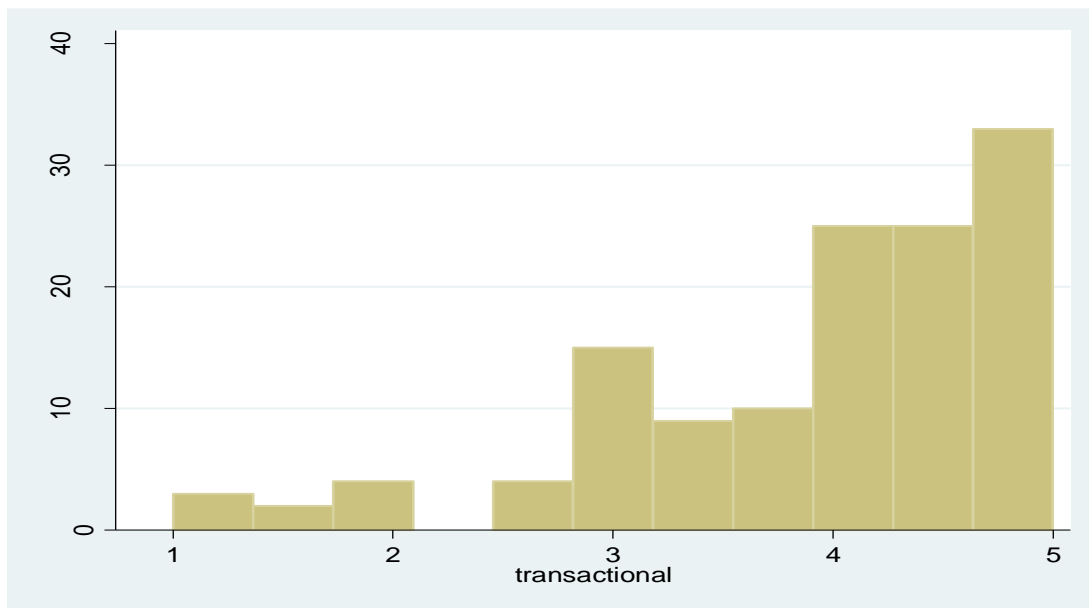
Source: Stata output, own construction.

As can be seen from the table above, transformational and transactional leadership groups are not normally distributed but employee performance is normally distributed ($p < 0.05$). The null hypothesis of the Kolmogorov-Smirnov Z Test states that the sample size is normally distributed, whereas the alternative hypothesis states that the tested sample size is not normally distributed. As

a result, we concluded that the distribution of both transformational and transactional leadership styles are not normally distributed due to their p-values less than 0.05.

Moreover, the results obtained from Kolmogorov-Smirnov Z test can be once again proved by the frequency histograms of the variables.

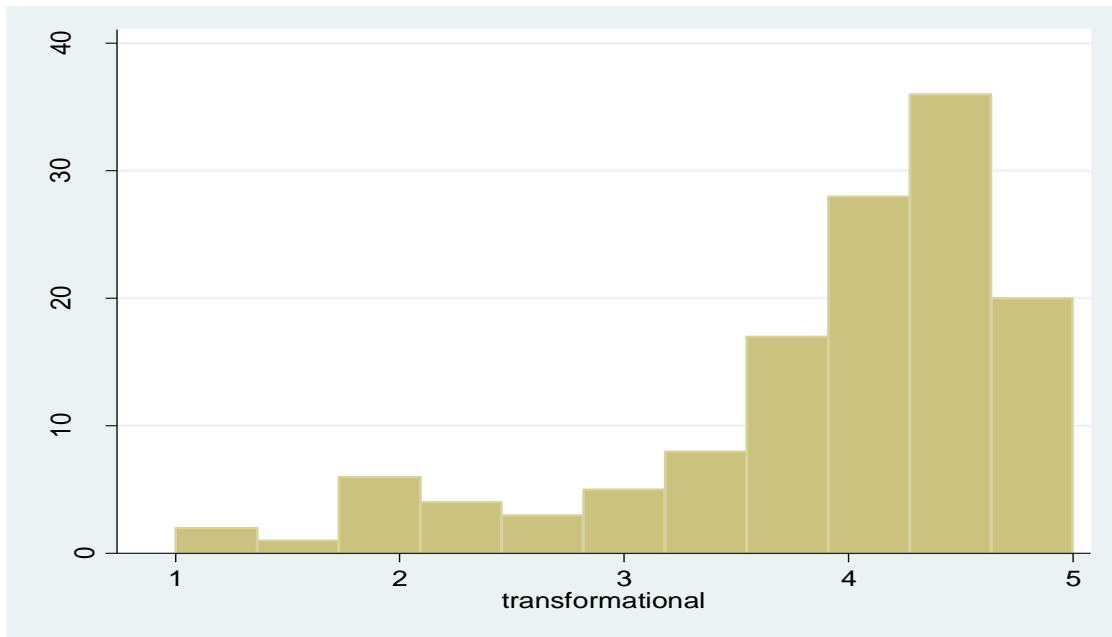
Figure 2. Histogram of Transactional Leadership Variable.



Source: Stata output.

As it can be from the histogram as well, the sampling is not normally distributed so as it is left-skewed (negative-skewed) distribution.

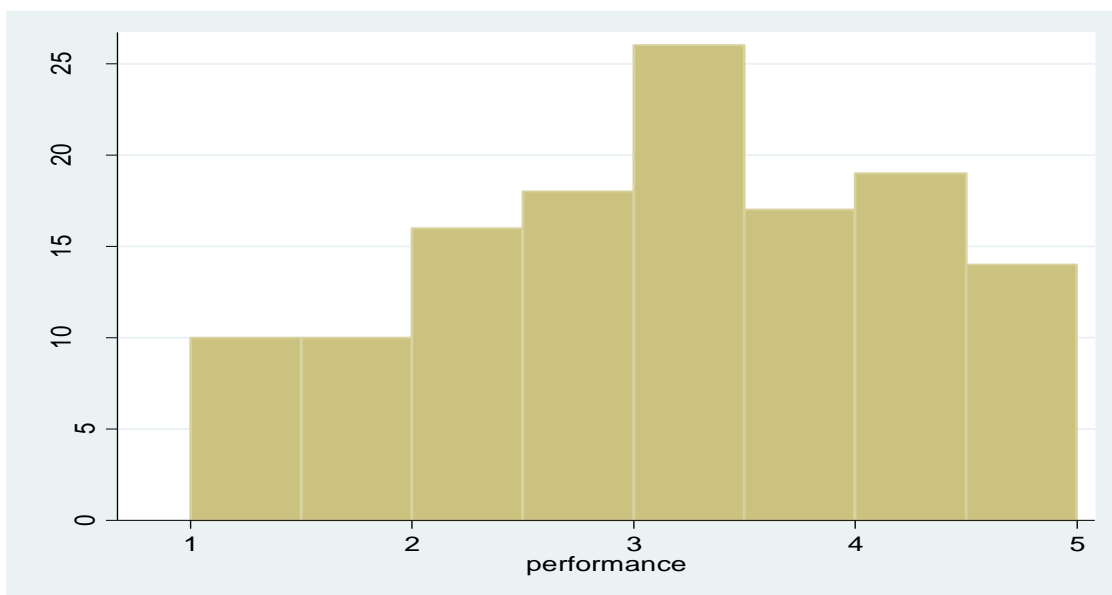
Figure 3. Histogram of Transformational Leadership Variable.



Source: Stata output.

As it can be from the histogram as well, the sampling of the transformational leadership variable is not normally distributed so as it is left-skewed (negative-skewed) distribution.

Figure 4. Histogram of Perceived Job Performance Variable.



Source: Stata output.

The histogram above points to the fact that the distribution of the perceived job performance variable is approximately normally distributed, which result once again proves the findings of the Kolmogorov-Smirnov Z test.

Table 5. Descriptive Statistics.

Variable	Obs.	Mean	Std. Dev.	Min	Max
Transactional Leadership	130	3.930769	0.9261687	1	5
Transformational Leadership	130	3.938462	0.892758	1	5
Job Performance	130	3.050623	1.078959	1	5

Source: Stata output, own construction.

The mean of 130 observations of the perceived transactional leadership equaled 3.9307, once more proving the left-skewness of the distribution. The same can be stated about the perceived transformational leadership with the mean of 3.938462. The mean value of the perceived job performance was calculated to be 3.050623, approximately equaling the median of the distribution; therefore, the mean statistics of the job performance point to the normality of the distribution as well.

Levene test was applied to examine the homogeneity of variances. It is used to measure whether two or more groups have equal variances. Unequal variance may lead to false positives in the analysis. Parametric test was used for the variables that provided both of these assumptions, and non-parametric test was used for those that did not.

Table 6. Examining the Homogeneity of Variances Related to Educational Status Test Results.

Variable	Test statistic	P-value
Transformational Leadership	0.361	0.782
Transactional Leadership	0.820	0.486
Job Performance	0.646	0.587

Source: Stata output, own construction.

Table 7. Examining the Homogeneity of Variances Related to Years Spent in the Current Organization Test Results.

Variable	Test statistic	P-value
Transformational Leadership	1.153	0.335
Transactional Leadership	1.023	0.399
Job Performance	0.983	0.420

Source: Stata output, own construction.

Table 8. Examining the Homogeneity of Variances Related to Gender Test Results.

Variable	Test statistic	P-value
Transformational Leadership	0.298	0.879
Transactional Leadership	0.179	0.949
Job Performance	1.485	0.211

Source: Stata output, own construction.

Table 9. Examining the Homogeneity of Variances Related to Age Test Results.

Variable	Test statistic	P-value
Transformational Leadership	2.205	0.032**
Transactional Leadership	1.897	0.067
Job Performance	1.566	0.143

(**): Variances are not homogeneous).

As a result of Levene's test analysis, it was determined that only the variances of transformational leadership related to age are not homogeneous. We reject the null hypothesis of the homogeneity of variances with a p-value of 0.032. It was decided that non-parametric test needs to be applied for testing transformational leadership by age.

3.4 Validity, Reliability and Explanatory Factor Analysis Results

The reliability coefficients that were extracted from the scales and obtained as a result of the validity and reliability analysis are given below.

Questions 11 and 13, respectively, were excluded from the transformational because the questions were asked to control the answers given to the questionnaire. While no questions were removed from the transactional leadership scale, when the 10th question was removed from the

employee performance scale in the reliability test; as a result, the Cronbach Alpha value increased significantly. The Cronbach Alpha values obtained after these questions were removed are given in Table 8.

Table 10. Reliability Test Results.

Variable	Number of Questions	Cronbach Alpha
Transformational Leadership	6	0.874
Transactional Leadership	19	0.747
Job Performance	14	0.796

Source: Stata output, own construction.

Our reason for doing factor analysis is that it is important for our study to examine whether the leadership style, which we obtained from the literature, really should be considered as transformational and transactional. For this purpose, exploratory factor analysis (AFO) was performed.

In the factor analysis, the load values of the items between 0.30-0.59 are considered moderate, and the load values of 0.60 and above are considered high. All items were used because the factor loads were greater than 0.30 and the load value between the two factors was not less than 0.10 (overlay item) (Fallen, 2007).

Table 11. Factor Analysis Results for Transactional Leadership.

Source	Questionnaire Items	Factor Load
Bass (1985), Davar & Ranju (2012), and Zhang & Venkatesh (2013)	TS1: My manager helps me when she/he sees my efforts towards the task.	0.761
	TS2: My manager focuses attention on irregularities, errors, exceptions and deviations from the standard.	0.712
	TS3: My manager clarifies what I will gain when I reach performance goals.	0.807
	TS4: My manager focuses all his attention on overcoming mistakes, errors, and failures.	0.865

	TS5: My manager directs my attention to mistakes so that I can meet the standards.	0.857
	TS6: My manager expresses satisfaction when I fulfill expectations.	0.734

Source: Stata output, own construction.

Table 12. Factor Analysis Result for Transformational Leadership.

Source	Questionnaire Item	Factor Load
Bass (1985), Davar & Ranju (2012), and Zhang & Venkatesh (2013)	TF1: My manager talks about the values and beliefs he attaches most importance to.	0.593
	TF2: My manager considers different perspectives while solving problems.	0.659
	TF3: My manager speaks positively (optimistically) about the future.	0.691
	TF4: My manager makes me proud to be associated (commemorated) with him.	0.682
	TF5: My manager enthusiastically talks about the goals to be achieved.	0.726
	TF6: My manager emphasizes how important it is to believe strongly in goals of the organization.	0.660
	TF7: My manager spends time guiding and training subordinates.	0.735
	TF8: My manager puts the interests of the group ahead of his own interests.	0.796
	TF9: My manager treats me as a separate individual, not just any member of the group.	0.753
	TF10: My manager acts in a way that makes me respect him.	0.523
	<u>TF11: My manager gives a feeling of power and confidence (trust).</u>	
	TF12: My manager clearly expresses the vision that should be adopted for the future of the institution.	0.759
	<u>TF13: My manager considers me as someone with different needs, abilities, and dreams than others.</u>	
	TF14: My manager encourages to look at problems from many different angles.	0.704

	TF15: My manager helps me develop my skills and improve my performance.	0.649
	TF16: My manager recommends new ways of performing tasks.	0.804
	TF17: My manager emphasizes the importance of having a shared mission.	0.824
	TF18: My manager instills in me confidence that goals will be achieved.	0.715

Source: Stata output, own construction.

Table 13. Factor Analysis Result for Job Performance.

Source	Questionnaire Item	Factor Load
Wang and Law (2000), Moore (2008), Sarrabia et. al. (2010), Fletcher et. al. (2015).	PR1: I always complete the tasks specified in the job description.	0.544
	PR2: I fulfill all the responsibilities required by the job.	0.703
	PR3: For the most part, I manage to complete the required tasks.	0.769
	PR4: I never neglect the work I have to do.	0.772
	PR5: I meet all formal performance requirements of my job.	0.725
	PR6: I do not unnecessarily extend the breaks between meals and rest.	0.565
	PR7: I take fewer rest breaks than other staff members.	0.774
	PR8: I do not lag behind developments in my field and school	0.748
	PR9: I attend training/information meetings where staff are encouraged but not required. (For example; first aid, security, etc.).	0.615
	<u>PR10: I actively participate in the meetings.</u>	
	PR11: I offer constructive suggestions about changes that can be made in our organization.	0.765
	PR12: In expressing my views on what is best about my organization, I risk being met with displeasure.	0.737
	PR13: I properly answer phones and respond to other messages and information requests.	0.832

Source: Stata output, own construction.

Questions encoded as TF11, TF13, and PR10 were excluded from the sample data because of the insufficient factor load. As a result of, all items with factor loadings greater than 0.30 were used.

3.5 Analysis of Distributions and Differences Regarding Demographic Variables

As a result of the analyzes made, the distributions of demographic variables were examined and given in tables.

Table 14. Demographics.

	Variable	N	%
<i>Gender</i>			
	<i>Female</i>	73	56.2
	<i>Male</i>	50	38.5
	<i>Prefer not to reveal</i>	7	5.4
<i>Age</i>			
	<i>18-23</i>	45	34.6
	<i>24-30</i>	50	38.5
	<i>31-39</i>	25	19.2
	<i>40 and more</i>	10	7.7
<i>Education</i>			
	<i>High school or some college</i>	14	10.8
	<i>Bachelor's degree</i>	49	37.7
	<i>Master's degree</i>	58	44.6
	<i>Doctoral degree</i>	9	6.9
<i>Period of employment in the current organization</i>			
	<i>Less than 1 year</i>	37	28.5
	<i>Between 1-3 years</i>	35	26.9
	<i>Between 4-9 years</i>	47	36.2
	<i>10 years and more</i>	11	8.5

Source: survey results, own construction.

73 (56.2%) of the participants were female and 50 (38.5%) were male. There are 14 (10.8%) high school or college graduates, 49 (37.7%) respondents' highest educational level is bachelor's

degree, 58 (44.6%) respondents with master's degree and 9 (6.9%) students with doctoral degree. The number of people according to their work in the institution is less than 1 year 37 (28.5%), 1-3 years 35 (26.9%), 4-9 years 47 (36.2%), and 10 years and more 11 (8.5%) respondents.

According to the Kolmogorov Smirnov and Levene test results, it was decided whether the tests to be performed would be parametric or non-parametric, and the two independent samples T-Test or Mann Whitney U test was used to examine the difference between the two groups. When examining the difference between more than two groups, one-way analysis of variance Anova or Kruskal-Wallis test was used. Tukey test or Mann Whitney U test was applied in pairs to compare the groups with difference.

Table 15. Examining the Differences by Gender.

	Gender	N	Mean	Std. Dev.	Test Statistics	P-value
Transformational Leadership	Female	73	23.885	4.309	1238.000 ¹	0.105
	Male	50	25.183	4.530		
Transactional Leadership	Female	73	13.285	4.637	1421.000 ¹	0.564
	Male	50	12.747	4.415		
Job Performance	Female	73	17.885	3.739	0.028 ²	0.977
	Male	50	17.862	4.311		

(1: Mann Whitney U; 2: Independent two-sample t-test).

Source: Stata output, own construction.

Deriving from the literature of this study, demographic factors are also important in employee performance, as are many organizational factors. In this sense, as a result of our analysis, no statistically significant difference was found between the mean employee performance score according to gender (p: 0.977; p>0.05).

Today, many studies are based on transactional and transformational leadership. Because the transformational leader shows an approach that gives importance to today's requirements such as innovation, change, and individual attention. The transactional leader, on the other hand, focuses

on correcting the problems while providing motivation with rewards and punishments. When the perception of transformational and transactional leadership is examined according to the variables, no statistically significant difference was found between the averages of transactional leadership scores by gender ($p:0.564$; $p>0.05$). No statistically significant difference was found between the transformational leadership score averages by gender ($p: 0.105$; $p>0.05$).

Table 16. Examining the Differences by Educational Level.

		N	Mean	Std. Dev.	Test-statistic	P-value
Transformational Leadership	High School or some college	14	25.228	4.615	3.158 ¹	0.206
	Bachelor's degree	49	22.044	4.395		
	Postgraduate	67	23.300	4.496		
Transactional Leadership	High school or some college	14	13.228	4.194	0.499 ¹	0.779
	Bachelor's degree	49	12.820	4.452		
	Postgraduate	67	12.600	4.860		
Employee Performance	High School or some college	14	18.142	4.433	0.801 ²	0.451
	Bachelor's degree	49	18.044	4.028		
	Postgraduate	67	16.800	4.021		

(1: Kruskal Wallis; 2: ANOVA).

Source: Stata output, own construction.

A new group was formed under the name of postgraduate by combining the people with a master's degree in education and those with a doctorate. No statistically significant difference was found between the mean employee performance score according to educational status ($p: 0.451$; $p>0.05$). No statistically significant difference was found between the transformational leadership score averages according to educational status ($p: 0.779$; $p>0.05$). Lastly, no statistically

significant difference was found between the transactional leadership score averages according to educational status ($p=0.206$; $p>0.05$).

Table 17. Examining the Difference by Period of Employment.

		N	Mean	Std. Dev.	Test-statistic	P-value
Transformational Leadership	Less than 1 year	37	23.125	4.937	9.039 ¹	0.060
	Between 1-3 years	35	23.866	4.732		
	Between 4-9 years	47	25.314	4.042		
	10 years and more	11	24.769	4.701		
Transactional Leadership	Less than 1 year	37	14.437	5.390	2.712 ¹	0.607
	Between 1-3 years	35	12.966	4.657		
	Between 4-9 years	47	12.142	4.346		
	10 years and more	11	12.615	4.157		
Employee Performance	Less than 1 year	37	18.125	4.318	2.088 ²	0.873
	Between 1-3 years	35	16.833	4.488		
	Between 4-9 years	47	17.542	3.492		
	10 years and more	11	17.846	4.144		

(1: Kruskal Wallis; 2: ANOVA).

Source: Stata output, own construction.

There was no statistically significant difference between employee performance score averages according to the period of employment in the current organization ($p: 0.873$; $p>0.05$). No statistically significant difference was found between the average of the transactional leadership score according to the period of employment in the current organization ($p: 0.607$; $p>0.05$). Lastly, there was no statistically significant difference between the transformational leadership score averages according to the period of employment in the current organization ($p: 0.060$; $p>0.05$).

Table 18. Examining the Difference by Age (Mann Whitney U Test).

		N	Mean	Std. Dev.	Test-statistic	P-value
Transformational Leadership	18-23	45	27.777	3.419	21.138 ¹	0.007
	24-30	50	24.000	6.082		
	31-39	25	22.416	2.574		
	40 and more	10	26.909	4.104		
Transactional Leadership	18-23	45	11.000	3.240	9.734 ¹	0.284
	24-30	50	12.285	6.102		
	31-39	25	13.083	2.906		
	40 and more	10	13.818	5.142		
Employee Performance	18-23	45	18.555	4.693	0.476 ²	0.871
	24-30	50	19.023	5.385		
	31-39	25	16.750	2.454		
	40 and more	10	18.090	4.907		

(1: Kruskal Wallis; 2: ANOVA).

Source: Stata output, own construction.

There was no statistically significant difference between the mean scores of employee performance according to the age of employee (p: 0.871; p>0.05). No statistically significant difference was found between the mean scores of transactional leadership according to the age of employee (p: 0.284; p>0.05).

A statistically significant difference was found between the mean scores of transformational leadership according to the age (p: 0.007; p<0.05). In order to determine the reason for this difference, Mann Whitney U test was applied in pairs.

Table 19. Examining the Differences of Transformational Leadership by Age.

Age	N	Mean	Test Statistic	P-value
18-23	45	14.32	95.500	0.044
24-30	50	21.16		

18-23	45	15.44	14.00	0.004
31-39	25	7.67		
18-23	45	12.14	27.00	0.002
40 and more	10	8.75		
24-30	50	21.89	35.500	0.001
31-39	25	9.46		
24-30	50	20.39	83.00	0.045
40 and more	10	13.42		
31-39	25	9.93	34.000	0.028
40 and more	10	14.25		

Source: Stata output, own construction.

According to the test results, there were significant differences between the 18-23 aged employees in and the employees aged 24-30, 31-39, and 40 and more. Significant differences were found between the employees aged 24-30 and 31-39 and 40 and more. Lastly, the significant differences were observed between the employees aged 31-39 and 40 and more.

Table 20. Examining the Relationships.

		Transactional Leadership	Transformational Leadership	Employee Performance
Transactional Leadership	r	1		
	p-value			
Transformational Leadership	r	0.619	1	
	p-value	0.000		
Employee Performance	r	0.744	0.612	1
	p-value	0.000	0.000	

Source: Stata output, own construction.

Pearson, Cramer V, Fi Coefficient for nominal scaled data, Somers's D Coefficient, Goodman-Kruskal's Gamma Coefficient and Spearman tests are used when examining the relations between variables with ranking scales. The most common Pearson and Spearman tests

are used. In the study, Pearson test was used for data with normal distribution, and Spearman test for data without normal distribution (Kaleb, 2013).

A strong positive ($r=0.619$) relationship was found between the transactional leadership and the transformational leadership, and this relationship was found to be statistically significant. A strong positive ($r=0.744$) relationship was found between transactional leadership and employee performance, which was found to be significant with a p-value of 0.000. Moreover, the strong positive ($r = 0.612$) relationship was found between the transformational leadership and employee performance, which is significant with a p-value of 0.000.

In addition, the effect of transformational leadership score and transactional leadership score on employee performance score was determined by simple linear regression analysis. Transformational leadership score ($\beta=0.587$ $t=7.952$, $p=0 <0.01$) has a positive and significant effect on job performance score. Transactional leadership score ($\beta=0.563$ $t=7.468$, $p=0 <0.01$) has a positive and significant effect on job performance score. The mathematical representation of these operations related to regression is given below.

$$Y(\text{employee performance}) = 22.064 + 0.587x(\text{transformational leadership})$$

$$Y(\text{employee performance}) = 26.563 + 0.563x(\text{transactional leadership}).$$

Table 19. Result of the Bivariate Regression Analysis between Perceived Transformational Leadership and Perceived Job Performance.

Variable	Dependent Variable = Perceived Employee Performance		
	Coeff.	t-value	p-value
constant	22.064	6.231	0.000***
Perceived Transformational Leadership	0.587	7.952	0.000***

Source: Stata output, own construction.

Table 20. Result of the Bivariate Regression Analysis between Perceived Transactional Leadership and Perceived Job Performance.

Variable	Dependent Variable = Perceived Employee Performance		
	Coeff.	t-value	p-value
constant	26.563	5.356	0.000***
Perceived Transformational Leadership	0.563	7.468	0.000***

, where “*” = significance at 90% confidence level, “**” = significance at 95%, “***” = significance at 99%.

Source: Stata output, own construction.

As a result of the bivariate regression analysis, it was determined that perceived transactional leadership and perceived transformational leadership styles have significant positive impact on perceived job performance. We reject the null hypothesis of the insignificant negative impact of the transactional leadership on individual work performance with p-values of 0.000.

3.5 Results Evaluation

As a result of the analysis, the hypothesis about the effect of demographic characteristics on employee performance was rejected. When the effects of demographic characteristics on leadership styles perceptions of employees are examined, the age of employee was found to make difference for the perception of transformational leadership. Other demographic variables have not been found to have an impact on the perception of transformational leadership. It has been observed that demographic variables have no effect on employee performance. Transactional leadership perception is not affected by any demographic characteristics. In the past literature, the studies point to the significance of the demographic characteristics in the determining the perception of leadership styles (Avolio & Yammarino, 2013; Caillier, 2010; Davar & Ranju, 2012), which is not supported in our study (except for transformational leadership perception and age).

There was a strong relationship between employee performance and perceived transformational leadership style. As the reason for this, in the idealized effect dimension of transformational leadership, we can show that the leader's charismatic leadership characteristics become a role model and these characteristics of the leader create a sense of commitment and trust, so the employee's performance increases. In the intellectual stimulation dimension, the transformational leader enables his subordinates to evaluate the events with a new perspective, in the mental motivation dimension, he/she ensures that common feelings are formed and kept alive with positive discourses and positive behaviors towards motivation, and in the dimension of individual interest, the manager knows the individual abilities and motivation tools for the development of his subordinates and acts accordingly. It can be concluded that it has an effect on employee performance.

Transformational and transactional leadership perception has a strong positive effect on employee performance. Employees who find it right to continue working in an organization that approaches employee performance in a moral and ethical way is influenced by the behaviors of both transformational and transactional leaders, which include positive relations, such as giving importance to the working environment and conditions and valuing their employees. Factors such as the reward mechanisms and approach used by the transactional leader for the realization of the goals, and the relations that the transformational leader has with his subordinates, create a sense of responsibility in the employee and affect employee's performance.

While there was a strong relationship between perceived transformational leadership style and employee performance, there was also a strong relationship between transactional leadership and employee performance. According to Bass (2016) and other researchers (Sykes & Johnson ,

2014; Zhang & Venkatesh, 2013; Owens, 2002), the approach that the leader can choose one of these leadership styles or apply both leadership styles according to the needs supports this study. In the process of realizing the responsibilities of the employees, group, and organizational goals, and being the leader of their individual goals, the transformational leader ensures that the employee is his/her own leader. In companies where production activities take place, managers sometimes want such an approach, while sometimes they may need a leader who clearly knows which reward she/he will receive in return for his performances expressing mistakes. In the companies or industry where this study is conducted, sometimes the transformational leader should approach with the idea of innovation and change, while in some cases, the understanding of the transactional leader in the direction of improvement with the idea of "if it is not broken, do not touch" can be considered as the desired understanding. If we look at it from another perspective, employees may expect the transformational leader to be informed about what the reward is as a result of the realization of the goals, as well as the one-to-one relationships that the transformational leader establishes with his subordinates, that is, they can expect to exhibit some behaviors from both leadership styles.

Table 21. Hypotheses Result.

Hypothesis	Result
H ₁ : Transformational leadership has a significant effect on job performance.	supported
H ₂ : Transactional leadership has a significant effect on job performance.	supported
H ₃ : Perceived employee performance varies by gender.	not supported
H _{1a} : Transformational leadership perception changes according to gender.	not supported

H _{2a} : Transactional leadership perception changes according to gender.	not supported
H _{3a} : Perceived employee performance varies by educational level.	not supported
H _{1b} : Transformational leadership perception changes according to educational level.	not supported
H _{2b} : Transactional leadership perception changes according to educational level.	not supported
H _{3b} : Perceived employee performance varies by years spent in the current organization.	not supported
H _{1c} : Transformational leadership perception changes according to years spent in the current organization.	not supported
H _{2c} : Transactional leadership perception changes according to years spent in the current organization.	not supported
H _{1d} : Transformational leadership perception changes according to age.	supported
H _{2d} : Transactional leadership perception changes according to age.	not supported
H _{3c} : Perceived employee performance varies by age.	not supported

Source: own construction.

When the effects of our research on the employee performance are evaluated, a strong relationship was found between the perception of transformational leadership and employee performance. According to the results of the research conducted by Wallace (2011) to measure the effect of the transformational leadership perceptions of white-collar employees on employee performance, they stated that there are significant relationships between the employee performance and the perceived transformational leadership. In the study conducted by Teke and Karalar (2018) in the aviation industry to measure the role of the employee's performance in the effect of the transformational leader on organizational commitment, they found that perceived transformational leadership and employee performance have statistically significant relationship.

Sayan (2018) examined the relationship of transactional, transformational, liberating, paternalistic, and ethical leadership with employee performance and found a positive relationship between employee performance and perceived leadership styles other than liberating leadership. Along with these studies, as in our study, it is seen that in many studies examining the effect of both leadership styles on employee performance by comparing them, it is seen that two leadership styles are effective on increasing the performance of employee or one has more effect than the other, or one of the leadership styles has no effect at all. In Lovelle's (2015) study in the banking sector, it was found that the perceived transactional leadership had a positive effect on employee performance, and the perceived transformational leadership had no significant effect on the performance of employees. In the study conducted by Lee (2008), the effect of the perceived transformational and transactional leadership styles on employee performance was found to be moderate, but significant at the same time. It is seen that many factors, from the region in which the business operates to the internal variables, are effective on the results of the studies. As a matter of fact, studies on businesses operating in the same sector show that the effect of the perceived transformational and transactional leadership styles on employee performance is shaped by many factors. As we mentioned before, contrary to what Burns expressed at two opposite extremes when describing the two leadership styles, he argued that the transformational leader can also use the transactional leadership type when needed. There are also those who argue that both leadership styles can be applied at the same time, since the required leadership style will change according to the uncertainty of the environmental conditions (Lovelle, 2015). The results of the study support this view. In addition, in the research conducted by Er Yesil (2012) with bank employees in Turkey, he examined the transformational, transactional, and liberating leadership styles with their sub-dimensions. In his study, he concluded that there was no effect as a result of the analyzes he

made on the effect of demographic characteristics on employee performance. Moderately strong and positive relationship was found between the perceived transformational leadership and employee performance; moderately strong and expressive relationship was observed with the perceived transactional leadership; and negative and statistically insignificant relationship with the perceived laissez-faire leadership (Er Yesil, 2012).

Conclusion

In today's conditions, organizations are faced with a business world where innovation, change and transformation processes are experienced, and competition is inevitable. In this process, the most important resource of the organization has been the inimitable human resource. For this reason, the approaches of organizations towards their employees are changing and working conditions are improved. The purpose of the actions taken by the organizations in this sense is that the qualified employee continues to work in the organization with high performance. Leadership is another process that is as important as this process based on the mutual relations of the organization and the employee, such as the employee's adopting the organizational goals, making an effort, and improving its performance which can result in the improved organizational performance as well. The leader has a history as old as human history. The art of directing and influencing individuals, who can voluntarily gather individuals around a goal from the first human societies to the present, is the process of leadership, and the person is expressed as a leader. The concept of leader has been discussed and defined by many disciplines. The transformational leader discussed in the study attaches great importance to change and innovation, besides his approach that can establish relationships with his subordinates, direct them in line with their abilities, and attaches importance not only to the realization of the goals but also to the expectations of their

subordinates. It transforms it into a process that will enable employees to accept their resistance to change with the charismatic influence and other dimensions attributed to him by his subordinates. The transactional leader, on the other hand, gives importance to and appreciates his employees, and the idea of improvement is dominant instead of the idea of change. Both leadership styles can be applied to different sectors, regions, and employees, as well as any leadership behavior according to needs. In this study conducted in the banking sector to measure the relationship between perceived leadership style and employee performance in Azerbaijan, a strong positive relationship was found between the perception of transformational and transactional leadership and employee performance. Employee performance will be enforced at a high level when the managers of the companies exhibit behaviors according to the transformational and transactional leadership style.

Practical implications

The leader's knowing his employees, guiding them in line with their abilities and using motivation tools in this direction, making the employees feel that they are valuable to the organization, being fair in the sharing of duties, responsibilities, punishments, rewards, and performance evaluation, including them in the decision processes, leaving positive effects on subordinates in processes such as providing feedback on the realization of goals significantly and positively impacts the employee performance of employees (Caillier, 2010). Transformational and transactional leaders, which are the subject of the study, are leadership styles that value their subordinates, attach importance to their working conditions and are effective in ensuring their motivation. The transformational leader exhibits behaviors that will be effective in increasing employee performance in all dimensions, such as establishing relationships with his subordinates

in the dimension of individual interest and knowing their interests and wishes, approaching them with an understanding of common feelings and togetherness in mental motivation. The transactional leader, on the other hand, is effective in increasing the level of performance by the employees who clearly state the goals and motivate them with the reward mechanism. For this reason, a study was conducted in the banking sector to evaluate the effect of transactional and transformational leadership, which are among the leadership styles that are effective on amplifying individual work performance.

Individual work performance may differ according to the conditions of the person. It can be suggested that the regulation of these conditions should be done by taking into account individual differences. In addition, managers should be able to increase motivational actions towards their employees and create a positive climate in the banking sector of Azerbaijan, draw attention to the importance of employees in the success of the organization and assign various tasks in line with their interests. Thus, it can contribute to a greater increase in employees' job performance and greater organizational achievements. In addition, managers can develop various practices in order to increase perceived job performance, taking into account that the perceived performance will change according to interest, need, and time. Various qualitative and quantitative studies can be conducted to support this research, and other factors (such as organizational justice, perception of organizational support, organizational trust, job satisfaction) that affect employees' job performance can be studied. Thus, more efficient results can be obtained by finding the factors affecting the increase of employees' job performance.

Recommendations

This research was limited to the employees of banking sector of Azerbaijan, but it is believed that almost all the respondents of the questionnaire are employed in Baku. Banks located in different provinces and regions can be included in the conduct of similar studies to this research. Accordingly, it can be said that making comparisons with the findings with more sample size will be beneficial for studies on leadership styles and job performance. In addition, it can be recommended to conduct qualitative and mixed method studies on the leadership styles and job performance of the employees of banking sector working in different branches of the bank.

References

- Advameg. (2010). Culture of Azerbaijan. Retrieved from everyculture.com/A-Bo/Azerbaijan.html
- Ahmed Khan, Z., Dr. Irfanullah Khan, N. (2016) Leadership Theories and Styles: A Literature Review, 1-3
- Amanchukwu1, R.N., Stanley, G. J. Ololube, N. (2015). A Review of Leadership Theories, Principles and Styles and Their Relevance to Educational Management, 1-5
- Albrecht, S.L. (2012) The Influence of Job, Team and Organizational Level Resources on Employee Well-Being, Engagement, Commitment and Extra-Role Performance: Test of a Model. *International Journal of Manpower*, Special Issue Theme: Changing Work Environments and Employee Wellbeing, 33, 840-853.
- Al Khajeh, E. H. (2018). Impact of Leadership Styles on Organizational Performance. *Journal of Human Resources Management Research*, 2018, Article ID: 687849.
- Avolio, B. J. (2011). *Full range leadership development*. Thousand Oaks, Calif: Sage.
- Avolio, B., & Yammarino, F. (2013). *Transformational and Charismatic Leadership: Introduction to 10th Anniversary Edition*. Emerald Group Publishing Limited. Retrieved from <https://www.emerald.com/insight/content/doi/10.1108/S1479-357120130000005003/full/html>
- Baymarov, J. (2011). "Cultural Barriers"Hamper US-Azerbaijani Business Communication. Retrieved from news.az/articles/economy/32549
- Bell, C., & Mjoli, T. (2014). The effects of participative leadership on organisational commitment: Comparing its effects among two gender groups among bank clerks. *African Journal of Business Management*, 8(12), 451-459.
- Bercu, A.-M. (2017). *Impact of employees' training programmes on job satisfaction* (Vol. 112). Current Science Association.
- Bommer, W., Rubin, R., & Baldwin, T. (2004). Setting the stage for effective leadership: Antecedents of transformational leadership behavior. *The Leadership Quarterly*, 15(2), 195–210

Bronkhorst, B., Steijn, B., & Vermeeren, B. (2015). Transformational leadership, goal setting, and work motivation: The case of a Dutch municipality. *Review of Public Personnel Administration*, 35(2), 124–145.

Chan, S. C., & Mak, W. M. (2014). Transformational leadership, pride in being a follower of the leader and organizational commitment. *Leadership & Organization Development Journal*.

Charry, K. (2012). Leadership Theories - 8 Major Leadership Theories. Retrieved March 23, 2014 from <http://psychology.about.com/od/leadership/p/leadtheories.htm>

Choudhary, A., Akhtar, S., & Zaheer, A. (2013). Impact of transformational and servant leadership on organizational performance: A comparative analysis. *Journal of Business Ethics*, 116(2), 433-440. doi: 10.1007/s10551-012-1470-8

Chu, L., & Lai, C. (2011). A research on the influence of leadership style and job characteristics on job performance among accountants of county and city government in Taiwan. *Public Personnel Management*, 40(2), 101-118. doi: 10.1177/009102601104000202

Commisceo Global (2016). Azerbaijan Management Guide. Retrieved from <http://www.commisceoglobal.com/management-guides/azerbaijan-management-guide>

Dalal RS. A meta-analysis of the relationship between organizational citizenship behavior and counterproductive work behavior. *J Appl Psychol*. 2005;90:1241-55.

Dartey-Baah, K., & Mekpor, B. (2017) Emotional Intelligence: Does Leadership Style Matter? Employees Perception in Ghana's Banking Sector. *International Journal of Business*, 22(1), 41-54

De Jong, S.B., & Bruch, H. (2013). The importance of a homogeneous transformational leadership climate for organizational performance. *International Journal*

DervizA. vePodpiera J. (2004), “*Predicting Bank CAMELS and Standard and Poor’s Ratings: The Case of Czech Republic*”, Czech National Bank Working Papers Series, 1-25.

Diamantidis, A. D. (2018). Factors affecting employee performance: an empirical approach. *International Journal of Productivity and Performance Management*. Retrieved from <https://www.emerald.com/insight/content/doi/10.1108/IJPPM-01-2018-0012/full/html>

Durham CC, Bartol KM. Pay for performance. In: Locke EA, editor. *Handbook of Principles of Organizational Behavior*. 2nd ed. West Sussex, UK: John Wiley & Sons, Ltd; 2009. p. 217-38.

Giroux, T., & McLarney, C. (2014). Exploring the leadership continuum: The relevance of transformational leadership on organizational performance. *Proceedings of the Northeast Region Decision Sciences Institute*, 862-886. <http://nedsi.org/>

Federal Deposit Insurance Corporation (2004), “*Basic Examinations Concepts and Guidelines*”, Risk Management Manual of Examinations Policies, <http://www.fdic.gov/regulations/safety/manual/section1-1.pdf>.

Fleenor, J. (2006). Trait approach to leadership, 831-832

Gill, R. (2006). *Theory and practice of leadership*. London: SAGE Publications.

Haque, A. U., Faizan, R., Zehra, N., Baloch, A., Nadda, V., & Riaz, F. (2015). Leading Leadership Style to Motivate Cultural-Oriented Female Employees in IT Sector of Developing Country: IT Sectors’ Responses from Pakistan. *International Journal of Academic Research in Business and Social Sciences*, 5, 280-302.

Haque, A., Faizan, R., & Cockrill, A. (2017). The Relationship between Female Representation at Strategic Level and Firm’s Competitiveness: Evidences from Cargo Logistic Firms of

Pakistan and Canada. *Polish Journal of Management Studies*, 15, 69-81.
<https://doi.org/10.17512/pjms.2017.15.2.07>

Hatcher, T. (2008). Towards Culturally Appropriate Adult Education Methodologies for Bible Translators: Comparing Central Asian and Western Educational Practices. Retrieved from GIALens. Pp/ 1-60

Hersey, P., & Blanchard, K. (2010). *Management of organizational behaviour*. New Jersey: Prentice Hall.

Hoxha, A. (2015). Empowerment and trust as mediators of the relationship between transformational leadership and organizational effectiveness. *European Journal of Economic & Political Studies*, 8(1), 43-60. <http://www.ejeps.com/index.php/ejeps>

Hromei, A. (2014). Non-Financial factors that influence the success of a merger transaction. *Economic and Management*, Vol., 504-511

Jones, G. R. (2013). *Contemporary Management*. Indiana: McGraw-Hill Press.

Jyoti, J., & Bhau, S. (2015). Impact of transformational leadership on job performance: Mediating role of leader-member exchange and relational identification. *SAGE Open*, 1-13.

Kaasa, A. (2013). Culture as a Possible Factor of innovation: Evidence from the European Union and Neighboring Countries. Retrieved from ub.edu/searchproject/wp-content/uploads/2013/01/WP-5.5.pdf

Lamb, L. F., & McKee, K. B. (2004). *Applied Public Relations: Cases in Stakeholder Management*. Mahwah, New Jersey: Lawrence Erlbaum Associates. Routledge.

LePine JA, Erez A, Johnson DE. The nature and dimensionality of organizational citizenship behavior: A critical review and meta-analysis. *J Appl Psychol*. 2002;87(1):52-65.

Maes L, Van Cauwenberghe E, Van Lippevelde W, Spittaels H, De Pauw E, Opper JM, et al. Effectiveness of workplace interventions in Europe promoting healthy eating: A systematic review. *European journal of public health*. 2012;22(5):677-83.

Macleod, D. and Clarke, N. (2012) *The Evidence: Employee Engagement Task Force: Nailing the Evidence*. Engage for Success, London

Metha, D. and Metha, N. (2013) *Employee Engagement: A Literature Review*. *Economic Seria Management*, 16, 208-215.

Ng'ethe, J. M., Namusonge, G. S., & Iravo, M. A. (2012). Influence of Leadership Style on Academic Staff Retention in Public Universities. *International Journal of Business and Social Science*, 3, 297-302. http://ijbssnet.com/journals/Vol_3_No_21_November_2012/31.pdf

Ojokuku, R., Odetayo, T., & Sajuyigbe, A. (2012). Impact of leadership style on organisational performance: A case study of Nigerian banks. *American Journal of Business and Management*, 1(4), 202-207.

Puni, A., Mohammed, I., & Asamoah, E. (2018). Transformational leadership and job satisfaction: The moderating effect of contingent reward. *Leadership & Organisation Development Journal*, 39(4), 522-537.

Purcell, J. (2012) *The Limits and Possibilities of Employee Engagement*. Industrial Relations Research Unit, University of Warwick, Coventry.

Robson LS, Stephenson CM, Schulte PA, Amick BC3, Irvin EL, Eggerth DE, et al. A systematic review of the effectiveness of occupational health and safety training. *Scandinavian Journal of Work, Environment and Health*. 2012;38(3):193-208.

Sadia, A., & Aman, A. (2018). Transformational Leadership and Organizational Performance; the Mediating Role of Organizational Innovation. *SEISENSE Journal of Management*, 1, 59-75.

Vaccaro, I. G., Jansen, J. J., Van Den Bosch, F. A., & Volberda, H. W. (2012) Management innovation and leadership: The moderating role of organizational size. *Journal of Management Studies*, 49(1), 28-51

Sofi, M.A., & Devanadhen, D.K. (2015). Impact of leadership styles on organizational performance: An empirical assessment of the banking sector in Jammu and Kashmir. *IOSR Journal of Business and Management*, 17(8), 31-45.

Spano-Szekely, L., Griffin, M. T.Q., Clavelle, J., & Fitzpatrick, J. J. (2016). Emotional intelligence and transformational leadership in nurse managers. *Journal of Nursing Administration*, 46(2), 101–108.

Sun, W., Xu, A., & Shang, Y. (2014). Transformational leadership, team climate, and team performance within the NPD team: Evidence from China. *Asia Pacific Journal of Management*, 31, 127-147.

Trmal, S.A., Bustamam, U.S.A., & Mohamed, Z.A. (2015). The effect of transformational leadership in achieving high performance workforce that exceeds organizational expectation: A study from a global and Islamic perspective. *Global Business & Management Research*, 7(2), 88-94. <http://www.gbmr.ioksp.com/>

Truss, C., Shantz,A., Soane, E., Alfes,K. and Delbrige, R. (2013) Employee Engagement, Organizational Performance and Individual well-being: Evidence, Developing the Theory. *The international journal of Human resources Management*, 24,2657-2669

Weber, M. (2009). *The Theory of Social and Economic Organization*. New York: Simon and Schuster.

Xu, G. Y. & Wang, Z. S. (2008). *The impact of transformational leadership style on organizational performance: The intermediary effects of leader-member exchange*. Long Beach, CA, USA, IEEE Xplore, pp. 1090-1097

Yahaya, R., & Ebrahim, F. A. (2016). Leadership styles and organizational commitment: Literature review. *Journal of Management Development*, 35(2), 190–2016.

Zacharatos A, Barling J, Iverson RD. High-performance work systems and occupational safety. *Journal of Applied Psychology*. 2005;90(1):77-93.

Zigarmi, D., Edeburn, C., Blanchard, K., & O'Connor, M. (2005). *The Leader within: Learning Enough About Yourself to Lead Others*. Harlow: Pearson Professional Education.