

**EFFECT OF TRANSFORMATIONAL LEADERSHIP
AND EMPOWERMENT ON EMPLOYEES'
MOTIVATIONAL LEVELS IN THE BANKING
INDUSTRY OF PAKISTAN**

By

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APPROVAL FOR EXAMINATION

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I hereby certify that the above candidate's thesis has been completed to my satisfaction and, to my belief, its standard is appropriate for submission for examination. I have also conducted plagiarism test of this thesis using HEC prescribed software and found similarity index at 17% that is within the permissible limit set by the HEC for the MBA thesis. I have also found the thesis in a format recognized by the Department of Management Sciences.

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Abstract

Purpose

The purpose of this paper is to view the effect of transformational leader on the employees' motivation on the banking industry of Pakistan. The research would like to identify if transformational leaders do have a positive impact on the motivational levels of employees. The new way of motivating employees and making them feel a part of the organization really does it empower them or not. Are the employees satisfied with the new approach or they were happy with the previous one.

Methodology & Design

The data has been collected from different employees of various banks located in Karachi. The survey was done from the questionnaire that was made online. Also the data was also checked through the reliability test in order to check if it is reliable for further research or not. The data was then analyzed through regression and correlation to obtain results and test the hypotheses.

Findings

The results of this study confirm that the transformation of bank managers' leadership style will increase employee satisfaction and performance. The findings of the correlation test conducted shows that there has been a positive relation between the tested variables; that is if the intellectual stimulation would increase the motivation level of the employee would also increase. Furthermore, there is a positive relationship between the individual consideration and employee motivation level; means that the higher the individual consideration the more will be the employee motivation level. In addition to that the results show that there is a positive relation between the variables tested.

Limitations

Since the research is confined to banking industry only so the employees working in banks would be monitored, examined and analyzed. This research is also limited to the Pakistani context only as it only covers the employees situated in Karachi.

Recommendations

It is recommended that the banks try to keep their employees happy in order to keep their customers happy. An employee would then only fulfill his duties relating to the customers when he would be satisfied with his job. For this purpose the employees should be guided well regarding the motives and culture of the bank. Proper training programs should be given to him. The employees should also be rewarded by bonuses and incentives. Performance appraisal should be fairly done. Feedback sessions should be conducted so that the employees can easily tell what problems they are facing and what are the things they suggest should change.

Keywords

Banking, Motivation, Leadership, Transformational leadership, Management, Leadership styles.

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