

## MODERATING ROLE OF WORK ENGAGEMENT ON THE RELATIONSHIP BETWEEN TRANSFORMATIONAL LEADERSHIP STYLE AND EMPLOYEE PERFORMANCE IN BANKING SECTOR

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### Abstract

*This study investigates the impact of transformational leadership on employee performance and examines the moderating role of work engagement within Nigerian banks with international authorizations. Utilizing a census sampling technique, data were collected from 256 banking staff using a structured questionnaire, with analysis conducted via Partial Least Squares Structural Equation Modeling (PLS-SEM). The findings reveal that transformational leadership style significantly enhances employee performance, and work engagement positively moderates this relationship. Specifically, the benefits of transformational leadership on performance are more pronounced when employees are highly engaged. These results emphasize the importance of adopting transformational leadership practices and fostering high levels of work engagement to optimize employee performance. The study recommends that organizations should invest in strategies to enhance work engagement, such as providing opportunities for professional development, recognizing and rewarding employee contributions, and fostering a supportive work culture. Also the study contributes both theoretically, by expanding understanding of leadership and engagement interactions, and practically, by providing actionable insights for enhancing leadership strategies and engagement initiatives in the banking sector. Further research is recommended to explore these dynamics across different sectors and contexts*

**Keywords:** Employee Performance, Transformational Leadership Style, Work Engagement,

### Introduction

Transformational leadership remains a critical driver of employee performance because it inspires employees to rise above personal interests and commit more deeply to organizational goals. Transformational leadership, characterized by its emphasis on vision, inspiration, and individualized support, has been widely acknowledged for its positive impact on employee performance across multiple sectors (Aftab et al., 2023; Lai et al., 2020).

In the banking sector, where intense competition, customer expectations, and service excellence demand high levels of employee commitment, transformational leaders create supportive, motivating, and future-oriented work environments that elevate employee output (Nyakundi et al., 2021). However, the effectiveness of transformational leadership on job performance may not operate in isolation; it may be strengthened or weakened by factors such as work engagement, which determines the extent to which employees feel energized, dedicated, and absorbed in their roles.

Work engagement, defined as a positive, fulfilling work-related state of mind characterized by vigor, dedication, and absorption, plays a crucial role in mediating the relationship between leadership styles and employee performance (Ali et al., 2021; Jiatong et al., 2022). Engaged employees are more likely to be motivated and committed, thus improving their job performance. Transformational leaders, by promoting an engaging work environment, can enhance this engagement, leading to better performance outcomes (Meng et al., 2022). Therefore, understanding how work engagement moderates the relationship between transformational leadership and employee performance can provide deeper insights into improving productivity in the banking sector.

In the context of Nigerian banks, where the industry is rapidly evolving with increasing demands for service excellence and innovation, the role of transformational leadership becomes even more critical (Kanu et al., 2022). The unique cultural and operational dynamics in Nigeria may influence how leadership styles impact work engagement and performance. Studies in other contexts suggest that transformational leadership style can significantly boost work engagement and performance, but regional specifics could lead to variations in these effects (Al Amin et al., 2023; Atik et al., 2023). Thus, exploring these relationships within the Nigerian banking sector can offer valuable implications for management practices and leadership strategies.

In the Nigerian banking sector, the impact of transformational leadership style on employee performance is a critical area of interest given the sector's rapid evolution and competitive landscape. While transformational leadership style has been extensively studied in various contexts, there is a need to understand how it affects employee performance specifically within Nigerian banks, where cultural and operational dynamics might influence outcomes differently compared to other regions (Nyakundi, et al., 2021; Kanu, et al., 2022). Transformational leaders are known for their ability to inspire and motivate employees, but their effectiveness in enhancing performance may be contingent upon other factors such as work engagement.

Work engagement, characterized by vigor, dedication, and absorption, is a key element that may moderate the relationship between transformational leadership style and employee performance (Jiatong et al., 2022; Ali et al., 2021). Employees who are highly engaged are more likely to exhibit higher performance levels, making work engagement a crucial variable in understanding how transformational leadership impacts job performance. However, the specific role of work engagement as a moderator in this relationship within the Nigerian banking context remains underexplored.

Understanding the moderating effect of work engagement on the transformational leadership-performance relationship is essential for developing effective management strategies in Nigerian banks. Despite some studies suggesting positive effects of transformational leadership and work engagement on performance, there is limited research addressing how these factors interact in the Nigerian banking sector (Aftab et al., 2023; Lai et al., 2020; Gameda, & Lee, 2020). This research aims to fill this gap by providing insights into how work engagement influences the effectiveness of transformational leadership on employee performance in this specific context.

The existing literature indicates a growing interest in examining the interplay between leadership, engagement, and performance, with some studies highlighting the moderating effects of work engagement (Shang, 2023; Winasis et al., 2021). However, there is a need for more research specifically focusing on the Nigerian banking sector to understand how local factors might influence these dynamics. By bridging this gap, the study aims to contribute to

a more nuanced understanding of how work engagement can enhance the impact of transformational leadership on employee performance in this unique context (Zhou et al., 2022; Zheng et al., 2020).

The need for an understanding of how transformational leadership impacts employee performance within the Nigerian banking sector is underscored by existing research on leadership and work engagement. Systematic reviews and empirical studies indicate that transformational leadership significantly enhances job performance through improved employee engagement (Shang, 2023) and such studies like (Adeniji et al., 2020; Alghusin & Al-Ajlouni, 2020).

However, regional studies suggest that the effects of transformational leadership and engagement may vary due to contextual factors specific to Nigeria (Kanu et al., 2022; Nyakundi et al., 2021). The moderating role of work engagement in this relationship is critical as it may amplify the positive effects of transformational leadership on employee performance (Jiatong et al., 2022; Lai et al., 2020). Thus, addressing this gap in the Nigerian banking sector is essential for developing targeted management strategies and improving organizational performance.

## **Literature Review**

The literature review section delves into existing research on transformational leadership and work engagement, highlighting their individual and combined effects on employee performance. By examining empirical studies and theoretical frameworks, this section aims to establish a comprehensive understanding of how transformational leadership influences employee outcomes and the moderating role of work engagement in this relationship. The insights gained from this review will provide a solid foundation for the study, offering context and identifying gaps that the research will address.

## **Employee Performance**

Employee performance refers to the level of effectiveness with which employees carry out their job responsibilities and contribute to organizational goals (Aguinis, 2023; Ekwoaba & Ugochukwu, 2021). It encompasses various dimensions such as productivity, quality of work, efficiency, and the ability to meet deadlines and targets (Campbell, 1990). High employee performance is characterized by employees achieving or exceeding job expectations, demonstrating strong work ethic, and contributing positively to the organization's success (Bernardin & Russell, 2013).

Performance is often assessed through performance appraisals, feedback from supervisors, and self-assessments, and it is influenced by factors such as job satisfaction, motivation, and the work environment (Locke & Latham, 2002). Effective performance management strategies are crucial for maximizing employee potential and aligning individual contributions with organizational objectives, thereby enhancing overall organizational performance (Pulakos, 2009).

## **Transformational Leadership Style and Employee Performance**

Transformational leadership style has been widely recognized as a powerful predictor of employee performance due to its emphasis on inspiring, motivating, and empowering employees to exceed expectations. Rooted in the works of Burns (1978) and later expanded by Bass (1985), transformational leadership enhances performance by aligning individual goals with organizational objectives through a compelling vision, individualized support, and

intellectual stimulation. Leaders who adopt this style foster a sense of purpose, enthusiasm, and commitment among employees, which translates into higher levels of engagement, job satisfaction, and productivity (Bass & Riggio, 2006; Avolio & Bass, 2004).

Recent empirical evidence further confirms that transformational leadership positively influences employee performance across various sectors by promoting innovation, strengthening emotional connections, and encouraging employees to take ownership of their tasks (Northouse, 2018; Nyakundi, et al., 2021). Thus, transformational leadership not only elevates individual performance but also contributes to organizational success, particularly in dynamic and competitive environments such as public institutions and service-oriented sectors.

### **Work Engagement and Employee Performance**

Work engagement, conceptualized as a positive, fulfilling, and motivational state of mind, has been consistently linked to enhanced employee performance. Defined through the dimensions of vigor, dedication, and absorption, engaged employees exhibit high energy, strong mental resilience, deep involvement in their work, and a strong sense of enthusiasm and purpose (Schaufeli & Bakker, 2004; Schaufeli, et al., 2006). These psychological conditions encourage employees to perform beyond basic job requirements, demonstrating greater productivity, creativity, persistence, and organizational citizenship behaviours. Empirical research shows that work engagement is a strong predictor of improved job performance, reduced absenteeism, lower turnover intention, and stronger organizational commitment, as emotionally invested employees are more likely to deliver quality output and align their efforts with organizational goals (Bakker & Demerouti, 2007).

As organizations increasingly recognize the competitive value of a highly engaged workforce, cultivating work engagement has become essential for improving overall performance and fostering long-term job satisfaction (Kahn, 1990). Therefore, within the context of leadership research, work engagement serves as a critical mechanism through which positive leadership styles, such as transformational leadership, translate into superior employee performance.

### **Empirical Review**

Empirical studies have consistently demonstrated that transformational leadership positively influences employee performance. For instance, Adeniji et al. (2020) investigated the impact of various leadership dimensions on employee performance within consumer-packaged goods firms, highlighting that transformational leadership significantly enhances job performance by fostering a supportive and motivational environment.

Similarly, Alghusin and Al-Ajlouni (2020) found that transformational leadership serves as a crucial antecedent for organizational commitment and job performance in Jordanian banks, emphasizing that leaders who exhibit transformational behaviors positively impact their employees' performance and organizational outcomes. These findings emphasize the universal applicability of transformational leadership in improving employee performance across different sectors.

In addition to the direct effects of transformational leadership, several studies have explored the moderating role of work engagement. Lai et al. (2020) established that work engagement mediates the relationship between transformational leadership and job performance, suggesting that engaged employees are more likely to benefit from transformational leadership practices. Jiatong et al. (2022) further supported this by demonstrating that work

engagement enhances the positive effects of transformational leadership on affective organizational commitment and job performance. These studies indicate that the presence of high work engagement amplifies the effectiveness of transformational leadership, leading to improved performance outcomes.

Kanu et al., (2022) also explored the mediating role of transformational leadership in the context of work engagement among Nigerian bank employees, providing evidence that engagement strengthens the positive impact of transformational leadership on performance, thereby highlighting the importance of fostering high levels of employee engagement to maximize leadership effectiveness.

Work engagement is a critical variable for this study due to its significant role in enhancing the relationship between transformational leadership and employee performance. High work engagement, characterized by vigor, dedication, and absorption, acts as a catalyst that amplifies the positive effects of transformational leadership on job performance (Lai et al., 2020; Jiatong et al., 2022). Engaged employees are more likely to fully utilize their skills and effort, which aligns well with the motivational and supportive environment created by transformational leaders. By examining work engagement, this study can uncover how the interplay between leadership style and employee engagement influences performance outcomes in the Nigerian banking sector, providing valuable insights for developing effective leadership strategies and improving organizational performance (Ali, et al., 2021; Aftab et al., 2023).

## **Theoretical Review**

The study of transformational leadership and employee performance is grounded in several key theories that elucidate the mechanisms through which leadership influences employee outcomes. Transformational Leadership Theory, originally proposed by Burns (1978) and later expanded by Bass (1985), posits that transformational leaders inspire and motivate employees by creating a compelling vision, fostering innovation, and providing individualized support. These leaders enhance employee performance by aligning individual goals with organizational objectives, thus promoting higher levels of job satisfaction and commitment. Transformational leaders are believed to elevate followers' motivation and performance through their charismatic influence, intellectual stimulation, and personalized attention (Bass & Riggio, 2006).

Work Engagement Theory, as articulated by Schaufeli and Bakker (2004), complements this framework by focusing on the psychological state of employees. Work engagement is characterized by vigor, dedication, and absorption, which are essential for optimal performance. This theory suggests that engaged employees are more likely to exert discretionary effort and demonstrate high levels of productivity and job satisfaction. Integrating this theory with Transformational Leadership Theory helps to understand how work engagement moderates the effects of transformational leadership on employee performance. High levels of work engagement can enhance the positive outcomes of transformational leadership, making it a critical factor in achieving superior employee performance (Bakker & Demerouti, 2007; Schaufeli et al., 2006).

Furthermore, the Interactionist Theory provides an additional perspective by emphasizing the dynamic interplay between individual and contextual factors. This theory posits that employee performance is a result of both individual characteristics and environmental influences. In the context of this study, it suggests that the impact of transformational leadership on performance is not uniform but varies depending on the level of employee

engagement. This theoretical perspective supports the hypothesis that work engagement acts as a moderator, influencing how transformational leadership affects employee performance by interacting with employees' motivational and psychological states (Parker et al., 2010; Taris & Schaufeli, 2015).

Theories of transformational leadership and work engagement are intricately connected in understanding how leadership impacts employee performance. Transformational Leadership Theory explains how leaders inspire and motivate employees to exceed their normal performance levels by creating a compelling vision and fostering a supportive environment (Bass, 1985). Work Engagement Theory complements this by emphasizing that the psychological state of vigor, dedication, and absorption enhances employees' ability to perform effectively (Schaufeli & Bakker, 2004). Integrating these theories, the relationship between transformational leadership and employee performance is moderated by work engagement; transformational leaders can only fully realize their impact on performance if employees are highly engaged. Thus, engaged employees are more responsive to transformational leadership practices, leading to enhanced performance outcomes, which underscores the interactive dynamic described by the Interactionist Theory, where both leadership and engagement factors converge to influence job performance (Bakker & Demerouti, 2007; Taris & Schaufeli, 2015).

Based on the theoretical perspectives reviewed, this study adopts the position that transformational leadership significantly enhances employee performance, but its effectiveness is strongly contingent upon the level of employee work engagement. Transformational Leadership Theory provides the foundation by explaining how visionary, inspirational, and supportive leadership behaviours elevate employee motivation, commitment, and task accomplishment (Bass, 1985; Bass & Riggio, 2006).

However, Work Engagement Theory adds an essential psychological dimension, positing that employees perform optimally when they experience vigor, dedication, and absorption in their roles (Schaufeli & Bakker, 2004). Thus, even the most inspiring leadership practices will only translate into superior performance when employees are emotionally and cognitively invested in their work. This aligns with Interactionist Theory, which emphasizes that performance outcomes emerge from the interplay between individual psychological states and environmental influences (Parker et al., 2010). Accordingly, the researcher maintains that work engagement acts as a crucial moderator that strengthens the influence of transformational leadership on performance. In essence, transformational leadership creates the conditions for high performance, but high engagement unlocks its full impact, making both constructs indispensable for understanding and optimizing employee performance.

#### Conceptual Framework

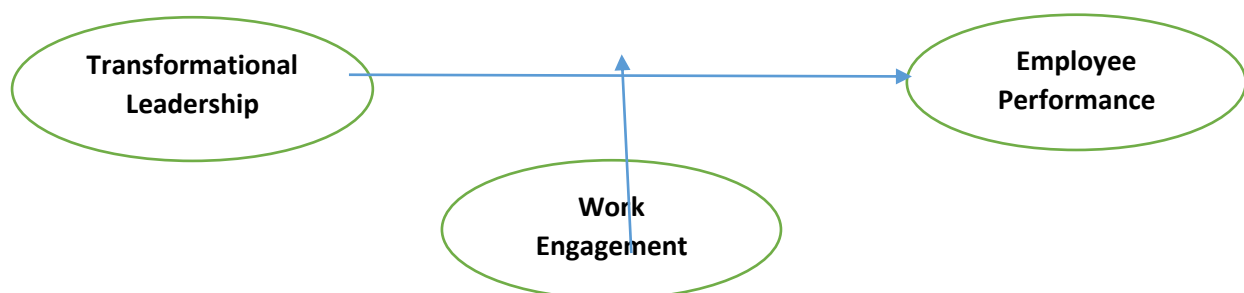


Figure 1 Conceptual Framework

The study proposes that transformational leadership has a direct positive influence on employee performance in the Nigerian banking sector, as leaders who demonstrate idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration foster a supportive environment that enhances employee commitment, satisfaction, and productivity (Adeniji et al., 2020; Alghusain & Al-Ajlouni, 2020; Nyakundi et al., 2021; Kanu et al., 2022).

However, the strength of this relationship is expected to depend on employees' level of work engagement, suggesting a moderation effect. When employees experience high levels of vigor, dedication, and absorption, the positive impact of transformational leadership on performance becomes even stronger, as engaged workers are more responsive to inspirational leadership behaviors and more motivated to align their efforts with organizational goals (Lai et al., 2020; Jiatong et al., 2022; Ali et al., 2021; Aftab et al., 2023). Therefore, work engagement is expected to amplify the influence of transformational leadership, producing more substantial gains in employee performance than transformational leadership alone.

### **Materials and Method**

This study adopts a descriptive research design to investigate the impact of transformational leadership and work engagement on employee performance within Nigerian banks with international authorizations. The research population comprises a total of 312 banking staff from these institutions, selected to ensure a representative sample of the sector. Data was collected using a structured questionnaire designed to measure transformational leadership, work engagement, and employee performance. For data analysis, Partial Least Squares Structural Equation Modeling (PLS-SEM) was employed to evaluate the relationships between the variables and assess the moderating effect of work engagement on the leadership-performance relationship. This approach enables a comprehensive analysis of the direct and interactive effects, providing insights into the dynamics of leadership and engagement within the banking sector.

### **Result and Discussion**

The study utilized a census sampling technique to survey the entire population of 312 banking staff from Nigerian banks with international authorizations, resulting in the return of 256 valid questionnaires for further analysis. The sample comprised 131 male and 121 female respondents, reflecting a balanced gender distribution. Additionally, the respondents' experience levels varied, with 56% having 1 to 3 years of experience, 33% having 3 to 5 years of experience, and 11% possessing more than 5 years of experience. This distribution provides a comprehensive view of the workforce's demographic and experiential diversity, enriching the analysis of the relationships between transformational leadership, work engagement, and employee performance.

Assessment of the Path Model

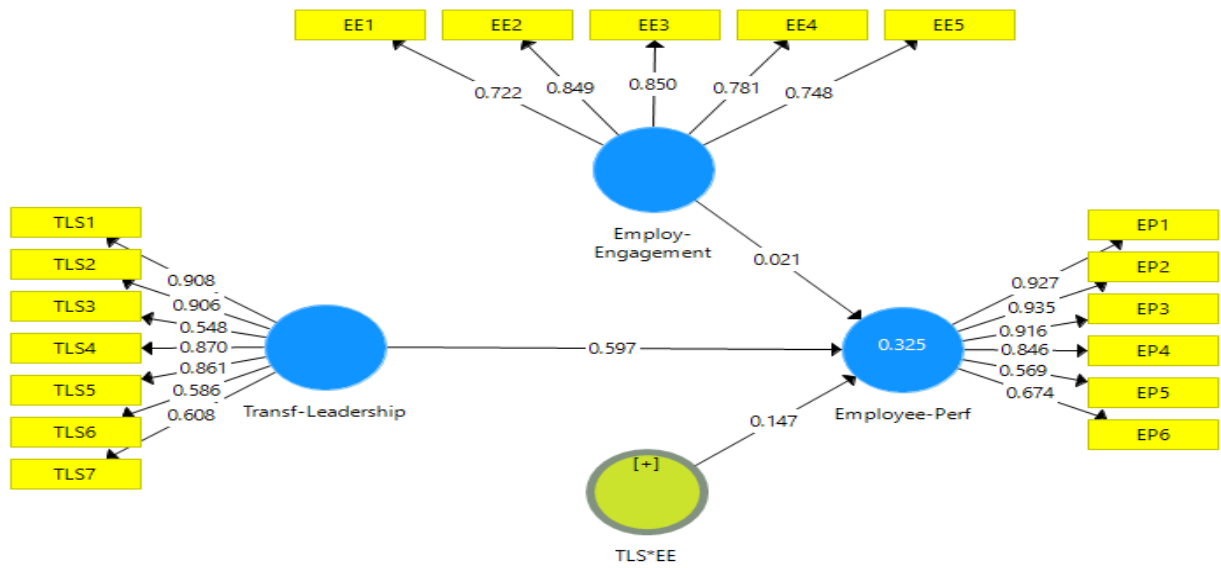


Figure 2 Path Model

Table 1 Loading and Convergent Validity

Items	Loadings	CR	AVE
EE1	0.722	<b>0.893</b>	<b>0.627</b>
EE2	0.849		
EE3	0.850		
EE4	0.781		
EE5	0.748		
EP1	0.927	<b>0.925</b>	<b>0.678</b>
EP2	0.935		
EP3	0.916		
EP4	0.846		
EP5	0.569		
EP6	0.674		
TLS1	0.908	<b>0.908</b>	<b>0.594</b>
TLS2	0.906		
TLS3	0.548		
TLS4	0.870		
TLS5	0.861		
TLS6	0.586		
TLS7	0.608		

Table 1 presents the factor loadings, Composite Reliability (CR), and Average Variance Extracted (AVE) for the constructs of Employee Engagement (EE), Employee Performance (EP), and Transformational Leadership Style (TLS). The loadings for EE items range from 0.722 to 0.850, indicating satisfactory convergence as they exceed the 0.70 threshold, with an overall CR of 0.893 and an AVE of 0.627, both of which suggest strong reliability and validity. For EP, the loadings are high, ranging from 0.569 to 0.927, with a CR of 0.925 and an AVE of 0.678, indicating robust convergent validity and internal consistency, although EP5 shows a lower loading which may warrant further investigation (Hair, et al., 2022). TLS items demonstrate varied loadings from 0.548 to 0.908, with CR at 0.908 and AVE at 0.594,

reflecting generally acceptable reliability and validity despite lower loadings for some items. The table confirms that the constructs exhibit adequate convergent validity and reliability, though attention should be given to items with lower loadings to ensure they accurately reflect the intended dimensions.

**Table 2 Fornell and Lacker Discriminants Validity**

	Employ-Engagement	Employee-Perf	TLS*EE	Transf-Leadership
Employ-Engagement	0.792			
Employee-Perf	0.168	0.823		
TLS*EE	-0.286	-0.031	1	
Transf-Leadership	0.328	0.548	-0.329	0.771

Table 2 presents the results of the Fornell-Larcker criterion for assessing discriminant validity among the constructs of Employee Engagement, Employee Performance, Transformational Leadership Style (TLS), and the interaction term (TLS\*EE). The diagonal values represent the square root of the AVE for each construct, indicating that Employee Engagement (0.792) and Employee Performance (0.823) have higher values than their off-diagonal correlations, demonstrating satisfactory discriminant validity. Transformational Leadership (0.771) also shows adequate discriminant validity, with its square root of AVE being higher than the correlations with other constructs. The interaction term (TLS\*EE) has negative correlations with Employee Engagement (-0.286) and Employee Performance (-0.031), which are lower in comparison to the diagonal values, suggesting that it does not overly influence the primary constructs. Overall, the table confirms that the constructs have appropriate discriminant validity, as their AVE values exceed the correlations between different constructs.

The results from the Heterotrait-Monotrait Ratio (HTMT) analysis further support the findings from Table 2 regarding discriminant validity. The HTMT values, which measure the degree of cross-construct correlations, are all below the threshold of 0.850, indicating that the constructs are distinct from each other. Specifically, the HTMT values for Employee Engagement and Employee Performance, Employee Engagement and Transformational Leadership Style, and Employee Performance and Transformational Leadership Style, are well below this threshold, reinforcing the conclusion that each construct has adequate discriminant validity. These results confirm that the constructs in the study are empirically distinct and appropriately measured. And its presented in figure 3 below

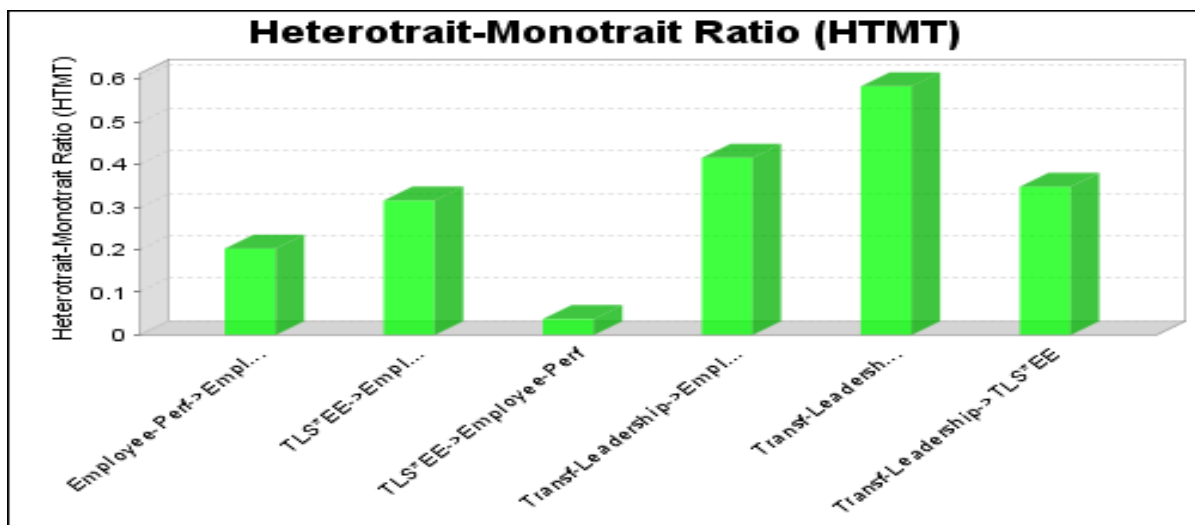


Figure 3 HTMT

Assessment of the Structural Model

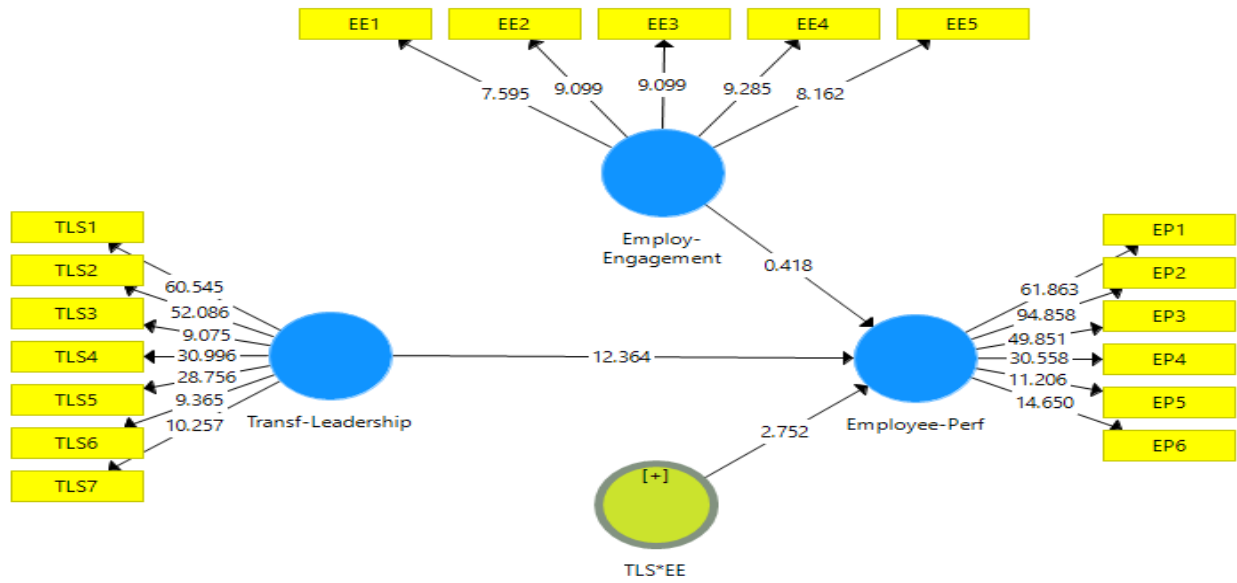


Figure 4 Structural Model

Table 3. Test of Hypotheses

	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Values	Decision
Transf-Leadership -> Employee-Perf	0.597	0.600	0.048	12.364	0.000	Rejected
TLS*EE -> Employee-Perf	0.147	0.142	0.053	2.752	0.006	Rejected

Table 3 presents the results of hypothesis testing for the relationships between Transformational Leadership and Employee Performance, as well as the moderating effect of the interaction term (TLS\*EE) on Employee Performance. The direct effect of Transformational Leadership on Employee Performance is significant with a path coefficient of 0.597, a T-statistic of 12.364, and a p-value of 0.000, indicating strong support for the hypothesis that Transformational Leadership positively influences Employee Performance. Conversely, the moderating effect of the interaction term (TLS\*EE) on Employee Performance is also significant with a path coefficient of 0.147, a T-statistic of 2.752, and a p-value of 0.006, confirming that work engagement positively moderates the relationship between Transformational Leadership and Employee Performance. These results validate both the direct and interactive effects hypothesized in the study.

The results of the study reveal that transformational leadership has a positive and significant impact on employee performance, with work engagement serving as a positive and significant moderator in this relationship. Specifically, transformational leadership, characterized by its ability to inspire, motivate, and foster innovation, enhances employees' job performance by aligning their personal goals with organizational objectives and creating a supportive work environment (Bass, 1985; Bass & Riggio, 2006). This finding aligns with previous research that emphasizes the efficacy of transformational leadership in improving employee outcomes. For instance, Adeniji et al. (2020) found that transformational leadership significantly enhances job performance by cultivating a motivational and engaging environment. Similarly, Alghusin and Al-Ajlouni (2020) demonstrated that transformational

leadership positively affects organizational commitment and job performance in the banking sector, supporting the idea that such leadership styles lead to improved employee outcomes.

Furthermore, the study's results underscore the moderating role of work engagement, which significantly amplifies the relationship between transformational leadership and employee performance. This indicates that the positive effects of transformational leadership on employee performance are more pronounced when employees are highly engaged. Previous studies corroborate this finding; for example, Lai et al. (2020) found that work engagement mediates the relationship between transformational leadership and job performance, suggesting that engaged employees are more likely to exhibit higher performance levels under transformational leadership. Jiatong et al. (2022) also supported this by highlighting that work engagement enhances the positive effects of transformational leadership on organizational commitment and job performance. These studies reinforce the importance of fostering high levels of work engagement to fully leverage the benefits of transformational leadership, thereby improving overall employee performance and contributing to organizational success.

## **Conclusion and Recommendations**

### **Conclusion**

The study concludes that transformational leadership positively and significantly impacts employee performance in Nigerian banks with international authorizations. This leadership style, characterized by its ability to inspire and motivate, effectively enhances employee performance by aligning individual and organizational goals. Additionally, work engagement significantly moderates this relationship, amplifying the positive effects of transformational leadership on performance. Engaged employees, who exhibit high levels of vigor, dedication, and absorption, are more responsive to transformational leadership, leading to enhanced job performance. These findings underscore the critical role of both transformational leadership and work engagement in driving employee performance, providing valuable insights for management practices in the banking sector.

Based on the findings, it is recommended that banks with international authorizations in Nigeria focus on developing and implementing transformational leadership practices to boost employee performance. Leaders should be trained to inspire and motivate their teams, creating an environment that encourages innovation and aligns individual goals with organizational objectives. Additionally, organizations should invest in strategies to enhance work engagement, such as providing opportunities for professional development, recognizing and rewarding employee contributions, and fostering a supportive work culture. By strengthening both transformational leadership and work engagement, banks can optimize employee performance, contributing to overall organizational success and competitiveness in the sector.

### **Theoretical Contributions**

This study contributes to the existing body of knowledge by elucidating the significant relationship between transformational leadership and employee performance, and by highlighting the moderating role of work engagement in this dynamic. Theoretically, it extends Transformational Leadership Theory by demonstrating how this leadership style not only directly impacts performance but is also influenced by the level of employee engagement. The findings support and expand upon the interactionist perspective, which posits that both individual and contextual factors interact to affect organizational outcomes

(Bakker & Demerouti, 2007). By integrating work engagement into the framework, this study provides a nuanced understanding of how transformational leadership effects can be amplified or diminished based on the engagement levels of employees, thereby offering new insights into the mechanisms of leadership impact on performance.

### Practical Contributions

Practically, the study provides actionable insights for banking institutions, particularly those with international authorizations, on how to leverage transformational leadership and enhance work engagement to improve employee performance. It emphasizes the importance of leadership development programs that focus on transformational qualities such as vision, motivation, and personalized support. Additionally, it highlights the need for strategies to foster high levels of work engagement, such as career development opportunities, recognition programs, and a supportive work environment. By implementing these practices, organizations can create a more motivated and high-performing workforce, which is crucial for achieving competitive advantage and operational excellence in the dynamic banking sector.

### Suggestions for Further studies

Future studies should explore the impact of transformational leadership and work engagement across different sectors and organizational contexts to determine the generalizability of these findings. It would be beneficial to investigate how other leadership styles, such as transactional or servant leadership, interact with work engagement to influence employee performance. Additionally, longitudinal studies could provide insights into how these relationships evolve over time and under varying organizational conditions. Examining the role of individual differences, such as personality traits or demographic factors, in moderating the effects of transformational leadership and work engagement could also yield valuable insights for tailoring leadership and engagement strategies to diverse employee needs.

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