

The Effects of Leadership Styles on Employee Performance: A Case of Absa Bank in Lusaka District, Zambia

Charity Mwangala Nyambe¹, Kingsley Namangala²

¹The University of Zambia, in Collaboration with Zimbabwe Open University, Institute of Distance Education, Lusaka, Zambia

²The University of Zambia, Institute of Distance Education, Lusaka, Zambia

Email address: mwangalacharity@gmail.com

Abstract—This study examined the effects of leadership styles on employee performance in banks, using Absa Bank Zambia in Lusaka as a case study. The research was guided by three objectives: (i) to explore the leadership styles employed by Absa Bank, (ii) to examine the practices used by the bank to improve employee performance, and (iii) to investigate how leadership within the bank stimulates creativity among employees. A mixed-methods design was adopted, combining a quantitative survey of 183 employees (response rate 95.8%) with qualitative interviews of 20 key informants, including branch managers, operations managers, human resource officers, and supervisors. Data were analyzed using descriptive statistics, ANOVA, and thematic analysis. The findings revealed that democratic (mean = 4.2036) and transformational (mean = 4.1503) leadership styles were the most dominant, while laissez-faire leadership was the least practiced (mean = 3.6536). The ANOVA results showed that the five leadership styles jointly had a significant effect on employee performance ($F = 69.689, p = 0.000$). The bank employed several effective performance improvement practices, including training and development (79.2% agreement), performance feedback and appraisal systems (83.6%), motivation strategies such as incentives and recognition (84.2%), and regular mentorship (83.6%). However, the provision of adequate support and resources received lower agreement (63.9%). Leadership was found to strongly stimulate creativity, with 92.9% of respondents agreeing that leaders recognise and reward creativity, and 88.0% agreeing that leadership creates an innovative environment. The qualitative analysis confirmed that participative decision-making, idea sharing, support for experimentation, and recognition of innovative contributions were central to the bank's leadership approach. The study concludes that democratic and transformational leadership styles are predominant at Absa Bank Zambia and significantly enhance employee performance. Recommendations include sustaining these styles, improving consistency of resource provision, formalising mentorship programmes, conducting periodic leadership audits, and expanding future research to other banks and sectors using longitudinal designs.

Keywords— Leadership styles, employee performance, democratic leadership, transformational leadership, autocratic leadership, laissez-faire leadership, creativity, banking sector, Absa Bank Zambia.

I. INTRODUCTION

The study assessed the effects of leadership styles on employee performance with a focus on Absa Bank in Lusaka. Leadership is a critical determinant of organisational success, particularly in banks where employee performance directly impacts customer satisfaction, financial stability, and overall

institutional growth. Leadership styles influence employee motivation, job satisfaction, and efficiency, which are essential for ensuring that banks remain competitive in dynamic economic environments (Northouse, 2021).

Banks operate in highly regulated and competitive environments. These institutions must balance compliance with financial laws, technological advancements, risk management, and customer service while ensuring that employees remain productive (Goleman, Boyatzis, & McKee, 2023). For promoting a work culture that improves performance, reduces risk, and guarantees the provision of superior financial services, bank leadership is essential (Yukl, 2023).

Recent empirical research within the Zambian context has highlighted the significant, yet complex, relationship between leadership approaches and employee outcomes across various sectors. For instance, a study by Tembo and Namangala (2025) in the Zambian NGO sector, specifically at the Centre for Infectious Disease Research in Zambia (CIDRZ), demonstrated that transformational leadership is the predominant style, positively influencing employee relationships and creativity. The study found that strategies such as appreciation and rewards, along with delegation, were key mechanisms through which leadership fostered a collaborative and innovative work environment. These findings suggest that when leaders adopt supportive and empowering behaviours, employees are more likely to engage creatively and collaborate effectively, which are essential components of overall performance in any organisation, including banks. The banking industry in Zambia, along with many other countries in Southern Africa, is confronted with a variety of challenges, including high employee turnover, instances of fraud, diminished productivity, and a decline in service quality, among others. To successfully navigate these issues and ensure the provision of superior services, effective leadership is essential (Tembo and Namangala, 2025; Hough et al, 2021; Mvula, 2023). The impact of leadership styles is significant, as they influence organisational culture, motivate employees, and ultimately affect performance outcomes. It is vital to understand the existing leadership styles and their consequences to identify gaps and optimise practices that can boost employee performance (Aboshaiqah et al., 2015). In the fast-paced and often challenging environment of Zambian

banks, leadership plays a critical role in developing positive relationships among employees and fostering creativity. Nevertheless, there is a lack of clarity regarding the specific ways in which different leadership styles affect these important factors.

This study was guided by the following specific objectives:

- i. To explore the leadership styles employed by Absa Bank.
- ii. To examine the practices used by Absa Bank to improve employee performance
- iii. To investigate how leadership within Absa Bank stimulates creativity among employees.

II. LITERATURE REVIEW

The relationship between various leadership styles and the performance of employees has been extensively researched in a range of organisational contexts, encompassing global, regional, and local dimensions. For example, from a global viewpoint, the research by Shahriar (2024) delved into the impact of leadership styles on employee performance and job satisfaction within Private Bank, focusing on the examination of transformational and transactional leadership. The research was carried out at Private Banks, a prominent Islamic banking institution in Bangladesh. It specifically targeted both employees and leaders associated with Private Banks. To achieve a representative sample from different organisational tiers, a stratified random sampling method was utilised. The results indicated a noteworthy positive relationship between the transformational leadership practices displayed by supervisors and improved employee performance. In contrast, transactional leadership behaviours were found to have a moderate influence on employee performance, especially in areas like defining clear job expectations and following established protocols. Nonetheless, the study did not clarify the methodology used to ascertain the sample size. However, this study outlined the methodology that guided the study.

Mong et al. (2025) conducted a quantitative study in Vietnam examining how leadership styles affect employee outcomes in the banking sector. The researchers surveyed 386 managers from 35 commercial banks and analysed the data using PLS-SEM. Their findings revealed that leadership styles significantly enhance both internal compliance culture and employee engagement. Additionally, a strong compliance culture builds organisational trust, which further strengthens employee engagement. The study's primary research gap was its exclusive focus on managerial perspectives, leading to the need for future research to incorporate employee viewpoints for a more comprehensive understanding. The research addressed this gap by including employees at various levels, i.e., general employees, supervisors, middle management, and top management.

Aleksić and Jovanović (2025) investigated the impact of transformational leadership on employee performance in Serbia's banking industry. This quantitative study collected survey data from 106 employees across the main branches of a major international bank. The results showed that transformational leadership positively influences perceived compensation effectiveness by fostering relational contracts

between employees and the organisation. When compensation was viewed as effective, manager ratings significantly boosted employee productivity. However, the study focused on the main branch, limiting the inference of the results. This study focused on various branches of Absa Bank in Lusaka.

Regionally, in their 2016 research, Silva et al. examined the detrimental impact of laissez-faire leadership on employee morale and motivation within public organisations in Southern Africa. The investigation encompassed a survey of 350 employees drawn from both public and private sectors across the region. Findings from the study indicated that laissez-faire leadership is associated with diminished motivation, increased job dissatisfaction, and a sense of disengagement among employees in the public sector. However, the study focused on a single leadership style, i.e., laissez-faire. However, this study incorporated various leadership styles.

Kebe, Liu, et al. (2025) conducted a quantitative study in Sierra Leone surveying 820 bank employees to examine how cultural dimensions interact with leadership styles during organisational change. Using structural equation modelling, they found that transformational leadership significantly enhances employee outcomes in high power distance environments where hierarchy is deeply respected. Conversely, transactional leadership proves more effective in high uncertainty avoidance settings where employees require clear structure and predictability. The study concluded that effective leaders must adapt their styles to cultural contexts, suggesting that transformational and transactional approaches are complementary rather than mutually exclusive.

Nevertheless, the cross-sectional design limits causal inference, and the study focused on only two cultural dimensions, leaving room for exploring other cultural factors that might influence leadership effectiveness in African banking contexts. The study recommended that future studies include various cultural dimensions.

Locally, the research conducted by Kabunda and Namangala (2025) investigates how different leadership styles impact employee motivation at the Road Transport and Safety Agency (RTSA) in Zambia. This study specifically explored transformational, transactional, and laissez-faire leadership styles to identify which approach was most effective in motivating employees within the organisational context of RTSA. Utilising a mixed-methods strategy, the research combined both quantitative and qualitative data collection techniques. A cohort of 60 individuals, comprising frontline employees, supervisors, and managers, participated in a structured survey designed to evaluate their perceptions regarding leadership styles and motivation. The quantitative data were processed through descriptive statistics and correlation analyses, while qualitative insights were gathered through semi-structured interviews with 15 participants to provide a deeper understanding of their experiences. Findings revealed that while transformational leadership had a positive impact on employee motivation, the effects were not consistent. In contrast, transactional leadership demonstrated a more robust and immediate effect on motivation levels. Conversely, laissez-faire leadership was found to detrimentally affect. However, the sampling frame for the 15

interview participants was not stated. This research clearly outlined the sampling frame.

Tembo and Namangala (2025) carried out a study that explored the impact of leadership on employee relationships and creativity within nongovernmental organisations (NGOs) in Zambia, with a specific focus on the Centre for Infectious Disease Research in Zambia (CIDRZ). It delves into the leadership approaches taken and their impact on employee interactions, while also assessing the strategies and practices implemented to foster positive relationships among employees. Additionally, the study investigates how leadership encourages creativity within the workforce and identifies the significance of employee relationships in promoting creative output at CIDRZ. Utilising a mixed-methods approach, the research gathered both qualitative and quantitative data through interview guides and questionnaires administered to 70 employees who were selected through purposive and convenience sampling. A case study design was employed, concentrating on a single prominent organisation. The results indicated that a majority of participants (52.9 percent) perceived the organisation to adopt transformational leadership styles. Moreover, among the strategies and practices aimed at strengthening employee relationships, "appreciation and reward" alongside delegation emerged as key factors that significantly stimulated creativity among most employees at CIDRZ.

Nevertheless, the paper mentions that NGOs face "internal and external management issues" but does not elaborate on what these are specifically for an organisation like CIDRZ in the Zambian health sector. Also, in some instances, outdated literature is used in the research. This research clearly outlined and discussed the findings.

III. MATERIALS AND METHODS

3.1 Research design

The research makes use of a Pragmatic philosophical approach by combining elements of both positivism and interpretivism (Creswell & Creswell, 2018). This study adopted a mixed-methods strategy, incorporating qualitative and quantitative methodologies. By using this approach, the study triangulates data from different sources to provide a comprehensive examination.

This study adopts a convergent mixed-methods design, wherein quantitative and qualitative data are collected and analysed simultaneously but independently, and then merged during the discussion phase. The justification for using this approach lies in its ability to combine the strengths of both methodologies while minimising their individual limitations. Quantitative methods enable the researcher to generate measurable, generalizable findings through statistical analysis, while qualitative methods provide deeper insights into participants' experiences, perceptions, and contextual realities (Creswell & Plano Clark, 2018).

The study was conducted in Lusaka District, the capital city of Zambia. Lusaka is the country's administrative and commercial hub, hosting the headquarters and major branches of several financial institutions. The research specifically

focused on Absa Bank Zambia branches located within Lusaka.

The study was focused on Absa employees across all branches in Lusaka. Absa has six (6) branches in Lusaka with about 364 employees (ZoomInfo, 2026).

With a population of 364 employees, the sample size is recalculated using the Yamane (1967) formula for finite populations:

$$n = \frac{N}{1 + N(e^2)}$$

Where n as the sample size, N as the population size, and e Is the desired margin of error. Substituting a population of 364 and a margin of error of 5% gives:

$$n = \frac{364}{1 + 364(0.05^2)} = \frac{364}{1 + 364(0.0025)} = \frac{364}{1 + 0.91} = \frac{364}{1.91} \approx 191$$

Therefore, a sample size of 191 respondents is appropriate.

The study selected 20 key informants from Absa Bank Zambia branches in Lusaka. The key informants comprised individuals in leadership and supervisory positions who possess in-depth knowledge of leadership practices and employee performance within the bank.

Simple random sampling was used for the quantitative component while purposive sampling was used for the qualitative component. A structured questionnaire distributed using Microsoft forms was used to collect quantitative data and structured interviews were used to collect qualitative data.

3.2 Statistical methods

Statistical analysis methods used in this study included data entry and analysis using SPSS version 25. Descriptive statistics, such as mean, standard deviation, frequency and proportion were used to describe the characteristics of the participants. In addition, thematic analysis was used for the qualitative data obtained.

IV. RESULTS

4.1 Socio-demographic information of the participants

Table 1. shows the socio-demographic characteristics of participants. For Gender, out of the 49 respondents, 26 (53.06 percent) were males and 23 (46.94 percent) were females. The male respondents are in majority. However, there was a marginal difference between the males and the females. It shows that financial institutions are an equal opportunity employer.

In terms of educational qualifications, 4 (8.2%) had secondary school certificates, 11 (22.4%) had college certificates, 9 (18.4%) had diplomas, 18 (36.7%) had university degrees and 7 (14.3%) were postgraduate. The majority had university degrees implying that most of the respondents were well qualified to answer the questions and hence their responses were reliable.

In terms of age distribution, 2 respondents (4.1%) were aged 18–25 years, 24 (49.0%) were between 26–33 years, 13 (26.5%) were 34–41 years, 8 (16.3%) were 42–49 years, and 2 (4.1%) were aged 50 years and above. Most were aged 26–33 years.

Concerning years of service, 5 respondents (10.2%) had worked for one year or less, 18 (36.7%) had 2–5 years of

experience, 20 (40.8%) had served for 6–10 years, and 6 (12.2%) had worked for 11 years or more. Most had 6-10 years of service, showing that the majority of respondents had had enough time to be knowledgeable about the affairs of the Zambia Union of Financial and Allied Workers.

TABLE 1. Socio-demographic Characteristics of Participants

Variable	Category	Frequency (n)	Percent (%)
Gender	Male	104	56.8
	Female	79	43.2
	Total	183	100.0
Age	18–25 years	6	3.3
	26–33 years	91	49.7
	34–41 years	54	29.5
	42–49 years	28	15.3
	50 years and above	4	2.2
	Total	183	100.0
Education Level	College Certificate	40	21.9
	Diploma	45	24.6
	University Degree	70	38.3
	Postgraduate Degree	28	15.3
	Total	183	100.0
Years of Service	1–5 years	19	10.4
	6–10 years	68	37.2
	11–15 years	77	42.1
	16 years and more	19	10.4
	Total	183	100.0

Source: Source: Field data (2026)

4.2 The leadership styles employed by Absa Bank

TABLE 4.2 Leadership styles summary statistics

	N	Mean	Std. Deviation
Transformational Leadership	183	4.1503	.51217
Transactional Leadership	183	3.8689	.58824
Autocratic Leadership	183	3.9787	.45565
Democratic Leadership	183	4.2036	.46649
Laissez-faire Leadership	183	3.6536	.75858
Valid N (listwise)	183		

Source: Field data (2026)

The findings in Table 4.2 present the summary statistics for the different leadership styles practised within the organisation based on responses from 183 participants. Democratic leadership recorded the highest mean score of 4.2036 with a standard deviation of 0.46649. This indicates that the democratic leadership style was the most commonly practised leadership approach in the organisation.

Transformational leadership had the second-highest mean score of 4.1503 and a standard deviation of 0.51217. This implies that transformational leadership characteristics such as inspiration, motivation, innovation, and employee support were also highly practised within the organisation.

Autocratic leadership recorded a mean score of 3.9787 with a standard deviation of 0.45565. These findings suggest that autocratic leadership practices were also evident in the organisation, although to a slightly lesser extent compared to democratic and transformational leadership styles.

Transactional leadership had a mean score of 3.8689 and a standard deviation of 0.58824. This indicates that transactional leadership practices such as supervision, performance monitoring, rewards, and punishments were moderately practised within the organisation.

Lastly, laissez-faire leadership recorded the lowest mean score of 3.6536 with a standard deviation of 0.75858. This suggests that although laissez-faire leadership characteristics such as employee autonomy and limited supervision were present, they were less dominant compared to the other leadership styles.

Most respondents explained that democratic and transformational leadership styles were commonly practised within their branches and departments. Participants stated that leaders encouraged teamwork, employee participation, and open communication when making decisions. Respondents further indicated that supervisors and managers focused on inspiring employees, promoting innovation, and supporting professional growth.

One Branch Manager explained that:

“Managers here encourage staff members to contribute ideas during meetings and discussions before major decisions are made.”

Similarly, a Human Resource Officer stated that:

“Leadership is more supportive and motivational because managers try to inspire employees to meet targets and improve customer service.”

The findings indicate that participative and employee-centred leadership styles were dominant within the bank.

4.3 The practices used by Absa Bank to improve employee performance

TABLE 4.3 The practices used by Absa Bank to improve employee performance

Variable / Indicator	Category	Frequency (n)	Percent (%)
Absa Bank provides regular training and development programs that help employees improve their job performance.	Strongly disagree	19	10.4
	Disagree	6	3.3
	Not sure	13	7.1
	Agree	100	54.6
	Strongly agree	45	24.6
The bank offers clear performance feedback and appraisal systems that guide employees on how to improve their work.	Disagree	6	3.3
	Not sure	24	13.1
	Agree	103	56.3
	Strongly agree	50	27.3
Management at Absa Bank provides adequate support and resources needed for employees to perform their duties effectively.	Strongly disagree	13	7.1
	Disagree	22	12.0
	Not sure	31	16.9
	Agree	67	36.6
	Strongly agree	50	27.3

Source: Field data (2026)

The findings in Table 4.3 indicate that Absa Bank Zambia employed several practices aimed at improving employee performance, including training, performance feedback, provision of support, motivation strategies, and employee mentoring. Regarding whether the bank provides regular training and development programs that help employees improve job performance, 100 respondents (54.6 percent) agreed, while 45 respondents (24.6 percent) strongly agreed. However, 19 respondents (10.4 percent) strongly disagreed, 6 respondents (3.3 percent) disagreed, and 13 respondents (7.1 percent) were not sure. Concerning whether the bank offers clear performance feedback and appraisal systems, 103

respondents (56.3 percent) agreed, and 50 respondents (27.3 percent) strongly agreed. Meanwhile, 6 respondents (3.3 percent) disagreed, and 24 respondents (13.1 percent) were not sure.

On whether management provides adequate support and resources needed for employees to perform effectively, 67 respondents (36.6 percent) agreed, while 50 respondents (27.3 percent) strongly agreed. In contrast, 13 respondents (7.1 percent) strongly disagreed, 22 respondents (12.0 percent) disagreed, and 31 respondents (16.9 percent) were not sure.

Most respondents highlighted training and staff development programs as major practices used by the bank to improve employee performance. Participants explained that employees regularly attended workshops, refresher courses, mentorship sessions, and on-the-job training programs aimed at strengthening technical and customer service skills.

One operations manager stated:

“The bank invests heavily in continuous staff training to ensure employees remain updated with banking systems and customer service standards.”

Similarly, a Branch Manager explained:

“Employees are regularly trained in compliance, digital banking services, and leadership skills to improve productivity.”

The findings tell us that continuous learning and professional development were central strategies used by the bank to improve employee effectiveness and efficiency.

4.4 How leadership within Absa Bank stimulates creativity among employees

TABLE 4.4 How leadership within Absa Bank stimulates creativity among employees

Variable / Indicator	Category	Frequency (n)	Percent (%)
Leaders at Absa Bank encourage employees to generate and share new ideas for improving work processes.	Disagree	25	13.7
	Not sure	13	7.1
	Agree	82	44.8
	Strongly agree	63	34.4
Management supports employees who experiment with innovative approaches to solving work-related problems.	Disagree	6	3.3
	Not sure	13	7.1
	Agree	61	33.3
	Strongly agree	103	56.3

Source: Field data (2026)

The findings in Table 4.4 indicate that leadership within Absa Bank Zambia played a significant role in stimulating creativity and innovation among employees. Regarding whether leaders encourage employees to generate and share new ideas for improving work processes, 82 respondents (44.8 percent) agreed while 63 respondents (34.4 percent) strongly agreed. In contrast, 25 respondents (13.7 percent) disagreed and 13 respondents (7.1 percent) were not sure. Concerning whether management supports employees who experiment with innovative approaches to solving work-related problems, 61 respondents (33.3 percent) agreed and 103 respondents (56.3 percent) strongly agreed. Meanwhile, 6 respondents (3.3 percent) disagreed and 13 respondents (7.1 percent) were not sure.

Most respondents explained that leaders at the bank encouraged employees to share ideas and suggest innovative solutions during meetings, team discussions, and

brainstorming sessions. Participants indicated that employees were given opportunities to contribute suggestions aimed at improving customer service, operational efficiency, and digital banking services.

One respondent stated: *“Employees are encouraged to freely share ideas during departmental meetings, especially on how to improve customer experience.”*

Similarly, a supervisor explained: *“Management creates open discussions where staff can suggest new ways of improving work processes.”*

4.5 Effects of leadership styles on employee performance

TABLE 4.5 ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	52.559	5	10.512	69.689	.000 ^b
	Residual	22.777	177	.151		
	Total	75.336	182			

a. Dependent Variable: Employee Performance
 b. Predictors: (Constant), Laissez Faire Leadership, Democratic Leadership, Autocratic Leadership, Transactional Leadership, Transformational Leadership

Source: Field data (2026)

The findings in Table 4.5 present the results of the Analysis of Variance (ANOVA) conducted to determine whether the leadership styles jointly had a significant effect on employee performance.

The regression model produced a Regression Sum of Squares of 52.559 and a Residual Sum of Squares of 22.777, giving a Total Sum of Squares of 75.336. This indicates that a substantial proportion of the variation in employee performance was explained by the leadership styles included in the model, namely, transformational leadership, transactional leadership, autocratic leadership, democratic leadership, and laissez-faire leadership.

The ANOVA results further show that the regression model had 5 degrees of freedom, while the residuals had 177 degrees of freedom. The model generated a Mean Squared value of 10.512 for regression and 0.151 for residuals.

The calculated F-statistic was 69.689 with a significance value (p-value) of 0.000. Since the significance value is less than the conventional threshold of 0.05, the regression model was statistically significant. This means that the combination of the five leadership styles significantly influenced employee performance at Absa Bank Zambia.

5 Discussion

The first objective sought to explore the leadership styles practised at Absa Bank Zambia. The quantitative findings (Table 4.6) revealed that democratic leadership had the highest mean score (4.2036), followed closely by transformational leadership (4.1503). Autocratic leadership (3.9787) and transactional leadership (3.8689) were moderately present, while laissez faire leadership recorded the lowest mean (3.6536). The qualitative thematic analysis confirmed that democratic and transformational styles were predominant, with participants emphasising teamwork, employee participation, open communication, inspiration, and support for professional growth.

These findings align with several regional and Zambian studies. For instance, Mbogo and Mnyavanu (2025) in Tanzania found that democratic leadership had the most positive impact on employee performance, fostering collaboration, innovation, and motivation. Similarly, Aryal et al. (2025) in Nepal reported that democratic and commanding leadership positively and significantly affect employee performance. The high presence of democratic leadership at Absa Bank is therefore consistent with the broader African banking context. Regarding transformational leadership, the findings corroborate Shahriar (2024) in Bangladesh, who noted a noteworthy positive relationship between transformational leadership and improved employee performance.

The moderate presence of transactional leadership (mean 3.8689) mirrors findings from Workneh (2023) in Ethiopia, where transactional leadership had the strongest correlation with performance, and Ephrem (2024), who found a significant positive impact ($\beta=0.239$). However, at Absa Bank, transactional leadership was less dominant than democratic and transformational styles. This may reflect a shift towards more employee centred approaches in the Zambian banking sector, as also observed by Mwaba and Dar (2025), who highlighted participative leadership as a key driver of motivation in Zambian middle tier banks.

The relatively lower presence of laissez faire leadership (mean 3.6536) is notable. Silva et al. (2016) in Southern Africa found that laissez faire leadership is associated with diminished motivation and job dissatisfaction. Banda (2019) in Zambia also reported that laissez faire leadership considerably diminishes employee motivation and engagement.

The second objective examined the organisational practices employed to enhance employee performance. Quantitative findings (Table 4.7) showed that the bank uses regular training and development (79.2% agreed/strongly agreed), clear performance feedback and appraisal systems (83.6%), motivation strategies such as incentives and recognition (84.2%), and regular mentoring/coaching (83.6%). However, provision of adequate support and resources received lower agreement (63.9%), with 16.9% unsure and 19.1% disagreeing.

Qualitative themes reinforced these findings: training and capacity building, performance management and feedback, mentorship and supervisory support, incentives and rewards, and promotion of teamwork and a positive work environment.

These practices are well supported by the literature. Shafi et al. (2024) in Malaysia found that transformational and transactional leadership enhance employee performance partly through structured performance management. Hasim et al. (2024) identified rewards as the most influential factor for job satisfaction, which aligns with Absa Bank's use of bonuses, recognition awards, and promotions. Tembo and Namangala (2025) in Zambia noted that "appreciation and reward" alongside delegation significantly stimulated creativity and performance at CIDRZ.

The third objective investigated how leadership at Absa Bank fosters employee creativity. Quantitative findings (Table

4.8) revealed strong agreement that leaders encourage idea generation (79.2% agreed/strongly agreed), support experimentation with innovative approaches (89.6%), give freedom to think creatively (79.8%), recognise and reward creativity (92.9% – no disagreement), and create an environment that motivates innovation (88.0%). The qualitative themes further indicated that employee participation and idea sharing, support for innovative initiatives, recognition and reward for creativity, leadership as a key driver of innovation, and a positive relationship between leadership, creativity, and performance were all evident.

These findings are strongly supported by the literature. Haque et al. (2025) in Bangladesh found that responsible leadership positively influences bank performance and reputation, partly through encouraging innovation. Sibassaha, Pea-Assounga, and Bambi (2025) in the Republic of Congo reported a significant positive relationship between digital transformation and employee innovative behaviour, though they noted a counterintuitive finding that transformational leadership weakened the effect, a result not observed at Absa Bank, where transformational leadership was strongly associated with creativity support.

V. CONCLUSION

The study examined the influence of leadership styles on employee performance and creativity at Absa Bank Zambia in Lusaka branches. The findings revealed that different leadership styles were practised within the organisation, namely transformational, transactional, autocratic, democratic, and laissez-faire leadership styles.

The study established that democratic leadership was the most dominant leadership style practised within the bank, followed closely by transformational leadership. Employees generally perceived their supervisors as supportive, participative, and encouraging toward teamwork, innovation, and employee involvement in decision-making. The findings further showed that transformational leadership practices such as motivation, inspiration, mentorship, and staff development positively contributed to employee morale and productivity.

The study also found that transactional leadership practices were evident through performance monitoring, performance appraisal systems, rewards, and accountability measures. While autocratic leadership was present in certain situations requiring strict compliance and quick decision-making, it was not the dominant leadership approach. Similarly, laissez-faire leadership practices were evident through employee autonomy and independence, although excessive absence of supervision was viewed as potentially affecting coordination and accountability.

The findings further revealed that Absa Bank Zambia used several practices to improve employee performance, including regular training and development programs, mentorship, performance feedback systems, rewards, incentives, and recognition programs. Employees generally viewed these practices positively and believed that they contributed to improved productivity and job performance.

In relation to employee creativity, the study established that leadership at the bank played a significant role in

encouraging innovation and creative thinking. Leaders were found to support employees who generated new ideas, provided freedom for creative thinking, and recognised innovative contributions. The qualitative findings further confirmed that supportive leadership practices created a work environment that motivated employees to participate actively in problem-solving and innovation.

The regression and ANOVA findings demonstrated that leadership styles significantly influenced employee performance. This confirms that effective leadership practices are essential for enhancing employee productivity, motivation, creativity, and overall organisational performance.

Overall, the study concludes that democratic and transformational leadership styles were the most effective leadership approaches within Absa Bank Zambia because they promoted employee participation, creativity, teamwork, motivation, and improved performance outcomes.

ACKNOWLEDGEMENTS

I would like to thank my supervisor, Mr Kingsley Namangala, for the support, feedback, comments and advice he has given me during the review of my work. I pray for God's abundant blessings.

I also wish to thank all my colleagues and workmates who in one way or another supported my studies and helped in the completion of this research work. Thank you all.

Conflict of interest

None declared

REFERENCES

- [1] Aleksić, M., & Jovanović, Z. (2025). Serbia's Banking Workforce 2025: New Industry Report. *HeartCount*.
- [2] Augustine, I. E., & Rebekah, R. (2024). Leadership styles and teachers' motivation and job performance in secondary schools in Monze District, Zambia. *Zambia Journal of Education*, 6(2), 45–59.
- [3] Banda, P. (2020). The impact of laissez-faire leadership on job satisfaction in Zambia's public sector. *Zambian Journal of Public Sector Management*, 38, 110–118.
- [4] Chirwa, E., & Kasongo, M. (2018). Transformational leadership and employee motivation in Zambian state-owned enterprises. *Zambian Journal of Business and Economics*, 24(2), 67–80.
- [5] Chitiya, K. K., Siwale, J., Chikampa, V., & Mwemba, O. (2025). Leadership styles and employee recognition on organisational performance at Mika Hotels, Lusaka, Zambia. *Journal of Hospitality and Management*, 12(1), 23–38.
- [6] Ephrem, K. (2024). *Effects of leadership style on employee performance in Commercial Bank of Ethiopia Head Quarter, Addis Ababa, Ethiopia* [Master's thesis, St. Mary's University]. St. Mary's University Repository. <http://repository.smuc.edu.et/handle/123456789/8013>
- [7] Goleman, D., Boyatzis, R., & McKee, A. (2023). *Primal leadership: Unleashing the power of emotional intelligence* (2nd ed.). Harvard Business Review Press.
- [8] Kabunda, J. and Namangala, K. (2025). "Leadership Styles and Employee Motivation at RTSA: An Analysis of Organizational Behaviour," *IJMRAP*, 7(10), pp. 166-172,
- [9] Kawimbe, S., & Mulonga, P. (2024). An evaluation of the impact of leadership styles on the performance of SMEs in Zambia: A conceptual perspective. *International Journal for Multidisciplinary Research*, 6(3), 112–128.
- [10] Kebe, I. A., Liu, Y., et al. (2025). Culturally attuned leadership and employee behavior during organizational change initiatives in a developing economy. *Behavioral Sciences*, 15(3), 349.
- [11] Lubbungu, J., Moonga, I., Muyuni, A., & Chola, D. K. (2022). Wellness and leadership in higher education: Leadership styles and organizational well-being in Zambian colleges of education. In *Research anthology on mental health awareness in the workplace* (pp. 1–15). IGI Global.
- [12] Mbogo, J. S., & Mnyavanu, A. M. (2025). Effects of leadership styles on staff performance in commercial banks with evidence from the NMB Kinondoni Branch. *Journal of Governance and Security Studies*, 1(1). <https://doi.org/10.59645/jgss.v1i1.610>
- [13] Mong, N. T., et al. (2025). Relationship between internal legal compliance culture, leadership style, organizational trust, and employee engagement in Vietnam's banking sector. *Banks and Bank Systems*, 20(1), 147-160.
- [14] Motadi, M. S. (2024). Contribution of leadership styles to organizational performance in the South African banking sector. *International Journal of Research in Business and Social Science*, 13(5), 310–323. <https://doi.org/10.20525/ijrbs.v13i5.3543>
- [15] Musarapasi, S., & Garanti, Z. (2020). Effects of authoritarian and ethical leadership on employee performance: Mediating role of employee competencies and performance management practices in Zimbabwean banks. In *Proceedings of the International Conference on Business and Management* (pp. 78–92).
- [16] Mvula, D. (2023). *A Study on Awareness of Reference Management Software for Research Writing Activity Used by University Teachers*. Library Philosophy and Practice. <https://digitalcommons.unl.edu/libphilprac/7755/>
- [17] Mwaba, L., & Dar, J. (2025). Assessing the effect of leadership on employee motivation and organisational productivity: Lessons from Zambia. *International Journal of Academic Business Studies*, 1(1), 15–30.
- [18] Mwanza, B. (2009). *Retention strategies of key talent at the Bank of Zambia* [MBA thesis, Nelson Mandela Metropolitan University]. SEALS Digital Repository. <http://hdl.handle.net/10948/1140>
- [19] Northouse, P. G. (2021). *Leadership: Theory and practice* (9th ed.). Sage Publications.
- [20] Olekanma, O., Harrison, C., Oyewunmi, A. E., & Adedeji, O. (2024). The dilemma of employee productivity measures and managerialism practices: an empirical exploration in financial institutions. *International Journal of Productivity and Performance Management*, 73(10), 3187-3212.
- [21] Phiri, S., & Nkhata, F. (2019). Transactional leadership in Zambia's health sector. *Health Sector Leadership Journal*, 12, 201–209.
- [22] Shahriar, S. (2024). The Impact of Leadership Styles on Employee Performance and Job Satisfaction in Private Banks: A Study on Transformational and Transactional Leadership. 10.21203/rs.3.rs-3928526/v1.
- [23] Sibassaha, J. L. B., Pea-Assounga, J. B. B., & Bambi, P. D. R. (2025). Influence of digital transformation on employee innovative behavior: Roles of challenging appraisal, organizational culture support, and transformational leadership style. *Frontiers in Psychology*.
- [24] Silva, D., Duarte, M., & Gonçalves, P. (2021). The impact of laissez faire leadership on employee satisfaction in public organizations. *International Journal of Public Administration*, 44(6), 460–475.
- [25] Tembo, P. P. and Namangala, K. (2025). The Effect of Leadership in Building Employee Relationships and Creativity in NGOs in Zambia: A Case Study of CIDRZ. *IJHSSE*, 12(4), pp. 49-55
- [26] Wangasa, J. L. (2024). *Organizational design and employee performance in commercial banks: A case study of Bank of Africa Mbale Branch* [Unpublished bachelor's dissertation]. Uganda Christian University.
- [27] Workneh, H. (2023). *Effects of leadership styles on employee's job performance in Awash Bank in Addis Ababa* [Master's thesis, St. Mary's University]. St. Mary's University Repository. <http://hdl.handle.net/123456789/8606>
- [28] Yukl, G. (2023). *Leadership in organizations* (9th ed.). London, Pearson Education.