

Investigating the Impact of Leadership Styles on Finance and Accounting Specialists' Performance

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Abstract. This study examined the impact of leadership styles (transformational, transactional, and democratic) on finance and accounting specialists' productivity and commitment in selected deposit money banks in Akure, Ondo State, Nigeria. The study employed a cross-sectional survey approach. Data was collected from 179 employees through structured questionnaires. The findings revealed that transactional and transformational leadership styles significantly enhance employee productivity; democratic leadership did not show a significant impact on productivity. In terms of employee commitment, transactional and transformational leadership were again found to be significant predictors, while democratic leadership showed no significant effect. The study concludes that transactional and transformational leadership styles are essential for enhancing employee productivity and commitment in the banking sector. It recommends that deposit money banks focus on developing these leadership capabilities through targeted training programs. This study contributes to the existing literature by providing empirical evidence on the effectiveness of different leadership styles on finance and accounting specialists' performance. This offers insights for both scholars and practitioners in the field of organizational leadership.

Keywords: leadership style, transactional, transformational, democratic, employee productivity.

JEL Code: M12, M14, M49.

Introduction

Leadership style stands out as a critical determinant of organizational success, significantly impacting employee performance. In today's ever-changing social, economic, and technological landscape, leadership has become a more crucial management attribute than ever before (Beauty and Aigbogun, 2022). Leadership, as the compass directing the organizational ship, shapes the work environment and

influences the performance of employees. Globally, organizations are faced with the challenge of finding the most effective leadership style to propel their workforce towards optimal performance (Almahasneh et al., 2023).

Employee performance is the bedrock of organizational success. Across the globe, organizations are striving to enhance key performance indicators, such as productivity, job satisfaction, employee engagement, and employee commitment (Utin and Yosepha, 2019). Employee productivity is a universal metric reflecting the extent to which employees contribute to achieving organizational goals. Job satisfaction, a subjective measure of employee well-being, directly influences retention and overall performance. Employee engagement, capturing the emotional commitment of employees to their work, has been linked to increased discretionary effort and innovation (Utin and Yosepha, 2019). Employee commitment, reflecting the loyalty and attachment of employees to the organization, is a vital factor in sustained organizational success (Almahasneh et al., 2023). Investigating employee performance is crucial across various sectors. This study focuses on the accounting and finance sector, which has a growing demand and requirements for its employees.

The Nigerian banking sector, known for its resilience and adaptability, has witnessed a transition from traditional transactional approaches to a better understanding of leadership. The impact of transformational, democratic, and autocratic leadership styles on employee performance in this sector remains a topic for exploration. Despite the evolving landscape, challenges persist in optimizing employee performance within Nigerian banks. Leaders are faced with aligning their strategies with the dynamic needs of the sector (Bolarinwa et al., 2023). Employee productivity, job satisfaction, engagement, and commitment are subject to fluctuations influenced by leadership practices.

However, while existing studies provide valuable insights into the global dynamics of leadership styles (Li, 2018; Basit et al., 2018; AlFlayyeh et al., 2023), a focused examination within the crucible of the Nigerian banking sector, especially in Ondo State, is imperative for deriving practical strategies that align leadership with the imperatives of the sector. Against this backdrop, this study seeks to address the identified gaps by examining the impact of leadership styles (transformational, transactional, and democratic) on finance and accounting specialists' productivity and commitment. Focusing on selected deposit money banks in Akure, Ondo State, Nigeria.

The study utilized the Taro Yamane formula for the determination of 176 employees who served as the study's sample size. Simple random sampling was used to select the respondents. Primary data was collected with the administration of a structured questionnaire that contained items on the study's variables. Multiple regression analysis was used for the testing of hypotheses at a 5% level of significance. The study offers valuable empirical insights contributing to the broader discourse on leadership style and its effect on productivity and commitment.

1. Literature review

1.1 Meaning of leadership styles

Leadership styles represent the distinctive approaches and behaviors that individuals in positions of authority adopt to guide and influence their teams or organizations. The concept encompasses how leaders interact with their followers, make decisions, and address challenges (Joseph-Armstrong, 2023). While there is a plethora of definitions for leadership styles, they generally converge on the idea that these styles reflect the leader's character, values, and methods employed to achieve organizational goals.

One comprehensive definition comes from Ajayi (2019), who views leadership styles as a combination of emotional intelligence competencies that leaders utilize to navigate various situations. The researcher identifies six distinct leadership styles, each characterized by a unique blend of authoritative, affiliative, democratic, coaching, coercive, and pacesetter attributes. This conceptualization emphasizes the dynamic and adaptable nature of leadership styles, suggesting that effective leaders integrate different approaches based on the context. Additionally, Romawati et al. (2022) define

leadership styles as the art of influencing others to achieve a common goal. Maxwell emphasizes the relational aspect of leadership, asserting that a leader's effectiveness is intrinsically linked to their ability to connect with and inspire those they lead. This definition underscores the importance of interpersonal skills and the emotional connection between leaders and followers.

In view of the above, leadership styles encapsulate the diverse approaches leaders employ to influence, guide, and motivate their teams. Whether viewed through the lens of emotional intelligence, interpersonal relationships, behavioral patterns, or situational dynamics, the essence of leadership styles lies in the adaptable strategies leaders employ to navigate the complexities of leadership. These definitions collectively underscore the intricate interplay between the leader, followers, and the context in shaping effective leadership styles

1.1.1 Transactional leadership

Transactional leadership is a leadership style that focuses on the exchange of rewards and punishments to motivate and guide followers (Ricablanca and Abocejo, 2020). This approach is grounded in the idea that individuals are motivated by self-interest and respond to external incentives provided by their leaders. The transactional leader emphasizes clear expectations, performance standards, and a structured framework within which followers operate. Several definitions offer insights into the essence of transactional leadership. Algahtany and Bardai (2019) characterize transactional leadership as a style where leaders establish clear expectations and provide contingent rewards or punishments based on followers' performance. The leader uses a transactional approach by setting goals, monitoring progress, and intervening when necessary. Rewards may include recognition, promotions, or tangible benefits, while punishments may involve corrective actions or reprimands.

Alkuwari (2025) further emphasizes transactional leadership by identifying two key components: contingent reward and management-by-exception. Contingent reward refers to the leader's practice of reinforcing positive behaviors through rewards, while management-by-exception involves intervening only when deviations from standards occur. This definition highlights the leader's emphasis on maintaining order and efficiency through a systematic approach to performance management. Moreover, Sopiah (2022) emphasizes the contractual nature of transactional leadership, describing it as a relationship where leaders and followers agree on specific outcomes and the means to achieve them. This contractual understanding fosters a structured and goal-oriented environment, aligning the interests of both parties toward achieving organizational objectives.

1.1.2 Transformational leadership

Transformational leadership, as articulated by Bolarinwa et al. (2023), represents a departure from traditional leadership styles by emphasizing the leader's ability to inspire and elevate followers to higher levels of performance. The four key components of transformational leadership provide a better understanding of its dynamics. Idealized influence involves leaders acting as role models, earning the admiration and trust of their followers. This element highlights the importance of leaders embodying the values and behaviors they expect from their team, creating a foundation of credibility and authenticity.

Inspirational motivation, another facet of transformational leadership, revolves around the leader's capacity to articulate a compelling vision that resonates with followers (Aranki et al., 2019). Leaders employing this approach communicate a future state that is both appealing and attainable, instilling a sense of purpose and direction among their team members. This resonates with the concept of charismatic leadership, where leaders leverage their personal charisma to create enthusiasm and commitment among followers. Intellectual stimulation, the third component, underscores the transformational leader's commitment to fostering creativity and innovation (Aranki et al., 2019).

1.1.3 Democratic leadership

Democratic leadership, also known as participative leadership, is a style that emphasizes collaboration, shared decision-making, and inclusivity within the organizational framework. Akparep et al. (2019)

describe democratic leadership as a style that encourages open communication, participation, and shared decision-making. Leaders practicing this approach involve team members in setting goals, problem-solving, and determining strategies. This participative dynamic creates a more engaged and motivated workforce by acknowledging the valuable contributions of each team member.

Moreover, Almahasneh et al. (2023) introduced the continuum of leader behavior, which includes a democratic style where the leader and subordinates share decision-making responsibilities. This definition recognizes the flexibility inherent in democratic leadership, allowing leaders to adjust their level of involvement based on the team's maturity, expertise, and the nature of the task.

Furthermore, democratic leadership has been associated with several benefits, including increased job satisfaction, higher team morale, and improved decision quality (Basit et al., 2018). The style is particularly effective in situations where diverse perspectives and expertise are essential for problem-solving and innovation.

1.2 Employee performance

Employee performance is a multifaceted concept that plays a central role in organizational success. Various definitions underscore the intricacies of this term, reflecting the diverse perspectives within the fields of management and human resources.

AlFlayyeh et al. (2023) view employee performance as the accomplishment of tasks and responsibilities assigned to an individual within an organization. This perspective emphasizes the execution of job duties and the achievement of specific goals as indicators of effective performance (Robbins and Judge, 2019). It aligns with traditional performance appraisal systems that assess employees based on their ability to meet predetermined objectives and fulfill job requirements.

A more contemporary definition expands the scope of employee performance to encompass not only task completion but also the demonstration of competencies and behaviors that contribute to organizational objectives. This holistic view acknowledges the importance of soft skills, interpersonal relationships, and adaptability in gauging an employee's overall impact on the work environment (DeCenzo et al., 2016). In this context, performance is not solely about what employees do but also about how they do it and the positive influence they exert on team dynamics.

Furthermore, employee performance can be perceived through the lens of goal achievement, where success is measured against specific, measurable, achievable, relevant, and time-bound (SMART) objectives. This results-oriented definition emphasizes the tangible outcomes generated by employees and their contributions to the organization's strategic aims (Dessler, 2020). It positions employee performance as a critical driver of organizational success, with individual efforts directly linked to overarching business goals.

1.2.1 Employee productivity

Employee productivity, a cornerstone of organizational success, encompasses various definitions that reflect the complex nature of individual contributions within the workplace. At its core, employee productivity refers to the efficiency and effectiveness with which individuals utilize their time and resources to achieve desired outcomes. One prevalent definition focuses on the output of work relative to the input of time and effort, emphasizing the tangible results produced by employees in relation to the resources invested (Kiettikunwong and Narot, 2024). In this view, productivity is akin to a ratio, where the numerator represents the value generated, and the denominator signifies the input expended.

The measurement of employee productivity is a process that combines quantitative and qualitative indicators. Quantitative metrics include output measures such as sales targets achieved, projects completed, or revenue generated within a specified period (Böckerman et al., 2022). These tangible outputs serve as quantifiable benchmarks that organizations can use to assess the effectiveness of individual contributions. Additionally, efficiency metrics, such as the time taken to complete specific

tasks or the utilization of resources, provide insights into how effectively employees convert inputs into outputs.

1.2.2 Employee commitment

Employee commitment is a critical aspect of organizational behavior, representing the extent to which individuals feel a sense of allegiance and dedication to their work, colleagues, and the overall goals of the organization (Abasilim et al., 2019). Unlike job satisfaction, which focuses on contentment with specific aspects of the job, employee commitment reflects a sustained loyalty and willingness to invest discretionary effort in the pursuit of organizational success (Abasilim et al., 2019).

There are three primary components that constitute the concept of employee commitment: affective commitment, continuance commitment, and normative commitment (Owoeye et al., 2020). Affective commitment is characterized by an emotional attachment to the organization, where employees genuinely care about its well-being and success. Continuance commitment, on the other hand, is based on perceived costs associated with leaving the organization, such as the investment of time or the foregone benefits. Normative commitment stems from an individual's sense of obligation to remain with the organization due to a moral or ethical duty.

However, effective leadership plays a crucial role in cultivating and sustaining employee commitment. Leaders who demonstrate integrity, communicate transparently, and create a positive work environment contribute to a culture that nurtures commitment (Meyer et al., 2010).

Measuring employee commitment involves assessing each of its three components through surveys, interviews, or other feedback mechanisms. Affective commitment is often gauged by questions related to an employee's emotional connection and passion for their work. Continuance commitment may involve inquiries into perceived costs associated with leaving the organization, while normative commitment can be assessed by exploring an individual's sense of duty or obligation to stay (Eisenberger et al., 2020).

1.3 Theoretical framework

1.3.1 Leader-Member Exchange Theory

The Leader-Member Exchange (LMX) theory, introduced by Dansereau, Graen, and Haga in the late 1970s, has undergone significant evolution, becoming a prominent framework for understanding leadership dynamics within organizations (Dansereau et al., 1975). It posits that leadership entails a series of vertical dyadic relationships between leaders and individual followers, with subsequent developments recognizing the formation of in-group and out-group distinctions based on the quality of these exchanges (Odiaka et al., 2022).

LMX theory, supported by its predictive validity, has demonstrated associations with various organizational outcomes, including job satisfaction, performance, and turnover (Dulebohn et al., 2022). Its emphasis on the uniqueness of leader-follower relationships highlights the impact of these relationships on both individual and organizational levels (Gao et al., 2023).

Despite its strengths, LMX theory is not without criticisms. Concerns have been raised about the potential for in-group bias, where favoritism and inequity may emerge within the workplace (Hojaili, 2024). Additionally, the theory has been criticized for its limited focus on the leader-subordinate relationship, neglecting broader organizational dynamics (Diebig et al., 2024). Efforts to address these criticisms and enhance the theory's applicability have been made. Researchers have explored multi-level LMX, recognizing its operation at different organizational levels, and have investigated cross-cultural perspectives to understand how LMX manifests in diverse cultural contexts (Erdogan et al., 2018).

LMX theory, supported by its predictive validity, has demonstrated associations with various organizational outcomes, including job satisfaction, performance, and turnover (Dulebohn et al., 2022).

Applying LMX theory to the specific context of the Nigerian banking sector provides valuable insights into leader-follower relationships within this sector as well as generally in the accounting and finance sector. Analyzing the quality of LMX relationships allows for the examination of the dynamics between leaders and followers (Diebig et al., 2024).

1.4 Empirical review

1.4.1 Leadership styles and employee productivity

Akpapere et al. (2019) investigated the leadership style implemented at TumaKavi Development Association (TKDA) in the Northern Region of Ghana and its impact on organizational performance. Employing a qualitative case study design, the study utilized purposive sampling, selecting 11 respondents, representing 65% of the total staff population. The findings revealed that TKDA predominantly employs a democratic leadership style in its operations, and this style significantly influences the organization's functioning and performance. The study also established a robust correlation between leadership style, particularly the democratic approach, and TKDA's organizational performance. Given the evident strength derived from the democratic leadership style, the recommendation is for the organization's management to continue emphasizing this style. Additionally, it is suggested that a judicious blend of leadership styles be considered when necessary to further enhance TKDA's resilience and competitiveness within its industry.

Mohiuddin's (2017) exploration into the impact of leadership styles on employee performance revealed that an autocratic approach is deemed suitable when employees lack sufficient information about their job descriptions, continuously misuse their authority, or when a single person is responsible for decision-making. On the other hand, a democratic leadership style is deemed appropriate in scenarios requiring innovative problem-solving solutions or when conducting meetings to enhance departmental performance. Lastly, the participative style finds applicability in organizations with experienced and talented team members engaged in innovative and creative work.

Ajayi (2019) examined the impact of leadership styles on employee performance and productivity within the Nigerian oil and gas industry. The research solicited and analyzed perspectives and opinions from Nigeria LNG employees to gauge the impact of leadership styles on their performance. A structured questionnaire was administered to 450 randomly selected respondents, each with over five years of experience in the company. The data were subjected to regression analysis using SPSS 21 to draw meaningful insights. Correlation analysis results demonstrated positive and significant relationships between various leadership styles and specific aspects of employee performance. Autocratic leadership exhibited a strong correlation with employee work quality, while democratic leadership showed a positive relationship with employee efficiency. Similarly, laissez-faire leadership correlated positively with employee effectiveness, and bureaucratic leadership style exhibited a positive association with employee motivation.

Based on the empirical review, the subsequent hypothesis is formulated:

H01: Leadership styles (transformational, transactional, democratic) have no significant effect on employee productivity of the selected money deposit banks in Akure, Ondo State, Nigeria.

1.4.2 Leadership styles and employee commitment

Abasillim et al. (2019) conducted a study examining the relationship between leadership styles—specifically, transformational, transactional, and laissez-faire leadership—and employees' commitment within the Lagos State Civil Service Commission of Nigeria. Data for the survey were collected from the organization's employees, and the Statistical Package for Social Sciences (SPSS) version 22.0 was utilized for the statistical analysis. The study's findings show a positive relationship between transformational leadership style and employees' commitment. On the other hand, the study found an insignificant small negative relationship between transactional leadership style and employees' commitment. Additionally, the research identified an insignificant, small positive relationship between

the laissez-faire leadership style and employees' commitment within the studied context. This suggests that, contrary to expectations, laissez-faire leadership did not significantly enhance employees' commitment in the Lagos State Civil Service Commission.

Basit et al. (2018) conducted a study on the influence of leadership styles on employee performance in private organizations in Malaysia. Utilizing a quantitative approach and employing questionnaires for data collection, the study employed a Likert scale to measure the impact of leadership. The findings indicated that democratic leadership significantly influenced employee performance, followed by the laissez-faire leadership style. Conversely, autocratic leadership demonstrated a negative impact on employee performance, discouraging improvement.

Another study conducted by Gcaza et al. (2018) examined the combined impact of leadership style and organizational culture on employees' commitment. Their research demonstrated significant positive effects of both leadership styles and organizational culture on employees' commitment. Interestingly, the study highlighted that among the various leadership styles, transformational leadership had the most pronounced influence on employees' commitment when compared to the transactional leadership style.

Based on the empirical review, the subsequent hypothesis is formulated:

H02: Leadership styles have no significant impact on employee commitment of the selected money deposit banks in Akure, Ondo State, Nigeria.

1.5 Conceptual framework

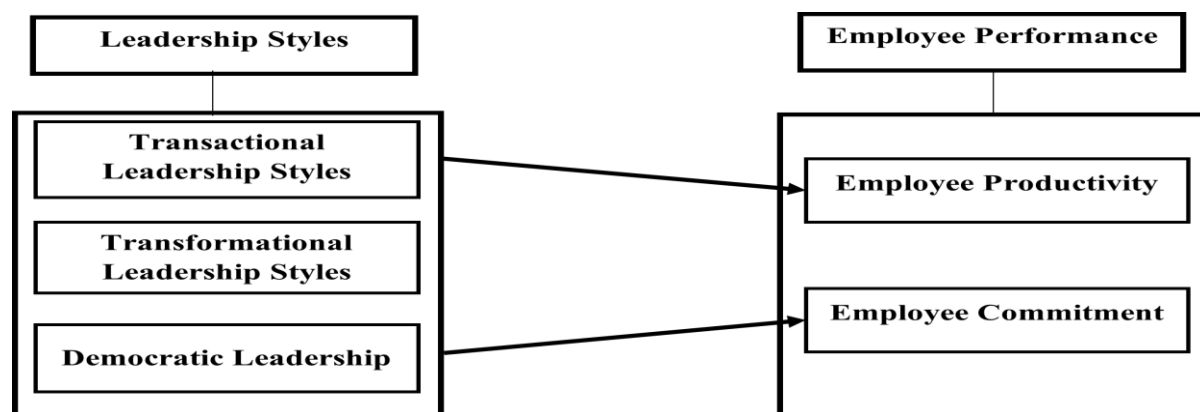


Figure 1. **Conceptual Framework**

Source: compiled by authors.

2. Methodology

The research design chosen for this study is a cross-sectional research survey. The cross-sectional design is selected for its efficiency in gathering data from a diverse sample within a relatively short timeframe. The study randomly selected 10 out of 17 money deposit banks that are quoted on the Nigeria Stock Exchange and have been operating in Akure for over five years. The study's population comprises permanent staff of the ten (10) money deposit banks operating in Akure, representing the accounting and finance professionals targeted in the research. According to the data obtained from the regional offices, there are a total of 314 permanent staff in the selected banks (see Table 1). The study utilized the Taro Yamane formula for the determination of 176 employees who served as the study's sample size. Simple random sampling was used to select the respondents. Primary data was collected with the administration of a structured questionnaire that contained items on the study's variables. Multiple regression analysis was used for the testing of hypotheses at a 5% level of significance.

2.1 Regression Equation:

$$Y_1 = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \quad (1)$$

$$Y_2 = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon; \quad (2)$$

here:

Y_1 – Employee Productivity (dependent variable);

Y_2 – Employee Commitment (dependent variable);

X_1 – Transformational Leadership Style;

X_2 – Transactional Leadership Style;

X_3 – Democratic Leadership Style;

β_0 – Intercept;

$\beta_1, \beta_2, \beta_3$ – Regression Coefficients;

ε – Error Term.

Table 1. **Population and sample size of the study**

S/N	Banks	Number of Employees	Sample Size
1	Access Bank	25	14
2	Zenith Bank	31	17
3	First Bank	20	11
4	GT Bank	32	18
5	Wema Bank	45	25
6	Polaris Bank	44	25
7	UBA	30	17
8	Fidelity Bank	27	15
9	FCMB	33	18
10	Union Bank	27	15
	Total	314	176

Source: Banks' Records at Regional Offices, Akure (2024)

3. Results and discussion of findings

3.1 Descriptive statistics of the variables

Table 2 shows the mean and standard deviation values for the variables, indicating a general agreement among respondents on the leadership styles and employee performance.

Table 2. **Mean and standard deviation value for the variables**

Variables	N	Mean	Standard Deviation
Transactional Leadership Style	179	3.13	0.80
Transformational Leadership Style	179	3.16	0.77
Democratic Leadership Style	179	3.09	0.77
Employee Productivity	179	3.29	0.76
Employee Commitment	179	3.46	0.72

Source: compiled by authors

Transactional Leadership Style (mean = 3.13, SD = 0.80) and Transformational Leadership Style (mean = 3.16, SD = 0.77) both reflect an inclination towards agreement, suggesting that these leadership styles are perceived positively within the selected money deposit banks in Akure. Similarly, the democratic leadership style (mean = 3.09, SD = 0.77) also shows a level of agreement. Employee Productivity (mean = 3.29, SD = 0.76) and Employee Commitment (mean = 3.46, SD = 0.72) exhibit higher mean values, indicating that employees in the selected money deposit banks in Akure generally agree or strongly agree that they are productive and committed to their work. The standard deviations for all variables are relatively low, signifying consistent responses among the participants.

3.2 Regression results for Hypothesis 1

H01: Leadership styles (transformational, transactional, democratic) have no significant effect on employee productivity of the selected money deposit banks in Akure, Ondo State, Nigeria.

The model summary (see Table 3) reveals that the predictors (Democratic Leadership Style, Transactional Leadership Style, and Transformational Leadership Style) significantly explain variations in employee productivity.

Table 3. **Model summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.726 ^a	.527	.519	2.173
a. Predictors: (Constant), Democratic Leadership Style, Transactional Leadership Style, Transformational Leadership Style				

Explaining 52.7% of the variance in employee productivity (R-square = .527). The adjusted R-square value (.519) indicates that even after adjusting for the number of predictors in the model, about 51.9% of the variance in employee productivity is still accounted for by these leadership styles.

Table 4. **ANOVA^a**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	919.410	3	306.470	64.893	.000 ^b
	Residual	826.467	175	4.723		
	Total	1745.877	178			
a. Dependent Variable: Employee Productivity						
b. Predictors: (Constant), Democratic Leadership Style, Transactional Leadership Style, Transformational Leadership Style						

The ANOVA results in Table 4 show that the regression model significantly predicts Employee Productivity, $F(3, 175) = 64.893$, $p < .001$. This indicates that the combined effect of democratic, transactional, and transformational leadership styles on employee productivity is statistically significant.

Table 5. **Coefficients^a**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	4.981	.838		5.946	.000
1 Transactional Leadership Style	.316	.083	.331	3.804	.000
Transformational Leadership Style	.352	.115	.377	3.060	.003
Democratic Leadership Style	.061	.120	.065	.506	.613

a. Dependent Variable: Employee Productivity

The coefficients table (see Table 5) breaks down the contributions of each leadership style. Both transactional leadership style ($B = .316$, $p < .001$) and transformational leadership style ($B = .352$, $p = .003$) have significant positive impacts on employee productivity, with standardized beta coefficients of .331 and .377, respectively. However, the democratic leadership style ($B = .061$, $p = .613$) does not significantly influence employee productivity. These findings suggest that while transactional and transformational leadership styles are effective in enhancing employee productivity, the democratic leadership style does not have a significant impact in this context.

3.3 Regression results for Hypothesis 2

H02: Leadership styles (transformational, transactional, democratic) have no significant effect on employee commitment of the selected money deposit banks in Akure, Ondo State, Nigeria.

Table 6. **Model summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.744 ^a	.553	.546	2.112
a. Predictors: (Constant), Democratic Leadership Style, Transactional Leadership Style, Transformational Leadership Style				

The regression analysis results presented in Table 6 demonstrate that the combined leadership styles (transformational, transactional, and democratic) explain 55.3% of the variance in employee commitment ($R \text{ Square} = .553$), with an adjusted $R \text{ Square}$ value of .546. This indicates that the model is a good fit for the data, as over half of the variability in employee commitment can be attributed to these leadership styles.

Table 7. **ANOVA^a**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	967.169	3	322.390	72.281	.000 ^b
Residual	780.541	175	4.460		
Total	1747.709	178			

a. Dependent Variable: Employee Commitment

b. Predictors: (Constant), Democratic Leadership Style, Transactional Leadership Style, Transformational Leadership Style

Furthermore, the ANOVA results in Table 7 confirm that the overall regression model is statistically significant, $F(3, 175) = 72.281$, $p < .001$, indicating that the leadership styles collectively have a significant impact on employee commitment.

Table 8. **Coefficients^a**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	5.575	.814		6.848	.000
Transactional Leadership Style	.447	.081	.468	5.537	.000
Transformational Leadership Style	.201	.112	.215	1.794	.005
Democratic Leadership Style	.101	.116	.108	.867	.387

a. Dependent Variable: Employee Commitment

Examining the coefficients in Table 8, it is evident that Transactional Leadership Style significantly predicts employee commitment ($B = .447$, $p < .001$) with a standardized beta coefficient of .468. Transformational Leadership Style is positively associated with employee commitment ($B = .201$, $p = .005$) and statistically significant at the conventional 5% level.] Democratic Leadership Style, on the other hand, does not significantly influence employee commitment ($B = .101$, $p = .387$). These findings suggest that while Transactional and Transformational Leadership Style play a critical role in enhancing employee commitment, Democratic Leadership Styles do not have a statistically significant impact on employee commitment in banking firms in Akure, Ondo State, Nigeria.

3.4 Discussion and limitation of the study

The findings of this study provide insights into the impact of leadership styles on employee productivity and commitment in selected money deposit banks in Akure, Ondo State, Nigeria, representing research results for the accounting and finance sector. The results suggest that transactional and transformational leadership styles have significant positive effects on employee productivity, while the democratic leadership style does not have a significant impact. Similarly, transactional and transformational leadership styles are found to be significant predictors of employee commitment, while democratic leadership styles do not have a statistically significant influence.

This finding aligns with recent research indicating the significant influence of leadership styles on employee performance metrics (Garcia et al., 2021; Kim and Kim, 2022). For instance, Garcia et al. (2021) demonstrated that transformational and transactional leadership styles significantly enhance productivity by fostering a motivating work environment and clear performance expectations. Furthermore, Wang et al. (2022) found that transactional leadership, through its emphasis on rewards and clear structures, significantly boosts employee output. Similarly, the positive impact of transformational leadership aligns with the work of Lee et al. (2020), which highlights how inspiring and supportive leadership can lead to higher productivity levels.

However, the democratic leadership style does not significantly influence employee productivity. This contrasts with the findings of Park and Park (2021), who reported a positive impact of democratic leadership on productivity in more collaborative and creative work environments. The lack of significance in this study could be attributed to the specific organizational culture or the nature of tasks in the banking sector, which may not lend themselves as well to the inclusive and participatory approach of democratic leadership.

The study findings reveal a significant positive impact of transactional leadership style and transformational leadership style on employee commitment. aligns with recent studies such as those

by Smith and Johnson (2022), which highlighted that transactional leadership, through its structured and reward-based system, can effectively enhance employee commitment. The findings also align with the research by Zhang et al. (2023), which found that transformational leadership, with its focus on employee development and inspirational motivation, significantly boosts commitment. Democratic leadership style, on the other hand, does not significantly influence employee commitment. This finding contrasts with the results of Kim & Park (2021), who found that democratic leadership enhances commitment in environments that value collaboration and employee input. The discrepancy may be due to the specific context of the banking industry in Akure, where hierarchical and performance-driven cultures might diminish the impact of a more participatory leadership style.

Nonetheless, despite the study's contribution to the literature on leadership and employee performance, it possesses certain limitations. The relatively small sample size and the concentration on specific deposit money banks in Akure, Ondo State, may restrict the generalizability of the findings to other regions or sectors. Further studies should incorporate larger and more diverse samples across various geographic and organizational contexts to enhance the applicability and robustness of the results. Future research could also employ qualitative methods or cross-cultural comparisons to enrich the understanding of leadership styles within the finance and accounting sector. Furthermore, examining additional potential moderating variables, such as organizational culture, job type, and employee demographics, could yield deeper insights into the conditions under which different leadership styles are most effective.

Conclusion and recommendation

This study investigated the impact of different leadership styles on employee productivity and commitment in selected money deposit banks in Akure, Ondo State, Nigeria, representing the accounting and finance sector. The findings demonstrate that leadership styles significantly influence both employee productivity and commitment. Specifically, transactional and transformational leadership styles were found to have a significant positive impact on employee productivity, whereas democratic leadership did not show a significant effect. Similarly, transactional leadership significantly enhanced employee commitment, while transformational leadership also contributed positively but to a lesser extent. Democratic leadership style did not show a significant influence on employee commitment.

Given these findings, it is recommended that banking firms in Akure and generally in the accounting and finance sector should prioritize transactional and transformational leadership styles to enhance employee productivity and commitment. Leaders should focus on establishing clear expectations, providing appropriate rewards for performance (transactional), and inspiring and supporting employees (transformational). Training programs should be developed to enhance these leadership skills among managers and supervisors. While democratic leadership did not show significant effects in this study, it should not be entirely disregarded, as it might be effective in different contexts or industries that value collaboration and employee participation more highly.

Authors' contributions

Isaac Olufemi, Adesuyi: conceptualization, supervision, resources, validation, writing - original draft. **Isaac Olakunle, Oludoyi (corresponding author):** writing – review, investigation, data curation, formal analysis, project administration, writing - original draft. **Funke, Bamise:** writing - original draft, methodology, visualization, data curation. **Abiola Joshua, Ajani:** software, visualization, data curation, writing - original draft.

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QUESTIONNAIRE

LEADERSHIP STYLES AND EMPLOYEE PERFORMANCE IN SELECTED DEPOSIT MONEY BANKS, AKURE, ONDO STATE

Dear Participant,

You are invited to participate in a research study examining the effect of leadership styles on employee performance in commercial banks in Akure. This survey is part of a study conducted to understand how different leadership approaches influence the performance and satisfaction of employees. Your responses are vital to the success of this study and will be kept strictly confidential.

The survey should take approximately 10-15 minutes to complete. Please answer each question as honestly as possible. Your participation is voluntary, and you may withdraw at any time without any consequences.

Thank you for your time and valuable input.

Section A: Demographic Information

This section aims to gather your basic demographic information. Please select the option that best describes you.

Gender: Male (), Female ()
 Age Group: 18 – 25 (), 26 – 35 (), 36 – 45 (), 46 and above ()
 Educational Level: OND/NCE (), B.Sc/HND (), MSC./MBA (), Ph.D ()
 Years of Experience: Less than 1 year (), 1-3 years (), 4-6 years (), above 10 years (), 7-10 years ()
 Current Position Entry Level (), Junior Level (), Mid-Level (), Senior level () Management ()

Section B: Leadership Styles

This section contains statements related to leadership styles. Please indicate your level of agreement with each statement based on your experiences with your current or most recent supervisor/manager.

Leadership Styles		Options				
Transactional Leadership Styles		Strongly Agree	Agree	Disagree	Strongly Disagree	
1	My manager clearly defines the rewards for achieving targets.					
2	My manager closely monitors performance and takes corrective action.					
3	I receive regular feedback on my work from my manager.					
4	My manager emphasizes achieving set goals and objectives.					
5	My manager rewards employees for their accomplishments promptly.					
Transformational Leadership Styles						
6	My manager inspires me to achieve more than I thought possible.					
7	My manager communicates a clear vision of the future.					
8	My manager encourages innovative thinking and problem-solving.					
9	My manager shows genuine concern for my personal development.					
10	My manager fosters a sense of trust and respect among team members.					

Democratic Leadership Styles					
11	My manager involves me in decision-making processes.				
12	My manager values my opinions and suggestions.				
13	My manager encourages open and transparent communication.				
14	My manager fosters a collaborative work environment.				
15	My manager supports a balanced distribution of work responsibilities.				

Section C: Employee Performance (Please select the best option that applies to you)

Employee Productivity		Strongly Agree	Agree	Disagree	Strongly Disagree
16	I consistently meet or exceed my performance targets.				
17	I am able to efficiently complete my work tasks.				
18	I feel motivated to work to the best of my abilities.				
19	My productivity has increased over the past year.				
20	I can manage my workload effectively.				
Employee Commitment					
21	I feel a strong sense of loyalty to my organization.				
22	I am willing to put in extra effort to help the company succeed.				
23	I plan to continue working at this company for the foreseeable future.				
24	I am proud to be associated with my organization.				
25	I feel a personal connection to the company's goals and values.				