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Leadership Styles, Work Engagement and Work Outcomes Among Financial Sector Professionals Between Banking and Insurance Industry Across Ghana

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Abstract - This study examined the relationships among leadership styles, work engagement and work outcomes as designated by task performance and innovative work behaviour among professionals in banking and insurance industries in Ghana. The study adopted a quantitative, cross-sectional survey design, which involves the collection of data from a sample of both banking and insurance professionals within the Kumasi metropolis at a single point in time and multiple linear regression analysis was utilized to test the hypothesis. In total, 291 participants from banking and 147 from insurance were made to fill in the self-reporting questionnaire intended to assess leadership styles, work engagement, task performance, and innovative work behaviour. The result of the study showed that both transformational and transactional leadership have significant positive relationships with employees' work engagement and innovative work behaviour, while transactional leadership style had a significant positive relationship with employees' task performance. Work engagement has a positive relationship on work outcomes and at the same time partially mediate the relationship between leadership style and work outcomes. The mediations and the observed assumptions of the study were consistent across the two national professional samples considered and indicated a sound assumption. Finally, the findings throw an insight into how leadership styles correspond to work engagement outcomes of employees.

Keywords: Human resources, Industry, Innovation, Leadership, Organization, Performance, Transformation, Transaction, Workplace, Work engagement

1.0 Introduction

Regardless of the size or industry, organizations grapple with the challenge of identifying and cultivating leadership approaches that can drive performance, foster employee engagement, and ensure sustainable success. In the contemporary organizational landscape, leadership styles have emerged as a critical determinant of organizational effectiveness. Leadership encompasses a wide range of styles, from transformational and transactional to servant and adaptive leadership, each with unique attributes and potential impacts on organizational performance. However, the dynamic nature of leadership, shaped by continuous changes in the business environment, necessitates ongoing research to refine our understanding of how these styles function in various contexts. (Irianti, Syarifuddin & Haerani, 2024). Leaders can facilitate workplace learning at these levels either indirectly through mechanisms such as the organizational structure or culture, or directly through their leadership behaviours such as the provision of coaching (Wallo et al., 2022). Literature that discusses leaders as facilitators of learning at work typically uses the terms ‘management’ and ‘leadership’ interchangeably, and popular designations are ‘learning-oriented leadership’ (Wallo, 2008; Wallo et al., 2022), ‘managers as facilitators of learning’ (Cohen, 2013), ‘managers as developers’ (Warhurst, 2013), ‘managers as coaches’ (Ladyshewsky, 2010) and ‘transformational leadership’ (specifically, the ‘intellectual stimulation’ dimension; Bass, 2000). In these conceptions, managers’ work shifts from managing the details of the work to, ideally, functioning as coaches, facilitators, and consultants to their work teams (Ellinger & Bostrom, 2002; Ladyshewsky, 2010). The participants of the study were professional staffs from both Banking and Insurance working in Ghana. Among all financial institutions, the banking sector is the largest component of any economy (Haralayya & Aithal, 2021) and followed by the Insurance sector. In the present study, as indicator of employees' job performance, in-role performance is conceptualized as accomplishment of core tasks and activities specified in employee contract document connected to officially defined organizational outcomes (Landqvist, Wallo & Kock 2023). In addition to performing main tasks officially listed out, considering the current competitive work environment, employees are pressed to go extra mile beyond those formally recognized in their job description such as being innovative in their workplace. Thus, specifically, in the present study the researcher proposed and tested a model in which work engagement partly mediates relationship between leadership styles and work outcomes labelled by task performance and innovative work behaviour within the

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financial sector in Ghana. Hence, the conceptual model used in the study is depicted in Figure 1

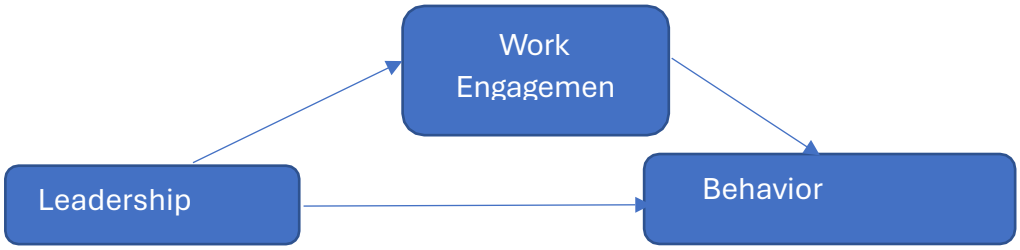


Fig 1

Source: Research model

Besides, the study also examined the associations among variables of the study and the mediation of work engagement as a link between leaders' style and work outcomes in two independent samples of financial sector professionals from Insurance and Banking to test for soundness of suggested assumptions across the industry.

2.0 Literature Review

In this paper, leadership is defined as an interactive and reciprocal process through which a manager influences one or more employees to attain a goal (Shukur and Kanona, 2021), which in the current paper refers to a learning goal. The process of leadership is situated within, and contingent on, contextual structures that may enable or constrain the interaction between manager and employees. Lines of research may be delineated along three major approaches: trait, behavioural and inspirational. Trait theorists seek to identify a set of universal leadership traits whereas behaviorists focused on behaviours exhibited by specific leaders. Inspirational approach deliberated on leader as one who moves adherents through their words, thoughts and conduct (Robbins et al., 2019). As Carasco-Saul et al. (2015) suggested in the 1970s and 1980s, the charismatic leadership concept emerged, emphasizing that a charisma leader, a leader who inspires, attracts and influences followers by their personal qualities are considered effective. A typical characteristic of charismatic leadership is that it has the ability to motivate subordinates to concede to goals by imparting a vision, displaying charming behaviour, and being a powerful model. In recent years, an increasing number of quantitative studies have emerged that examine the types of leadership styles and behaviours that are facilitative of learning. In this paper, the researcher used the term learning- oriented leadership when referring to the wide array of research within this field. However, the knowledge within this field is fragmented into individual studies that employ different leadership styles and behaviours to examine relations with different levels of learning (i.e., individual, group and organizational learning). Thus, there is a pressing need to assemble and evaluate these studies systematically to determine whether – and how – different leadership constructs correlate with learning. While there have been previous literature reviews in the field of learning-oriented leadership, they have used a limited number of leadership theories and focused on organizational learning (Asif, 2019, Berson et al., 2006; Do & Mai, 2020; Mohamed & Otman, 2021; Xie, 2019) or concentrated on the owner/manager and informal learning in small firms (Coetzer et al., 2019). Furthermore, these previous attempts do not meet some important requirements for systematic reviews, which should follow predetermined methodological guidelines to provide a comprehensive and unbiased synthesis and summary of knowledge within a certain area (Aromataris & Munn, 2020; Booth et al., 2022; Fan et al., 2022). Important criteria that systematic reviews should meet include transparency of the review method to facilitate replication and an assessment of the evidence, which involves quality assessment of the research items (Aromataris & Munn, 2020; Booth et al., 2022; Page et al., 2021). These important criteria were not met in previous review attempts. Based on the above discussion, the followings were hypothesized:

H1: Transformational leadership style is positively related to innovative work behaviour

H2: Transactional leadership style is positively related to (a) innovative work behaviour and (b) task performance. H3: Laissez-faire style of leadership is negatively related to (a) innovative work behaviour and (b) task performance. H4: Transformational leadership style is positively related to work engagement.

H5: Transactional leadership style is positively related to work engagement.

H6: Laissez-faire leadership style is negatively related to work engagement.

H7: Work engagement is positively related to innovative work behaviours and task performance H8: Work engagement partly

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mediates the relationship between leadership style and work outcomes

H9: The proposed relationships among the study variables and thus the interceding of work engagement between leadership styles and work outcomes are consistent for the two industries

In relations to the mediating role of work engagement, Kahn (1990) presented an early interpretation of engagement, which conceptualized it as personal involvement in the workplace reflecting a condition in which workers "bring in" their personal selves during job performance, expend personal energy and feel an emotional connection to their jobs.

3.0 Methodology

This study adopts a quantitative, cross-sectional survey design**,** which involves the collection of data from a sample of both banking and insurance professionals within the Kumasi metropolis at a single point in time. This approach is both cost-effective and suitable for establishing statistical associations between multiple constructs (Hair et al., 2021). The target population for the study comprised of full-time professional of banking and insurance staff within Kumasi metropolitan assembly of Ghana. Professionals in the banking and insurance field were chosen mainly because of their crucial role in modern economic development in the least developed and advanced countries. Additionally, selecting the financial industry enabled the researcher to minimize errors emanating from industry-type. To collect data, questionnaires were utilized for the study. In the banking sector a survey administered the questionnaire using random sampling approach in March–April, 2026. Using the company database, the questionnaire was sent to 500 staff, of which 300 replied. In the insurance sector, a hard-copy questionnaire was administered to 200 professionals selected by availability sampling in which 151 usable data were obtained. During data screening, nine extreme outliers (below or above 1.5 interquartile ranges of Q_1 & Q_3 respectively.) from banking and four from insurance were removed. Thus, the analyses were based on 291 (Males
= 229 [78.7%], Females = 62 [21.3%]) participants from banking and 147 (Males = 98 [66.7%], Females = 49 [33.3%]) from insurance. The management of both institutions approved the proposal of the study. The purpose of the research was also clearly explained for the participants to obtain their consent for participation. The study variables were measured using extensively used and validated instruments and this study related to Leadership style, work engagement, and task performance. Leadership styles were measured using Multi-Factor Leadership Questionnaire (MLQ-5x) commonly used and evaluated in different cultures (Trottier et al., 2008; Gemeda & Lee 2020) with the short form of the MLQ 5X consisting 36 items measuring nine (9) outcomes of leadership and a 5-point Likert scale ranging from 0 “not at all” to 4 “frequently, if not always.” On the part of work engagement, Urecht Work Engagement Scale (UWES) which was designed by Schaufeli et al., 2002. The short form of UWES is called the UWES-9 was used and all the items of the UWES-9 were presented with a 7-point Likert scale ranging from 0 (“never”) to 6 (“always”). Through analysing data from various financial sectors via CFA and test-retest reliability, Schaufeli et al. (2006) reported that the Cronbach's alpha for the UWES-9 ranged between 0 .85 and 0.92. Besides, other studies also confirmed its acceptable applicability in terms of the items' homogeneity and the construct factor structure (e.g., Park et al., 2013; Seppala et al., 2009). Finally, in assessing in-role task performance, a three-item self-report scale which is utilized widely in recent studies (e.g., Kim, 2014), was used. Responses were recorded on seven-point Likert scale ranging from (1) “strongly disagree” to (7) “strongly agree.” Drawing on review of different studies that had employed the scale, Kim (2014) reported its reliability ranging from 0.77 to 0.87.

4.0 Results of the Study

Descriptive statistics and bivariate correlations for the variables included in the study are presented in Table 1. The bivariate correlations are indicated by a Pearson's product momentum correlation coefficient (*r)*. Among the background factors, weak negative correlations between sex and work engagement (r = - 0.18, $p < 0.01$) and sex and task performance (r = -0.17, $p < 0.01$) were obtained for the banking sample, while for insurance they failed to reach significance. Work position was weakly negatively correlated with work engagement (r = -0.22, $p < 0.01$ for Banking and r = -0.16, $p < 0.05$ for insurance) and innovative work behaviour (r = -0.19, $p < 0.01$ for Banking and r = -0 .24, $p < 0.01$ for Insurance). Transformational and transactional leadership styles were positively correlated with work engagement and indicators of work outcomes in both financial sectors, with the exception of the relationship between the transactional leadership style and work engagement in Insurance, which failed to reach significance. Laissez-faire leadership was weakly positively correlated with work engagement (r = 0.13, $p < 0.05$) and innovative work behaviour (r = 0.17, $p < 0.01$) in Banking, while in Insurance it was negatively correlated with work engagement (r = -0.21, $p < 0.05$) and innovative work behaviour (r = -0.16, $p < 0.05$). Its correlation with task performance failed to reach the significance level in both financial sectors. Work engagement was moderately positively related with measures of outcome indicators — innovative work behaviour (r = 0.57, $p < 0.01$, and r = 0.66, $p < 0.01$) and task performance (r = 0.46, $p < 0.01$, and r = 0.54, $p <$ 0.01) for Insurance and Banking, respectively. With respect to internal consistency, all measures for both samples demonstrated

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traditionally acceptable internal reliability levels (α ranged from 0.77 to 0.95).

Table 1.

Bivariate correlation, mean (M), standard deviation (SD), and internal consistencies (Cronbach'sα) of the study variables for the Banking (n = 291) and Insurance (n = 147) samples.

Bivariate correlation, mean (M), standard deviation (SD), and internal consistencies (Cronbach'sα) of the study variables for the Banking (n = 291) and Insurance (n = 147) samples.

	M	SD	α value	Age	Gender	Education	Work position	Work Experience	TRF	TRA	LAF	WE	IWB	TP
M				31.6	1.33	2.21	2.84	5.63	2.59	2.42	1.94	4.82	3.75	4.92
SD				5.75	0.47	0.50	0.47	3.73	0.77	0.66	1.04	1.05	1.21	0.96
α value									0.94	0.86	0.77	0.93	0.95	0.88
Age	36.56	5.50		1	-0.24**	0.27**	-0.09	0.49**	-0.23**	-0.18*	0.02	-0.12	-0.12	-0.11
Gender	1.21	0.41		-0.30**	1	-0.10	0.22**	-0.17*	0.18*	0.10	-0.04	0.13	-0.04	0.01
Education	2.13	0.52		0.11*	-0.05	1	-0.23**	0.29**	-0.08	-0.03	0.13	0.06	0.07	0.09
Work position	2.58	0.58		-.43**	0.09	-0.19	1	-0.05	-0.13	-0.17*	-0.15	-0.16*	-0.24**	-0.13
Work Experience	6.96	4.79		0.63**	-0.17**	0.02	-0.38**	1	-0.23**	-0.18*	-0.10	-0.21**	-0.05	-0.09
TRF	3.19	0.70	0.95	-0.002	-0.09	-0.03	-0.10	-0.01	1	0.51**	-0.26**	0.52**	0.53**	0.41**
TRA	3.13	0.61	0.84	0.03	-0.14*	-0.01	-0.22**	-0.10	0.84**	1	0.25**	0.16	0.31**	0.36**
LAF	2.73	0.88	0.79	0.07	-0.01	0.07	-0.16**	0.068	0.06	0.35**	1	-0.21*	-0.16*	-0.14
WE	4.62	1.02	0.93	0.11	-0.18**	0.05	-0.22**	0.11	0.59**	0.57**	0.13*	1	0.57**	0.46**
IWB	4.42	1.10	0.94	0.10	-0.17**	0.02	-0.19**	0.06	0.71**	0.68**	0.17**	0.66**	1	0.53**
WP	4.87	1.03	0.86	0.13*	-0.04	-0.03	-0.10	0.10	0.42**	0.41**	-0.04	0.54**	0.57**	1

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Notes: ∗p < .05, ∗∗p < .01 (two tailed).

The coding scheme was as follows: Gender: 1 = male, 2 = female; Education: 1 = diploma, 2 = BSc, 3 = MSc, 4 = PhD; work position: 1 = director/division head/assistant head, 2 = team leader, 3 = staff. TRF - transformational, TRA - transactional, LAF - laissez-faire, WE - work engagement, IWB - innovative work behaviour, TP - task performance. Values below the diagonals are correlation coefficients for the Banking sample, while those above the diagonals are values for the Insurance sample, along with internal consistency measures (Cronbach's alpha values).

To ascertain the proposed hypotheses related to the relationships between leadership styles and the measures of work outcomes and work engagement, a series of multiple linear regression analyses was performed, in which each indicator of work outcomes and work engagement was regressed on styles of leadership consecutively for the two sectors separately. In the analyses, the background variables of the participants were controlled to remove their effects. As shown in Table 2, the outputs indicated that the three leadership styles taken together explained a significant amount of the variability in innovative work behaviour ($\Delta R^2 = 0.26$, F (8,138) = 8.82, $p < 0.01$ for Insurance; $\Delta R^2 = 0.48$, F (8,182) = 47.1, $p <$
0.01 for Banking), task performance ($\Delta R^2 = 0.20$, F (8,138) = 5.55, $p < .0.05$ for Insurance; $\Delta R^2 = 0.21$, F (8,182) = 10.46, $p < 0.01$ for Banking), and work engagement ($\Delta R^2 = 0.24$, F (8,138) = 8.82, $p < 0.01$ for Insurance; $\Delta R^2 = 0.32$, F (8,182) = 23.2, $p < 0.01$ for Banking). However, when the path coefficient estimates were taken into account, the path effects of the transformational leadership style on innovative work behaviour ($\beta = 0.47$, $p < 0.01$ for Insurance; $\beta = 0.54$, $p < 0.01$ for Banking) and work engagement ($\beta = 0.52$, $p < 0.01$ for Insurance; $\beta = 0.45$, $p < 0.01$ for Banking) were significant, while its effect on task performance failed to reach the significance level in both financial sectors. The effect of the transactional leadership style was significant only for task performance ($\beta = 0.29$, $p < 0.01$ for Insurance; $\beta = 0.35$, $p < 0.01$ for Banking), not for innovative work behaviour. Similarly, laissez-faire leadership's negative effect also reached significance level for task performance only ($\beta = -0.19$, $p < 0.05$ for Insurance; $\beta = -0.17$, $p < 0.01$ for Banking).

Table 2.Regression results for predicting innovative work behaviour, task performance, and work engagement from leadership styles.

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	IWB		TP		WE	
	INS	BNK	INS	BNK	INS	BNK
Step 1						
Age	-0.12	-0.01	-0.12	0.10	-0.04	-0.06
Gender	-0.01	-0.16	0.01	-0.004	0.13	-0.17**
Education	0.05	-0.01	0.11	-0.05	0.10	0.03
Work position	-0.24	-0.20	-0.12	-0.06	-0.18*	-0.22**
Work experience	-0.02	-0.04	-0.06	-0.02	-0.20*	0.04
R^2	0.07	0.06*	0.04	0.02	0.10**	0.08**

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	IWB		TP		WE	
Step 2	INS	BNK	INS	BNK	INS	BNK
TRF	0.47**	0.54**	0.20	0.15	0.52**	0.45**
TRA	0.08	0.18	0.29**	0.35**	-0.14	0.15
LAF	-0.10	0.06	-0.19*	-0.17**	-0.09	0.03
ΔR^2	0.26**	0.48**	0.20**	0.21**	0.24**	0.32**
R^2 total	0.34**	0.54**	0.24**	0.23**	0.34**	0.40**
F value for total	8.82**	41.71**	5.55**	10.46**	8.82**	23.82**

Notes: *p < .05, **p < .01 (two tailed). INS - Insurance, BNK - Banking.

The results in Table 2 provided support for H1 (a), H2 (b), H3 (b), and H4 but not for H5 and H6.

To test the hypothesis related to the relationship between work engagement and the measures of work outcomes: innovative work behaviour and task performance were regressed on work engagement consecutively and separately for the financial sectors. The results in Table 3 showed that a significant proportion of the variance in innovative work behaviour (ΔR^2 = 0.28, F (6,140) = 13.10, $p < 0.01$ for Insurance; $\Delta R^2 = 0.38$, F (6,140)
= 38.04, $p < 0.01$ for Banking) and task performance ($\Delta R^2 = 0.18$, F (6,140) = 6.74, $p < 0.01$ for Insurance; $\Delta R^2 = 0.29$, F (6,284) = 21.95, $p < 0$
.01 for Banking) were explained by work engagement. The standardized path coefficients of work engagement on innovative work behaviour ($\beta = 0.56$, $p < 0.01$ and $\beta = 0.64$, $p < 0.01$) and on task performance ($\beta = 0.45$, $p < 0.01$ and$\beta = 0.56$, $p < 0.01$) for Insurance and Banking, respectively, indicated positive and significant relationships of work engagement with innovative work behaviour and task performance and thus provided support for H7.

Table 3. Regression results for predicting innovative work behaviour and task performance from work engagement.

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	IWB		TP	
	INS	BNK	INS	BNK
Step 1				
Age	-0.12	-0.01	-0.12	0.10
Gender	-0.01	-0.16	0.01	-0.004
Education	0.05	-0.09	0.11	-0.05
Work position	-0.24	-0.20	-0.12	-0.06
Work experience	-0.02	-0.04	-0.06	0.02
R^2	0.07	0.06**	0.04	0.02
Step 2				
WE	0.56**	0.64**	0.45**	0.56**
ΔR^2	0.28**	0.38**	0.18**	0.29**
R^2 total	0.36**	0.45**	0.22**	0.32**
F value for total	13.10**	38.04**	6.74**	21.95**

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Note: ∗p < .05, ∗∗p < .01 (two tailed).

Mediational role of work engagement

In testing the hypothesis related to the partial mediational role of work engagement in the link between leadership styles and indicators of outcome behaviour, as per Baron and Kenny's (1986) suggestion, certain conditions need to be met for mediation establishment. First, the predictor variable(s) had to be related to the mediator variable. Second, the mediator had to be related to the predicted variable(s). Third, a significant relationship between the predictor variable(s) and predicted variable(s) was to be reduced for partial mediation to operate when controlling for the mediator variable. As described earlier, the first two conditions were partly met. Thus, for the mediation test, the two indicators of work outcomes were regressed over leadership styles consecutively while controlling for background factors and work engagement. As the results in Table 4 showed, the amount of variance in innovative work behaviour explained by leadership styles was reduced from 26% to 9% (ΔR^2 = 0. 09, F (9,137) = 12.56, p < 0.01) for Insurance and from 48% to 16% (ΔR^2 = 0.16, F (9,281) = 48.62, p < 0.01) for Banking, while for task
performance reduction was from 20% to 10% (ΔR^2 = .10, F (9,137) = 7.63, p < 0.01) for Insurance and from 21% to 4% (ΔR^2 = 0.04, F (9,281) = 17.44, p < 0.01) for Banking. Thus, H8 is supported.

Table 4.Regression results for predicting work outcomes (innovative work behaviour and task performance) from leadership styles while controlling work engagement.

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	IWB		TP	
	INS	BNK	INS	BNK
Step 1				
Age	-0.09	0.03	-0.10	0.14
Gender	-0.09	-0.05	-0.05	0.09
Education	-0.004	-0.03	0.07	-0.06
Work position	-0.14	-0.06	-0.03	0.07
	INS	BNK	INS	BNK
Work experience	0.09	-0.07	0.03	-0.005
WE	0.56**	0.64**	0.45**	0.56**
R^2	0.36**	0.45**	0.22**	0.32**
Step 2				
TRF	0.25*	0.39**	0.01	-0.06
TRA	0.14	0.13	0.34**	0.28*
LAF	-0.06	0.05	-0.16	-0.18**
ΔR^2	0.09**	0.16**	0.10**	0.04**
R^2 total	0.45**	0.61**	0.33**	.36**
F value for total	12.56**	48.62**	7.63**	17.44**

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With respect to hypothesis 9, (nature of relationships & mediation model across the two national samples), the separately presented results elucidated that the relationships among styles of leadership, work engagement and work outcomes were more or less consistent across Insurance and Banking samples. Work engagement also partly mediated the relationship between leadership styles and work outcomes in both samples. Hence, H9 is supported.

5.0 Discussions of the study

The study model viewed leadership styles as antecedent to work engagement, innovative work behaviour and task performance as work outcomes. It also investigated the nature of relationships among variables and cross-national validity of the proposed model in two independent samples from Banking and Insurance firms in Ghana that differ in their social, cultural, economic, and technological levels. The obtained results from the study were as follows:

Transformational leadership style positively relates with employees' work engagement and innovative work behaviour as transactional leadership style had a significant positive relationship with employee task performance as well as Laissez-faire leadership had a significant negative relationship with task performance. These associations were consistent across the two industry samples and the employees in both sectors showed a greater inclination towards transformational leadership with higher mean scores and statistically significant outcomes which is supported by Pillai & Arumuga (2026). The relationships obtained have shown that leaders who stimulate and inspire followers by articulating visions, goals, and shared values and engaged in building capacity via coaching and challenging employees promote innovative behaviour, while leaders who emphasize compliance of followers through supervision may have influence on task performance. As expected, work engagement had significant positive relationships with the indicators of work outcomes among both professionals and thus suggests, employees who psychologically identify with their work or “bring in” their personal selves to work, devoting and experiencing an emotional connection to their work, appear to be innovative and put discretionary effort into performance of tasks and duties that culminates into improved productivity. The relationship between transformational leadership and professionals’ innovative work behaviour was partially mediated by work engagement in both industries whereas work engagement partially mediated the relationships between leadership styles and indicators of outcomes and implies transformational leaders influence innovative behaviour of staff directly and indirectly through influencing their level of work engagement. This is consistent to previous studies such as Gemeda & Lee 2020, Khan et al., 2012 ; Ejere and Abasilim, 2013; Judge and Piccolo, 2004) underscored the significant contributions of transactional and transformational styles of leadership for employees’ performance. Specifically, with respect to innovative work behaviour, transformational leadership style is considered as a suitable style of leadership as in this style followers are encouraged to commence new ideas and challenge old ways of doing things. For innovative behaviour transformational leaders' behaviour such as being role model by engaging in needed change, stimulating followers to challenge the status quo and be inspirational while leading others are all vital qualities. In addition, transformative leadership style demanding alignment of the needs and desires of followers with the organization's one (Bass, 1999), may encourage employees to go additional mile necessary for creative behaviour. On the other hand, transactional leadership can be argued to be significant for task performance of employees' as it is focused more on immediate outcomes, monitor performance and correct mistakes. Additionally, transactional leaders make clear expectations and give feedback about meeting expectations may push employees to focus on tasks listed in job description.

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6.0 Managerial Implications of the study

The study provides insights into the ongoing investigations of correlates of employees' work engagement, behaviour and outcomes. Leadership styles in shaping employee performance in the financial sector are pivotal in institutional development and Ghanaians are not exceptional. Transformational leadership emerged as the most influential, fostering commitment, innovation, and satisfaction among employees, while transactional leadership demonstrated effectiveness in structured environments where compliance and rewards are central. Transformational and transactional leaderships further reinforced positive outcomes by encouraging collaboration and employee involvement, whereas laissez-faire leadership generally produced weaker or negative effects. Importantly, mediators such as work engagement, innovative work behaviour, and task performance amplified the leadership-performance relationship, underscoring the interplay between leadership practices and work outcome contexts. Despite these insights, methodological limitations temper the strength of the evidence. High performance/detection bias, unclear attrition reporting, and inconsistent sampling methods highlight the need for more rigorous research designs. Nevertheless, the evidence suggests that financial institutions should adopt a balanced leadership approach, combining transformational, transactional, and supportive practices to optimise employee performance. Future studies should prioritise longitudinal and cross-cultural research to advancing a deeper understanding of leadership effectiveness in the dynamic financial sector. The review highlights gaps that warrant further investigation. First, the lack of methodological transparency, particularly in sampling and attrition reporting, calls for stricter adherence to reporting standards. Second, most studies relied exclusively on quantitative surveys; future research could benefit from mixed-method approaches that incorporate qualitative insights into employee perceptions of leadership. Third, few studies have conducted cross-cultural comparisons despite the global nature of financial markets. Comparative analyses across regions would provide richer insights into how cultural and institutional dynamics shape leadership effectiveness. Finally, more longitudinal studies are needed to establish causal pathways between leadership styles and employee performance outcomes.

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