

INSPIRING JOB SATISFACTION THROUGH TRANSFORMATIONAL LEADERSHIP IN NEPALESE FINANCIAL INSTITUTIONS

Dhan Raj Chalise*; Naba Raj Adhikari**; Aseem Subedi ***

*Assistant Professor,
Faculty of Management,
Shanker Dev Campus, Tribhuvan University, Nepal
<https://orcid.org/0000-0001-7920-234X>
Email id: chalisedr@shankerdevcampus.edu.np

**Associate Professor,
Central Department of Management,
Tribhuvan University, Nepal
<https://orcid.org/0009-0006-5709-2649>
Email id: adhikarinavaraj7@gmail.com

***Research Assistant,
Shanker Dev Campus, Faculty of Management,
Tribhuvan University, Nepal
<https://orcid.org/0009-0004-3941-0530>
Email id: aseem.229528@sd.c.tu.edu.np

DOI: 10.5958/2278-4853.2025.00008.2

ABSTRACT

This study investigates the relationship between leadership styles and job satisfaction among employees in Nepalese commercial banks. It aims to identify how transformational leadership approaches impact employee satisfaction levels in Nepalese commercial Banks. The research employs a quantitative methodology, utilizing structured questionnaires to gather data from a sample of bank employees. The findings reveal a significant positive correlation between transformational leadership and job satisfaction. In addition, The research highlighted Individualized Consideration, which includes mentoring and addressing employees' developmental needs, and Inspirational Motivation, characterized by the dissemination of visionary ideas and the encouragement of creativity, as the most critical components. Idealized Influence (charismatic vision) and Intellectual Stimulation (promoting critical thinking among employees) do not significantly predict happiness, suggesting that these factors may be ineffective or lacking utility in this specific cultural or organizational context. The findings suggest that leadership styles should be modified to correspond with local values, especially collectivist principles that emphasize personalized care rather than abstract concepts.

KEYWORDS: Leadership Styles, Job Satisfaction, Transformational Leadership, Nepalese Commercial Banks.

REFERENCES

1. Adhikari, S. P., & Gurung, B. (2017). Impact of transformational leadership on job satisfaction: Evidence from banking sector in Nepal. *Journal of Business and Management*, 19(5), 36–49.
2. Afshinpour, S. (2014). Leadership styles and employee satisfaction: A correlation study. *International Letters of Social and Humanistic Sciences*, 16, 156–169.
3. Ahmad, A. R., Abdul Rahman, A. G., & Soon, N. K. (2015). The effects of transformational and transactional leadership styles on job satisfaction. *Advanced Science Letters*, 21(5), 1505–1508.
4. Amin, M., Isa, Z., Nor, M. F., Osman, M., & Bakar, R. (2013). Impact of principals/directors' leadership styles on job satisfaction of faculty members in a public university in Punjab, Pakistan. *International Journal of Academic Research in Business and Social Sciences*, 3(7), 527-542.
5. Aryal, N., Thapa, S., & Pant, B. (2020). The impact of servant leadership on job satisfaction in the hospitality industry: A study in Nepal. *International Journal of Hospitality and Tourism Administration*, 21(1), 1–21.
6. Avolio, B. J., Gardner, W. L., Walumbwa, F. O., Luthans, F., & May, D. R. (2009). Unlocking the mask: A look at the process by which authentic leaders impact follower attitudes and behaviors. *Leadership Quarterly*, 20(5), 801-818.
7. Bass, B. M., & Avolio, B. J. (1990). Developing Transformational Leadership: 1992 and Beyond. *Journal of European Industrial Training*, 14(5). doi:10.1108/03090599010135122
8. Bass, B. M., & Avolio, B. J. (1994). *Improving organizational effectiveness through transformational leadership*. Sage Publications.
9. Bass, B. M., & Riggio, R. E. (2006). *Transformational leadership* (2nd ed.). Psychology Press.
10. Boseman, G. (2008). Inclusive leadership: The essential leader-follower relationship. *Journal of Leadership Studies*, 2(3), 49-56.
11. Chalise, D. R. (2019). Employee retention in Nepalese commercial banks. *Management Dynamics*, 22(1), 95–106. <https://doi.org/10.3126/md.v22i1.30243>
12. Chalise, D. R. (2020). Training and development in Nepalese commercial banks. *Management Dynamics*, 23(1), 93–104. <https://doi.org/10.3126/md.v23i1.35565>
13. Chalise, D. R. (2021). Work life factors and job satisfaction in banking sector of Nepal. *Saptagandaki Journal*, 12(1), 21–35. <https://doi.org/10.3126/sj.v12i12.46151>
14. Chalise, D. R., & Paudel, V. (2023). Cultivating job satisfaction: Influence of transactional leadership in Nepali commercial banks. *Management Dynamics*, 26(1), 1–9. <https://doi.org/10.3126/md.v26i1.59145>

15. Chalise, D. R., &Paudel, V. (2024). Embracing complexity: Ambidextrous leadership enriching job satisfaction in Nepalese commercial banking sector. *International Journal of Asian Business and Management*, 3(1), 9–26. <https://doi.org/10.55927/ijabm.v3i1.6918>
16. Durbin, A. J. (2009). Leadership theory and research: A critical approach to new and existing paradigms. *Industrial and Commercial Training*, 41(1), 3-11.
17. Eagly, A. H., &Karau, S. J. (2002). Role congruity theory of prejudice toward female leaders. *Psychological Review*, 109(3), 573–598.
18. Kafle, S., &Bhusal, S. (2019). The impact of transactional leadership on job satisfaction: Evidence from the education sector in Nepal. *International Journal of Education, Management, and Learning*, 4(2), 56–70.
19. Kim, J., & Schneider, B. (2005). Social capital in action: Alignment of parental support in adolescents' transition to postsecondary education. *Social Forces*, 84(2), 1181-1206.
20. Kumar, A., Kapoor, S., & Gupta, S. K. (2022). Do the qualities of transformational leadership influence employees' job engagement? A survey of the Indian power sector. *Problems and Perspectives in Management*, 20(4), 614–625.
21. Lu, C. Q., Siu, O. L., & Cooper, C. L. (2007). Managers' occupational stress in China: The role of self-efficacy. *Personality and Individual Differences*, 43(3), 731-741.
22. Podsakoff, P. M., Khare, V. P., Nasti, M. A., &Tangirala, S. (2018). The effects of transformational leadership on job satisfaction. *Journal of Organizational Behavior*, 39(7), 800–814.
23. Riaz, S., &Haider, M. J. (2010). Role of leadership in change management process. *Abasyn Journal of Social Sciences*, 4(2), 253-270.
24. Robbins, S. P. (2005). *Essentials of organizational behavior*. Prentice Hall.
25. Sulamuthu, G. A., &Yusof, H. M. (2018). Leadership style and employee turnover intention. In *Proceedings of the International Conference on Industrial Engineering and Operations Management* (Vol. 2001, pp. 2298–2306).
26. Timothy, A. O., Akanbi, P. A., &Olubusayo, F. (2011). Effect of leadership style on organizational performance: A study of selected small-scale enterprises in ikosi-ketu council development area of Lagos state, Nigeria. *Australian Journal of Business and Management Research*, 1(7), 100-111.
27. Wang, D., Waldman, D. A., & Zhang, Z. (2011). A meta-analysis of shared leadership and team effectiveness. *Journal of Applied Psychology*, 96(5), 981–1003.