

Improving competitiveness and profitability in the Namibian retail-banking sector

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Keywords

Financial Institutions, economic contraction, banking profitability, competitiveness, Namibia

Abstract

Multiple financial institutions are struggling to survive in the current business environment, due to the challenges that arose due to outbreak of COVID 19 and subsequent economic contraction in Namibia. The outbreak of war in Ukraine where Russia is attacking Ukraine has made the business operating environment more challenging in Namibia. The contemporary economic challenges require different types of leadership that are able to accurately assess the business environment, and then initiate innovative and creative approaches to addressing them. This research was motivated by the need to explore a leadership style that would be able to help banks to cope with the harsh business environment and also to suggest innovative approaches and strategies that could lead to profitability and competitiveness of the banking sector in Namibia. The study employed a quantitative research approach to analyse the relationship between leadership style and bank profitability and competitiveness. Four branches were selected in Namibia from two regions, to take part in the study, with a population of 164 employees and management. A sample size that represented more than 60% of the population was selected utilizing, using a stratified sampling method. The data analyses was done using Kruskal Wallis Test and the Mann-Whitney Test, as well as the Analysis of Variance (ANOVA) and regression analysis. The findings of the study demonstrated that bank profitability and competitiveness in Namibia was linked to leadership styles such as transformational leadership and authentic leadership. The study also noted that organizational style can improve by embracing transformational and authentic leadership style. The study recommended that financial institutions must invest more in developing leadership styles that can lead to more productivity and profitability.

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1. Introduction

Leadership plays a central role in the sustainability, profitability and organisational performance of some of the firms and the manner an organization is able to deploy its resources (Barney, 2001:12-14). Leadership transpires at different levels, such as a project, team and society level. Aghahowa, (2021:14) conducted a study to establish the link between perceptions of leadership style among staff and bank viability in terms of profit and also competitiveness. The functions of a bank are noted as providing currencies in different forms, embracing financial deposits, providing financial credit and also building up credit. The commercial banks services as intermediaries that helps to create a pool of financial resources in the global economy (Mumba, 2020; Barney, 2001). Banks play a critical role in the enabling financial transactions at a local and also global level, thus making their survival paramount.

Aside from contributing to the Knowledge body on organisational leadership, organisational performance and corporate finance in Namibia, the study will also provide information to come up with a multifactor organisational leadership framework or policy for improving competitiveness and profitability in the Namibian Retail Banking Sector. Thus, the study will effectively provide a departure point for policy initiatives and formulation in the risk reduction potential of large commercial banks operating in Namibia. The top management could benefit from the study's findings and the board of directors to increase banking profitability and to avoid and correct any organisational leadership failures affecting the bank's branches.

The financial institution under study is the large financial service organisation Namibia located in Lüderitz that founded its first commercial branch in 1915. One of Namibia's oldest corporations is the large financial service organisation and one of four largest commercial banks in Namibia together with First National Bank of Namibia, Nedbank, and Bank Windhoek. SBN's original goal was to better understand its consumers, hire employees who were well-versed in local business situations, and connect borrowers with lenders. SBN has developed a platform for the type of bank it has become as well as the attributes that its customers rely on through its vision (Large financial service organisation report, 2019). However, in recent years developments in digital banking, new bank registrations and economic downturns have threatened the dominance and profitability of traditional banking in the retail-banking sector (Favour, 2016:7). This means having a strong leader will help you achieve your goals and vision while also dealing with the external environment's unforeseen changes (Khajeh, 2018: 1-10).

The study comes at an opportune time for the Namibian banking giants who have witnessed tremendous changes in revenue streams and customer profiles due to the Corona Virus pandemic, technology inspired competition from FinTech and other retail banks, regulatory requirements are changing, disruptive technologies are emerging, and customers are becoming more demanding. These developments as well as the dynamic business climate in which banks now operate require leaders who can help people and organisations adapt and succeed in the face of change. There is a need of effective leaders in coordinating and motivating employees (Kandaswamy, Ndowora & Gnitchogna, 2018:4). Regrettably, in some organisations the leadership styles adopted by managers run contrary to the organisational performance (Khajeh, 2018:1-10). The current study will investigate the relationship between organisational leadership and organisational performance while seeking to establish linkages between employees' perceptions of the leadership styles applied by their leaders and the performance and profitability of the bank branches.

2 Problem Statement

Due to the current pandemic issues, many banks in Namibia are facing financial challenges struggling to keep their operations viable. Other banks are facing the same challenges but are adapting to such new environments since they apply suitable leadership that is aligned to the current crisis. The lack of experience and exposure to organisational leadership tenets lead to the lack of profitability objectives in most organisations. Thus, the problem can be traced to top leaders in banks who fail to inspire and motivate employees towards enhanced banking profitability. Despite advancements in leadership styles, appointments are made based on value, and leaders with the skill or capacity to use the appropriate leadership style to steer members toward accomplishing defined goals or objectives eventually emerge in organisations. The research is thus motivated by a need to diagnose and address bottom line efficiency, profitability, and performance of the different organisational levels, but also to determine the effect of leadership styles on competitiveness and profitability in the Namibian retail-banking sector.

3 Research Objectives

- The study attempts to answer the following questions:
- What is the relationship between organisational leadership and organisational performance in Namibia commercial bank?
- What is the relationship between organisational leadership and profitability in Namibian commercial bank?
- What is the link between organisational leadership, competitiveness, and profitability in Namibian bank?

4 Hypothesis

The study sought to address the following hypothesis:

H01: There is no significant relationship between organisational leadership and organisational performance in the Namibian commercial bank.

H02: There is not a significant relationship between organisational leadership and profitability in Namibian commercial bank.

H03: There is no linkage between organisational leadership, competitiveness and profitability in Namibian commercial bank.

5. Literature Review

5.1 Introduction

In this part of the paper the literature that is relevant to the study is discussed. The review of related literature explores various leadership styles and ways in which they can impact on organisational performance. Some of the leadership styles that are unpacked are democratic leadership style, situational leadership style and contingency leadership style. The contribution of leadership to organisational performance is also analysed.

5.2 Organisational leadership and organisational performance

According to Ali (2020:34), organisational performance denotes the ability of an organisation to use proper strategies and action plans to achieve its goals of increased profitability, solid financial performance, large market share, quality products, customer satisfaction, competitive advantage, and long-term survival. Effective leadership behaviours, according to Bhargavi and Yaseen (2016), can help organisations increase performance when they encounter new problems. Aghahowa (2021:18) indicated that organisational performance allows a company to achieve goals such as high earnings, market share, and product quality as compared to other businesses in the same industry. Regardless, it is a representation of a company's employee productivity as measured by profit, revenue, and expansion. Organisational performance is defined as the results or actual outputs of an organisation that may be compared to its intended outputs (Khajeh, 2018:4). Financial performance (return on investments and earnings), shareholder return (economic value contributed and total shareholdere), and product/service market performance (market share, sales) are all factors that emphasise an organisation's performance. The process of influencing individuals and establishing an atmosphere that allows them to achieve team or organisational goals is referred to as leadership (Ukaidi, 2016:29).

In a study conducted by Mumba (2020:38) microfinance managers utilised autocratic leadership styles more than any other type of leadership, in which employees were not allowed to make decisions about the institution's success. One of the factors contributing to the adoption of autocratic leadership styles, according to the research, was the necessity to control individuals who were crucial to the execution of institutional functions. Furthermore, the research revealed that the performance of microfinance

institutions is mostly affected by the performance of their employees, which is significantly influenced by the leadership styles in place. Varying leadership styles have a different impact on organisational success.

Leadership influences performance because performance cannot be achieved without leadership required to adjust to environmental changes and challenges (Samaitan, 2014:29-31). The author has defined organisational performance as a company's ability to accomplish goals notably: high profitability, high quality product, a large market share, and good financial results and predetermined survival by using the corresponding strategy for action. The following common performance indicators can be used to assess the relationship between management and corporate performance: profitability, market share, flexibility, safety and health, employee satisfaction, customer satisfaction, work productivity, regulatory compliance, innovation, competitive advantage, and resource acquisition. (Sofi & Devanadhen, 2015:34-35). Thus, this research focuses on two measurements of organisational performance namely profitability and competitive advantage.

The study conducted by Muchiri and Hasel (2018:599) showed that transformational, transactional, situational, and participatory leaderships, and commercial banks registered on the Nairobi Securities Exchange all exhibited a positive correlation in their organisational performance. Samaitan (2014:29) study conducted in Kenya, researchers discovered both a positive and negative correlation between leadership style and organisational success. It was also shown that leadership style behaviours and organisational performance are linked. Only transformational leadership has a direct impact on organizational performance, according to while other leadership styles have a marginal impact (Bahmanabadi, 2015:7). Furthermore, in the concerned financial organisations of Jammu and Kashmir, transformational leadership was the more dominant form of leadership style.

The key terms to be defined are organisational leadership and organisational performance. Tokar (2020:4) noted that organisational leadership allows for organisations to be led by leaders who assist in setting strategic goals for the organisation while motivating employees to complete tasks that support those goals. To back this up, Mathew (2019:1) defined organisational leadership as a type of leadership that takes the form of a human action vision, strategy, goals and objectives. While Smyth (2019:2) stated that organisational leadership is a twin-targeted management technique that focuses on what are best for people and a group of people all at once. To lead from the top, middle, or bottom of an organisation, one must have a certain mindset and work ethic. Bizmanualz, (2019:4) inferred that organisational performance is the study of a company's performance in relation to its objectives and goals. To put it another way, outputs are compared to expected outputs in order to assess organisational performance. Hubbard (2020:4) agreed with the preceding author and claimed that organizational performance is defined as the difference between a company's actual production and projected outputs. It is a broad phrase that refers to what an organization may and does when it interacts with a variety of stakeholders. Financial performance, product market performance, and shareholder returns, according to Richard et al. (2019:2), include organizational performance.

Fry (2013:710) revealed the leadership is also defined as the use of a leading strategy to give motivating motives and maximise the potential for staff growth and development. According to Mitonga-Monga et al. (2012:5399), leadership is a pattern of managerial behaviour aimed at combining organisational and personal objectives in order to achieve specified goals. Khaled and Fenn (2020:3) inferred that leadership is a mutual social power structure in which superiors and subordinates influence one another in order to attain company objectives. Leadership is a crucial skill that necessitates the ability to motivate a group of people to work together toward a similar goal. At the core of leadership is the growth, expectations, and capacity building of followers (Klein et al., 2013). Managers in leadership roles must concentrate on the growth of their employees' values, motivation, and morale, as well as their abilities.

Khajeh (2018:3) theorised that leadership styles have a significant impact on organisational performance. The leadership style of an organisation has an impact on its culture which in turn has an impact on its performance. According to Bhargavi and Yaseen (2016) organisational efficiency and leadership styles are intricately intertwined. A key source of long-term competitive advantage and growth management is effective leadership style. Furthermore, Ricablanca and Abocejo (2020) discovered that leadership style influences organisational performance and productivity. The writers went on to say that suitable leadership styles are critical in achieving organisational goals and objectives while encouraging employees to perform well. Ali (2020:34) mentioned that performance is more likely to improve if you have good leadership skills and motivate employees to give their full talents. Ineffective leadership limit and compromise achievement of business performance. Various leadership styles, according to Bell (2013:86), are likely to have different effects on employee engagement and commitment which in turn determines organisational performance. Some researchers discovered that there is no link between leadership styles and organisational effectiveness (Ejere & Abasilim, 2013). According to Ukaidi (2016:32), the job and people being led, as well as the leader's initiative and the corporate environment, should define leadership style. Despite the fact that leadership is a process carried out by certain individuals, organisations must nonetheless develop subordinates who are influenced by the leader owing to their willingness. As a result, organisational effectiveness is enhanced by a consistent leader-subordinate relationship.

The influence of leadership styles on organizational performance was investigated by Iqbal, Anwar, and Haider (2015). Autocratic leaders, according to the study, are less imaginative, preferring just one-sided communication. Employee motivation and satisfaction suffer as a result of this. Authoritarian leadership, on the other hand, is known to be effective in the short term. Autocratic leadership stifles geographic point socialisation and communication, both of which are essential for effective organisational performance. Organisational conflicts caused by autocratic leadership have a negative influence on performance. According to Ali (2020), an autocratic leadership style fosters a one-sided communication, and as a result, the staff's innovative and leadership skills become restricted, and everyone is preoccupied with repetitious everyday chores. Because leaders have power, there is a risk of worker exploitation and distortion. This strategy restricts communication and socialisation between geographical points. It is critical to have a pleasant work environment where the majority of people are amicable and require a social network. If a group or corporation is junction rectifier by an associate autocratic leader, it may also result in arguments and conflicts.

According to Bhargavi and Yaseen (2016), democratic leadership has a significant impact on the performance of an organization because it allows employees to express and apply their artistic thoughts while also participating in the decision-making process. Khajeh (2018) made a differency be studying the effect of transformational, transactional, autocratic, appealing, government officials and the impact of democratic leadership styles on the performance of structures. According to the findings, attractive government officials and transactional leadership styles have a detrimental impact on organisational performance, but transformational, authoritarian, and democratic leadership styles all have a positive impact. It was advised that businesses employ a leadership style that promotes employees' strengths and talents. Akparep et al. (2019) performed research into the leadership style used at TumaKavi Development Association (TKDA) in Ghana's Northern Region and how it affected the organisation's performance. The investigation took the form of a qualitative case study involving a total sample size of eleven respondents. According to the findings, TKDA's operations are dominated by democratic leadership and there were a strong link between leadership style and TKDA's organisational performance. Because the organisation's strength is based largely, it is suggested that when it comes to democratic leadership the organisation's management employs it more frequently and blends it with other leadership styles as needed.

5.3 Leadership and profitability in the commercial banking sector

Ricablanca and Aboejo (2020:61) alluded that prosperous organisation could reflect excellent leadership. This type of leadership moves an organisation forward, makes it dynamic, and inspires employees to adhere to smart work ethics as well as values and standards. It also encourages employees to modify and adapt to new technologies that ultimately result in improved work performance and productivity (Udovita, 2020:16).

The relationship between leadership, competitiveness and profitability in the Namibian banking sector. Leadership helps the business make sound and consistent decisions. It is common knowledge that organizations with strong leadership create trust among all stakeholders. Al-Khaled and Chung (2020) postulated that leaders impact staff in the process of achieving team and corporate objectives. Observations revealed that, at any given time, the deployment of an appropriate leadership style is a medium for organisational performance. Furthermore, an organisation's success is determined by its leaders' competence and the organisational culture they foster. Leaders' views and values will always have an impact on an organisation's performance (Soebbing, et al 2015).

According to Ali (2020:34), organisational performance denotes the ability of an organisation to use proper strategies and action plans to achieve its goals of increased profitability, solid financial performance, large market share, quality products, customer satisfaction, competitive advantage, and long-term survival. Effective leadership behaviours, according to Bhargavi and Yaseen (2016), can help organisations increase performance when they encounter new problems.

It is important to note the current COVID 19 pandemic that has led to the shutdown of many businesses and its effects have been evidenced by many companies of which its only good leaders could overcome related challenges. Aghahowa (2021:18) indicated that organisational performance allows a company to achieve goals such as high earnings, market share, and product quality as compared to other businesses in the same industry. Regardless, it is a representation of a company's employee productivity as measured by profit, revenue, and expansion. Organisational performance is defined as the results or actual outputs of an organisation that may be compared to its intended outputs (Khajeh, 2018:4). Financial performance (return on investments and earnings), shareholder return (economic value contributed and total shareholdere), and product/service market performance (market share, sales) are all factors that emphasise an organisation's performance. The process of influencing individuals and establishing an atmosphere that allows them to achieve team or organisational goals is referred to as leadership (Ukaidi, 2016:29).

Khan and Adnan (2014) investigated the leadership styles used by a variety of Pakistani leaders and their influence on organizational performance. Findings revealed that in constrained situations regardless of the limited and short period of time, philosophical system style is also required. As a result, the leader may need to use a hybrid leadership style that still has a significant influence on the structure's performance. Malik et al. (2016) the focus of the research was on the connection between organisational citizenship behaviour and leadership styles. The sample size was chosen from a pool of Pakistani medium-sized business leaders and subordinates. Results confirmed the lack of a link between structure citizenship behaviour and the laissez-faire leadership trend.

5.4 Theoretical framework

The contingency theory is attributed to the work of Fiedler, an Australian citizen, who interrogated the relationship between the leadership efficacy and the context in which they are functioning (Shala, Prebreza & Ramosaj, 2021). Fiedler posited in the 1960s that the nature of leadership depends on the nature of the situation, the task at hand and also the sense of awareness of the leader. The theory was developed as a consequence of the work of Fielder when he proposed what is termed the Least Preferred

Co-worker Style(LPC), which is conceptualised as a situation where a leader describes his subordinates in unfavourable terms.

Leaders in the LPC, who tends to have a negative attitude towards subordinates tends to perform well in ideal work situations that are far from ideal. Fielder theory also contributed to Contingency Leadership Management Style (Shala, Prebreza & Ramosaj, 2021). Fiedler held presupposition that certain traits helped leaders in dealing particular leadership situations and as the context changes it becomes necessary for the leader to adjust their style. Some of the presuppositions advanced by Fielder were that:

There is no single fixed way to manage an organisation.

A leader is able to select an appropriate style that can work in a given situation.

The main essence of Fielder's theory is the presupposition that of the most preferred co-worker scale (LPC), which determine a leader's leadership trajectory.

Contingency theory postulates that leaders are able to demonstrate greater influence with their subordinates if they are able to create rapport with them. In a context where the tasks are more structured the leaders tend to exercise more dominance over employees than in a situation where the tasks are less structured. Fielder explicated that there are multiple variables that can impact on organisational performance and some of these are the proportion of the organisation, the degree of technological usage, the leadership orientation and also the extent to which an organisation can embrace changes in business strategy.

According to the contingency theory of leadership, there is no one-size-fits-all approach to leadership since dependent on unique each style is circumstances. It implies that certain people are expected to perform at their best when a situation arises. To some extent, the contingency theory of leadership is an extension of attribute theory, with the premise that people's attributes are situational when leaders use their leadership power (Vroom & Yetton, 2013). It is sometimes assumed in contingency theories that a leader must specify their leadership role whenever they believe their followers are responding. Contingency leadership theories emphasise the importance of bound situation factors in determining whether a leadership style is appropriate for a given setting. That's the basic premise of the contingency theory suggests that "no single form of leadership" is acceptable for all situations. Leadership success when choosing a leadership style is determined by the situation and, as a result, the followers' potential (Langton & Robbins, 2017).

Once the structure methods are established, the issue of contingency arises in any environment resulting in the involved situation. According to the contingency hypothesis, no single leadership style can meet all leaders' needs. This development is reliant on several aspects that are responsible for the ultimate outcome. Leaders must be able to adapt, change, and respond to a variety of conditions and circumstances in order to grasp their followers' potential. When it comes to internal transformation, leaders not only modify things and provide dynamic services, but they also aim to rework in a way that maximises employees' operational capacity (Lorsch, 2010). In the sense that leadership is not always effective, contingency theory is rationally comparable to behavioural theory. It suggests that one style may be appropriate in one setting but not in another. Even though situational leadership focuses primarily on the leader, it also emphasizes social psychology. Various research supports the current theories related to leadership and social psychology for leaders and their cluster interactions (Alberto, 2015). The contingency leadership theory argues that leaders' performance is determined by their behaviours, qualities, and a variety of environmental factors.

Shala, Prebreza & Ramosaj (2021) explicates that the contingency theory owes much of its current status to the work of Fiedler. The essence of Fielder's postulate is that the work of a leader or manager effectiveness relies on the two variables which are the managerial style and the context in which it is displayed. One of the central attributes of contingency leadership is that it must be able to design

appropriate intervention that can lead to what the company needs. For instance, if a firm goal is to enhance production, a manager may design a plan that has that goal and implement it. In a context where the leader seeks to enhance collaboration and teamwork then the leader will focus on developing that attribute in a project.

The contribution of this study to theory on leadership is that the leadership style that has an impact on organisational performance in the context of Namibian banks, is transformational leadership style. Transformational leadership style was positively associated with the effective leadership style, a visionary leadership and also with transactional leadership. The study also observed that there is no statistical significance between organisational performance and organisational leadership in the commercial banks in Namibia.

6. Methodology

This study will use correlational design that was found appropriate for this research. A correlational design is located within the paradigm of quantitative research. Quantitative research paradigm in its ontological assumptions holds that reality is situated outside of us. This reality is also held to be objective and can best established through experimental methods used in natural sciences (Saunders, Lewis, Thornhill, 2019). Quantitative research also seeks to establish reality that can be applied in a universal way and which is objective. The research approach employed in this study is also quantitative which presupposes that reality is objective and exists outside of us and the researcher can not be a part of the construction of that reality. In correlational investigations, Polit and Beck (2014:17) suggested that inferring causal correlations through model testing or route analytic methods is problematic. Instead of understanding causal pathways, they advocate using a descriptive correlational design that describes associations. As a result, the purpose of this study is to characterise connections between variables rather than to support causal judgments (Polit & Beck, 2014:14-16). The research method will be explained further down with reference to the questionnaire, population, sample, reliability, validity, data gathering, statistical methods and data analysis.

6.1 Population and sample size

Research population is represented by people working in the large financial service organisations operating in the Southern Namibia and Central North Namibia region. This consists of four branches in Southern region (Mariental, Keetmanshoop, Luderitz & Roshpinar) and with eight branches in Central North Namibia (Grootfontein, Tsumeb, Otavi, Omaruru, Karibib, Otjiwarongo, Okarara and Outjo) with a total of 164 employees in the two regions. Management and non-managerial personnel make up the workforce.

The research will use stratified sampling method. That is a proportionate of each region will done to ensure a fair representation of the population in the region. The sample size will be determined using Krejcie and Morgan's table. The sample size for this research will be 102 respondents that represent more than 60% of the main population (Krejcie & Morgan, 1970).

Table1.1: Sample Size

Branch Name	Population	Sample size
Southern Branches	62	40
Central North Branches	102	62
Total	162	102

This study used make use of closed-ended questionnaire to solicit information from respondents on their perception on leadership style employed. The questionnaire will have ratings from 1-5 assigned to each of them. A detailed literature study will be performed to identify relevant questions to utilise for data collection. The study questionnaire items will be developed from scholarly questionnaires with validated scales. A questionnaire with four parts as follow will be employed to gather data from the respondents.

Part A: Demographic profile

Part B: Organisational leadership: transformational leadership style,

Parts C and D: Organisational performance: competitiveness and profitability

6.2 Data Analysis

Non-parametric tests like the Kruskal Wallis Test and the Mann-Whitney Test, as well as the Analysis of Variance (ANOVA) and regression analysis will be employed to test the significance of research variables. The literature analysis and empirical findings will be used to provide a validated framework for the organisation under investigation. The Statistical Software for the Social Sciences software (IBM SPSS version 25 and IBM SPSS AMOS version 23), the quantitative data from the survey will be analysed with this program.

6.3 Validity and Reliability

Internal consistency reliability will be used to determine the questionnaire's reliability. To examine the internal reliability of the study instruments and screen out the data collected, the Cronbach's alpha if item is deleted option in SPSS will be employed. The internal reliability of the study instruments will be assessed using Cronbach's alpha where the minimum reliability coefficient should be 70%. To address the research questions and develop linkages and validate the directional links between organisational leadership, competitiveness, and profitability of Namibian banks, the study will use both Exploratory Factor Analysis in SPSS and Confirmatory Factor Analysis in SPSS AMOS.

6.4 Research Ethics

Burns and Grove (2016:201) confidentiality refers to how a researcher handles private information supplied by Large financial service organisation study participants. The information collected from participants will not be shared with others or accessed by anyone other than the researcher. Without the approval of the study participants, the information gathered may not be disseminated. The researcher kept and made the study data available exclusively to the researcher, and will safeguard, ensure, and preserve the data against unauthorised access or alteration

6.5 Findings of the study

The findings indicated that most of the respondents have worked between 6 to 10 years at the organisation (N=26), followed by those with years of service less than 5 years (N= 12). The findings further shows that the majority of those with less than 5 years of service in the organisation were between the ages of 21 to 30 years (N =7, 58.33%) with a job grade of SBG 6-7 (N = 8, 66.7%). Thus, representing the entry level management respondents. Whereas the 6 to 10 years of service profile indicated that 50% were entry level (SBG 6-7), with 38.5% in middle management (SBG 8-9) and only 11.5% representing senior management.

The findings further suggest an association between years of service and age group. The Pearson Chi-Square tests for association results confirmed the association through a significant Chi-square value of 32.87 (df =6) and p-value of 0.001 (<0.05). These findings imply that the more years of service the

respondent is associated with the age group and job grade (Chi-square = 19.94, $df = 6$, $p = 0.003 < 0.05$). Therefore, at the 95 % confidence the study findings reveal significant associations of time-based variables.

The findings indicated a significant association between gender and branch of the respondents (Chi-sq. = 7.826, $p = 0.005 < 0.05$), which implies that the gender distribution of the Northern central region and the southern region is significantly different. The results show that 81.8% of the Northern central region were female, while in the Southern region only 43.8% were females. The findings further show no significant differences in the marital status and education, with 55% of the respondents reportedly single and 66.7% having a Grade 12/Matric NQF level 4 qualification.

The transformational leadership style questions are evident in part B of the questionnaire. The items consisted of 45 questions regarding the respondent's perception of the leadership style that is dominant among peers, clients, direct reports, supervisors and/or all the individuals. The study employed factor analysis and established the significant linkages between the emerging leadership styles. The results are presented using path diagram output from IBM SPSS AMOS.

The findings indicate two major leadership styles that are directly influencing organisational leadership in the institution under study. The two major styles directly influencing organisational leadership were transformational leadership ($\beta = 0.7$, $p < 0.05$) and Satisfying Authentic Leadership ($\beta = -0.37$, $p < 0.05$). These findings imply that an improvement in Transformational leadership by a standard deviation of 1, will result in an improvement in organisational leadership by 0.7. While an improvement of 1 in the Satisfying Authentic Leadership will result in a negative impact on organisational leadership. These two leadership styles provide corresponding pathways into understanding the how the leadership style perceptions of the respondents lead to overall organisational leadership.

Additionally, the Transformational leadership factor is positively linked to the preferred transactional leadership ($\beta = 0.98$), effective visionary leadership ($\beta = 0.95$), demographic problem solving ($\beta = 1.00$) and Satisfying Authentic Leadership ($\beta = 0.31$). The results show transformational leadership as a combination of preferred transactional leadership traits, effective vision, democratic problem solving and authentic leadership traits. However, the perception of personally satisfying authentic leadership had a moderately low positive (0.31) influence on transformational leadership traits that are predominantly preferred by the respondents.

The second pathway to organisational leadership was the so called Satisfying Authentic Leadership factor pathway. The factor combines the seven items which combines items on personal satisfaction of the traits of a defined authentic leader as per Zehir and Narcıkara (2016). The findings show that the respondents considered an authentic leader, as one who exhibits laissez fair traits and seeks to keep the employees satisfied, even at the expense of productivity or profitability. As such, this type of leadership was shown to influence the high preference for the reward based Transactional leadership style ($\beta = 0.95$) and was found to have a directly negative impact on the overall organisational leadership ($\beta = -0.37$).

Organisational Performance

Table 1.2

Theme	Code	Department/ Branch									
		northern central region					southern region				
		Mean	Max	Std Dev	Mean/Max	Average Score	Mean	Max	Std Dev	Mean/Max	Average Score
Sales	PartC 1 t	1.64	3	1	55%	63%	1.06	3	0.84	35%	44%
	PartC 7 t	2.23	3	0.69	74%		1.47	3	0.88	49%	
	PartD 4 t	1.82	3	1.1	61%		1.41	3	1.13	47%	
Cashflow	PartC 2 t	0.86	2	0.89	43%	57%	0.56	2	0.8	28%	45%
	PartC 10 t	1.32	2	0.48	66%		1.09	2	0.64	55%	
	PartD 2 t	1.82	3	1.22	61%		1.53	3	1.16	51%	
Profit	PartC 3	4	5	1	80%	73%	3	5	1	60%	61%
	PartC 6 t	1.09	2	0.68	55%		0.81	2	0.54	41%	
	PartD 1	5	6	1	83%		5	6	1	83%	
CRM	PartC 4 t	0.59	2	0.8	30%	62%	0.25	2	0.51	13%	35%
	PartC 9 t	1.73	3	0.83	58%		1.31	3	0.78	44%	
	PartD 7 t	2	2	1	100%		1	2	1	50%	
Staff Productivity	PartC 5 t	1.68	3	1.09	56%	77%	1.25	3	0.98	42%	51%
	PartC 8 t	2.23	3	0.87	74%		1.81	3	1	60%	
	PartD 6 t	2	2	1	100%		1	2	1	50%	
Sustainability	PartD 3 t	1.82	3	1.14	61%	70%	1.44	3	1.16	48%	66%
	PartD 5	5	5	1	100%		5	5	1	100%	
	PartD 8 t	1	2	1	50%		1	2	1	50%	

Table 1.2 presents a cross tabulation summary of organisational performance and the two branches with regards to sales, cashflow, profit and Customer relationship management (CRM), staff productivity and sustainability. The questionnaire items were derived from four main factors related to the branch's contribution (Part C 1 to 5), branch's performance (Part C 6 to 10), the focus of performance management (Part D 1 to 4) and profitability (Part D 5 to 8). The descriptive statistics were first converted into a ratio of

mean and maximum values of the item scale. The resulting ratio was then converted into a percentage. Lastly, the percentage was converted into an overall average score that represents the branch's contribution, performance and performance management focus on sales, cashflow, profit and staff productivity. The results show that the northern central region was better than the southern region in terms of Sales (63% to 44%), Cashflow (57% to 45%), profit (73% to 61%) and staff productivity (77% to 51%). Overall, the results show the northern central region branch's performance was better in comparison with the southern region.

A confirmatory factor analysis (CFA) test was conducted using the summed-up factors extracted from the EFA results for Section B, C and D. As a result, an iterative CFA analysis in SPSS AMOS version 26 resulted in 2-factor path diagram. This section presents the results of descriptive statistics of the composite factors, cross tabulated against the department or branch variable. Table 4.4 presents the results.

Table 1.3: Descriptive Statistics of the Summary Factor Variables

Exogenous		Endogenous	Beta	P-Val	northern central region	southern region	Total
					Mean/Max	Mean/Max	Mean/Max
Laissez Fair	<-	Leadership Style (Part B)	-0.34	0.01	55%	62%	51%
Authentic	<-		0.99	0.00	72%	63%	67%
Transactional	<-		0.97	0.00	70%	64%	66%
Leader Satisfaction	<-		0.97	0.00	72%	61%	65%
Visionary	<-		0.92	0.00	60%	57%	58%
Transformational	<-		0.92	0.00	60%	49%	53%
Democratic	<-		0.93	0.00	55%	44%	48%
Leadership Style	<-	Org Performance	0.39	0.01			
Branch Performance (Part C)	<-	Org Performance	0.67	0.00	68%	49%	57%
Branch Contribution (Part C)	<-		0.90	0.00	58%	50%	51%
Profitability (Part D)	<-		0.25	0.00	83%	80%	81%

Table 1.3 presents the summary statistics of the key composite variables from the questionnaire. The variables were reduced to factors in order to address the research objective of testing the significance of the hypothesized relationships between organisational leadership, organisation performance and profitability. The results indicated that the organisational leadership proxied by the leadership styles factor comprised of leadership styles factor extracted from Part B of the questionnaire. The findings show that the Southern region leaders used the Laissez Fair type of leadership with a mean-max ration of 62% compared to the Northern central (55%). While the Northern central region respondents indicated of above 70% for Authentic, Transactional and satisfaction with that type of leadership. Additionally, the study found comparatively values for visionary leaders between 57 to 60%. Lastly, the findings show that all the relationships were significant suggesting that the variable relations meet the statistical significance for inference and hypothesis testing.

Hypothesis testing

The summary of key relationships and their standardized total regression effects are presented against the research hypothesis in Table 4.5.

Table 1.4 : Summary of Hypothesis Testing

Factor	Organisational Performance	Leadership Style	Laissez	Hypothesis	Comment
Leader Satisfaction	0.377	0.973	0	H1	reject null hypothesis
Visionary	0.357	0.922	0	H1	reject null hypothesis
Democratic	0.36	0.931	0	H1	reject null hypothesis
Laissez	-0.131	-0.34	0	H1, H2, H3	reject null hypothesis
Authentic	0.383	0.989	0	H1, H3	reject null hypothesis
Transactional	0.377	0.973	0	H1, H3	reject null hypothesis
Transformational	0.355	0.917	0	H1, H3	reject null hypothesis
Leadership Style	0.387	0	0	H1, H3	reject null hypothesis
Profitability	0.249	0	0	H2	accept null hypothesis
PM Focus (profitability)	-0.01	-0.025	0.074	H2, H3	reject null hypothesis
Branch Contribution	0.897	0	0		Organisation Performance
Branch Performance	0.67	0	0		Organisation Performance

Hypothesis 1

The study findings suggests that we reject the null hypothesis in H1 and conclude that there is a significant statistical relationship between organisational leadership and organisational performance in the commercial bank. The study further shows that the organisational performance is only significant when we combine the branch's contribution (beta = 0.897) and branch's performance (beta = 0.67).

Hypothesis 2

The study findings suggest mixed results for H2. The findings show that we reject the null hypothesis for PM_focus factor which focused on the performance management (PartD 1 to 4) and that we accept the null hypothesis for the profitability factor (PartD 5 to 8). These findings imply that there was no significant statistical relationship between organisational leadership and the profitability factor (PartD 5 to 8). While the profitability aspects that focused on performance management (PM_Focus) was found to have a significant positive relationship with the Laissez Fair leadership style (beta = 0.0074) and a significant negative indirect relationship with both organisational leadership (beta = -0.025) and organisational performance (beta = -0.01) in the commercial bank

Hypothesis 3

The findings suggests that there is a linkage between organisational leadership, competitiveness and profitability in Namibian commercial bank. However, the study found that this relationship was negative due to the negative impacts of the laissez faire style of leadership. Overall, the respondents preferred a laissez fair type of leadership which has negative implications on the profitability, performance and leadership. Thus, there is need to find ways to reduce the reliance on this type of leadership style, in order

to improve the performance of the branches. The results further suggested the need for a reduction of the reliance on the Laissez Fair style in the southern region (Mean/Max Score = 62%) to levels like that of the Northern central regions levels of 55%. As this will result in considerable improvements in the leadership and organisational performance.

Discussion of the results

The two major styles directly influencing organisational leadership were transformational leadership (beta = 0.7, $p < 0.05$) and Satisfying Authentic Leadership (beta = - 0.37, $p < 0.05$). These findings imply that an improvement in Transformational leadership by a standard deviation of 1, will result in an improvement in organisational leadership by 0.7. While an improvement of 1 in the Satisfying Authentic Leadership will result in a negative impact on organisational leadership. These two leadership styles provide corresponding pathways into understanding the how the leadership style perceptions of the respondents lead to overall organisational leadership.

The first pathway, which is based on the definition of Transformation leadership was derived from nine questionnaire items. Additionally, the Transformational leadership factor is positively linked to the preferred transactional leadership (beta = 0.98), effective visionary leadership (beta = 0.95), demographic problem solving (beta = 1.00) and Satisfying Authentic Leadership (beta = 0.31). The results show transformational leadership as a combination of preferred transactional leadership traits, effective vision, democratic problem solving and authentic leadership traits. However, the perception of personally satisfying authentic leadership had a moderately low positive (0.31) influence on transformational leadership traits that are predominantly preferred by the respondents.

The second pathway to organisational leadership was the so called Satisfying Authentic Leadership factor pathway. The factor combines the seven items which combines items on personal satisfaction of the traits of a defined authentic leader as per Zehir and Narcıkara (2016). The findings show that the respondents considered an authentic leader, as one who exhibits laissez fair traits and seeks to keep the employees satisfied, even at the expense of productivity or profitability. As such, this type of leadership was shown to influence the high preference for the reward based Transactional leadership style (beta = 0.95) and was found to have a directly negative impact on the overall organisational leadership (beta = - 0.37).

The questionnaire items were derived from four main factors related to the branch's contribution (PartC 1 to 5), branch's performance (PartC 6 to 10), the focus of performance management (PartD 1 to 4) and profitability (PartD 5 to 8). The descriptive statistics were first converted into a ratio of mean and maximum values of the item scale. The resulting ratio was then converted into a percentage. Lastly, the percentage was converted into an overall average score that represents the branch's contribution, performance and performance management focus on sales, cashflow, profit and staff productivity. The results show that the northern central region was better than the southern region in terms of Sales (63% to 44%), Cashflow (57% to 45%), profit (73% to 61%) and staff productivity (77% to 51%). Overall, the results show the northern central region branch's performance was better in comparison with the southern region.

The results indicated that the organisational leadership proxied by the leadership styles factor comprised of leadership styles factor extracted from Part B of the questionnaire. The findings show that the Southern region leaders used the Laissez Fair type of leadership with a mean-max ration of 62% compared to the Northern central (55%). While the Northern central region respondents indicated of above 70% for Authentic, Transactional and satisfaction with that type of leadership. Additionally, the study found comparatively values for visionary leaders between 57 to 60%. Lastly, the findings show that

all the relationships were significant suggesting that the variable relations meet the statistical significance for inference and hypothesis testing.

The study findings suggests that we reject the null hypothesis in H1 and conclude that there is a significant statistical relationship between organisational leadership and organisational performance in the commercial bank. The study further shows that the organisational performance is only significant when we combine the branch's contribution ($\beta = 0.897$) and branch's performance ($\beta = 0.67$).

The study findings suggest mixed results for H2. The findings show that we reject the null hypothesis for PM_focus factor which focused on the performance management (PartD 1 to 4) and that we accept the null hypothesis for the profitability factor (PartD 5 to 8). These findings imply that there was no significant statistical relationship between organisational leadership and the profitability factor (PartD 5 to 8). While the profitability aspects that focused on performance management (PM_Focus) was found to have a significant positive relationship with the Laissez Fair leadership style ($\beta = 0.0074$) and a significant negative indirect relationship with both.

Figure 4.3 shows the linkage between profitability, performance and leadership in line with Hypothesis 3. Therefore, the findings suggests that there is a linkage between organisational leadership, competitiveness and profitability in Namibian commercial bank. However, the study found that this relationship was negative due to the negative impacts of the laissez faire style of leadership. Overall, the respondents preferred a laissez fair type of leadership which has negative implications on the profitability, performance and leadership. Thus, there is need to find ways to reduce the reliance on this type of leadership style, in order to improve the performance of the branches. The results further suggested the need for a reduction of the reliance on the Laissez Fair style in the southern region (Mean/Max Score = 62%) to levels like that of the Northern central regions levels of 55%. As this will result in considerable improvements in the leadership and organisational performance.

The study used sequential quantitative data, which included data screening, construct reliability and validation, and analysis of the summary variables that emerged. The summary variables were computed and developed using dimension reduction techniques such as EFA, CFA, and SEM to provide confirmatory factor analysis route diagrams and outputs that connected the factors in a way that allowed the study hypothesis to be evaluated. The results of the standardized regression estimates were then used to make conclusions about the correlations regarding the suggested multifactor leadership framework and research hypothesis.

The study concludes that there is a significant statistical relationship between organisational leadership and organisational performance in the commercial bank. The data also revealed that when the branch's contribution ($\beta = 0.897$) and branch's performance ($\beta = 0.67$) are considered, the organisational performance is only significant. Individual leadership styles also have a strong association with organizational performance, according to the research. Based on the conclusions, the individual leadership styles also had a strong association with organizational performance.

The study concludes that there was a significant statistical relationship between organisational leadership and the profitability factor. In the commercial bank, profitability aspects that focused on performance management (PM Focus) were found to have a significant positive indirect relationship with Laissez Fair leadership style and a negative indirect relationship with both organizational leadership and organizational performance. As a conclusion, the findings support the hypothesis that organizational leadership, competitiveness, and profitability are all linked. The research revealed that this relationship was negative because of the mediation effect of the laissez-faire leadership style. Respondents favoured a laissez-faire leadership style, which has negative implications for profitability, performance, and leadership. As a result, the recommends that the banks find ways to lessen the impact of this type of leadership style in their branches.

7. Recommendations

Finally, the findings of this study will aid the management of a big financial services organization in analysing the leadership qualities of various managers in various divisions. By creating a verified organizational leadership and performance framework for all functional units to improve competitiveness and profitability. Furthermore, there is need to carry out surveys on customer satisfaction, personal satisfaction and leader satisfaction levels and use these results to guide the fostering of positive leadership styles through training and mentoring. There is also a need to introduce a management rotation program that bring see management moving between the regions to ensure that they bring about their leadership styles to the regions. The results indicated the northern central regions having high performance and high positive leadership styles and low negative leadership style scores.

The study recommends future research that will create a baseline leadership style score based on the indicator developed in the study, as these will help the bank to track the impact of leadership styles on performance over time. This will help provide the bank with interventions for individual professional growth of its employees.

8. Conclusion

The summary variables were calculated and developed using dimension reduction approaches which included EFA, CFA and SEM to come up confirmatory factor analysis path diagrams and outputs that linked the factors together in a way that allowed for testing the research hypothesis. The study then presented the summary of the standardized regression estimates in making inferences of the relationships in relation to the proposed multifactor leadership framework and study hypothesis. The study found that all the three study hypotheses were significant, and that transformational leadership and authentic leadership styles were important to understanding the linkages between organisational leadership and organisational performance. While the Laissez Fair leadership style was established as the link between performance-based profitability, organisational performance and organisational leadership in the commercial bank.

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