

A Survey on Relationship Between Leadership Styles and Achievement of Strategic Organisational Goals in the Banking Sector in Oman

Shahad Saud Ahmed Hamdan Al Harrasi*, Vidya Suresh**

Abstract

In today's rapidly changing corporate environment, effective leadership is no longer optional but a requirement for organisational success. Focusing on the banking sector in Oman, this study examined how transactional, transformational and situational leadership, are influential in the effective realisation of organisational goals. As leadership becomes increasingly important for managing change and improving performance, it is important for practitioners and policymakers to understand these styles. An administered survey on samples collected from 56 employees from different banks in Oman is analysed. According to the findings, transformational leadership shows the most positive influence on employee motivation and long-term accomplishments, followed by transactional leadership, which enhances short-term performance and operational efficiency. The study also concludes that there is no single leadership style that will withstand the test of time, but a perfect balance and flexibility in that style will go a long way in determining the success of an organisation. The study highlights leadership development strategies, which are necessary in accordance with organisational goals and local cultural environments.

Keywords: Banking Sector in Oman, Leadership Styles, Strategic Organisation Goals, Transformational Leadership, Situational Leadership, Transactional Leadership

JEL: M54, M14, D73, D72, M12, G21

Introduction

The growth of any organisation is largely dependent on its leaders and their capacity for leadership. Leadership style refers to the manner in which people are directed and motivated by a leader to achieve organisational goals (Khajeh, Abu & Asaari, 2018). It is in people's nature to follow a leader. No matter how knowledgeable and experienced someone is in a given sector, they can enhance their performance if they report to a higher authority. This is attributed to the fact that a leader offers direction and works to reduce risks that could impair productivity. A person's behaviour when managing, inspiring, guiding, and directing groups of people can be classified according to their leadership style. Global research has examined how various styles of leadership, including situational, transformational, and transactional leadership, influence goal-directedness, worker motivation, and innovation (Sarwar, Mumtaz & Ikram, 2015).

The effectiveness, direction, and success of an organisation are largely dependent on its leadership (Suliman, Rao & Elewa, 2019). Leadership performance, however, can differ across national context, sector-level requirements, and organisational culture. Based on the Omani banking sector, this study explores the effects of various styles of leadership on the attainment of organisational objectives. Most of the banks in Oman provide a full range of services including corporate, personal, investment, Islamic, treasury, private, and

* Student, Department of Finance and Accounting, College of Banking and Financial Studies, Bausher Heights, Muscat, Oman. Email: ST11213@cbfs.edu.om

** Assistant Professor, Department of Finance and Accounting, College of Banking and Financial Studies, Bausher Heights, Muscat, Oman. Email: vidya@cbfs.edu.om

asset management. In the banking sector, strong leadership guarantees that banks can endure shocks to the world economy and continue to provide their clients with services. Leaders set the tone for their companies by ingraining preparedness and resilience into the very fabric of the bank. The emphasis of this study is on Oman's leading banks and understanding how leadership ideologies promote organisational achievement in Oman's changing economy (Goveas & Aslam, 2011).

Transactional Leadership

The process of "exchange" that occurs between a leader and a follower, in which the follower acts in anticipation of a reward and is penalised for undesirable behaviour is known as transactional leadership. This exchange benefits the organisation by providing labour advantages and employee loyalty, while the employee obtains benefits such as remuneration for services and resource utilisation. The theory was later refined by Bass in 1985, who highlighted critical behaviours such as contingent reward, active management by exception, and passive management by exception (Anderson, 2022). This type of leadership is helpful in crisis and emergency situations, as well as when tasks need to be carried out in a precise manner. People with this leadership style can also punish poor work or unfavourable outcomes until the problem is remedied (Tahir, 2015). In strongly regulated industries such as banking, transactional leadership would ensure compliance, predictability, and control over operations. This type of leadership is effective for reaching short-term goals. Banks and financial institutions are some of the sectors where transactional leadership can lead successful operations by ensuring that employees meet deadlines and expectations with regulatory compliance, accuracy, and timely delivery (Recognising the Success of Today's Leaders | Humans of Globe, 2024).

Studies have shown that Transactional leaders prioritise performance management (Locke & Latham, 2002), as well as focus on employee growth, strengthening skills and traits through training and development opportunities, and view workers as critical resources for sustainable development (Dong, 2023). Despite these advantages, Germano (2010) highlighted that if the followers of transactional leadership are driven only by the exchange of resources, they may become less

devoted during difficult times when there aren't many resources available to offer. Moreover, transactional leaders can hinder innovative, flexible, and open organisational cultures because they prioritise power, reward, and punishment systems that do not promote employee engagement and personal development (Dong, 2023). Transactional leadership, which focuses on short-term objectives, may overlook long-term vision and fail to adapt to changing markets. This kind of limitation is especially crucial in industries like banking, where digitalisation and technological innovation are changing the game (Shakib, 2024). This leadership style, which has a clear chain of command, might be ineffective for creative teams. If your team relies on you to set the goalposts and establish their short-term objectives, they will be less likely to innovate or think outside the box (Martins, 2025). The reward-and-punishment style in the banking sector ensures employees adhere to regulatory requirements, promoting the execution of tasks and role effectiveness such as credit risk analysis and auditing. Odumeru and Ogbonna (2013) indicate that this leadership style is effective in crisis and emergency situations, as well as for projects that require specialised execution. Therefore, it is important for Omani Banks to evolve more adaptive leadership styles within their practices to remain competitive with a financial sector that is being increasingly structured around customer needs and technology.

Transformational Leadership

The term transformational leadership refers to a style of leadership that alters social structures and individuals (Roberts, 1985). The primary goal of transformational leadership is to instil confidence in group members, encourage loyalty, and inspire growth (Cherry, 2024). As opposed to transactional leadership, which relies on task accomplishment and material rewards, transformational leadership focuses on inspiring followers to exceed expectations by associating their personal goals with organisational goals (Yammarino & Avolio, 2013).

In today's dynamic and rapidly changing business environment, particularly in the banking sector, transformational leadership is seen as vital in achieving long-term strategic objectives. Burns was the first to

introduce transformational leadership in 1978; this theory was later developed further by Bass in 1985, who identified four important components referred to as the 'Four I's':

- *Idealised Influence*: leaders set an example for followers, who, because they respect and trust them, imitate and absorb their values.
- *Inspirational Motivation*: leaders have a clear vision and motivate and inspire their followers to reach their objectives.
- *Intellectual Stimulation*: leaders encourage their followers to try new things and take advantage of fresh possibilities for learning
- *Individualised Consideration*: leaders attend to the specific needs of each person and encouraging coaching or mentorship to help them realise their greatest potential.

Teams led by transformational leaders are often devoted and successful. They make major contributions to the team and truly care about the group's success (Kublay, 2019).

In the banking sector, transformational leadership has been associated with successful organisational change initiatives, particularly in the adoption of digital banking technologies and customer-oriented service improvements (Vestal, 2011). In addition to improving process management, transformational leadership transforms the culture of the organisation into one that is flexible, innovative, and resistant to external challenges (Kiersch & Peters, 2017).

Although it is a potent strategy that encourages people to go above and beyond their own expectations, transformational leadership is not without flaws. Yukl (1999) claims that excessive focus on vision and inspiration might sometimes overshadow the realistic aspects of control of operations and task management. Another critique of transformational leadership is that it frequently prioritises the leader and pays little attention to followers' contributions to the leadership process (Geyery & Steyrer, 1998). Furthermore, highly transformational leaders can create excessively high expectations among employees about what can really be achieved, which could lead to frustration if these very high expectations are not met (Tourish & Pinnington, 2002).

Banks that are highly value transformational leadership tend to be better equipped for putting strategic changes into effect, coping with digital disruptions, and adapting to changing customer expectations. Therefore, transformational leadership improves both internal operations and organisational competitiveness externally. In banking, where speed of adaptation and customer centricity are fundamental, it is said that transformational leadership is not only beneficial but very essential to ensure survival and achievement of long-term organisational goals.

Situational Leadership

The Hersey-Blanchard Situational Leadership theory, established by Dr. Paul Hersey and Kenneth Blanchard, emphasises the need to respond to changing circumstances. Situational leadership theory proposes that no single leadership style is the best. According to this theory, the most effective leaders are those who can change their approach according to the occasion, taking into account cues such as the type of assignment, the makeup of the group, and other aspects that may contribute to the job being completed (Cherry, 2025). This flexibility makes situational leadership particularly appealing in today's unsettled business environment, where organisational objectives change rapidly under the influence of technological, economic, or societal shifts. According to situational leadership theory, the best leaders are continually adapting, using different styles for different situations or results. Hersey and Blanchard identified four leadership styles based on group needs, task, and situation, with the appropriate style mostly determined by individual or group maturity level:

- *Telling Style*: High-task/low-relationship leader behaviour entails one-way communication in which the leader defines followers' duties and assigns tasks based on their comprehension and capacity to complete them.
- *Selling Style*: To psychologically impact followers' decisions, the leader engages in high-task/high-relationship behaviour, providing direction and utilising two-way communication and socioemotional support.

- *Participating Style*: The leader and followers engage in high-relationship/low-task behaviour, which promotes two-way communication and facilitation, allowing the followers to make joint decisions and share their expertise.
- *Delegating Style*: The leader's low-relationship/low-task behaviour style encourages followers to accept responsibility for their own activities, allowing them to take full ownership of their roles.

Situational leadership enhances organisational effectiveness through adaptability, staff development, and sensitivity to change. Geir Thompson and Lars Glaso (2015) argue that leaders who tailor their approach based on the team's competence level and the complexity of the task are much more likely to accomplish both short-term and long-term goals. Successful leadership in dynamic environments such as banking entails responding to changing regulatory requirements, market conditions, and customer expectations while also taking into account tasks and relationships in order to achieve organisational objectives (Kenton, 2024). Effective leaders must recognise their employees' evolving abilities and needs and progressively shift their leadership approaches based on individual readiness and planned growth, creating mutual trust and respect (Hersey & Blanchard, 2010).

While it is adaptable, situational leadership has been criticised for oversimplifying complex organisational dynamics. According to (Vecchio, 2007), not all leadership issues can be resolved by merely a change in leadership style according to the readiness of the followers; complicating factors stretch from organisational culture to market forces and political forces outside the organisation. Further, Graeff (1997) mentions that leaders may find it difficult and sometimes impossible to assess the readiness of their followers and, sometimes even match their styles, which could cause confusion or inefficiency in the end. While situational leadership calls for flexibility, its reliance on the diagnostic capacity and adaptability of the leader is a shortcoming in high-speed or highly complex settings.

The Omani banking sector, like many others, is rapidly digitising and diversifying its markets. Leaders within such sectors must have the capability to switch between

directive and supportive styles when the situation demands regulatory compliance audits or customer service innovation drives (Alrowwad, Abualoush & Masa'deh, 2020). As a result, the adaptability of situational leadership is not only advantageous but also essential in a field that is changing quickly, like banking, where operational, strategic, and innovative activities run concurrently.

Literature Review

In today's competitive economic world, organisations must continuously enhance performance through suitable leadership in order to survive and thrive. Leadership determines the success of an organisation by influencing, directing, inspiring, and motivating subordinates (Akpapere, Jengre & Mogre, 2019). Organisations in all sectors, especially in the banking sector, must navigate technological advancements, workforce diversity, and a highly dynamic business climate in which new challenges and opportunities are regularly presented. As a result, studying the influence of various leadership styles has emerged as a key area of organisational research.

Over the years, several management theorists have identified various leadership styles (Google Books, 2025). Including transformational, transactional, and situational leadership styles, each of which offers significant advantages and limitations in respect to how leaders motivate employees, make decisions, and align team activities with organisational goals. For example, transformational leaders focus on developing the followers and considering their needs. While a transactional leader if he/she is always willing to give something in return (Prince, 2013). Meanwhile situational leadership is a type of leadership that changes depending on the circumstances (Hersey & Blanchard, 1977). This section offers a critical review of research on leadership styles and how they affect organisational goal attainment. It begins by critically assessing theoretical aspects of leadership and organisational performance, followed by an assessment of the three leadership styles and their empirical evidence, as well as controversies and arguments regarding their effectiveness. This part will also review the organisational theme in Oman,

i.e., the leadership styles pursued by banks in Oman. Likewise, this literature review also seeks to establish gaps within prior studies and create a good foundation for the upcoming research project.

Role of Leadership in Achieving Organisational Goals

Leadership may be defined as “any behaviour that influences the actions and attitudes of followers to achieve certain results”. Leadership is required in an organisation to create a vision and mission, set objectives, design strategies, policies, and methods, and direct and coordinate efforts and operations (Xu & Wang, 2008). Leadership is a vital component of an organisation. It governs not just how goals are established, but also how they are pursued, communicated, and maintained throughout time. This can be considered a leadership constellation, which includes the particular attributes, competencies, and practices of various roles that influence the organisation’s success.

Organisational goals are measurable targets that are intended to accomplish certain outcomes such as increased profit, customer satisfaction, market share, employee retention, or product and service innovation. Organisations aim to attain both common aims and profit targets (Meraku, 2017). A leader’s responsibility is to assist a group achieve objectives by maximising the use of its capabilities. According to (Givens, 2008) organisational success is directly correlated with effective leadership. Without effective leadership, organisations may fail to achieve their objectives. Important factors such as organisational values, culture, tolerance for change, and employee motivation are all set by leaders. Therefore, leaders play a significant role in shaping organisational success (Kolluru, Suresh & Annapantula, 2020).

Outcomes of Different Leadership Styles

Various leadership styles contribute to organisational achievement in different ways. For example, transformational leaders tend to drive long-term strategic goals by fostering creativity and inspiring shared purpose, while transactional leaders are more focused on short-term targets and task completion. Situational leadership, by contrast is a type of leadership that changes depending

on the circumstances, which makes it highly effective in dynamic and diverse work environments (Hersey & Blanchard, 1977).

Leadership is a key function in the banking industry when it comes to negotiating intricate regulatory landscapes, adjusting to technological change, and providing quality service. At the same time, leaders should also ensure that the daily operations of the organisation corresponds with the overall business objectives. Goddy Osa Igbaekemen (2014) conducted research which indicated that there are positive and negative correlations between leadership styles and the performance of the organisation. Effective leadership and good administration pave the way for opportunity, simulate a sense of belonging, and result in employee commitment.

Nonetheless, literature indicates that leadership effectiveness is not necessarily universal. Certain leadership styles may elicit differing degrees of effectiveness across organisational structural, cultural, and situational lines. For example, what works in the highly regulated banking industry might not necessarily work in more creative industries. Therefore, understanding how leadership styles function within the specific cultural and organisational environment of Oman is essential for interpreting their influence on goal achievement.

To sum up, leadership is the means whereby the organisation converts its vision into results. The kind and quality of leadership are strongly applicable both in ensuring the achievement of short-term operational targets and strategic objectives.

Leadership Styles Employed by Banks

The analysis of the various leadership styles present in Omani banks can provide valuable insights into the impact of these leadership styles on the achievement of organisational goals. Research indicates that the leadership style in Omani banks is characterised as a combination of the three main leadership styles transformational, transactional, and situational leadership, which have successfully earned the banks recognition as one of the best places to work in Oman. Transactional leadership is evident in the

bank's comprehensive performance management system. The bank utilises established Key Result Areas (KRAs) as well as interim and annual appraisals to monitor their performance. The findings of the appraisals and monitored performance directly affect increments and bonuses, ensuring that employees are incentivised to surpass their targets.

The bank's performance management system is meant to help employees advance their careers by establishing defined KRAs, conducting mid-year reviews, and providing full annual appraisals. This three-step approach ensures transparency in performance evaluations, resulting in rewards such as bonuses and performance-based promotions. One of the leading banks in Oman, Bank Muscat, places great importance on nurturing employees and developing their skills, capabilities and competencies as they believe that it is a vital component and major strength in securing the bank's growth and success. This is evident through the various developmental training programmes, online courses, and leadership training that they provide. These initiatives ensure that employees develop capabilities that will align them with the broader objectives of Oman Vision 2040 (Bank Muscat, 2023).

Researchers have discovered that transformational leadership is linked to employees' innovative thinking and organisational improvement. Some research focuses on the relationship between transformational leadership and organisational commitment, job satisfaction, and organisational trust. However, in order to realise the full benefits of transformational leadership there must be a balance between innovation and exploring new ideas and approaches, and optimising existing capabilities (Abouraia & Othman, 2017). Banks put emphasis on building up human resources through having its own Jadara Academy, staffed with experts and supported by advanced technologies and training packages. In 2024, Bank Muscat itself organised 525 training sessions and web-based modules that resulted in 46,737 training seats and 51,354 training man-days. Situational leadership can be seen through Bank Muscat's emphasis on adapting and catering to employee needs and enhancing their job satisfaction. Banks conduct employee communication campaigns on a regular basis, examples of these programmes include the Fraud Awareness and

Educational Campaign, which helped increase employee engagement and work productivity.

Moreover, regular surveys are continuously conducted to evaluate employee satisfaction and to clearly identify areas that can be improved. This ensures that banks foster a healthy, productive work environment.

Significance of Study

The purpose of this study is to increase our understanding of the critical role that leadership style plays in achieving organisational success. In today's rapidly evolving economy, it is challenging for businesses to thrive. The banking sector is particularly challenging due to the constant need to adjust to the evolving financial environment. Furthermore, continuous efforts to promote innovation, boost productivity, meet strategic objectives, and maintain competitiveness are required. The relationship between leadership and the achievement of organisational goals has been thoroughly studied. However, transactional, transformational, and situational leadership philosophies, and their impact on organisational goals in the banking industry, in particular, have received less attention. In order to bridge this gap and contribute to the body of knowledge on leadership, organisational goals, and performance, this study will provide crucial information on the efficacy of different leadership styles. It will also offer valid suggestions points on adopting the most effective leadership style in order to continuously improve and adapt to changing environmental, economic and social conditions with reference to banks in Oman.

Objective of the Research

Understand the types of leadership styles:

- Examine how each leadership style contributes to meeting organisational goals.
- Evaluate each leadership style's ability to adapt to specific organisational environment changes.
- Examine the barriers to adopting certain leadership styles.
- Evaluate the different leadership styles employed by banks in Oman.

Scope and Limitations

This study investigates the impact of leadership styles on organisational goal achievement with reference to the banking sector in Oman. Furthermore, the research nearly solely uses question-based data and may lack qualitative findings produced by interviews or focus groups to some degree. The findings of this study may lack generalisability, as the survey is confined to a few banks in Oman.

Research Hypothesis

H1: The accomplishment of organisational objectives is greatly impacted by different leadership philosophies.

H2: Compared to transactional leadership, transformational leadership has a higher positive impact on worker motivation and performance.

H3: Situational leadership greatly improves organisational flexibility and worker job satisfaction.

Methods

The area of study concerns banks located and registered in Oman. Thus, the data collection and respondents were employees from various banks in Oman. Most of these banks share operational similarities that include leadership frameworks, organisational structures, and cultures directed towards similar goals, which make their responses relevant and applicable to the research topic.

This study used a structured questionnaire to collect numerical data on the association between several leadership styles (transactional, transformational, and situational) and strategic organisational goal achievement (Kumar, 2019). The participants were chosen from diverse departments and different job titles such as senior and middle managers, team leaders, officers, information technology experts, and customer service representatives. The sample's diversity allows a more comprehensive view of leadership practices at various hierarchical levels and roles.

Though the field work included 100 sample respondents, the final dataset consisted of 56 cases. Some cases were removed due to missing information. Given the constraints

of time and limited access to bank's internal employees, convenience sampling was used. The potential volunteers were sourced based on professional relationships, social networks such as LinkedIn, and social networks such as WhatsApp and email groups. It can limit generalisability, but it is appropriate when researchers are required to operate in constrained circumstances and time constraints.

The method used to gather primary data regarding the impact of leadership styles on employee productivity and the achievement of organisational goals was conducted through online surveys using Google Forms, as well as through physical distribution of questionnaires. Online surveys offer ease, anonymity, and confidentiality to respondents. Publications related to industry, business reports, and published articles were also referred to as secondary sources of data. There were three sections to the questionnaire namely, demographic information, which categorises people based on age, gender, income, education, ethnicity, marital status, and employment, allowing researchers to find trends and patterns within a population.

The second part consisted of closed-ended questions were on leadership styles and organisational goals. Five-point Likert scale with multiple-choice questions were used to understand factual responses regarding participants' experiences with different types of leadership. The final part included an open-ended question asking, "*If you were in a leadership position, how would you lead your team to achieve organisational goals?*" This allowed respondents to express their personal leadership strategies and insights in their own words. The quantitative data from the closed-ended questions formed the focal point of major data analysis. Qualitative data derived from the open-ended question were analysed to extract common themes and to support the quantitative results wherever appropriate. The online mode of data collection enabled the researcher to reach a larger population within organisations in Oman effectively, and participant anonymity was ensured while eliciting honest responses.

Results and Discussion

This section analyses cleaned data collected from a questionnaire distributed among 100 individuals from various banks in Oman. The aim is to examine various leadership styles that influence organisational goal achievement.

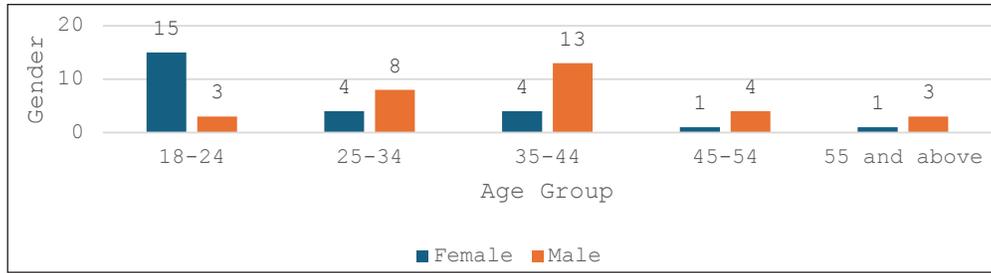


Fig. 1: Age and Gender Distribution

A more inclusive view of leadership experiences across organisations is produced by the sample’s relatively equal gender distribution. The workforce is comparatively young and mid-career, as the majority of respondents fall within the age categories of 18 to 35 and 44. This

information can be used to develop insights into how leadership styles and their impact can be influenced by age distribution, especially when it comes to adaptability and creativity (Fig. 1).

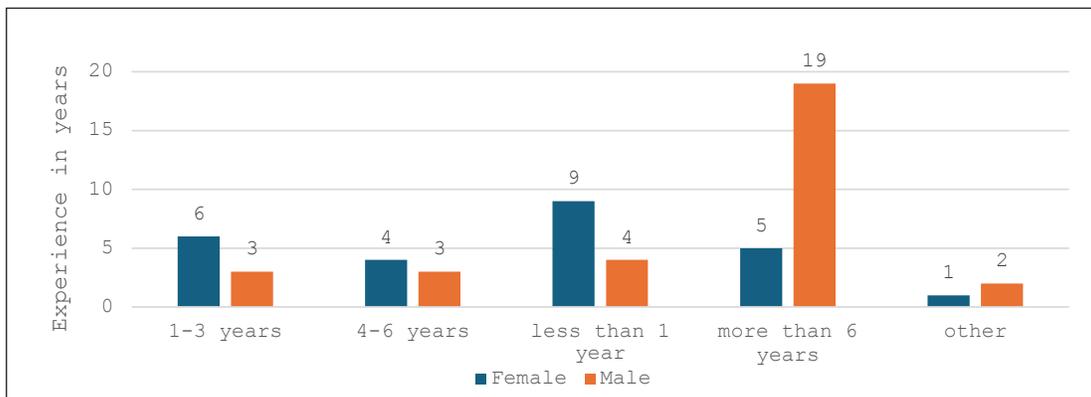


Fig. 2: Gender and Years of Work Experience

Fig. 2 shows that male respondents with more than six years of experience predominate, whereas female respondents are more common in groups with less experience. This implies that gender and experience levels may have an impact on the preferred leadership style, which is important when assessing how well it accomplishes organisational goals.

Despite respondents being selected from various departments, Information Technology accounts for the largest number of participants (22), followed by Accounting/Finance and Administration (14 each), and Human Resources (6). This departmental spread provides a variety of viewpoints on leadership styles that might still be relevant to the banking sector (Fig. 3).

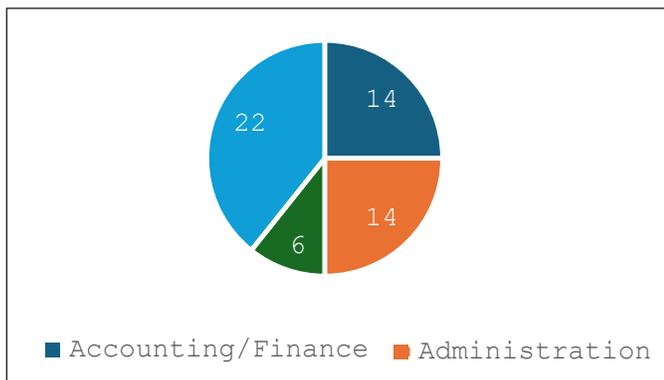


Fig. 3: Respondent’s Departments in Banks

The most frequently mentioned challenges are lack of vision (15), followed by inconsistent leadership styles (12), low staff motivation (10), poor communication (10), and excessive control or micromanagement (9). The large number of responses emphasising a lack of direction and inconsistent leadership approaches could reflect factors such as employees experiencing uncertainty during times of expansion, reorganisation, or strategy change. Feelings of unclear vision, direction and inconsistent leadership can be exacerbated by these factors, indicating a wider need for leadership strategies that offer drive, clarity, and consistency.

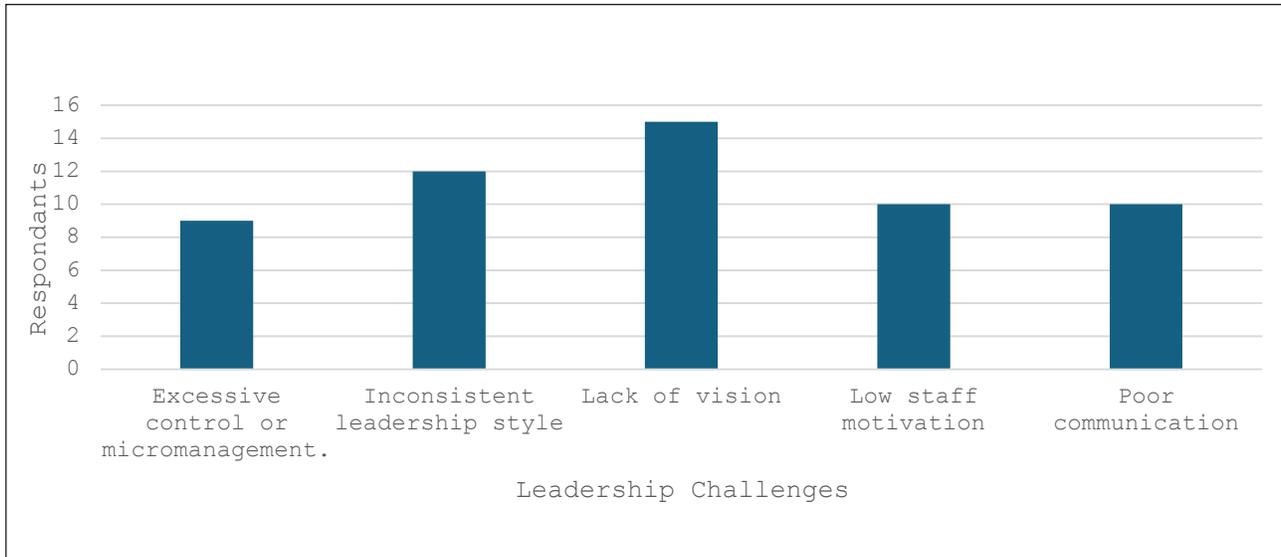


Fig. 4: Challenges in Leadership in Attaining Organisational Goals

Gaining insight into the biggest challenges to leadership in attaining organisational goals can help determine the most suitable leadership style to address them. Based on the results it can be deduced that transformational leadership would be an appropriate leadership style as it focuses on setting a clear vision and direction. Furthermore, it encourages motivating and inspiring

employees and fostering an environment with open communication. These characteristics directly address the major challenges selected by respondents. In Omani banks, the adoption of transformational leadership can help in aligning team efforts with strategic objectives and overall organisational performance (Fig. 4).

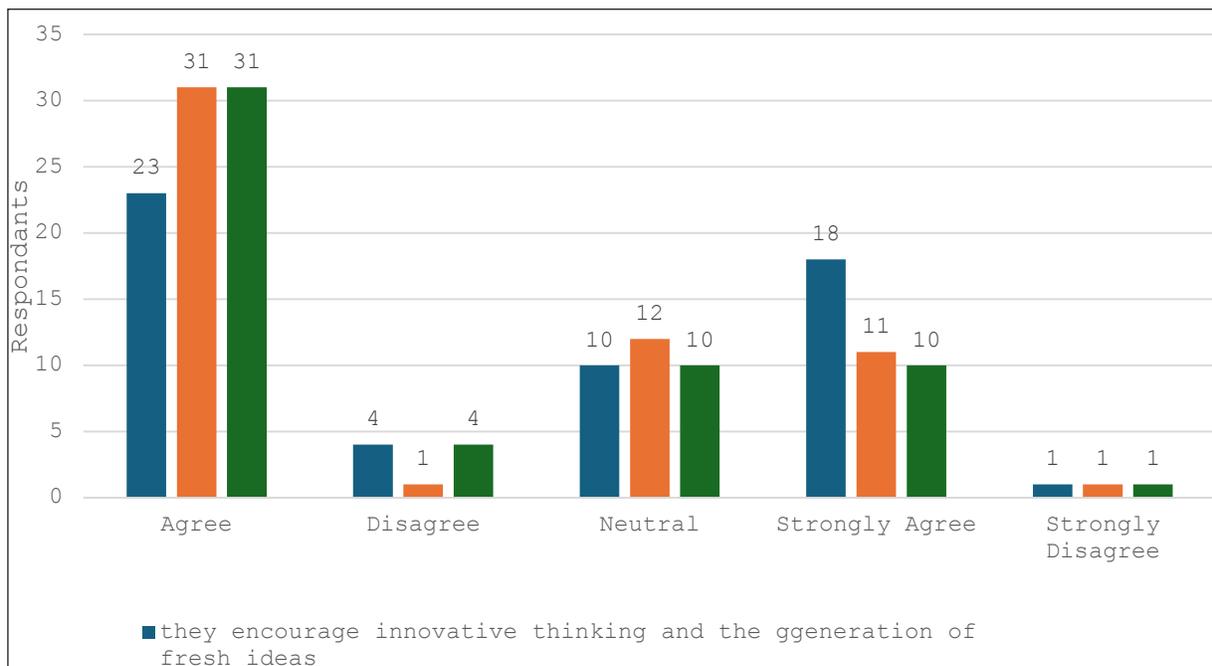


Fig. 5: Leadership Behaviours

According to the chart, respondents strongly agree that leaders reward team members for achieving goals (31 agreeing, 18 strongly agreeing) and promote creative thinking and new ideas (31 agreeing, 23 strongly agreeing). Fewer respondents (12 agreeing and 10

strongly agreeing) concur that a leader’s style varies according to the circumstance. This implies that although reward and innovation are given top priority, leadership style flexibility might use some work (Fig. 5).

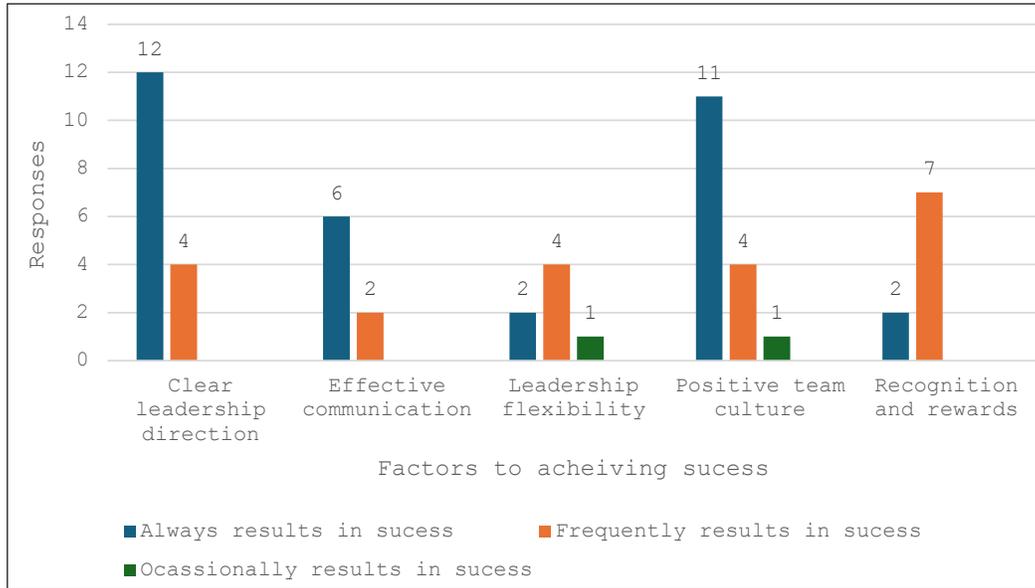


Fig. 6: Factors to Achieving Success and Their Effect on Team Performance

The graph supports Hypothesis 1 (H1), demonstrating how leadership behaviours like promoting creativity, rewarding excellence, and adjusting to changing circumstances have a positive impact on organisational results. Strong agreement with the support for innovation and reward practices Hypothesis 2 (H2), demonstrating

how transformational leadership affects performance and motivation (Fig. 6). Although it could be strengthened further, the moderate agreement on leadership adaptability is consistent with Hypothesis 3 (H3), indicating that situational leadership contributes to organisational flexibility and job satisfaction.

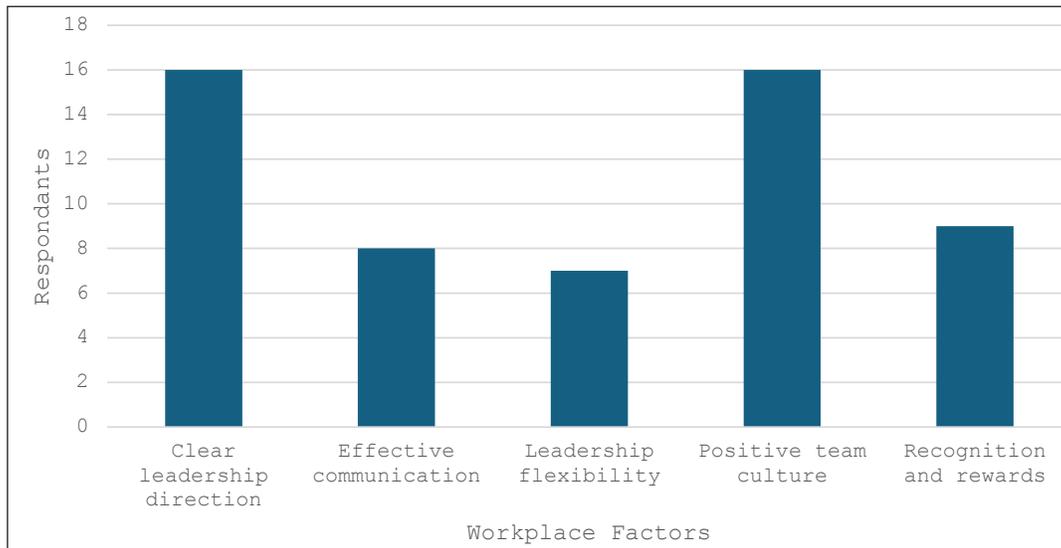


Fig. 7: Key Factors Helping Team to Achieve Its Goals

As illustrated in Fig. 7, the majority of respondents (17) listed clear leadership guidance as the most important component in accomplishing team objectives. This demonstrates that strong, targeted leadership is necessary for goal alignment and performance, supporting Hypothesis 1 (H1). Recognition and rewards (11 responses) and a positive team culture (16 responses) were also highly valued. These demonstrate the impact of both transformational and transactional leadership

philosophies, implying that success depends heavily on encouragement and recognition. The significance of flexible leadership, as demonstrated by situational leadership, is still highlighted by the fact that fewer respondents selected communication and leadership flexibility. The findings demonstrate the importance of clear, inspiring, and encouraging leadership in achieving organisational objectives.

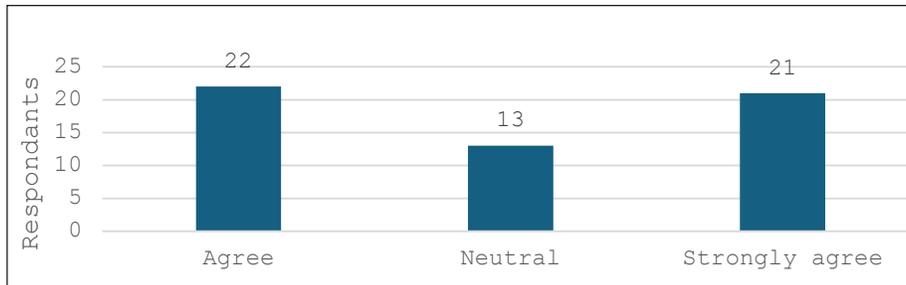


Fig. 8: Leadership Style and Overall Success

With 22 respondents agreeing and 21 strongly agreeing, this chart shows a strong belief that leadership style directly affects overall success. Only 13 respondents expressed no opinion, indicating that participants generally agreed that leadership style is important for

organisational success. Banks might want to invest in leadership development courses that emphasise transformational leadership concepts in order to motivate staff, encourage creativity, and modify their approaches to sustained success (Fig. 8).

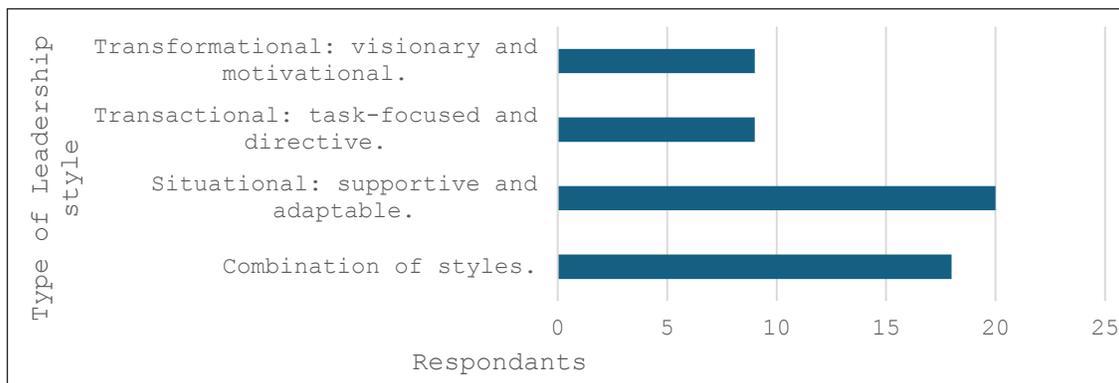


Fig. 9: Leadership Styles

Oman’s leadership styles are divided into four categories in Fig. 9: situational, transactional, transformational, and a combination of styles. According to Hypothesis 3 (H3), situational leadership, which was favoured by 20 respondents, adjusts to the needs of the workforce and the situation, potentially increasing engagement and

job satisfaction. A mature leadership culture is indicated by the fact that many respondents exhibit a combination of leadership styles. The limited recognition of transformational leadership highlights opportunities for leadership development.

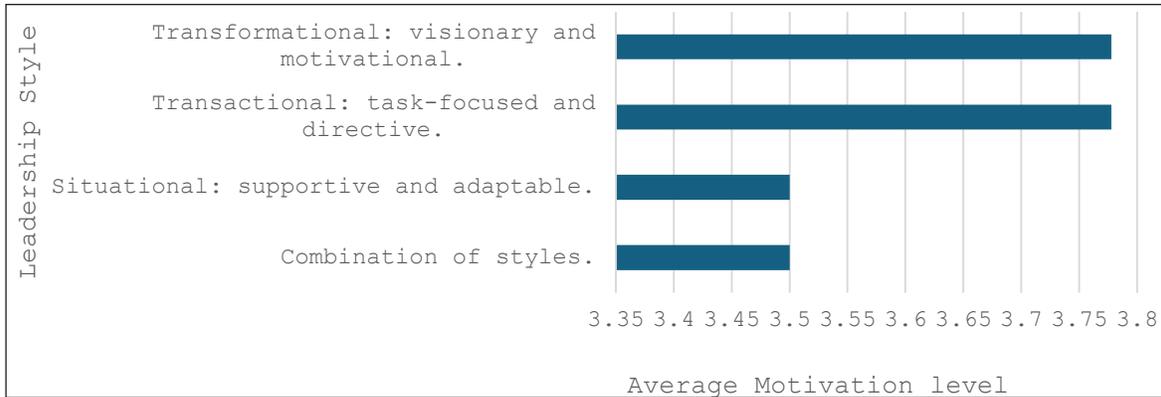


Fig. 10: Connection Between Leadership Styles and Employee Motivation

According to the chart, various leadership styles impact employee motivation differently. Transformational leadership, having a mean score of nearly 3.8 out of 5, bears the highest relation with motivation in favour of Hypothesis 2 (H2). This may be interpreted to imply that employee motivation and performance are affected more positively by transformational leadership. Closely behind, with a slightly lower score but still above 3.6, is transactional leadership. Because of this leadership style’s focus on rewards, praise, and structured feedback,

it also seems to have a moderately high effect on motivation. However, its impact on motivation may not be sustained, however despite being the most frequently observed style (as illustrated in Fig. 9), situational leadership has a lower average motivation score, perhaps as a result of its lack of vision or consistency. In terms of motivation, combination leadership styles did not perform as well as anticipated; this could be because they were confusing or diluted the effectiveness of any one motivational technique (Fig. 10).

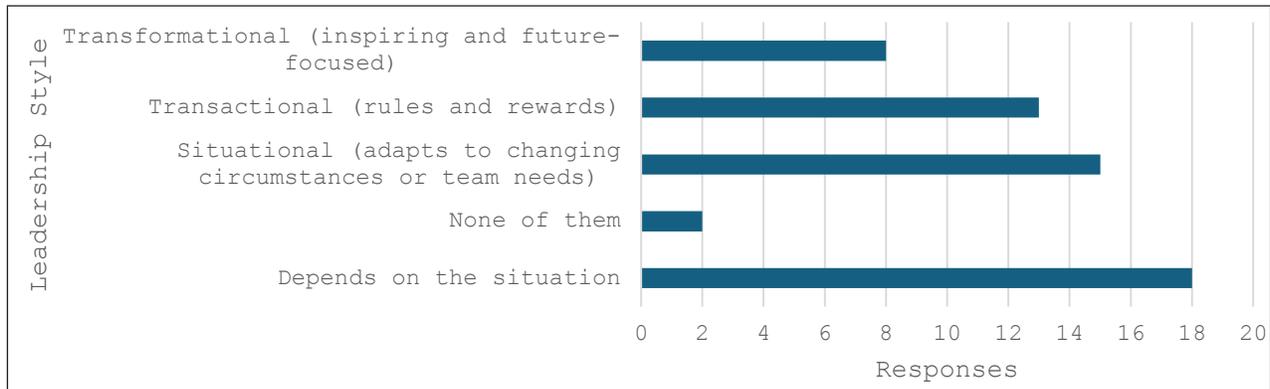


Fig. 11: Leadership Style Best Suited to Managing Organisational Change

Based on this chart, the majority of respondents (19) think that the situation determines the best leadership strategy during change. Situational leadership is the next most popular style (17 respondents), followed by transactional (15) and transformational (13). Despite its potential underutilisation, this supports hypothesis (H3), which claims that situational leadership enhances flexibility and job satisfaction (Fig. 11).

Table 1: Motivated to Participate in Survey Due to My Bank’s Leadership Style

Mean	3.7
Standard Error	0.1
Median	4
Mode	3
Standard Deviation	1.2
Sample Variance	1.4
Kurtosis	-0.2

Skewness	-0.5
Range	4
Minimum	1
Maximum	5
Sum	201
Count	56

Employees, on average, agree that they are motivated because of their supervisor's leadership style. The median score is 4, and the mode is 3, which implies that the responses are clustered around the "Agree" and "Neutral" options (Table 1). The standard deviation of 1.16 indicates moderate variability in responses. Although most employees feel motivated, there is some dispersion in perceptions. The -0.52 skewness indicates there is a negligible negative skew, i.e., there were practically no employees using lower scores in motivation (like 1 or 2), but answers lay mostly on the higher side of the scale. The -0.21 kurtosis suggests that the distribution is relatively flat and close to a normal distribution neither too peaked nor too flat. Overall, the findings suggest that most of the employees are in a positive perception towards their supervisor's leadership style as far as encouraging them to contribute, although a small percentage of the respondents feel less encouraged. The responses are relatively normally distributed, with a slight bias towards agreement bias.

Conclusion

The principal objective of the current research study was to examine the impact of different leadership styles, i.e., transactional, transformational, and situational, on organisational goal achievement, particularly in Omani banks. On the basis of a literature review as well as information received through an employee survey from various Omani organisations, the study provides strong evidence that leadership style plays a significant role in impacting individual performance, along with the overall success of an organisation. Evidence supports Hypothesis 1 (H1), and indeed leadership styles holds the initial place of influencing team behaviour, direction, and outcome. Leadership clarity, team culture, and motivation practices were identified by the respondents as the most essential in order to achieve goals, and they asserted that effective overall leadership is the means to bring employees' efforts and strategy together.

In support of Hypothesis 2 (H2), transformational leadership was found to be the most effective in order to optimise employee performance and motivation. In such a way, this approach seems to have a very good resonance among workers as far as commitment and innovation are concerned, through the vision, communication, inspiration, and individualised considerations it possesses. This lends support to the prevailing scholarly consensus that transformational leaders bring greater organisational commitment and long-term performance. While transactional leadership was effective at bringing structure and achieving short-term objectives, it was not so profound in respect to motivation compared to transformational methods. This aligns with the results where transactional leadership was not designated as well under inspiration or employee satisfaction.

Hypothesis 3 (H3), relating to situational leadership, received minimal support. Although this style of leadership was preferred for its versatility and responsiveness to context, it did not necessarily produce the highest levels of motivation or performance. However, its role in helping to optimise worker satisfaction in chaotic or unpredictable situations remains worthwhile. Overall, the research attests to the fact that there is no single leadership style that applies to all situations. The most effective leaders in Omani banks are those who can adapt their style in response to team needs, organisational goals, and external influences. Further research shows that in order for organisations to thrive in a competitive and ever-changing market, leadership development must be prioritised.

Recommendations

Promote Transformational Leadership: Banks should invest in leadership development programmes that enhance vision, inspiration, and empowerment of staff.

Make Managers Adaptable in Different Situations: Good managers should know when to switch their leadership styles depending on team needs or working conditions, thus creating a satisfying environment.

Balance Styles Strategically: A blended model of leadership grounded in transformational ideology but flexible enough to employ situational or transactional approaches as needed can yield the best results.

Strengthening Organisational Culture: Encouraging open communication, recognition, and clear direction should still be a strategic imperative, as all of these were identified as strong drivers of performance.

References

- Abourraia, M. K., & Othman, S. M. (2017). Transformational leadership, job satisfaction, organizational commitment, and turnover intentions: The direct effects among bank representatives. *American Journal of Industrial and Business Management*, 7(4), 404–423. doi:<https://doi.org/10.4236/ajibm.2017.74029>
- Akparep, J. Y., Jengre, E., & Mogre, A. A. (2019). The influence of leadership style on organizational performance at Tumakavi development association, tamale, Northern Region of Ghana. *Open Journal of Leadership*, 8(1), 1–22. Scirp. doi:<https://doi.org/10.4236/ojl.2019.81001>
- Ali, S., & Farid, F. (2016). Effect of transformational leadership on job satisfaction and organizational commitment. *SSRN Electronic Journal*. doi:<https://doi.org/10.2139/ssrn.2713386>
- Alrowwad, A., Abualoush, S. H., & Masa'deh, R. (2020). Innovation and intellectual capital as intermediary variables among transformational leadership, transactional leadership, and organizational performance. *Journal of Management Development*, 39(2), 196–222. doi:<https://doi.org/10.1108/JMD-02-2019-0062>
- Anderson, K. D. (2022). Transformational teacher leadership: Decentring the search for transformational leadership. *International Journal of Management in Education*, 2(2), 109.
- Bank Muscat. (2023). *Our plans, intricately crafted with specific objectives, strive to address the exigencies of the present and aim for sustainable development through efficacious resource management, ultimately seeking to diminish public debt burdens*. Excerpt from the Speech of His Majesty Sultan Haitham bin Tarik 14th. Retrieved from https://www.bankmuscat.com/en/about/SiteAssets/Sustainability_Report_2023_ENG.pdf
- Cherry, K. (2024, June 19). *How transformational leadership can inspire others*. VeryWell Mind. Retrieved from <https://www.verywellmind.com/what-is-transformational-leadership-2795313>
- Cherry, K. (2025, February 7). *Situational leadership theory*. VeryWellMind. Retrieved from <https://www.verywellmind.com/what-is-the-situational-theory-of-leadership-2795321>
- Dong, B. (2023). A systematic review of the transactional leadership literature and future outlook. *Academic Journal of Management and Social Sciences*, 2(3), 21–25. doi:<https://doi.org/10.54097/ajmss.v2i3.7972>
- Eisenbeiss, S. A., van Knippenberg, D., & Boerner, S. (2008). Transformational leadership and team innovation: Integrating team climate principles. *Journal of Applied Psychology*, 93(6), 1438–1446. doi:<https://doi.org/10.1037/a0012716>
- Thompson, G., & Glasø, L. (2015, July 6). *Situational leadership theory: A test from three perspectives*. ResearchGate; Emerald. Retrieved from https://www.researchgate.net/publication/281189782_Situational_leadership_theory_A_test_from_three_perspectives
- Germano, M. (2010, June). *Leadership style and organizational impact*. Ala-Apa.org. Retrieved from <https://ala-apa.org/newsletter/2010/06/08/spotlight/>
- Geyery, A. L. J., & Steyrer, J. M. (1998). Transformational leadership and objective performance in banks. *Applied Psychology*, 47(3), 397–420. doi:<https://doi.org/10.1111/j.1464-0597.1998.tb00035.x>
- Givens, R. (2008). Transformational leadership: The impact on organizational and personal outcomes. In *Emerging Leadership Journeys* (vol. 1, no 1, pp. 4–24). https://www.regent.edu/wp-content/uploads/2020/12/ELJ_V1Is1_Givens.pdf
- Igbaekemen, G. O. (2014). Impact of leadership style on organisation performance: A strategic literature review. *Public Policy and Administration Research*, 4(9), 126–135.
- Goveas, S., & Aslam, N. (2011). A role and contributions of women in the Sultanate of Oman. *International Journal of Business and Management*, 6(3). doi:<https://doi.org/10.5539/ijbm.v6n3p232>
- Graeff, C. L. (1997). Evolution of situational leadership theory: A critical review. *The Leadership Quarterly*, 8(2), 153–170. doi:[https://doi.org/10.1016/S1048-9843\(97\)90014-X](https://doi.org/10.1016/S1048-9843(97)90014-X)
- Hersey, P., & Blanchard, K. H. (1977). Management of organizational behavior: Utilizing human resources (3rd ed.). *Group & Organization Studies*, 2(4), 514–515. doi:[https://doi.org/10.1016/0149-2063\(77\)90014-X](https://doi.org/10.1016/0149-2063(77)90014-X)

- org/10.1177/105960117700200419
- Hersey, P., & Blanchard, K. H. (2010). *Situational leadership* (pp. 1–9). Retrieved from <https://compeds-pulmonary.sites.medinfo.ufl.edu/files/2014/01/Hanke-Situational-Leadership.pdf>
- Kenton, W. (2024, October 17). *Hersey-Blanchard situational leadership model: How it works*. Investopedia. Retrieved from <https://www.investopedia.com/terms/h/hersey-and-blanchard-model.asp>
- Khajeh, A., Abu, M., & Asaari, H. (2018). Impact of leadership styles on organizational performance. *Journal of Human Resources Management Research*, 2018(2166-0018), 2166–2184. Retrieved from <https://ibimapublishing.com/articles/JHRMR/2018/687849/687849-1.pdf>
- Kiersch, C., & Peters, J. (2017). Leadership from the inside out: Student leadership development within authentic leadership and servant leadership frameworks. *Journal of Leadership Education*, 16(1), 148–168. doi:<https://doi.org/10.12806/v16/i1/t4>
- Kolluru, M., Suresh, V., & Annapantula, R. D. (2020). Cognitive style, learning preference and performance: Theory and empirics. *International Journal of Psychosocial Rehabilitation*, 24(4).
- Kublay, G. (2019). Transformational leadership training programme for charge nurses. *Journal of Advanced Nursing*, 67(3), 633–642.
- Kumar, R. (2019). *Research methodology: A step-by-step guide for beginners* (5th ed.). Sage Publications Ltd.
- Leadership Styles. (2025). Google Books. Retrieved from https://books.google.com.om/books?hl=en&lr=&id=5kqCqNisMzQC&oi=fnd&pg=PP1&dq=leadership+styles+&ots=gGe04lC5-s&sig=oP4KkO_tXsb1lRVNBkGVUERuLUE&redir_esc=y#v=onepage&q&f=false
- Locke, E. A., & Latham, G. P. (2002). Building a practically useful theory of goal setting and task motivation: A 35-year Odyssey. *American Psychologist*, 57(9), 705–717. doi:<https://doi.org/10.1037/0003-066X.57.9.705>
- Martins, J. (2025, February 5). *Before you try transactional leadership, read this*. Retrieved from <https://asana.com/resources/transactional-leadership>
- Meraku, A. (2017). Role of leadership in organizational effectiveness. *Journal of Economics, Business and Management*, 5(11), 336–340. JOEBM. doi:<https://doi.org/10.18178/joebm.2017.5.11.535>
- Odumeru, J. A., & Ogbonna, I. G. (2013). Transformational vs. transactional leadership theories: Evidence in literature. *International Review of Management and Business Research*, 2(2).
- Prince, B.-B. (2013). Effects of leadership style on organizational performance in small and medium scale enterprises (SMEs) in Nigeria. *European Journal of Business and Management*, 5(23). Retrieved from <https://core.ac.uk/download/pdf/234624989.pdf>
- Roberts, N. C. (1985). Transforming leadership: A process of collective action. *Human Relations*, 38(11), 1023–1046. doi:<https://doi.org/10.1177/001872678503801103>
- Sarwar, A., Mumtaz, M., & Ikram, S. (2015). Improving organizational citizenship behavior through transformational leadership: Mediating role of trust in leader. *Asian Journal of Business Management*, 7(2), 28–36. doi:<https://doi.org/10.19026/ajbm.7.5166>
- Shakib, S. (2024). The impact of leadership styles on employee performance and job satisfaction in private banks: A study on transformational and transactional leadership. *Research Square*. doi:<https://doi.org/10.21203/rs.3.rs-3928526/v1>
- Suliman, A., Rao, A. S., & Elewa, T. (2019). CEO transformational leadership and top management team performance: Study from GCC. *Measuring Business Excellence*, 23(1), 63–79. doi:<https://doi.org/10.1108/mbe-09-2018-0077>
- Tahir, H. (2015). Leadership style and organizational performance: A comparative study between transformational and transactional leadership styles. *IBT Journal of Business Studies*, ILMA University. Retrieved from https://www.academia.edu/122138626/Leadership_Style_and_Organizational_Performance_A_Comparative_Study_Between_Transformational_and_Transactional_Leadership_Styles
- Tourish, D., & Pinnington, A. (2002). Transformational leadership, corporate cultism and the spirituality paradigm: An unholy trinity in the workplace? *Human Relations*, 55(2), 147–172. doi:<https://doi.org/10.1177/0018726702055002181>
- Transactional Leadership: Advantages and Disadvantages – Humans of Globe. (2024, April 21). Recognizing the Success of Today’s Leaders | Humans of

- Globe. Retrieved from <https://humansofglobe.com/transactional-leadership-advantage-disadvantages>
- Vecchio, R. P. (2007). Situational leadership theory: An examination of a prescriptive theory. In R. P. Vecchio (Ed.), *Leadership: Understanding the Dynamics of Power and Influence in Organizations* (2nd ed., pp. 318–334). University of Notre Dame Press. doi: <https://doi.org/10.2307/j.ctvpg85tk.30>
- Vestal, K. (2011). Why transformational change often fails. *Nurse Leader*, 9(5), 8–9. doi: <https://doi.org/10.1016/j.mnl.2011.07.008>
- Xu, G., & Wang, Z. (2008). The impact of transformational leadership style on organizational performance: The intermediary effects of leader-member exchange. *2008 International Conference on Management Science and Engineering 15th Annual Conference Proceedings*. doi: <https://doi.org/10.1109/icmse.2008.4669047>
- Yammarino, F. J., & Avolio, B. J. (2013). *Transformational and charismatic leadership: The road ahead 10th anniversary edition*. Emerald Publishing Limited.
- Yukl, G. (1999). An evaluation of conceptual weaknesses in transformational and charismatic leadership theories. *The Leadership Quarterly*, 10(2), 285–305. ScienceDirect. doi: [https://doi.org/10.1016/S1048-9843\(99\)00013-2](https://doi.org/10.1016/S1048-9843(99)00013-2)