



# **Transformational Leadership Style and Banking Practices: A Comparative Study of Cooperative, Ecobank, and National Bank of Egypt in Juba, South Sudan**

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## **ABSTRACT**

This study comparatively analyzes transformational leadership practices and banking performance in three diverse banks (Cooperative, Ecobank, and National Bank of Egypt) located in Juba, South Sudan. It explores the influence of government policy on transformational leadership and its subsequent impact on the performance of the banking industry. Employing a descriptive survey research design with both quantitative and qualitative elements, data was collected from 96 customers and employees. The research revealed positive perceptions of both transformational leadership and the performance of these banks, significant positive correlations between transformational leadership, government policy, and organizational performance, and a confirmed positive influence of transformational leadership on performance through regression analysis. While dimensions like team cooperation and motivation were highly rated, employee welfare received lower scores. The study highlights the critical role of transformational leadership in organizational success within South Sudan's developing banking sector and emphasizes the need for supportive government policies. Recommendations include focusing on transformational leadership development and strategic policy interventions to enhance banking sector effectiveness. Future research should employ longitudinal and qualitative approaches to further explore transformational leadership dynamics and specific challenges within the South Sudanese context.

**Keywords:** Transformational Leadership, Banking Performance, Government Policy, South Sudan, Developing Country, Survey Research

## **INTRODUCTION**

The banking industry is critical in any economy, providing financial intermediation services that help economic growth and development. However, commercial banks face numerous challenges that hinder their performance and ability to contribute to economic development. Transformational leadership has been identified as a potential solution to these challenges (Bass & Riggio, 2006). This paper explores A Comparative Analysis of Transformational Leadership Practices and Organizational Performance Across Commercial Banks worldwide, focusing on Africa, East Africa, and South Sudan. Globally, Commercial Banks face various challenges, including regulatory changes, technological disruptions, increasing competition, and economic downturns (OECD, 2018). These challenges require transformational leadership, which involves inspiring and motivating employees to exceed their own performance goals for the greater good of the organization (Bass & Riggio, 2006). Transformational leaders create a vision, communicate it to their followers, and provide the necessary resources and support to enable them to achieve the vision (Bass & Avolio, 1994). Commercial banks in South Sudan face several challenges, including political instability, inadequate infrastructure, and low financial inclusion (World Bank, 2020). These challenges require transformational leadership, which can inspire and motivate employees to find innovative solutions to these challenges. Transformational leadership can help commercial banks in South Sudan address these challenges in several ways. Firstly, transformational leaders can create a vision for the bank that aligns with the unique challenges of the South Sudanese context. This vision can inspire and motivate employees to find innovative solutions to these challenges (Northouse, 2019). Secondly, transformational leaders can create a culture of resilience, where banks are better equipped to manage political instability and other external risks (World Bank, 2020). Thirdly, transformational leaders can foster a culture of financial literacy, where employees are encouraged to educate customers on the benefits of financial inclusion and how to access financial services (World Bank, 2020). Transformational leadership can play a critical role in addressing the challenges faced by commercial banks worldwide, including in Africa, East Africa,

and South Sudan. Transformational leaders can create a vision for the bank that aligns with the unique challenges of each context, inspire and motivate employees to find innovative solutions to these challenges and adopt a culture of learning, collaboration, ethical leadership, innovation, risk management, and resilience. By adopting transformational leadership, commercial banks can overcome the challenges they face and contribute to economic growth and development.

### **Background of Study**

The contemporary commercial banking industry operates in an environment characterized by constant transformation and mounting challenges. The business environment of the 21st century has become more complex than it has ever been due to heightened globalization and competition. Extensive globalization and competition have produced economic environments that are more turbulent and volatile than ever before (Parry and Thomson, 2003). The evolution of this landscape has prompted groundbreaking transformations in the service sector, banking included, highlighting the necessity for competent leaders who can steer organizations through these ongoing and developing changes. At the global level, banks grapple with issues of profitability erosion due to low-interest-rate environments and increased competition from fintech companies (Berger & Mester, 2003). Efficiency improvements are paramount, requiring significant investment in technology and process optimization (DeYoung, 2010). Banks also face the ongoing task of adapting to rapidly evolving technological landscapes, including blockchain, artificial intelligence, and mobile banking, which require significant investment in infrastructure and expertise (Alt & Puschmann, 2012). Perhaps most critically, many institutions are working to regain customer trust in the wake of the 2008 financial crisis and subsequent scandals (Mishkin, 2016).

On the African continent, commercial banks face a unique set of obstacles hindering their growth and competitiveness (Beck, Demirgüç-Kunt, & Honohan, 2009). Limited access to capital markets constrains expansion and innovation. Complex and often inconsistent regulatory frameworks across different countries increase operational costs and create uncertainty (Claessens, Demirgüç-Kunt, & Huizinga, 2001). Furthermore, African banks are facing increased competition from well-capitalized international institutions seeking to expand their presence in emerging markets (Allen, Carletti, & Marquez, 2015).

Within the East African region, banks encounter a specific set of challenges. Regional competition is intense as institutions vie for market share in a relatively small number of countries (Brownbridge & Harvey, 1998). Regulatory differences between the nations of the East African Community create complexities for banks operating across borders. Infrastructure limitations, particularly in terms of reliable power and internet connectivity, hamper the adoption of advanced technologies and impact operational efficiency (Bigsten & Tengstam, 2006).

In South Sudan, the challenges facing commercial banks are particularly acute and compounded by a fragile operating environment. The country's high levels of political and economic instability create significant uncertainty for businesses and investors (Pantuliano, 2016). A weak regulatory framework, characterized by inconsistent enforcement and a lack of capacity, hinders the development of a stable and trustworthy banking sector (Johnson, 2019). The scarcity of skilled personnel in areas such as finance, accounting, and risk management limits the ability of banks to implement best practices and adapt to changing market conditions. Rampant inflation and frequent currency devaluation erode the value of assets and create significant challenges for financial planning (Deng, 2020). Limited access to capital and financial services restricts the ability of banks to extend credit to businesses and individuals, hindering economic growth (World Bank, 2021). Finally, pervasive security concerns and infrastructural deficits, including poor roads and unreliable communication networks, further impede the operations of commercial banks and increase the cost of doing business (Knox Clarke & Campbell, 2015).

### **Problems Statement of Study**

The challenges faced by banks, such as adapting to technological advancements and navigating South Sudan's volatile environment (characterized by **hyperinflation, unstable exchange rates, and political instability**), can be significantly influenced by the leadership styles adopted within these banking institutions. Specifically, a **deficiency in visionary leadership** can impede a bank's capacity to proactively respond to technological shifts, resulting in lost opportunities and diminished competitive standing (Yukl, 2010). In this context, strong transformational leadership is paramount. Transformational leaders, by inspiring confidence and commitment, guiding employees through crises, and cultivating a culture of innovation and continuous learning, are vital for ensuring survival and growth (Bass & Riggio, 2006). These leaders are capable of establishing a shared vision, motivating employees to achieve excellence, and spearheading the necessary changes to overcome the aforementioned challenges (Northouse, 2018). Consequently, a comparative analysis of transformational leadership in fostering a culture of continuous learning and development within commercial banks in South Sudan is a valuable area of investigation.



#### 1.4. Specific Objectives of Study

This research aims to achieve the following specific objectives:

- i. Assess the extent to which transformational leadership styles are practiced within Cooperative Bank, Ecobank, and the National Bank of Egypt in Juba, South Sudan.
- ii. Investigate the relationship between transformational leadership practices and the culture of continuous learning within Cooperative Bank, Ecobank, and the National Bank of Egypt in Juba, South Sudan
- iii. Determine the impact of a culture of continuous learning and development on employee performance and organizational effectiveness within Cooperative Bank, Ecobank, and the National Bank of Egypt in Juba, South Sudan

#### Significance of the Study

This section forms the core justification of this research, articulating its specific benefits and contributions to various stakeholders.

**To Bank Managers/Transformational Leaders:** This study offers bank managers and transformational leaders crucial insights into effectively implementing transformational leadership practices to enhance employee performance within the unique context of the South Sudanese banking sector. By understanding the specific challenges and opportunities present locally, managers can tailor their leadership styles and strategies to motivate employees, foster a positive work environment, and improve productivity. For example, the research will identify specific transformational leadership behaviors that are most effective in driving employee engagement and commitment in South Sudan, enabling managers to prioritize these behaviors in their leadership development programs. Furthermore, the study will provide recommendations on how to overcome challenges such as limited access to training and development resources and the impact of cultural factors on employee motivation. Ultimately, the findings of this research will empower bank managers to create a more productive, engaged, and high-performing workforce, contributing to the overall success of their organizations by informing decisions related to leadership development programs, technology investments, and employee training initiatives. Understanding the impact of the research topic on employee performance will also enable managers to implement strategies to improve employee motivation, productivity, and job satisfaction, ultimately leading to enhanced organizational performance. The findings will inform strategic planning processes by identifying key factors influencing customer satisfaction, market share, and operational efficiency. The study will also shed light on the effectiveness of different leadership styles in the South Sudanese banking sector, enabling organizations to develop tailored leadership development programs for their managers and identify challenges and opportunities related to streamlining operations, reducing costs, and improving efficiency.

**To Researchers:** This research significantly contributes to the existing body of knowledge by providing empirical evidence on the impact of mobile banking adoption on financial inclusion in South Sudan, a context where such research is limited. It explores the factors influencing mobile banking usage among different demographic groups and identifies barriers to adoption. Furthermore, the study develops and tests a conceptual framework incorporating cultural and socioeconomic variables that are specific to the South Sudanese context, thereby expanding the existing theoretical understanding of technology adoption in developing countries. The findings will stimulate further research on related topics, such as the role of government policies in promoting mobile banking adoption and the impact of mobile banking on poverty reduction. This research also provides methodological insights, demonstrating the applicability of quantitative and qualitative research methods in studying sensitive and complex issues in conflict-affected regions. This study contributes to the existing theoretical framework by expanding existing theory, proposing a new model, or testing a theory in a new context and employs a novel methodological approach that can be replicated in future studies to investigate similar phenomena in other developing countries. The study provides empirical evidence on the research topic in the South Sudanese context, which has been previously lacking in the literature. The findings of this research will identify areas for future research, such as specific research questions or topics that warrant further investigation, and can serve as a benchmark for future comparative studies across different countries or regions.

**To Policy Makers:** This research offers valuable insights for policymakers in South Sudan regarding the development of effective policies to promote financial inclusion through mobile banking. The study identifies key barriers to mobile banking adoption, such as limited internet access, low levels of financial literacy, and security concerns. Based on these findings, the research provides specific policy recommendations, including investments in infrastructure development, the implementation of financial literacy programs, and the establishment of robust cybersecurity frameworks. Furthermore, the study highlights the need for regulatory policies that support the growth of mobile banking while protecting consumers from fraud and exploitation. By implementing these policy recommendations, the government can create a more enabling environment for mobile banking adoption, thereby expanding access to financial services for underserved populations and



fostering economic growth. The research will provide evidence-based policy recommendations to promote financial inclusion, sustainable banking practices, and economic growth and inform the development of effective regulations and supervisory frameworks for the banking sector. The research will also raise public awareness about the importance of the research topic and its potential benefits for the economy, identify specific areas where policy interventions are needed to address specific challenges or issues, and provide insights to inform resource allocation decisions for the banking sector and related industries.

**To the University of Juba:** This research aligns with the University of Juba's mission to conduct impactful research that addresses the challenges facing South Sudan. The study provides an opportunity for faculty and students to engage in cutting-edge research on a relevant and timely topic. The findings will be disseminated through academic publications and presentations, enhancing the University's reputation as a leading research institution in the region. Furthermore, the research process will provide valuable training opportunities for students, building their capacity to conduct independent research. The results can also be integrated into the University's curriculum, enriching the educational experience for students and preparing them for careers in the banking sector. By contributing to the development of knowledge and expertise in the field of banking and finance, this research will help empower the University of Juba to play a leading role in the economic development of South Sudan. The research findings will be disseminated through academic publications, conferences, and presentations, contributing to the University's reputation as a leading research institution, provide opportunities for students and faculty to develop their research skills and expertise, and be integrated into the University's curriculum, enhancing the relevance and quality of educational programs. This research will also foster collaboration and networking opportunities with other researchers and institutions and contribute to the University's mission of serving the community by providing valuable insights and solutions to local challenges.

## LITERATURE REVIEW

The banking sector, globally and specifically within Africa and South Sudan, confronts a complex and evolving landscape. The Banker (2020, 2021) points to pressures on profitability stemming from low interest rates, coupled with escalating regulatory demands and compliance burdens affecting global banks. Compounding these issues, the rise of fintech and technological advancements are disrupting traditional banking models and intensifying competition.

The African banking sector faces distinct hurdles. The African Export-Import Bank (2018) emphasizes the urgent need for improved infrastructure and greater financial inclusion across the continent. Furthermore, the African Development Bank (2019) identifies limited access to finance, low financial literacy rates, and high operational costs as substantial impediments to growth within the African banking sector. Additional challenges include poor investment decisions, vulnerability to fraud, and difficulties in debt management alongside political and economic instability and increasing competition.

Within East Africa, the banking sector grapples with region-specific issues. The East African Business Review (2020) identifies a high volume of non-performing loans (NPLs) as a key area of concern. Central Banks of East African countries (2019) stress the importance of enhanced regulatory oversight and supervision to maintain financial stability throughout the region.

South Sudan's banking sector experiences acute challenges concerning financial stability, access to finance, and regulatory oversight. The World Bank (2018) characterizes the sector as highly fragile, marked by weak risk management and insufficient capitalization. The IMF (2019) underscores that limited access to finance significantly hinders economic development in South Sudan. The UN (2020) further emphasizes the necessity for improved regulatory oversight and supervision to bolster financial stability within the country, a situation exacerbated by factors such as unstable forex markets, leadership weaknesses, corruption, hyperinflation, and a lack of modern technology.

### Theoretical Underpinnings of Transformational Leadership

The foundation of transformational leadership theory rests on the work of prominent scholars:

**James MacGregor Burns (1978):** He initially conceptualized transformational leadership, underscoring the leader's role in appealing to followers' morals and values. This is relevant to understanding how leaders inspire and motivate their teams.

**Bernard M. Bass (1985):** Bass expanded upon this concept, identifying key behaviors and attributes of transformational leaders, including idealized influence, *inspirational motivation*, *intellectual stimulation*, and *individualized consideration*.



**Contingency Theory:** Argues that the effectiveness of transformational leadership depends on the specific context and challenges faced by the bank. This means that even the best transformational leader needs to adapt their approach based on the unique circumstances. *This theory underpins the need to investigate obstacles and challenges to different elements of transformational leadership.*

**Situational Theory:** The situational theory states that effective leaders exhibit behaviors that fit the situation at hand. No one's best leadership style is suited for all situations. Hence, leaders should demonstrate the behavior that will have the optimum positive effect on employees' performance such as constant increased productivity and achievement of overall corporate objectives, improvement in employees' motivation, job satisfaction, career advancement, and organizational responsiveness to stakeholders' expectations will be attained (Mohammed, Yusuf, and Sanni, 2014). They adopt the situational theory. This was because the leader must carefully study the current situation of the organization before deciding on the style of leadership to adopt and implement. *This means that this theory further enhances the idea of contingency theory by stressing the importance of the leader to carefully study the organisation before deciding on which leadership style to implement.*

The banking sector in South Sudan is a dynamic yet challenging landscape, characterized by rapid growth, evolving regulatory frameworks, and a constant need for adaptability and innovation. In this context, effective leadership becomes paramount in driving organizational success and ensuring sustainable growth. Among various leadership approaches, transformational leadership (TFL) has garnered considerable attention for its potential to inspire, motivate, and empower employees, leading to enhanced organizational performance.

This study focuses on examining the application and impact of TFL practices within three prominent commercial banks operating in Juba, South Sudan: Cooperative Bank, Ecobank, and the National Bank of Egypt. By comparing and contrasting leadership approaches within these institutions, we seek to gain a deeper understanding of the role of TFL in fostering a positive organizational culture, promoting continuous learning, and ultimately, driving enhanced employee performance and organizational effectiveness.

This study is rooted in the theoretical framework of transformational leadership, which emphasizes the leader's role in inspiring and motivating followers to achieve extraordinary outcomes. James MacGregor Burns (1978) initially conceptualized transformational leadership as a process where leaders and followers engage in a mutual process of raising one another to higher levels of morality and motivation. He differentiated transformational leadership from transactional leadership, which focuses on exchange-based relationships and contingent rewards.

Bernard M. Bass (1985) further expanded upon Burns's work, identifying key behaviors and attributes of transformational leaders. These include: Idealized Influence (Charisma): Earning trust and respect from followers through ethical behavior and a strong sense of purpose, Inspirational Motivation: Articulating a compelling vision that inspires and motivates followers to pursue challenging goals, Intellectual Stimulation: Encouraging creativity, innovation, and critical thinking among followers., individualized Consideration: Providing support, coaching, and mentorship to individual followers, recognizing their unique needs and potential. Transformational leaders, according to Bass, empower their followers to transcend self-interests for the greater good of the organization, leading to higher levels of commitment, engagement, and performance.

## **2.2 Contingency Theory and Situational Leadership Theory**

While the core tenets of TFL provide a strong framework, this study also acknowledges the importance of contextual factors in determining its effectiveness. Drawing upon contingency theory, we argue that the effectiveness of transformational leadership depends on the specific context and challenges faced by each bank. This perspective recognizes that different organizational environments, competitive pressures, and internal cultures may require variations in the application of TFL principles.

Further, the situational leadership theory, as described by Mohammed, Yusuf, and Sanni (2014), posits that effective leaders adapt their behavior to fit the specific situation at hand. No single leadership style is universally optimal. Leaders should analyze the situation, understand the skill and motivation levels of their followers, and adopt a leadership style that best supports their performance and development. This could involve directive leadership when followers lack competence, or delegative leadership when followers are highly skilled and motivated. This emphasizes the need for leaders to be flexible and adaptable in their approach.

### 2.3 Transformational Leadership and Organizational Outcomes Comparative Analysis: Transformational Leadership in Western vs. African Banks

| Feature                | Western Banks   | African Banks   |
|------------------------|---|---|
| <b>Opportunities</b>   | Increased profitability, improved employee engagement, innovation enhancement                                   | Rapid economic growth, technological advancements         |
| <b>Challenges</b>      | Centralization of power, neglect of operational details, potential for cult-like environment, cultural barriers | Socio-cultural factors, governance and regulatory hurdles |
| <b>Keys to Success</b> | Adaptability, cultural sensitivity, ethical leadership  | Adaptability, cultural sensitivity, ethical leadership    |

#### The role of transformational leadership in addressing challenges faced by commercial banks

**Connect Leadership Dimensions to Specific Challenges:** For each challenge you identified in the problem statement, explain how specific dimensions of transformational leadership (idealized influence, inspirational motivation, intellectual stimulation, individualized consideration) can provide solutions. Be as specific as possible.

**Challenge:** Lack of trust in the banking system due to past instability.

**Transformational Leadership Solution:** Leaders who demonstrate *idealized influence* (high ethical standards, integrity) can rebuild trust by being role models and showing commitment to ethical banking practices. They must consistently act in the best interests of the bank and the community.

**Transformational Leadership Solution:** Leaders who provide *individualized consideration* (mentoring, coaching, supporting individual growth) can create a more supportive and engaging work environment, making it easier to attract and retain talented employees.

**Potential Limitations:** Acknowledge any potential limitations of relying solely on transformational leadership. Consider alternative leadership styles (e.g., transactional leadership) and situational factors that might influence leadership effectiveness.

**Transformational Leadership Theory:** Provide a detailed overview of transformational leadership, drawing on seminal works by Bass, Avolio, Burns, and others. Define the key dimensions of transformational leadership (idealized influence, inspirational motivation, intellectual stimulation, individualized consideration). (Burns, 1978) - foundational work differentiating transformational and transactional leadership

**Transformational Leadership in Banking:** Review studies investigating the impact of transformational leadership in the banking sector. Discuss the findings regarding its relationship with employee performance, customer satisfaction, organizational innovation, and financial performance.

**Leadership and Crisis Management:** Explore literature on how transformational leadership can help organizations, particularly banks, navigate crises and uncertainty. This is particularly relevant for the South Sudan context.

### GAP IN LITERATURE REVIEW

**Limited Research in Developing Countries:** Argue that there is a need for more research on the application of transformational leadership in developing countries, particularly in Africa. Highlight the lack of studies that specifically examine the role of transformational leadership in addressing the unique challenges faced by commercial banks in East Africa. Emphasize the significant gap in research on leadership in the South Sudanese banking sector. Specifically, point out the need for studies that explore: The cultural appropriateness of transformational leadership in the South Sudanese context. The specific leadership skills and competencies required to navigate the political and economic instability in South Sudan. The Comparative Analysis of Transformational Leadership Practices and Organizational Performance Across Three Commercial Banks. A Survey of Cooperative, Ecobank, and the National Bank of Egypt in Juba South Sudan of leadership in building trust and confidence in the banking system among South Sudanese citizens.

## METHODOLOGY/MATERIAL

This study employed a descriptive survey research design both quantitative and qualitative, chosen for several key advantages. First, this design facilitates data collection from a sizable sample, enabling a broader representation of the population. Second, it is particularly effective in gathering demographic information, providing a comprehensive description of the sample's composition (McIntyre, 1999).

Third, descriptive survey designs are versatile in the range and number of variables that can be investigated, require relatively modest resources for development and implementation, and allow for easier generalization of findings (Glasow, 2005). The study employed a mixed method technique Underpinning the research approach is a specific research philosophy, which reflects the fundamental beliefs about how data should be collected, analyzed, and ultimately, utilized to understand a given phenomenon.

The concept of epistemology, concerning justified belief versus opinion (doxa), is central to these philosophical considerations. The scientific process can be viewed as the conversion of beliefs (doxa) into established knowledge (episteme). Within the Western scientific tradition, two dominant research philosophies are positivism (often referred to as the scientific approach) and interpretivism (also known as anti-positivism). The target population for this study consisted of employees from Cooperative Bank, Ecobank, and the National Bank of Egypt. From this population, a sample size of 125 and 96 was selected for analysis.

A multi-stage sampling technique was implemented to ensure the selection of a representative sample. Multi-stage sampling allows the researcher to progressively refine the selection process across multiple stages until the desired sample is obtained (Asika, 1991). Specifically, the research utilized purposive sampling, stratified sampling, and snowball sampling techniques. Purposive sampling was employed to select private universities that have operated for a minimum of five years, aligning with the study's objectives. Stratified sampling was used to ensure proportional representation of key sub-groups (bank staff) within the universities, avoiding bias during the selection process (Turner, 2003).

## DATA ANALYSIS

The collected data was analyzed using SPSS version 126. Descriptive statistics (means, standard deviations) were used to summarize the characteristics of the sample and the levels of transformational leadership and organizational performance. Pearson correlation analysis was conducted to examine the relationships between transformational leadership, government policy, and organizational performance. Multiple regression analysis was employed to determine the extent to which transformational leadership predicted organizational performance, controlling for the influence of government policy.

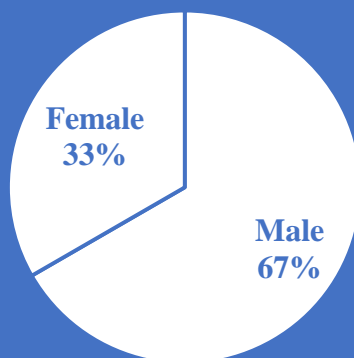
**Table 1. Gender**

| Gender | Frequency | Percentage |
|--------|-----------|------------|
| Male   | 64        | 66.67      |
| Female | 32        | 30.72      |
| Total  | 96        | 100.00     |

**Source: Researcher's Findings (2025)**

Table 1 reveals the gender breakdown of the 96 study participants, highlighting a pronounced male dominance. Males constituted 64 individuals (66.67%) of the sample, while females represented 32 individuals (30.72%). These figures, totaling 100%, demonstrate a notable gender disparity in the study population.

### CHART SHOW GENDER

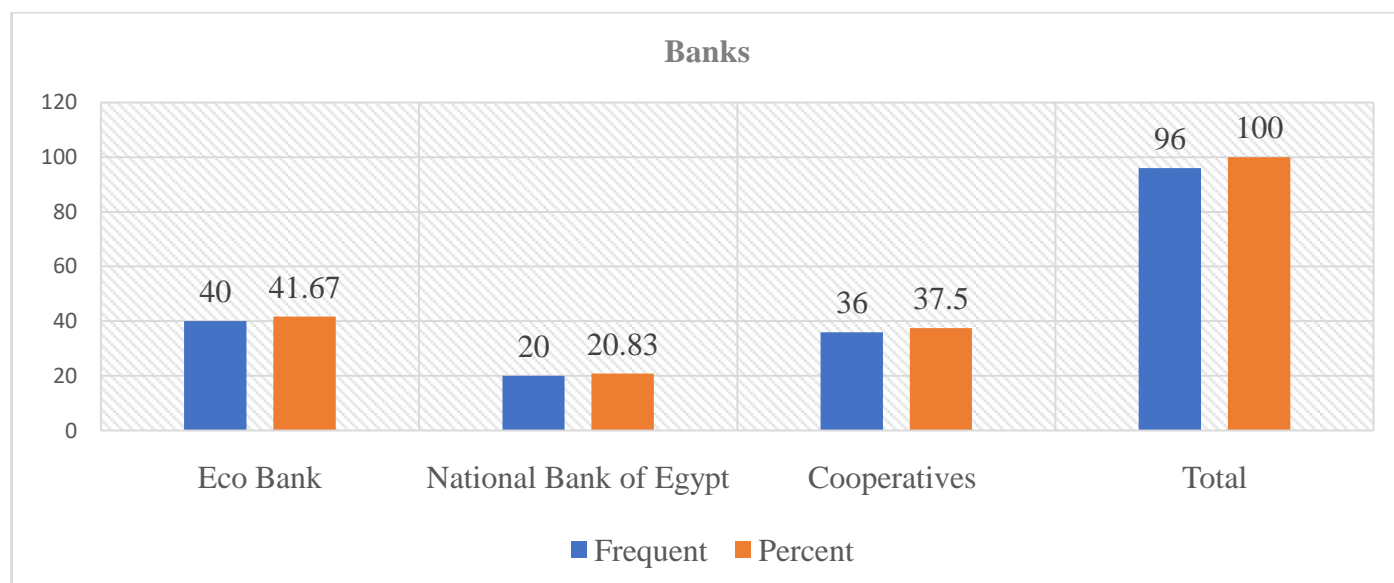


**Table 2. Comparative analysis detail of respondents from the three banks**

| Banks                  | Frequent | Percent |
|------------------------|----------|---------|
| Eco Bank               | 40       | 41.67   |
| National Bank of Egypt | 20       | 20.83   |
| Cooperatives           | 36       | 37.50   |
| Total                  | 96       | 100.00  |

Source: Researcher's Findings (2025)

Table 2 compares respondent representation across three banks. Eco Bank respondents constitute the largest share of the sample (41.67%, n=40), while Cooperatives represent a slightly smaller portion (37.50%, n=36). The National Bank of Egypt has the least representation (20.83%, n=20). These differences in sample composition (total n=96) are important to acknowledge when concluding the wider banking sector



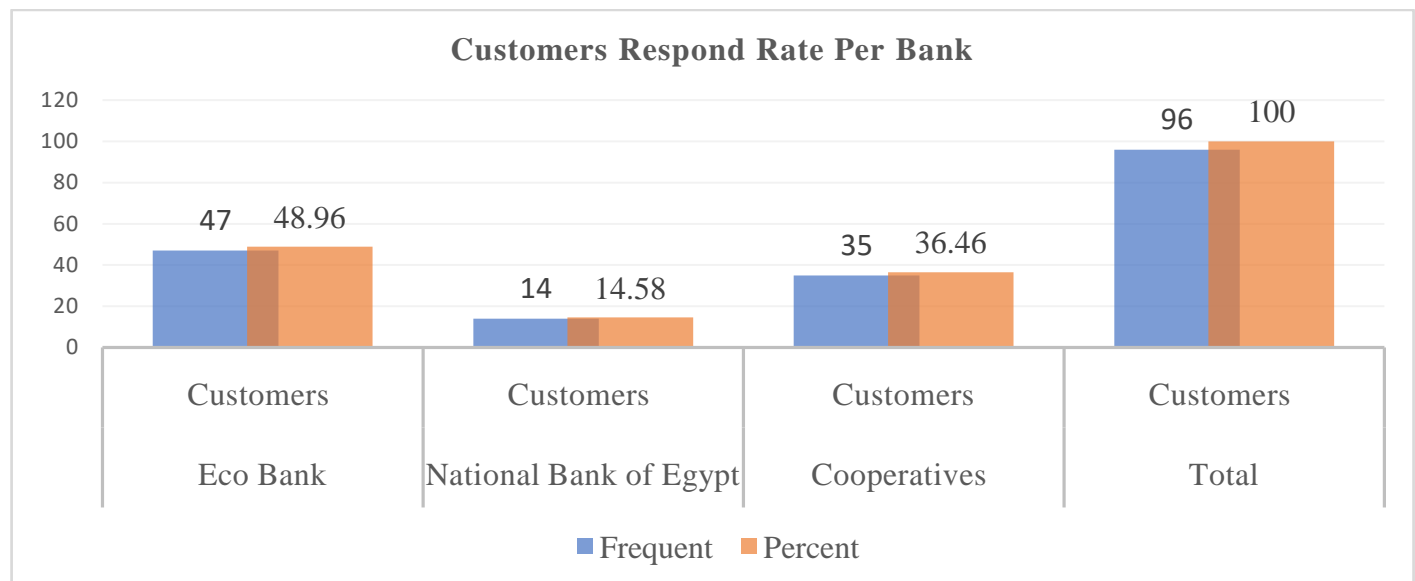
**Table 3. Transformational Leadership and Banking Practices**



| Banks                  | Clients detail | Frequent | Percent |
|------------------------|----------------|----------|---------|
| Eco Bank               | Customers      | 47       | 48.96   |
| National Bank of Egypt | Customers      | 14       | 14.58   |
| Cooperatives           | Customers      | 35       | 36.46   |
| Total                  | Customers      | 96       | 100.00  |

**Source: Researcher's Findings (2025)**

A comparative analysis in Table 3 above examines the representation of customers from three financial institutions in Juba, South Sudan: Ecobank, The National Bank of Egypt, and Cooperatives Bank. Ecobank customers formed the largest segment of respondents, numbering 47 and comprising 48.96% of the total. Cooperatives were the second-largest group, with 35 customers (36.46%). The National Bank of Egypt was represented by 14 customers, accounting for 14.58% of the respondents. These figures illustrate the varying levels of customer participation from each institution in the study.



**Table. 4. Regression analysis descriptive statistics on a Comparative Analysis of Transformational Leadership Practices Across Three Commercial Banks**

| Descriptive Statistics                | Mean   | Std. Deviation | N  |
|---------------------------------------|--------|----------------|----|
| Transformational Leadership Practices | 4.1979 | .95829         | 96 |
| Organizational Performance            | 4.1250 | 1.13555        | 96 |
| Government Policy                     | 3.9479 | 1.19973        | 96 |

**Source: Researcher's Findings (2025)**

The descriptive statistics for the two variables analyzed indicate a positive outlook on both transformational leadership style and the performance of the banking industry among the respondents. The mean score for transformational leadership style is 4.1250, with a standard deviation of 1.13555, suggesting that while there is a general perception of effectiveness in transformational leadership, there is some variability in individual responses.

Similarly, the performance of the banking industry has a slightly higher mean score of 4.1979, indicating a favorable assessment of the industry's performance.

The absence of a standard deviation for this variable may suggest that it was not calculated or reported. Overall, these results reflect a favorable perception of transformational leadership and its potential correlation with the performance of the banking sector, highlighting the importance of effective leadership in achieving positive industry outcomes.

**Table. 5. Descriptive statistics and correlations analysis of variable on a Transformational Leadership and Banking Practices Across Three Commercial Banks.**

| Model   |                                   | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig. | 95.0% Confidence Interval for B |             | Correlations |         |      |
|---|-----------------------------------|-----------------------------|------------|---------------------------|-------|------|---------------------------------|-------------|--------------|---------|------|
|   |                                   | B                           | Std. Error | Beta                      |       |      | Lower Bound                     | Upper Bound | Zero-order   | Partial | Part |
| 1   | (Constant)                        | .974                        | .132       |                           | 7.385 | .000 | .712                            | 1.235       |              |         |      |
|   | Transformational leadership style | .627                        | .096       | .743                      | 6.553 | .000 | .437                            | .817        | .935         | .562    | .238 |
|   | Government policy                 | .162                        | .091       | .203                      | 1.790 | .077 | -.018                           | .342        | .906         | .182    | .065 |
| <b>a. Dependent Variable: Organizational Performance Across Three Commercial Banks.</b> |                                   |                             |            |                           |       |      |                                 |             |              |         |      |

#### Source: Researcher's Findings (2025)

The correlation analysis results, presented in Table 5, indicate significant relationships among the transformational leadership style, government policy, and the performance of the banking industry. Specifically, there is a strong positive correlation between transformational leadership style and banking performance, demonstrated by a Pearson correlation coefficient of  $r = 0.935$ . This finding implies that banks led by transformational leaders are likely to achieve higher performance metrics, emphasizing the vital role of leadership style in promoting organizational success in the banking sector. Additionally, the analysis reveals a strong positive correlation between government policy and transformational leadership style, with a Pearson coefficient of  $r = 0.947$ . This outcome suggests that supportive government policies aimed at promoting transformational leadership style can enhance its effectiveness and lead to improved banking performance.

Furthermore, the relationship between government policy and banking industry performance is reinforced by a strong correlation of  $r = 0.906$ , which highlights the significant impact of government interventions and regulations on the performance outcomes of banks. All correlations identified in this study were statistically significant at the 0.001 level, which further affirms the reliability and strength of these relationships within the sample of 96 participants. In conclusion, the findings emphasize the interconnectedness of leadership, government influence, and industry performance, illustrating the crucial roles each factor plays in enhancing the effectiveness of the banking sector.

**Table 6. Regression Analysis and Model Summary**

| Correlations        |   |       |       |      |
|---------------------|---|-------|-------|------|
| Pearson Correlation | Organizational Performance Across Three Commercial Banks.     | 1.000 | .935  | .906 |
|                     | Comparative Analysis of Transformational Leadership Practices | .935  | 1.000 | .947 |
| Sig. (1-tailed)     | Banking Practices Across Three Commercial Banks.              | .     | .000  | .000 |
|                     | Comparative Analysis of Transformational Leadership Practices | .000  | .     | .000 |

#### Source: Researcher's Findings (2025)

Table 6 details a regression analysis examining Transformational Leadership and Banking Practices within three commercial banks. The results reveal a significant and positive correlation ( $R = .937$ ), suggesting that transformational leadership is a powerful predictor of performance.

The model exhibits considerable explanatory power, with an R-squared value of .878, indicating that transformational leadership explains 87.8% of the variance in organizational performance. This strong model is reinforced by the adjusted R-squared (.875) and a statistically significant F Change (334.151,  $p < .001$ ).

**Table 7. Component Matrix Regression Analysis (coefficients) on a Comparative Analysis of Transformational Leadership and Banking Practices Across Three Commercial Banks**

| Model   | R                 | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics |          |     |     |             |
|---|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|-------------|
|   |                   |          |                   |                            | R Square Change   | F Change | df1 | df2 | Sig. Change |
| 1   | .937 <sup>a</sup> | .878     | .875              | .33852                     | .878              | 334.151  | 2   | 93  | .000        |
| <b>a. Predictors: (Constant), Comparative Analysis of Transformational Leadership Practices</b> |                   |          |                   |                            |                   |          |     |     |             |
| <b>b. Dependent Variable: Banking Practices Across Three Commercial Banks.</b>                  |                   |          |                   |                            |                   |          |     |     |             |

Source: Researcher's Findings (2025)

Regression analysis, detailed in Table 7, revealed a strong and significant relationship between transformational leadership practices and Banking Practices in three commercial banks ( $R = .937$ ,  $R^2 = .878$ , Adjusted  $R^2 = .875$ , Standard Error = .33852,  $F(2, 93) = 334.151$ ,  $p < .001$ ). Transformational leadership explained a substantial 87.8% of the variance in organizational performance.

**Table 8. Statistics of reliability Analysis a Comparative Analysis of Transformational Leadership and Banking Practices Across Three Commercial Banks**

| Reliability Statistics |  |            |
|------------------------|--|------------|
| Cronbach's Alpha       | Cronbach's Alpha Based on Standardized Items | N of Items |
| .971                   | .975   | 7          |

Source: Researcher's Findings (2025)

Table 8 presents the reliability statistics for the measurement scales used in the study, focusing on the internal consistency of the items. The Cronbach's Alpha value of .971 indicates a very high level of reliability for the scales. This suggests that the items within the scales are highly correlated and measure the same underlying construct consistently. Furthermore, Cronbach's Alpha Based on Standardized Items is .975, providing further evidence of the scale's robust internal consistency after accounting for potential differences in item variances. With an N of Items of 7, the scales demonstrate exceptional reliability despite the relatively small number of items. The high-reliability scores across all banks strengthen the credibility of the study and suggest that the measurement scales used are suitable for comparative analysis of transformational leadership practices and Banking Practices.

**Table 9. Descriptive Statistics a Comparative Analysis of Transformational Leadership Practices and Banking Practices Across Three Commercial Banks**

| Descriptive Statistics  |         |                |    |
|---|---------|----------------|----|
| Statement   | Mean    | Std. Deviation | N  |
| The transformation leaders at commercial banks promote intellectual stimulation and encourage employees to think creatively and innovatively in their work. (Motivation)                      | 36.8125 | 12.54660       | 96 |
| The transformation leaders at commercial banks set high standards and expectations, motivating employees to excel in their roles. (performance appraisal)                                     | 36.7292 | 12.73659       | 96 |
| The transformational leaders at commercial banks in Juba effectively communicate a compelling vision that inspires employees to strive for excellence. (Team cooperation)                     | 38.6042 | 15.02733       | 96 |
| Transformational leaders at commercial banks demonstrate care and concern for individual employees, providing support and development opportunities tailored to their needs. (Tested Welfare) | 33.0833 | 11.72282       | 96 |

Source: Researcher's Findings (2025)

Table 9 showcases a descriptive analysis examining transformational leadership practices and Banking Practices in three commercial banks, using a sample of 96 individuals. The analysis presents mean scores and standard deviations for crucial elements of transformational leadership. Leaders were perceived to excel particularly in "Team Cooperation," which achieved the highest mean score (38.6042), implying effective communication of vision. "Motivation" (36.8125) and "Performance Appraisal" (36.7292) also garnered relatively high mean scores. Conversely, "Tested Welfare" exhibited a lower mean score (33.0833), pointing to a possible area needing attention. The standard deviations, ranging from 11.72282 to 15.02733, indicate moderate variation in responses, highlighting diverse experiences and views on transformational leadership within the banks. Overall, these descriptive statistics offer a basic understanding of how common and consistent transformational leadership practices are perceived to be in relation to Banking Practices within the study's context.

**Table 10. Pearson Correlation Comparative Analysis of Transformational Leadership Practices and Banking Three Commercial Banks**

| Correlations  |                     |        |        |        |        |
|---|---------------------|--------|--------|--------|--------|
| The transformation leaders at commercial banks promote intellectual stimulation and encourage employees to think creatively and innovatively in their work. (Motivation)                      | Pearson Correlation | 1      | .998** | .766** | .837** |
|   | Sig. (2-tailed)     |        | .000   | .000   | .000   |
| The transformation leaders at commercial banks set high standards and expectations, motivating employees to excel in their roles. (performance appraisal)                                     | Pearson Correlation | .998** | 1      | .769** | .838** |
|   | Sig. (2-tailed)     | .000   |        | .000   | .000   |
| The transformational leaders at commercial banks in Juba effectively communicate a compelling vision that inspires employees to strive for excellence. (Team cooperation)                     | Pearson Correlation | .766** | .769** | 1      | .872** |
|   | Sig. (2-tailed)     | .000   | .000   |        | .000   |
| Transformational leaders at commercial banks demonstrate care and concern for individual employees, providing support and development opportunities tailored to their needs. (Tested Welfare) | Pearson Correlation | .837** | .838** | .872** | 1      |
|   | Sig. (2-tailed)     | .000   | .000   | .000   |        |
| **. Correlation is significant at the 0.01 level (2-tailed).  |                     |        |        |        |        |
| b. Listwise N=96  |                     |        |        |        |        |

**Source: Researcher's Findings (2025)**

The correlation analysis reveals a strong and statistically significant positive relationship between various facets of transformational leadership and Banking Practices within the three commercial banks.

Specifically, the promotion of intellectual stimulation (Motivation) correlates strongly with setting high-performance standards (Performance Appraisal) ( $r = .998$ ,  $p < .001$ ).

Both Motivation and Performance Appraisal exhibit significant positive correlations with effective communication of a compelling vision (Team Cooperation) ( $r = .766$  and  $r = .769$  respectively,  $p < .001$ ) and demonstration of care and concern for employees (Tested Welfare) ( $r = .837$  and  $r = .838$  respectively,  $p < .001$ ).

Furthermore, Team Cooperation and Tested Welfare are also highly correlated ( $r = .872$ ,  $p < .001$ ). These strong positive correlations suggest that the presence of transformational leadership practices, such as fostering motivation, setting high standards, promoting team cooperation, and attending to employee welfare, are significantly associated with improved Banking Practices across these banks.

**Table 11. Spearman's Rho Correlations on a Comparative Analysis of Transformational Leadership Practices Banking Practices Across Three Commercial Banks**

| Correlations   |   |                         |        |        |        |        |
|----------------|---|-------------------------|--------|--------|--------|--------|
| Spearman's rho | The transformation leaders at commercial banks promote intellectual stimulation and encourage employees to think creatively and innovatively in their work. (Motivation)                      | Correlation Coefficient | 1.000  | .999** | -.033  | -.100  |
|                |   | Sig. (2-tailed)         | .      | .000   | .753   | .331   |
|                | The transformation leaders at commercial banks set high standards and expectations, motivating employees to excel in their roles. (performance appraisal)                                     | Correlation Coefficient | .999** | 1.000  | -.032  | -.100  |
|                |   | Sig. (2-tailed)         | .000   | .      | .760   | .333   |
|                | The transformational leaders at commercial banks in Juba effectively communicate a compelling vision that inspires employees to strive for excellence. (Team cooperation)                     | Correlation Coefficient | -.033  | -.032  | 1.000  | .909** |
|                |   | Sig. (2-tailed)         | .753   | .760   | .      | .000   |
|                | Transformational leaders at commercial banks demonstrate care and concern for individual employees, providing support and development opportunities tailored to their needs. (Tested Welfare) | Correlation Coefficient | -.100  | -.100  | .909** | 1.000  |
|                |   | Sig. (2-tailed)         | .331   | .333   | .000   | .      |
|                | **. Correlation is significant at the 0.01 level (2-tailed).  |                         |        |        |        |        |
|                | b. Listwise N = 96  |                         |        |        |        |        |

**Source: Researcher's Findings (2025)**

Table 11 presents Spearman's rho correlations, analyzing the relationship between transformational leadership practices and Banking Practices within three commercial banks (Cooperative, Ecobank, and the National Bank of Egypt; N = 96). The study, which leverages survey data, generally supports the notion that transformational leadership is positively linked to organizational performance within these banks.

Key findings include a strong, positive correlation between leaders who promote intellectual stimulation and employee motivation, and those who set high-performance standards and conduct performance appraisals ( $\rho = .999$ ,  $p < .01$ ).

Furthermore, team cooperation demonstrated a strong, positive correlation with leaders showing care and concern for employee welfare ( $\rho = .909$ ,  $p < .01$ ). Notably, no significant correlation was found between intellectual stimulation/motivation or performance standards/performance appraisals and team cooperation or employee welfare. The research also acknowledges the significant role of government policy in influencing the observed relationships.

## DISCUSSION

This study investigated transformational leadership within the cooperative, Ecobank, and National Bank of Egypt branches in Juba, South Sudan, and its relationship to banking industry performance.

The research indicated a generally positive perception of transformational leadership effectiveness within the surveyed banks, evidenced by a high mean score (4.1250). This suggests that leaders frequently exhibit behaviors associated with inspiring a shared vision, motivating personnel, stimulating intellectual curiosity, and providing individualized support.

This assessment is reinforced by a strong, positive, and statistically significant correlation between transformational leadership and banking industry performance ( $r = 0.935$ ,  $p < 0.001$ ), highlighting the critical role of this leadership style in achieving organizational success. Regression analysis further confirmed transformational leadership as a statistically significant predictor of organizational performance, explaining a substantial 87.8% (R-squared = 0.878, R = 0.937) of its variance.

However, the study identified variability across different facets of transformational leadership, pointing to areas for potential enhancement. While "Team Cooperation" (effective communication of vision), "Motivation," and "Performance Appraisal" were rated favorably, "Tested Welfare" (demonstration of care and concern for employees) received





comparatively lower scores. This suggests a need for banks to prioritize employee well-being to potentially improve job satisfaction, organizational commitment, and overall performance.

Although this study did not directly evaluate the link between transformational leadership and continuous learning, which represents a limitation meriting future research, it's plausible that transformational leadership fosters a continuous learning environment. Transformational leaders, by inspiring a shared vision and stimulating intellectual curiosity, intrinsically encourage the acquisition of new knowledge, skills, and innovative approaches. The high scores for "Team Cooperation" and "Motivation" further suggest effective communication of vision and inspiration, foundational elements of a thriving continuous learning culture.

The direct impact of a continuous learning culture on employee performance and organizational effectiveness was not explicitly assessed in this study. Further investigation is needed to comprehensively examine this relationship within the South Sudanese banking context. However, the observed strong positive correlation between transformational leadership and banking industry performance suggests that leadership practices likely conducive to continuous learning may also contribute to improved organizational outcomes.

The study revealed a strong, positive correlation between government policy and both transformational leadership ( $r = 0.947, p < 0.001$ ) and banking industry performance ( $r = 0.906, p < 0.001$ ), underscoring the government's crucial role in creating a supportive environment. Government policies that promote leadership development, innovation, and ethical banking practices can significantly enhance organizational performance. However, regression analysis indicated that while government policy demonstrates a positive association with organizational performance, its influence was less pronounced and lacked statistical significance at the  $p < 0.05$  level ( $\beta = 0.203, p = 0.077$ ). This result could imply that transformational leadership has a potentially more direct influence on organizational performance while government policies may exert a more indirect effect by facilitating the development and implementation of transformational leadership.

### **Limitations**

The findings of this study were considered in light of the following limitations:

**Generalizability (Sample Size):** The small sample size ( $n = 96$ ) limited the generalizability of the findings.

**Response Bias:** The use of self-report questionnaires introduced the potential for response bias.

**Geographic Generalizability:** The focus on commercial banks in Juba limited the generalizability to other regions.

**Omission of Direct Measurement:** The lack of direct assessment of continuous learning limited definitive conclusions about its relationship with transformational leadership and organizational performance.

**Participation Challenges:** Some respondents declined to complete the questionnaires, which may have introduced bias.

### **Implications**

This research has significant implications for leadership development and policy within the South Sudanese banking sector:

**Leadership Development:** Banks should prioritize leadership development programs focusing on transformational leadership skills.

**Supportive Policy Framework:** Governments should implement policies that actively promote transformational leadership principles.

**Employee Welfare:** Banks should focus on improving employee well-being through competitive compensation, benefits, and a supportive work environment.

**Team Cooperation:** Bank leaders should actively foster team cooperation, enhancing communication of vision, motivation, performance, and improved work ethics.

**Collaboration:** Increased collaboration between Banks and the Government will lead to improved policies and a more conducive banking environment.

## CONCLUSION

Transformational leadership is a critical driver of organizational performance in South Sudan's banking sector. This study demonstrates a clear and positive relationship between transformational leadership, enabling government policies, and enhanced banking industry performance. Cultivating transformational leadership at all levels and creating a supportive ecosystem through effective government policies are essential for strengthening the banking sector and contributing to economic progress.

### Recommendations

The following recommendations are proposed based on the study's findings:

**Invest in Transformational Leadership Development:** Enhance leadership skills through targeted programs.

**Enhance Employee Welfare:** Improve compensation, benefits, and work environment.

**Strengthen Government Policy Support:** Enact policies supporting the banking sector and transformational leadership.

**Promote Team Cooperation:** Encourage communication, motivation, and improved work ethics.

**Foster Collaboration between Banks and Government:** Collaborate to improve policies and the banking environment.

### Further Research

Using longitudinal studies to assess the long-term impact of transformational leadership initiatives on organizational results.

Employing qualitative methods like interviews and focus groups to gain deeper insights into the experiences of leaders and employees, and to explore the specific challenges of implementing transformational leadership.

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#### Author Biography



**Chol Gabriel Majer** is a dedicated PhD candidate at the University of Juba's School of Business and Management and a scholar-practitioner, blending academic rigor with practical experience. He holds MBA, a Postgraduate Diploma in Business Administration from the University of Juba (UOJ), a Bachelor of Business Administration from Cavendish University Uganda, a Diploma in Banking & Finance from the Institute of Accountants and Commerce (IAC) Uganda, and a Certificate project Planning and management from the Uganda Management Institute (UMI). For 15 years, Chol Gabriel Majer served as a Revenue Accountant/Analyst at the Ministry of Finance and Planning in Juba, South Sudan. He also engages in freelance research and authorship of articles and books, with publications in international peer-reviewed journals from India, Bangladesh, the USA, and Portugal. His research interests include transformational leadership and entrepreneurship, with a focus on empowering South Sudanese women. Currently, his PhD research concentrates on the impact of transformational leadership style on the performance of the banking industry in South Sudan, specifically surveying Cooperative Bank, Ecobank, and the National Bank of Egypt in Juba

#### Author' Profile



**Professor Maxwell Adea** is Associate Professor of Business Administration and Deputy Principal of Graduate College as well as Supervisor and Examiner of Doctor of Philosophy Candidates at the University of Juba. He holds the prestigious position of Professor of Research Methodology at Ayii University and is a Visiting Professor at Stanford University. With over 24 years of dedicated experience, he has made significant contributions to the fields of teaching and research, particularly in the realm of Small and Medium-sized Enterprises (SMEs). Professor Maxwell's extensive expertise encompasses teaching, research, and a wealth of community service experience, gained from his diverse international engagements. His primary areas of focus lie in the sustainability of SMEs, strategic leadership, and financial ratio analysis, both in the private and public sectors. He has presented numerous academic papers at national and international seminars and conferences worldwide, showcasing his commitment to staying abreast of economic innovations and financial education developments. Through his diligent research efforts, Professor Maxwell has illuminated previously obscure areas such as entrepreneurship and microfinance, particularly as they pertain to traditionally marginalized groups, including women, youth, and disabled individuals. His findings have shattered misconceptions and transformed challenges into opportunities, exemplifying the concept of starting over more intelligently in the face of adversity. Professor Maxwell's unwavering belief in making the impossible possible resonates in his work, likening faith to the action of a toothbrush an essential tool for daily life. He also recognizes the universal desire for recognition and the inherent drive in every individual to make meaningful contributions to a more purposeful world.