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Moderating Effect of Individualised Consideration on the Relationship between Intellectual Stimulation and the Performance of Banking Sector Employees

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Abstract

The purpose of this study was to investigate the moderating effect of individualised consideration on the relationship between intellectual stimulation and the performance of banking sector employees. This study is original and valuable because it was unknown how individualised consideration moderates the relationship between intellectual stimulation and the performance of banking sector employees. The study used a descriptive research design, a survey questionnaire, and 325 respondents from the banks located in Dar es Salaam and Mwanza cities. Single and multiple linear regressions were consecutively utilised as tools for data analysis. The empirical findings show that the moderating effect of individualised consideration on the relationship between intellectual stimulation and the performance of banking sector employees is profoundly positive and significant. It is concluded that the four transformational leadership factors, namely idealised influence, inspirational motivation, individualised consideration and intellectual stimulation should not always be treated as the parallel independent variables as it has been traditionally done because their effect on the performance can be much profoundly improved if some of them are treated as the moderating variables as in this case.

Keywords: Moderating effect, individualised consideration, intellectual stimulation, performance, banking sector, employees

1.0 Introduction

Literature has long emphasised the importance of the banking sector to the economy (Abusharbeh, 2017; Ally, 2014; Kagwiria, 2016). In Tanzania, the banking sector creates new job opportunities, generates tax revenues, acts as the medium for the value transaction, advances

loans to investors, invests in high-grade securities, and improves GDP (Anyango, 2015; BOT, 2018). As with other developing countries, banks are the dominant financial institutions in Tanzania (IMF, 2016). Financial system assets account for more than 40 percent of Tanzanian GDP and are dominated by the banking sector with 71 percent of the total GDP (IMF, 2016). The world has been constantly witnessing the mushrooming of financial institutions, including banks (Abouraia & Othman, 2017; ADB, 2016). Banks and other financial institutions are currently operating in increasingly dynamic and rapidly changing business environment due to the inevitable globalization, scarce resources, exposure to social media, and ever-changing technologies (Abb & Miller, 2016; Suriyankietkaew & Avery, 2016). Appropriate leadership styles are needed to adapt to globalisation, the intensity in competition, progression in product life-cycle, and the evolution of stakeholders and employees' behavioural diversity and complexity (Ajiboye, 2017; Anyango, 2015; Manaf & Latif, 2014).

To continue to excel in a complex, demanding, competitive, and dynamic environment, bank management should develop the skills and ingenuity of employees as a strategy to achieve sustainable competitive advantage and superior performance (Belias & Koustelios, 2014). Studies suggest that good performance in the banking sector can be achieved by improving employee skills and innovation by the right and appropriate leadership style (Mwita, Mwakasangula, & Tefurukwa, 2018; Northouse, 2016; Yukl, 2013). The right leadership is essential in ensuring productivity in organisations, managing change, and transformation (Mohammed, Chowdhury, & Sanju, 2017). Strong and effective leadership is essential for value creation activities in any sector, including the banking sector (Gathaiya, 2017; George, 2003). Value creation indicators for the sustainability of the banks include number and composition of business portfolios and new products and markets innovation (Abb & Miller, 2016). Other value creation indicators for the banks are green sales and marketing innovation, sustainable value chains, sustainable operations, operational risk management, reputation management, and regulatory management (Abb & Miller, 2016). Leadership is also a key factor in shaping corporate behaviours and motivating and encouraging others to promote new strategies for organisational development and positive changes (Manaf & Latif, 2014). Leadership is a critical factor in acquiring culture dynamics to empower and engage individuals, create teamwork, and improve the skills of individuals (Manaf & Latif, 2014; Taruwinga, 2011).

Researchers have long pointed out that leadership is useless if the leader's decisions and actions are not directed towards improving employees' strengths as a strategy for achieving the organisation's goals (Jackson, 2016; Tan, 2009). Likewise, the performance of some banks in developing countries such as Tanzania is in doubt as senior leaders fail to empower and foster diverse thinking and innovation to employees (BOT, 2018; Ugoani, Amu, & Emenike, 2014). In 2018, the Bank of Tanzania closed five non-performing banks due to non-compliance with the legal and regulatory requirements, which was caused by a lack of leadership and management competencies among other factors (BOT, 2018). Similarly, Northouse (2016) argues that some of the key leaders in the organisations are poor in creating a supportive climate that enhances the performance of employees. There is, however, a few and conflicting theoretical information

about the influence of top leaders on the performance of banking sector employees. Bass and Avolio (1994) suggest that, in some situations, leaders fail to equip employees with the requisite leadership competencies and skills and, as a result, the individual performance of employees is also affected. Besides, scholars mention that individualised consideration and intellectual stimulation are crucial to the growth of employees' strengths and creativity in the banking sector (Mohammed *et al.*, 2017; Mwita *et al.*, 2018). However, it is unknown how individualised consideration moderates the relationship between intellectual stimulation and the performance of banking sector employees. Again, there is a lack of literature to support the relevance and applicability of individualised consideration and intellectual stimulation in the African banking sector, including Tanzania (Anyango, 2015; Mwita *et al.*, 2018). Furthermore, there is increasing criticism of the validity of Bass & Avolio (1995) Multifactor Leadership Questionnaire (MLQ) as the measurement model for transformational leadership (Northouse, 2016; Yukl, 2013) and thus attracts more studies. The study, therefore, examined the moderating effect of individualised consideration on the relationship between intellectual stimulation and the performance of the banking sector employees in the Dar es Salaam and Mwanza cities of Tanzania.

2.0 Literature Review

2.1 The meaning of keywords

Individualised consideration reflects leaders who provide a supportive climate to followers in which they listen carefully and discuss their individual needs and challenges (Chebon, Aruasa, & Chirchir, 2019; Northouse, 2016). Similarly, Groves (2014) describes individualised consideration as a leadership practice that involves the leader paying close attention and interest to employee needs for coaching, development, and achievement. *Intellectual stimulation* is the leader's behaviour that builds the capacity of an employee and a culture to think about issues in a new way (Rafferty *et al.*, 2004). Also, Groves (2014) explains intellectual stimulation as a leadership behaviour that involves employees in decision-making, encourage employees to become imaginative, inventive, and innovative by challenging assumptions, and reframing problems. *Performance* is defined as the achievement of specific tasks measured against predetermined or specified standards of accuracy, completeness, cost, and pace (Afshan, Sobia, Kamran, & Nasir, 2012). Under this study "*employee performance* means the outcome by which employee improves the quality of existing financial products, services, markets, technology, investment opportunities, and also innovates the new products, services, markets, technology, and investment opportunities in the banking sector." Performance is expected to lead to efficiency, specialisation, easiness in using services, many product portfolios, effective feedback, and good relations. BOT (2018) describes *the banking sector* as comprising commercial banks, community banks, development finance institutions (DFI), and microfinance banks (MFB). For this study "a banking sector means all banks which are doing operations of the payment system, and mobilising and allocating savings to investment opportunities, excluding DFI."

2.2 Theoretical Framework

The theoretical framework is the basis on which all knowledge is constructed for a research study since it serves as the structure and justification for the study. The study used the transformational leadership theory that originated in the study of James McGregor Burns in 1978. The theory states that a transformational leader continually influences and transforms the thought of followers by raising their awareness, articulating their vision, and encouraging them to align their self-interest with that of the organisation, as well as empowering them to learn how to achieve the desired group goals and outcomes (Burns, 1978). Transformational leadership is one of the most significant benchmarks in organisation's success since a transformational leader can make followers feel enthusiastic about the success of an organisation (Manaf & Latif, 2014). Interestingly, Bass (1985) advanced transformational leadership into four measurable factors namely idealised influence, inspirational motivation, individualised consideration, and intellectual stimulation. Variables individualised consideration and intellectual stimulation were chosen and examined together because they have close interdependent relationships in contributing to the performance of employees (Groves, 2014; Northouse, 2016).

2.3 Empirical Review

2.3.1 Empirical review on individualised consideration on employee performance

Scotland (2010) revealed that the ability of incumbents to encourage teamwork and recognise equality amongst employees contributes to positive leadership results and longevity in business firms. The study does not explain how encouraging teamwork and recognising equality contribute to business longevity, however. Other scholars have argued that individualised consideration contributes to positive business survival and success (Westhuizen, 2014; Akpan & Ukpai, 2017). The study, however, does not specify which business or sector is focused on. Jackson (2016) also found that all four components of transformational leadership style: idealised influence, inspirational motivation, intellectual stimulation, and individualised consideration, have had a positive effect on the predicted outcomes of the followers. Despite a good conclusion, the study does not specify in which context or situation where the components of transformational leadership predict the follower's outcomes and what those outcomes are. This study was conducted in the Dar es Salaam and Mwanza cities banking sector of Tanzania, which is among the sub-Saharan African countries. Savovic (2017) found that individualised consideration had the strongest effect on post-acquisition performance. Malik, Javed, and Hassan (2017) have identified that, if one level of individualised consideration is changed, it would have a positive effect on employee commitment and satisfaction. Similarly, Ajiboye (2017) argues that individualised consideration is unavoidable as it helps to improve the leadership competencies and grooming the next generation of leaders through mentoring and coaching. On the other hand, individualised consideration has no significant effect on employee calculative commitment (Waris, Khan, Ismail, Adeleke, & Panigrahi, 2018). To fill existing gaps, more research is needed due to the contradiction between research findings. The theoretical and empirical literature reviews thus have highlighted power delegation, building employees'

teamwork, and developing the follower's strengths, capabilities, and competencies as the essential attributes of individualised consideration.

2.4.2 Empirical review on intellectual stimulation on employee performance

Northouse (2016) argues that intellectual stimulation involves leadership that arouses the followers much more creative and innovative, and at the same time challenging their status quo as well as those of the leader and the firm. Ajiboye (2017) revealed that intellectual stimulation is mostly used for sensitising employees to make decisions and promote innovation and creativity to improve productivity at the workplace. Scotland (2010) underlines that the company founder's ability to adapt, innovate, and exploit opportunities, leads to positive business succession results and longevity. Trang (2016) revealed that assigning challenging work to employees stimulates and promotes their creativity and significantly contributes to their performance and the success of the business. Aside, Gumbo, Ngugi, Gakure, and Ngugi (2012) observed that creativity and innovation among employees lead to successful business performance. Likewise, Malik *et al.* (2017) observed that if one level of intellectual stimulation is changed, it would have a positive effect on employee comment and satisfaction. Moreover, Ogola, Linge, Sikalieh, and Linge (2017) assert that improved employee performance is achieved when a leader encourages employees to think critically in dealing with issues they face at work, use their own initiative, and seek innovative methods to do their work and assignments. In contrast, Savovic (2017) argues that intellectual stimulation has the weakest effect on post-acquisition performance. Suifan *et al.* (2017) assert that intellectual stimulation has no significant relationship with employees' creativity. Waris *et al.* (2018) also found that intellectual stimulation did not have a significant impact on employee calculative commitment.

Due to a lack of harmony and consensus on how intellectual stimulation relates to employee performance, further study is needed to fill existing gaps. Also, many of these studies were conducted in Asia and Europe and therefore difficult to generalise the same findings to Dar es Salaam and Mwanza cities of Tanzania in Sub-Saharan African countries. Besides, the past studies do not explain under which climate and work environment can leaders successfully arouse the followers' creativity and innovation. Hence, this study examines how individualised consideration moderates the relationship between intellectual stimulation and the performance of employees. Based on the literature review and research gaps, this research hypothesises that:

H₀: There is no significant relationship between intellectual stimulation and the performance of banking sector employees moderated by individualised consideration.

H_a: There is a relationship between intellectual stimulation and the performance of banking sector employees moderated by individualised moderation.

The theoretical and empirical literature reviews have stated creativity, innovation, re-examining critical assumptions, challenging works, different problem-solving alternatives, and challenging the status quo as the important attributes of intellectual stimulation.

2.4.3 Conceptual framework

The study investigated the influence of intellectual stimulation on employee performance moderated by individualised consideration. The study was guided by the transformational

leadership theory which focuses on moving and changing things in a big way, by communicating to followers a special vision of the future (Northouse, 2016). The conceptual framework in figure 1 was built from the review of transformational leadership theory and empirical studies. The assumption was that the relationship between intellectual stimulation and employee performance is moderated by individualised consideration.

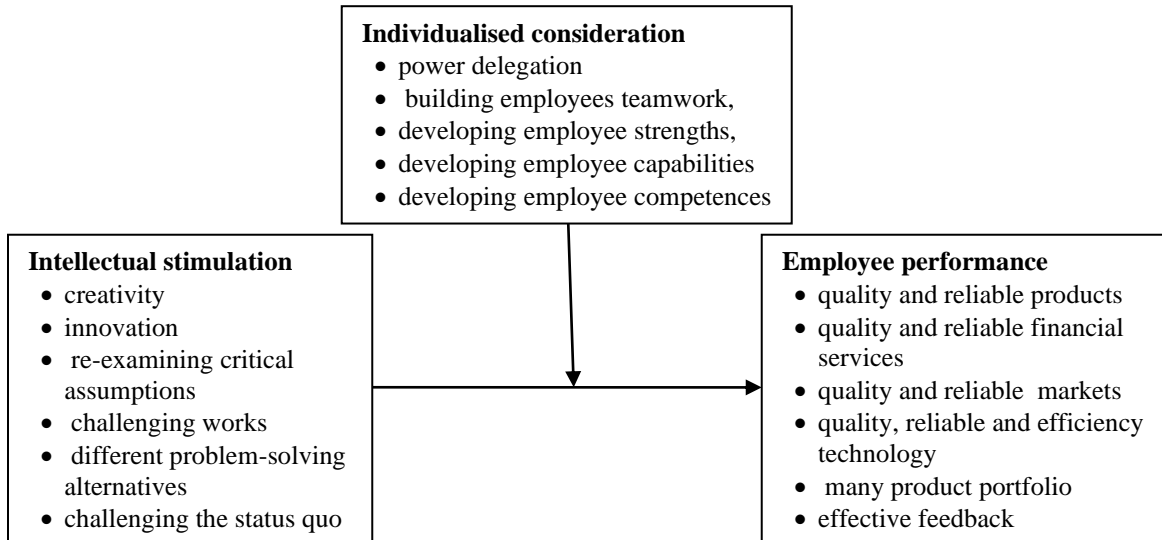


Figure 1. Conceptual framework

Source: Literature review

3.0 Research Methodology

3.1 Research philosophy and design

The study used the positivism paradigm since it involved a deduction approach to test the hypotheses (Creswell, 2014). This research adopted a descriptive research design that aims to determine the frequency with which something occurs or relationships between variables (Creswell, 2014). The study utilised survey research as it gives a quantitative or numeric description by using the selected sample (Kothari, 2009). A cross-sectional survey design was utilised as it allows data to be collected at one point in time using structured instruments (Kothari, 2009). The cross-sectional survey sounds objective in terms of minimising the scarce costs related to human resources, financial resources, and time.

3.2 Study area and population

The study was conducted in the Dar es Salaam and Mwanza cities because these regions lead to having many banks in Tanzania (NBS, 2016). The banks were chosen because some of them such as Covenant Bank for Women Limited, Efatha Bank Limited, and Twiga Bancorp had been closed due to poor performance (BOT, 2018). The units of analysis were the banking sector employees located in Dar es Salaam and Mwanza cities since their performances were to some extent being affected by the existing poor corporate leadership practices (BOT, 2018).

3.3. Sampling design and procedures

The sample size for this study was calculated using the formula established by Cochran (1977) for as shown in equation (1).

$$n = \frac{Z^2}{e^2} * \frac{pq}{\dots\dots\dots} \dots\dots\dots (1)$$

Whereby: n is the sample size, Z is the selected critical value of desired confidence level which is 1.96 for a 95% confidence level, p is the proportion in the largest population which is 50% q is 1-p and e is the degree of accuracy or acceptable margin of error, set at 0.05.

$$n = \frac{1.96^2}{0.05^2} * \frac{0.5*0.5}{\dots\dots\dots} = \mathbf{384 \text{ respondents}}$$

The estimated sample size was 384 banking sector employees. Out of 384 copies of questionnaires distributed to banking sector employees, only 328 (85.4%) copies were successfully filled and returned. During data analysis 3 outlier cases were removed. Therefore, data analysis based solely on 325 observations.

3.4 Variables and measurement procedures

The independent variable *intellectual stimulation* and the moderating variable *individualised consideration* were measured based on the improved version of MLQ Avolio and Bass (1995). The dependent variable, namely employee performance was measured based on Yousef’s (2000) scale. The independent, moderating, and the dependent variables all used the 5-points Likert scale a survey where 1 = strongly Disagree, and 5 = strongly Agree.

3.5. Sources of data and methods of data collection

The study used a structured questionnaire for the collection of primary data. Primary data are fresh data collected for the particular research problem at hand, using procedures that fit the research problem (Kumar, 2014). The questionnaire was similar for all banks and with closed-ended questions and a 5-points Likert scale to ensure precision and consistency. The researcher and assistants visited the targeted banks to distribute the questionnaires for filling in by the respondents via a self-administered approach.

3.6. Data processing and analysis

Cronbach’s alpha coefficient (α) was used to verify if the measurements were reliable based on an alpha value ≥ 0.70 (Hair, Black, Babin, & Anderson, 2010). To ensure the content validity, the concepts of all variables were systematically covered in the measurement instruments (Creswell, 2014). Principal Component Analysis (PCA) was used to evaluate if the construct validity was achieved. Data were consecutively analysed in two stages. Stage one involved analysing data using single linear regression to test the relationship between the independent variable, namely intellectual stimulation (IS) and dependent variable, namely employee performance (EP) as presented in equation 1-1 and findings indicated in equation 1-2.

$$Y = \beta_0 + \beta_1 IS + \mu \dots\dots\dots \mathbf{1-1}$$

The second stage utilised multiple linear regression analysis to test the relationship between intellectual stimulation (IS) and employee performance (EP) moderated by individualised consideration (IC) as shown in equation 2-1 and findings indicated in equation 2-2.

$$Y = \beta_0 + \beta_1IS + \beta_2IC + \mu \dots\dots\dots 2-1$$

The Y is the predicted value of dependent variable employee performance and β_0 is the Y-intercept (constant) in the regression model. The β_1 is the estimated regression coefficient of the independent variable intellectual stimulation (IS), and β_2 is the estimated regression coefficient of the moderating variable individualised consideration (IC). Finally, μ is a random variable added to accommodate the effect of other factors that influence employee performance but are not included in this regression model.

4. Analysis and Findings

4.1 Single linear regression analysis

The findings for single linear regression analysis are presented in Tables 1, 2, and 3.

Table 1. Mode summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.445 ^a	.198	.196	.96122

a. Predictors: (Constant), Intellectual stimulation

Source: Field data (2020)

The findings in Table 1 indicate that the contribution of adjusted R Square (R^2) in explaining the variation in the performance of employee performance is .196. This means that 19.6% of employee performance is explained by the independent variable intellectual stimulation.

Table 2. ANOVA F test

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	73.679	1	73.679	79.745	.000 ^b
	Residual	298.431	323	.924		
	Total	372.111	324			

a. Dependent Variable: Employee performance
 b. Predictors: (Constant), Intellectual stimulation

Source: Field data (2020)

Table 2 shows that overall model fit adequately suits the acceptable levels on statistical criteria since the p-value for the regression model F test is .000, less than the critical p-value (0.05).

Table 3. Coefficients of single linear regression analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.204	.172		12.791	.000
	Intellectual stimulation	.414	.046	.445	8.930	.000

a. Dependent Variable: Employee performance

Source: Field data (2020)

Table 5 shows the coefficients of the single linear regression analysis. The standardised coefficients were utilised in building the regression model since they have standardised data that can be explicitly compared while the same is difficult for unstandardised data (Hair *et al.*, 2010). Multiple linear regressions coefficients were used to construct equation 1-2.

$$Y = 2.204 + .445IS + \mu \dots\dots\dots 1-2$$

The findings in Table 3 and equation (1-2) show a positive ($\beta = .445$) and significant ($t= 8.930$; $p=.000$) relationship between intellectual stimulation and employee performance. As a result, an alternative hypothesis (H_a) is accepted.

4.2 Multiple linear regression analysis

Reliability and validity test

Table 4 shows that both Cronbach’s alpha values for the independent variable *intellectual stimulation* (IS) and moderating variable *individualised consideration* (IC) were greater than the minimum Cronbach’s alpha value of 0.7 (Saunders, Lewis, & Thornhill, 2012) showing that data were accurate and reliable.

Table 4. Reliability statistics

Item	Cronbach's Alpha	N of Items
Intellectual stimulation	.930	7
Individualised consideration	.894	6

Source: Field data (2020)

Factor analysis was used to test whether the construct validity for independent variable *intellectual stimulation* and moderating variable *individualised consideration* was met. The Kaiser-Meyer-Olkin (KMO) which is a measure of sampling adequacy had a value of 0.911 as indicated in Table 2. Also, the KMO value was greater than the minimum value 0.5 which means the sample was sufficient. Moreover, Bartlett’s test of sphericity was significant ($p=.000$) which supports the successful factorisation of variables.

Table 2. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.911
Bartlett's Test of Sphericity	Approx. Chi-Square	1142.959
	Df	78
	Sig.	.000

Source: Field data (2020)

Principal Component Analysis (PCA) was run as the extraction method basing on Eigenvalue to establish if the construct validity was ensured. Appendix I indicates that the factor analysis of each item loading of the independent variable *intellectual consideration* (IS) and moderating variable *individualised consideration* (IC) was greater than the standard minimum value 0.5 which implies that the construct validity was met.

Table 6. Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.837 ^a	.701	.699	2.77646
a. Predictors: (Constant), Intellectual stimulation, Individualised consideration				

Source: Field data (2020)

The findings in Table 6 indicate that the overall contribution of adjusted R Square (R^2) in explaining the variation in the performance of employee performance in the banking sector is .699. The interpretation is that 69.9% of employee performance is explained by the independent variable intellectual stimulation moderated by individualised consideration variable.

Table 7. ANOVA F test

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5814.502	2	2907.251	377.136	.000 ^b
	Residual	2482.218	322	7.709		
	Total	8296.720	324			
a. Dependent Variable: Employee performance						
b. Predictors: (Constant), Intellectual stimulation, Individualised consideration						

Source: Field data (2020)

Table 7 shows that overall model fit adequately suits the acceptable levels on statistical criteria since the p-value for the regression model F test is .000, less than the critical p-value (0.05). The implication is that the independent variable intellectual stimulation (IS) and the moderating variable individualised consideration (IC) together predict employee performance in the banking sector in the Dar es Salaam and Mwanza cities.

Table 8. Coefficients of multiple linear regression analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.178	.587		10.522	.000
	Intellectual stimulation	1.752	.197	.379	8.872	.000
	Individualised consideration	2.519	.205	.526	12.318	.000
a. Dependent Variable: FOMFS						

Source: Field data (2020)

Table 8 shows the coefficients of multiple linear regression analysis. Multiple linear regressions coefficients were used to construct equation 2-2.

$$Y = 6.178 + .379IS + .529IC + \mu \dots\dots\dots 2-2$$

The findings in Table 8 and equation (2-2) show a positive ($\beta = .379$) and significant ($t= 4.691$; $p=.000$) relationship between the intellectual stimulation and employee performance moderated by individualised consideration ($\beta = .529$) and significant ($p=.000$). As a result, H_a is supported.

5.0 Discussion

The study focused on examining the moderation effect of individualised consideration on the relationship between intellectual stimulation and the performance of banking sector employees. The study aimed at helping to gain knowledge of how individualised consideration moderates the relationship between intellectual stimulation and the performance of banking sector employees. Table 6 shows that inclusion of the moderating variable (individualised consideration) in the relationship between intellectual stimulation and employee performance improved the findings profoundly. The findings show that the value of adjusted R square increased by 50.3% ($.699 - .196 = .503$). Thus, the moderating variable entered into the regression model made a significant contribution to the overall model fit since they substantially increased the value of adjusted R-square. This implies that the successful implementation and practice of individualised consideration and intellectual stimulation will contribute to 69.9% in the performance of the banking sector employees.

The findings also show that the moderating effect of individualised consideration on the relationship between intellectual stimulation and employee performance was positive and significant. These findings are contrary to Suifan *et al.* (2017) argument that intellectual stimulation has no significant relationship with employees' creativity. Similarly, Waris *et al.* (2018) study indicates that intellectual stimulation has no significant impact on the employee's calculative commitment. Likewise, Savovic (2017) found that intellectual stimulation had the weakest impact on post-acquisition performance. Nevertheless, all contrary findings had no moderating variable (s) which perhaps could change the results. Past studies indicate that individualised consideration is an essential factor for employee and the organisation's performance (Ajiboye, 2017; Malik, Javed, & Hassan, 2017; Savovic, 2017; Westhuizen, 2014). The implication is that empowering, motivating, and providing a climate of good work conditions to employees make them be committed to their jobs and organisation, and thus contribute to positive business outcomes. Moreover, literature shows that intellectual stimulation promotes critical thinking and creativity contributes to employees' performance and the organisation's performance (Gumbo, Ngugi, Gakure, & Ngugi, 2012; Ogola, Linge, Sikalieh, & Linge, 2017; Trang, 2016). Also, Malik *et al.* (2017) revealed that if one level of intellectual stimulation is changed, it would lead to a more positive influence on employee comment and satisfaction. Therefore, intellectual stimulation improves employees performance by generating a culture of imagination, creativity, and innovation through diverse and critical thinking, questioning assumptions, challenging the status quo, reframing problems and searching for unique new opportunities. That performance is further much improved if the management empowers, motivates, and provides employees a supportive work environment to develop their strengths and capabilities.

6.0 Conclusion and knowledge contribution

The study investigated the moderating effect of individualised consideration on the relationship between intellectual stimulation and the performance of the banking sector employees. The findings show that individualised consideration effect on the relationship between intellectual stimulation and employee performance is positive and significant. Thus, intellectual stimulation transformational leadership is crucial for enhancing the performance of banking sector employees if moderated by individualised consideration. Leaders in the banking sector are, therefore, advised foster the environment which motivates the followers to optimise in intellectual stimulation and individualised consideration leadership behaviours to enhance employee performance. Despite studies from the first world countries showing that transformational leadership predicts performance, the study contributes to knowledge in the sub-Saharan context and in particular Tanzania where little is known on the said theory. The study also comes with a novel idea that individualised consideration is important in moderating the relationship between intellectual stimulation and the performance of employees. The study provides a comprehensive and coherent understanding the four transformational leadership factors, namely idealised influence, inspirational motivation, individualised consideration and intellectual stimulation should not always be treated as the parallel independent variables as it has been traditionally done because their effect on the performance can be much improved if some of them are treated as the moderating variables as in this study.

7.0 Implication and recommendations

Generally, employee performance is improved if leaders prepare and empower them to face new changes or challenges creatively and innovatively and encourage them to respond proactively to these changes or challenges. Intellectual stimulation involves leadership that arouses the followers much more creative and innovative and at the same time challenging the leader's and the organisation's status quo (Northouse, 2016). Leaders with individualised consideration behaviour should recognize the followers' desires and motives by eavesdropping or observation and support them to develop their abilities in order to meet the demands of individuals and firms. Leaders with intellectual stimulation behaviour should support followers to be creative, innovative and find solutions to challenges and problems by including them in the decision-making process, enhancing their efforts, and motivating them to challenge the status quo.

8.0 Areas for Future Study

This research was conducted in the banking sector which has white-collar employees, and therefore, a bit difficult to generalise the findings. To test the reliability of the findings, the same study can be done in the manufacturing, warehousing, and mining firms, which usually have many blue-collar employees. Waris *et al.* (2018) emphasises that employees who have a strong affective commitment are motivated towards higher levels of job performance and their

contributions to the organisation are very significant. Therefore, future studies can assess how individualised consideration and employee commitment can either moderate or mediate the relationship between intellectual stimulation and employee performance. This study only utilised the structured questionnaire and thus purely quantitative. Future research can either employ the qualitative research design or mixed methods research design to get more information on the moderating effect of individualised consideration on the relationship between intellectual stimulation and the performance of the banking sector employees. The study covered a single country setting and cultural aspects limiting the transferability of the results to other countries and cultural settings. Future research may cover a different country or several countries to allow the transferability of the findings.

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Appendix I: Pattern Matrix for factor analysis

Item	Item statement	Component	
		1	2
	Moderating variable: Individualised consideration		

IC1	My supervisor helps me to develop my strengths for both personal and bank benefits.	.724	
IC2	My supervisor facilitates training, teaching, mentoring, and coaching me.	.615	
IC3	My supervisor encourages the team spirit among employees at our workplace.	.585	
IC4	My supervisor encourages me to make the most use of my skills and capacities.	.771	
IC5	My supervisor supports me with the necessary working tools.	.667	
IC6	My supervisor confidently delegates assignments to me to provide learning opportunities.	.601	
	Independent variable: Intellectual stimulation		
IS1	My supervisor promotes creativity and innovative spirit among employees and within the bank.		.651
IS2	My supervisor encourages me to reexamine critical assumptions to question whether they are suitable or not.		.656
IS3	My supervisor assigns me with the challenging works and assignments to encourage my creativity.		.658
IS4	My supervisor allows me to seek different perspectives/alternatives in problem-solving.		.812
IS5	My supervisor allows me to think about old problems in new ways.		.742
IS6	My supervisor allows me to challenge the current status quo.		.716
IS7	My supervisor encourages me to search and learn from outside the formal boundaries of the business.		.730