

ABSTRACT

This study is focusing about the effect of emotional climates (EC) on leader- follower relationship (LFR) with reference to People's Bank context. To ensure the sustainability of a business, several facts need to be considered. There should be mutual relationship among components such as, "leaders, followers". This is an only trick, which could ensure the sustainability of businesses. The objective of the research is to analysis the factors that influence the EC and thereby LFR.

A conceptual model was formulated to carry out this study concerning how the emotional climate influences the LFR and what are the factors that have impact on CE and LFR. Throughout this study, the EC considered as independent variable and LFR as dependent variable. EC is ensured by four factors such as conflict, personnel attitude, job facilitation and culture. LFR is measured by four factors such as cooperative, delegation, power, and problem solving.

As a result of applying multi-regression analysis, it was found that the EC has a positive effect on LFR. Therefore identifying the pros and cons, factors and their impacts towards LFR will assist banking sector to make valuable decision in future to ensure the sustainability of business and long term of survival.

Key words: Climate, Emotion, Follower, Leader, Relationship