

Leadership is a significant factor affecting the performance of employees in organizations. Job stress is a serious problem faced by employees in the working environment that affects job performance and it is a major issue of all employees at present.

This study examines the impact of an independent variable Transformational leadership, on two dependent variables i.e. job stress and job performance. The impact of transformational leadership on two dependent variables i.e. the job stress and the job performance is separately analyzed. In a survey, the data is collected using a questionnaire as research instrument. Survey is conducted on the banks located in Islamabad. The respondents are the middle and lower line managers of the banks of Islamabad. The sample size for this study is 300 respondents.

The conclusion shows that either transformational leadership has any impact on the job stress and the job performance or not. Descriptive statistics and linear regression is used to draw results. Findings of this research study show that there lies a significant negative relationship of transformational leadership with job stress and transformational leadership has significant positive relationship with job performance.