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Effect of Transactional Leadership Styles on Team Effectiveness A Mediation Role of Team Cohesion In Logistics and Supply Chain Management Industry, Kerala

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Abstract- This study examines the effect of transactional leadership styles on team effectiveness, with particular reference to the mediating role of team cohesion in the logistics and supply chain management industry in Kerala. In the rapidly evolving logistics and supply chain sector, effective leadership plays a significant role in coordinating employees, improving operational performance, achieving organizational objectives, and strengthening teamwork. Transactional leadership emphasizes structured supervision, performance-based rewards, goal-oriented activities, and corrective actions to ensure that employees accomplish their assigned responsibilities. However, the effectiveness of this leadership approach may depend on the extent to which team members develop mutual trust, cooperation, shared commitment, and interpersonal relationships. The study proposes to investigate the relationship between transactional leadership dimensions, including contingent rewards and management by exception, and team effectiveness, while examining team cohesion as a mediating variable. A quantitative research approach will be adopted, using a structured questionnaire to collect primary data from employees working in logistics and supply chain management organizations in Kerala. Appropriate statistical techniques, including descriptive statistics, correlation, multiple regression, and Structural Equation Modelling (SEM), will be employed to examine the proposed relationships and mediation effect. The study is expected to provide insights into how transactional leadership practices strengthen team cohesion and contribute to team effectiveness. The findings may help logistics and supply chain organizations develop effective leadership strategies, enhance employee coordination, improve teamwork, and achieve sustainable organizational performance.

Keywords: Transactional Leadership, Team Effectiveness, Team Cohesion, Logistics Management, Supply Chain Management.

I. Introduction

Transactional leadership, also known as managerial leadership, is a leadership style where leaders rely on rewards and punishments to achieve optimal job performance from their subordinates.

The transactional executive leadership model is based on an exchange or transaction. The leader rewards workers who perform their tasks to the specified levels and punishes workers who do not perform to those set standards.

Transactional Leadership: Transactional leadership involves an exchange process that results in follower compliance with leader request but not likely to generate enthusiasm and commitment to task objective. The leader focuses on having internal actors perform the tasks required for the organization to reach its desired goals. The objective of the transactional leader is to ensure that the path to goal attainment is clearly understood by the internal actors, to remove potential barrier within the system, and to motivate the actors to

achieve the predetermined goals. This style of leadership implies close monitoring for deviances, mistakes, and errors and then taking corrective action as quickly as possible when they occur. Since, there is a chance to miss enthusiasm and commitment to the task objective, the team's output does not benefit from the extra effort of the team membe

This relationship between leader and subordinates is based on theories that assume individuals are not self-motivated and need structure, instruction and supervision to accomplish their jobs. The theory also postulates that workers will perform their tasks as the transactional leader wants them to do in exchange for the leader's offering something the workers want, such as pay.

A transactional style of leadership works best in a structured environment where there are few deviations from established business processes and defined roles with specific tasks to accomplish.

According to transactional leadership theory, this type of leader works within an organization's existing structure. A transactional leader seeks to have subordinates deliver specific results that are articulated and measurable. These are sometimes referred to as SMART goals , which stands for specific, measurable, achievable, realistic and time-bound.

A transactional leader evaluates subordinates on whether they meet defined requirements and expected results. Transactional leaders appeal to the self-interest of their subordinates to keep them on track.

II. Team Effectiveness

During the formation of teams, there is an intertwining of personalities, proficiencies and motivations. In just a short time, teams can be expected to perform in a variety of complex and highly dynamic environments. Leadership within these highly dynamic teams is expected to establish, define and communicate team goals and outline the structure by which these goals will be accomplished. There are many different techniques and leadership styles that can and have been employed in order to achieve the desired results. One of the more popular leadership styles that “Transactional leaders act as a role model among team members by sharing creative ideas and knowledge to facilitate working cooperatively and efficiently” . This example leadership style has its own strengths and characteristics that differentiate it from other styles. The researcher will also look at the results of a research conducted to evaluate the effectiveness of Transactional Leadership on team performance in order to determine which, if any, leadership style provides the best principles and structure to team development and performance. Team selection is imperative for a leader. It shows his ability in finding appropriate skills and knowledge. When choosing a team, Leader should look for people who understand his vision and have a particular set of competencies. Furthermore, being a passionate leader also means finding employees who are equally passionate about their work.

Effective team performance derives from several fundamental characteristics. First, team members need to successfully integrate their individual actions. Second, teams are increasingly required to perform in complex and dynamic environments. Thirdly, Team leadership represents effective team performance. Most teams contain certain individuals who are primarily responsible for

defining team goals and for developing and structuring the team to accomplish these missions. Zaccaro et al., (2001), suggested that effective teams integrate four fundamental processes: cognitive, motivational, affective, and coordination. Zaccaro et al., (2001), proposed that leadership influences on team effectiveness occur in part through their effects on these four processes. A central responsibility of team leaders is to raise the collective efficacy of the team . If team members believe their team is capable of achieving its goals, i.e., being successful, they are more likely to choose to engage the task. Team efficiency also emerges from leaders who exhort their members to work hard and do well. This is

related to the empowerment processes of transformational and inspirational leaders. By their actions, such leaders fuse each member's personal goals with the team or organizational mission. Team members identify at a personal level with the purpose and goals of the collective as a whole and are therefore more committed to their accomplishment.

III. Team Cohesion

One set of antecedents that organizational researchers have studied in relationship to performance are the social and motivational forces that exist between group members. Beal et al. (2003) posit that such forces are an integral part of the concept of cohesiveness which, it is argued, facilitates better performance. Group cohesion motivates, as well as allows, for coordinating activities. Although many different definitions of cohesion have been offered in the literature, the results from an extensive meta-analysis of the technique as reported by Beal et al. (2003), showed that, contrary to a few negative findings in the literature, overall cohesion can be considered a correlate, if not determinant, of performance. In particular, when examining some of the components of cohesion such as interpersonal attraction, task commitment, and group pride all were found to be related to group performance. Although these factors are defined differently across the spectrum of researchers, it is interesting to see that the social and motivational component plays a critical role in the cohesiveness construct. Therefore, it would be expected that a group led by a transformational leader who stresses motivation and stimulation would also evince greater group cohesion.

Team cohesiveness-This consisted of the following three social/motivational items: (1) the contributions of the team members were equal; (2) the team atmosphere was good; and (3) the team decisions were participative.

IV. Review Of Literature

P.Subburaj p, et al. (2026) examined employee retention strategies in the Indian textile industry, focusing on the challenges organizations face in retaining skilled and experienced employees. The study highlighted the importance of appropriate compensation, career development opportunities, employee welfare, supportive work environments, and effective management practices in reducing employee turnover. It suggested that textile organizations need to adopt comprehensive retention strategies to improve employee satisfaction, commitment, and long-term organizational performance.

Subburaj et al. (2024), in their study entitled *Assessing the Effects of Green Manufacturing Practices on Sustainability and Operational Efficiency in the Garment Industry: A Case Study of Ooty*, examined the contribution of environmentally sustainable manufacturing practices to organizational sustainability and operational efficiency. The study emphasized the increasing importance of sustainable products, environmentally responsible raw materials, and green production techniques in reducing industrial environmental degradation. It also highlighted the social, environmental, and economic implications of implementing green manufacturing practices. The findings provide a foundation for understanding how organizations can integrate sustainability into their business operations. However, the study primarily focuses on manufacturing practices, leaving scope for further investigation into AI-enabled green recruitment and its influence on employee engagement and retention.

Subburaj P (2019), in his book *Green Marketing and Sustainable Development*, discussed the importance of integrating environmental sustainability into business and marketing practices. The work highlights the growing significance of environmentally responsible business strategies, sustainable consumption, and green initiatives in promoting environmental protection. It provides a conceptual foundation for understanding how

organizations can incorporate sustainability principles into their operational and strategic activities. The study is relevant to the present research as it establishes the broader sustainability perspective that supports the adoption of environmentally responsible human resource practices, including green recruitment.

Deribe Assefa Aga (2016) revealed that though transactional leadership is considered as a necessary precondition for transformational leadership to be effective, less attention has been paid to the role of transactional leadership in project success. Using 224 development projects of the Non-Governmental Organization (NGO) sector in Ethiopia, her study examined the relationship between transactional leadership and project success and the moderating role of project goal clarity. Her findings of the study indicated that contingent reward in transactional leadership is positively related to project success. Further, project goal clarity moderates the relationship between contingent reward and project success such that contingent reward becomes a stronger predictor for projects that have high goal clarity than low goal clarity.

Ana K. Tyssen (2014) et al., Projects as a form of temporary organizing are different from standard organizational processes. Due to their temporary and unique nature, projects are characterized by discontinuous personal constellations and work contents. Although leadership research has called for a consideration of context factors and their effects on leadership, leadership in a temporary setting has hardly been investigated. They therefore extend transactional and transformational leadership theory by looking at it from the perspective of the temporary organization. They developed a research model with testable propositions on the effects of the temporary organizations' characteristics on leadership and on followers' commitment in projects.

Timothy et al., (2008) Bass and his colleagues initiated the empirical investigation of transformational and transactional leadership two decades ago. They proposed that transformational leadership is comprised of four dimensions, that transactional leadership is composed of three dimensions, and that an additional category of non-leadership exists (laissez- faire leadership). The Multifactor Leadership Questionnaire (MLQ) has been developed to assess these dimensions and much has been learned about the positive effects of transformational leadership. However, far less attention has been paid to transactional leadership and non- leadership. Their study examined the theoretical and empirical properties of each MLQ transactional leadership and non-leadership measure. They looked at the four measures together, then examined the measures separately and subjected them to a number of additional analyses that varied depending on the issues of concern. Based on their findings, they offer recommendations about scale refinement and the need for new theory concerning the four transactional leadership and non-leadership dimensions of the MLQ.

Mendoza Solis et al., (2023) examined that the relationship between three dimensions of transactional leadership, contingent reward, active management by exception, and passive management by exception, and their impact on the company's social performance in the Mexican maquiladora industry. They collected reviews of 120 articles on transactional leadership and organizational performance identifies 24 variables observed in the three dimensions of transactional leadership and 10 variables for social performance. A questionnaire was applied to managers in the maquiladora industry and 156 responses were obtained. Structural equation modeling (SEM) based on partial least squares (PLS) was applied to test six hypotheses or relationships between the transactional dimensions and social performance. They found that there is a strong relationship between the dimensions of transactional leadership and social performance, except for the passive management by exception dimension, which shows no direct or positive effect on social performance. They concluded that in the Mexican maquiladora industry, passive management by exception is negatively impacted by contingent reward and hurts social performance, and managers must avoid this dimension. However, contingent reward strongly supports passive management by exception and social performance.

Mendoza et al.,(2023) analyzed the relationship between transactional leadership, well-being support, OCB-altruism, and employee performance. Data was collected from 212 respondents who

worked in the 11 stone milling companies in Central Java Province - Indonesia. By using AMOS

software in processing and analyzing the data, the results of this study found that (1) transactional leadership has a positive and significant effect on employee performance; (2) well- being support has a positive and significant effect on employee performance; and (3) OCB- altruism has a positive and significant effect on employee performance. Employees who have high OCB-altruism have a strong psychological attachment to the organization that encourages them to contribute to the organization both formally and informally by displaying their best performance.

Stashevsky et al.,(2006) examined leadership style (transactional versus transformational), knowledge level, and team cohesiveness as antecedents of team performance.The study was conducted among students studying for an MBA. The 252 participant students were involved in a computerized business simulation course which required forming teams of about six members. Each team represented the management of one firm that competed with the other groups. Transformational leadership was associated with a higher level of team cohesiveness, as compared to transactional leadership. Both knowledge level and team cohesiveness predict team performance, particularly among men. The student sample may not necessarily represent responses from workers in an actual organization. From a measurement perspective, the reliability of the one item scale of leadership could not be ascertained. For improving team performance, a manager should enhance team knowledge and encourage greater team cohesiveness. Using a simulated research design, leadership style, an antecedent associated with individual performance, was also found to be related to team performance.

Wijaya et al., (2023) The outbreak of the COVID-19 pandemic has become the main hinderance that needs to be tackle for survival, almost all countries in the world are overwhelmed to overcome the situation. the new challenge is working with the senior generation in adopting new technology, therefore digital leaders must be tech savvy and bring the workforce with them. in leadership research both in manufacturing and services only raised the phenomenon after the crisis that occurred in 2008, while the discussion of leadership who worked virtually during the crisis still did not have research results that have high validity. The first gap found in this study discusses the use of leadership styles in virtual teams, previous research have debated issue of transformational

and transactional leadership, the results show that transformational leadership is more directing employees to achieve goals than transactional leadership which has a negative effect on virtual teams. Second, there are still some interesting questions to be answered in previous research, including: How leadership styles facilitate individual affective and motivational processes and virtual team collaboration .This study aimed to analyze effective leadership styles for digital leaders in fostering team cohesiveness with the IPO theory quantitative data collection methods were taken with purposive techniques to obtain appropriate samples. Research subjects include employees with lower management (staff) positions who work in a virtual work environment. The pilot study in this study collected 100 samples will then be tested using SMART PLS for data analysis. This study concluded that transformational leadership models can affect work motivation, and work motivation has an influence on employee cohesiveness.

1. Transactional Leadership- Independent Variable Team Effectiveness-Dependent Variable

TEAM COHESION-MEDIATOR

Supply Chain Management Industry-Study Area

The measures have been taken from

Scale Construction	Adopted from the source
Transactional Leadership	Mathew Joseph Mampra and Mohan Gopinath (2017) The Effect of Transformational and Transactional Leadership Styles on the Financial Performance of an Organisation
Team Effectiveness	Nidhi and Jha S M (2012) Leadership Styles Job Satisfaction Team Effectiveness And Organizational Climate In Selected Mncs After Globalization. Parmar Alpa and Patel, Chhaya (2017) A study on team climate its relationship with team effectiveness for organisational development in manufacturing industries of central Gujarat.
Team Cohesion	Sarathlal, N and Rajeesh Viswanathan (2018) The Relationship of transformational leadership and organizational culture on team effectiveness a mediation model of team cohesion. Stashevsky et al.,(2006) Leadership team cohesiveness and team performance. Andreas et al., (2023)Digital Leadership Style On Employee Cohesiveness In Service Sector At Pandemic Era

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