

THE IMPACT OF TRANSACTIONAL LEADERSHIP ON EMPLOYEE MORALE: STRENGTHENING ORGANIZATIONAL COMMITMENT AND PROMOTING WORK-LIFE BALANCE IN PAKISTAN'S TEXTILE INDUSTRY

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Abstract

This study examines the effect of transactional leadership on employee morale in the textile industry of Pakistan, where organizational commitment is the mediator, and work-life balance is the moderator of the research. The paper is based on the Social Exchange Theory, Three-Component Model of commitment, and the Work-family Border Theory, which is a quantitative cross-sectional study design. Validated scales were used to gather data on 226 employees in textile and apparel plants. The results of the partial least squares Structural Equation Modeling (PLS-SEM) are that transactional leadership has a significant positive direct impact on employee morale (0.528, $t = 6.41$, $p < 0.001$) and organizational commitment (0.579, $t = 3.93$, $p < 0.001$). The relationship between organizational commitment and turnover is mediated by it (indirect effect 0.586, $t = 1.93$, $p = 0.056$). The connection between commitment and morale is mediated by work-life balance (0.477, $t = 1.04$, $p = 0.030$) and it works in the positive direction. The results have a contribution to the field of leadership and organizational psychology in the form of an integrated approach to labor-intensive sectors. In practice, they recommend implementation of equitable reward systems, supportive supervision and work-life initiatives to improve motivation and resiliency in the textile sector. There are limitations such as the cross-sectional design, which should be filled by future research on longitudinal designs and other mediators.

1. INTRODUCTION

1.1 Background of the Study

Leadership is one of the pillars of organizational effectiveness, which influences the attitude, behavior and performance of employees. In labor intensive sectors such as textile where the efficiency of the operations is determined by the built in workflow and the discipline, transactional leadership characterized by clear expectations, contingent rewards, and performance monitoring dominates (Bass, 1985). An example of this can be

seen in the textile industry of Pakistan, which is an important sector of the economy due to the contribution of about 45 percent to manufacturing employment and 60 percent to exportation (Pakistan Bureau of Statistics, 2023), hierarchical management practices that focus on predictability and compliance. The morale of employees in terms of emotional stability, enthusiasm, optimism and job satisfaction is critical in terms of productivity, retention and

organizational citizenship behavior (McKnight et al., 2001). When the morale is high, there is engagement and loyalty, whereas when morale is low, there is burnout, absenteeism, and turnover (Borst et al., 2019). Morale is not strong in the textile industry where there is a high number of hours spent, repetitive work or physical work, and this affects competitiveness. The psychological attachment that the employees have with their organization is known as organizational commitment (Meyer and Allen, 1991), which acts as a mediator in this dynamic. Transactional leaders create commitment by making fair exchanges and stabilization, which lead to morale. This relationship is moderated by work-life balance, the capacity to balance between professional and personal roles (Greenhaus and Allen, 2011), because pro-balance enhances the benefits of commitment and imbalance diminishes them. The challenges that the textile industry in Pakistan has to deal with are distinct and they comprise energy crises, supply chain issues, and labor welfare, which further aggravate the morale issues. Although it has economic value, the available empirical studies regarding the psychological impacts of leadership are limited, with most investigating the topic in relation to operational measures instead of the welfare of the employees. The proposed research fills this gap because it tests empirically an integrated model.

1.2 Problem Statement

Transactional leadership is common in the textile sector within Pakistan, but its effect on morale through commitment and mediated by work-life balance is not well known. Poor morale leads to high turnover and loss in efficiency but there are no integrated structures to deal with these interrelationships.

1.3 Research Gap

Textile industry is among the largest employing industries in Pakistan but it still continues to face major challenges pertinent to employee morale, commitment as well as work life balance. Constant exposure of employees to long hours of work, repetitive jobs, physical stress, and strict supervision usually leads to emotional burnout

and low morale. The popularity of transactional leadership in textile organizations is conditioned by the regularity and high structure of work. Even though such a leadership style is efficient in terms of clarity and being able to control performance, it might fail to meet the psychological and emotional needs of employees. Although these issues are important, very little empirical research has been conducted on the direct effect of transactional leadership on employee morale in the textile industry in Pakistan. In addition, the mediating effect of organizational commitment and the moderating effect of work-life balance in the relationship are not studied much, especially in manufacturing industries which are labor-intensive. This empirical insufficiency limits organizations to come up with effective leadership and HR policies that will enhance employee morale as well as organizational effectiveness.

1.4 Research Objectives

1. To examine the direct effect of transactional leadership on employee morale.
2. To assess the mediating role of organizational commitment between transactional leadership and employee morale.
3. To investigate the moderating role of work-life balance on the relationship between organizational commitment and employee morale.
4. To propose practical recommendations for enhancing employee well-being in the textile sector.

1.5 Research Questions

1. Does transactional leadership positively affect employee morale?
2. Does organizational commitment mediate the relationship between transactional leadership and employee morale?
3. Does work-life balance moderate the relationship between organizational commitment and employee morale?

1.6 Significance of the Study

The study contributes significantly to the existing body of theoretical literature by revisiting the topic of transactional leadership as a form of leadership that is commonly applied but lacks sufficient

empirical literature especially in the manufacturing sectors that are labor intensive. It builds upon the research on employee morale, which is a psychological outcome that has been scarcely studied in comparison with job satisfaction or engagement. The study proposes organizational commitment as a mediating variable to promote theoretical knowledge about leadership effects on employees in terms of their emotional and attitudinal performance. Also, the use of work-life balance as a moderating factor emphasizes the importance of contextual and boundary factors in employee morale. The suggested system of integration can be used as an important source of future research on leadership in developing economies. In practical terms, the research offers practical implications to managers of the textile industry, HR specialists, and policy makers. Knowledge regarding the influence of transactional leadership on employee morale could help to improve managerial and rewards behavior. Knowledge on organizational commitment can be used to inform HR in areas where training, communication, and incentive schemes are concerned, and the moderating effect of work-life balance highlights the importance of work-family conflict and emotional burnout reduction policies. Because of the financial relevance of the textile industry in Pakistan, employee morale is directly related to productivity, retention, and general organizational performance.

2. Literature Review

The issue of leadership was the focus of academic research over 100 years of scholarly research, which developed with the shift of managerial activities and requirements of organizations. Initial leadership studies were characterized by trait theory which suggested that leaders are born with the inborn traits of being intelligent, confident, decisive and having charismatic qualities (Stogdill, 1948). Despite the initial research efforts to systematize common patterns of leadership, the theory has since been criticized due to inconsistent results, and the inability to explain the situational factors (Zaccaro, 2007).

As a reaction, the behavioral theories were introduced in the middle of the twentieth century when the emphasis was moved to the observable behavior rather than the personal traits in leadership. The Ohio State Studies found initiating structure and consideration as two important dimensions of leadership (Fleishman et al., 1955), whereas the Michigan Studies identified two dimensions of leadership, which included task-oriented and relationship-oriented leadership. These methods implied that leadership behaviors were learnable, hence contributing to the leadership development programs. But constraints of trait and behavioral approaches resulted in the formulation of contingency theories which focused on situational context. The Contingency Model introduced by Fiedler (1967) stated that the fit between the leadership style and the situational favorableness determines leadership effectiveness, and the Situational Leadership Theory by Hersey and Blanchard assumed that the leaders should vary their style based on the willingness of the followers. On the same note, House Path-Goal Theory (1971) placed more emphasis on the leader clarifying the goals, eliminating the obstacles, and maximizing the rewards. The contributions of these theories provided the foundation to the modern leadership theories especially the transactional and transformational leadership theories. Burns (1978) differentiated the two styles and this has been operationalized by Bass (1985). Transformational leadership encourages the followers to go beyond the selfish interest to achieve higher goals, whereas transactional leadership is founded on order, stability and performance through organized exchange. Despite the fact that most of the scholarly attention has been on transformational leadership owing to its connotation with innovation and empowerment, transactional leadership is still very applicable in organized and routine-driven industries like manufacturing and textiles (Judge and Piccolo, 2004).

2.1 Transactional Leadership

Transactional leadership is a task-focused and two-way leadership style, which has a clear role, a

structured supervision and contingent reinforcement. In contrast to transformational leadership that serves as a more emotional way of leadership and intrinsic motivation, transactional leadership is more interested in performance standards, rewards, and corrective actions. Bass (1985) researched transactional leadership, and his conceptualization postulated a system where the leaders establish clear objectives, keep track of how the employees perform, and reward them whenever they do so. Transactional leadership consists of two dimensions which include contingent reward and management-by-exception. Contingent reward is the establishment of performance expectation and provision of reward or incentives when employees perform according to the set standards. According to the empirical research, contingent reward positively influences motivation, role clarity, job satisfaction, and fairness perceptions (Avolio and Bass, 1995; Breevaart et al., 2014). This method works best when one is operating in a textile production setting where predictability, process standardization, and tangible incentives receive significant ratings. Management-by-exception is corrective leadership behaviour in case performance is not up to the expected standards. Active management-by-exception would be active monitoring and correcting whereas passive management-by-exception would only be intervening once the problems have occurred. In spite of the fact that active monitoring will help to maintain the quality control, the considerable level of the corrective supervision can lead to the rise of employee stress and decline in motivation (Skopak and Hadzaihmetovic, 2022). Studies also indicate that avoidance of management-by-exception has a negative impact like job dissatisfaction, disengagement. Transactional leadership will be best applied in sectors with standard operations, monotonous activities, and hierarchies. In manufacturing and textile companies, compliance, discipline and rule compliance are critical in ensuring products are of the right quality and that the production targets are achieved. According to empirical data of South Asian textile companies, transactional leadership, although relevant in terms of productivity, can

also lead to a tremendous psychological burden on the employees due to its strict supervisory character (Khan and Roy, 2024; Iqbal and Rasheed, 2022). Thus, transactional leadership, as it corresponds to the needs of textile factories in terms of their functioning, should be viewed as the situation that has its significant consequences regarding the welfare of employees that should be carefully considered.

2.2 Employee Morale

Employee morale is the emotional, psychological, and attitudinal disposition of employees to the workplace including enthusiasm, optimism, motivation, satisfaction, and purpose (McKnight et al., 2001). It is an early warning of organizational success since morale is related to high productivity, retention of employees, group work and organizational citizenship behaviour. On the other hand, the low morale is associated with dissatisfaction, disengagement, absenteeism, stress, and low performance (Borst et al., 2019). Employee morale is a multidimensional paradigm, which consists of emotional (enthusiasm or discouragement), attitudinal (job satisfaction), and behavioral (willingness to exert effort) aspects. Some organizational characteristics impact morale, and they are the leadership style, reward systems, communication, job security, organizational culture, interpersonal relations, and work-life balance (Kumar and Singh, 2021). Among them, leadership has a very powerful role in that it defines the workplace environment, sets expectations, and indicates that employees are valued. Fair reward system, effective communication and precise performance standards can positively affect morale as transactional leadership can minimize ambiguity and uncertainty (Eliyana et al., 2019). But corrective supervision or punitive measures should not be too much because it will de-motivate by causing stress and fear. Finally, leaders shape the emotional environment that can make employees feel appreciated, safe, and motivated or feel strained and uninterested.

2.3 Organizational Commitment

Organizational commitment is a key to the field of organizational behavior because it has a great impact on the attitudes, performance and retention of the employees. It is the psychological commitment of employees to their organization and this minimizes the intention to leave (Porter et al., 1974). The prevailing theory is the Three-Component Model introduced by Meyer and Allen (1991) that includes affective, continuance and normative commitment. Affective commitment is emotional attachment and identification to the organization and is linked to good results like high morale, engagement and discretionary efforts (Meyer et al., 2002). It is encouraged through good leadership, equitable treatment, and good working relationships. Continuance commitment comes as a result of what is perceived as the cost of leaving the organization which may be loss of benefits or the lack of alternative jobs. Although it might minimize the turnover, its impact on the morale is ambivalent because employee might be kept due to the necessity and not out of the will (Allen and Meyer, 1996). Normative commitment is a feeling of an obligation to remain and is especially relevant in collectivist societies such as Pakistan, whereby norms of loyalty are highly valued (Haque et al., 2020). One of the antecedents of organizational commitment is leadership. The continuance and normative commitment are reinforced primarily by transactional leadership, which creates regular organizations of supervision and expected forms of rewards, which affects the morale of the employees.

2.4 Work-Life Balance

Family life and other personal activity in the Pakistani textile sector is usually sacrificed in the name of long working hours, rotating shifts, deadlines, repetitive jobs, and physically demanding tasks (UNDP Pakistan, 2023), which results in stress, fatigue, and low morale. South Asian workers often have no breaks, flexible working schedules, and organizational support, which further complicates the issue of WLB (Khan and Roy, 2024). WLB will therefore play a key role of moderating psychological outcomes such as

morale, job satisfaction, commitment and performance. The improvement of the WLB results in lower stress, greater resilience, and morale levels among the employees, whereas poor WLB results in burnout, emotional exhaustion, irritability, and low motivation (Sharma and Patel, 2023). The impact of the transactional leadership on the morale of the employees is both direct and indirect through the organizational commitment. Contingent rewards increase role clarity, equity, predictability, stimulate commitment and morale, and too much corrective supervision may undermine affective commitment and morale. The moderator of this relationship is WLB that affects the energy, emotional engagement, and well-being of employees. High WLB enables employees who are committed to be enthusiastic and optimistic and low WLB may offset the beneficial impact of commitment. These connections are consistent with the Social Exchange Theory, Three-Component Commitment Model, and Work-Family Border Theory and explain the complicated interaction of leadership, commitment, needs of individuals, and emotional results in the Pakistani textile industry.

2.5 Hypotheses Development

2.5.1 *Transactional leadership and employee morale*

Transactional leadership is founded on the systematic system of rewards and punishments associated with the accomplishments of particular objectives (Bass, 1985). These leaders pay attention to work, job description, and performance measurement (Avolio and Bass, 1995). Although it has the potential to boost short-term performance and guarantee compliance, its impact on affective outcomes, including morale, is less evident. Experiments indicate that transactional leadership has a higher ability to increase morale when working in stable environments where work is predictable and fair (Ugwu & Okere, 2020; Noor et al., 2023). Just rewards inspire employees in the procedural environment, like the textile industry (Skopak and Hadzaihmetovic, 2022). Nonetheless, critics also state that the short-term orientation of this style

on intrinsic motivation and emotional engagement can fail to boost the morale in dynamic and human-rewarding jobs (Efianda and Iswahyuni, 2021).

H1: Transactional leadership has a significant positive impact on Employee morale.

2.5.2 Transactional Leadership and employee commitment

Transactional leadership, based on a system of rewards and punishments, significantly influences organizational commitment. By providing clear structures, expectations, and performance-based incentives, it shapes employees' psychological attachment to their organization. Contingent reward, a core component of transactional leadership, recognizes achievements based on performance and has been shown to enhance perceptions of procedural justice, thereby increasing commitment. Research across sectors, including healthcare and manufacturing, indicates that transactional leadership positively affects organizational commitment, often mediated by psychological needs such as competence and relatedness. However, the effectiveness varies by component; while contingent reward strengthens commitment, passive management-by-exception can reduce it. In Pakistan's public sector, contingent reward improved commitment, whereas passive management-by-exception had detrimental effects, highlighting the need for careful application of transactional behaviors.

Transactional leadership that is founded on a reward/punishment system has a great impact on organizational commitment. It influences the psychological attachment of employees to their company by offering good structures, expectations and performance-based incentives. Transactional leadership includes contingent reward which acknowledges performance-based achievements and has been demonstrated to increase procedural justice perceptions and improvement of commitment. Surveys within various fields such as health care and manufacturing show that transactional leadership has a positive impact on organizational commitment which is usually mediated by psychological needs like competence and relatedness. The effectiveness of these

components is however different with contingent reward increasing commitment whereas passive management by exception decreases it. The contingent reward enhanced the commitment of the Pakistani public sector, and the passive management-by-exception was counterproductive, which indicates that the transactional behaviors should be utilized cautiously.

H2: Transactional leadership has a positive relationship with organizational commitment.

2.5.3 Transactional leadership, organizational commitment and employee morale

Transactional leadership has a greater impact on organizational commitment, especially using contingent reward systems. When performance is associated with rewards, employees are more likely to be attached and loyal to their organizations, in case the expectations are clear. Research in the medical field and the manufacturing industry suggests that transactional leadership has a positive influence on commitment, which is frequently mediated by the psychological need, including competence and relatedness satisfaction (Afshari and Gibson, 2016). Nevertheless, transactional practices may be put under the highlight of passive management-by-exception to roll down commitment, an issue that requires a cautious handling of transactional practices (Ibrahim et al., 2028; Matthews et al.). Transactional leadership also influences employee morale. As the structure and clarity minimize the ambiguity and enhance morale, over-control or corrective behavior may undercut it. This relationship is mediated by organizational climate, which posits that positive impact of transactional leadership on well-being is increased under a supportive environment (Khan et al., 2021).

H3: Organizational commitment mediates the relationship between transactional leadership and employee morale.

H4: Work-life balance moderates the relationship between organizational commitment and employee morale.

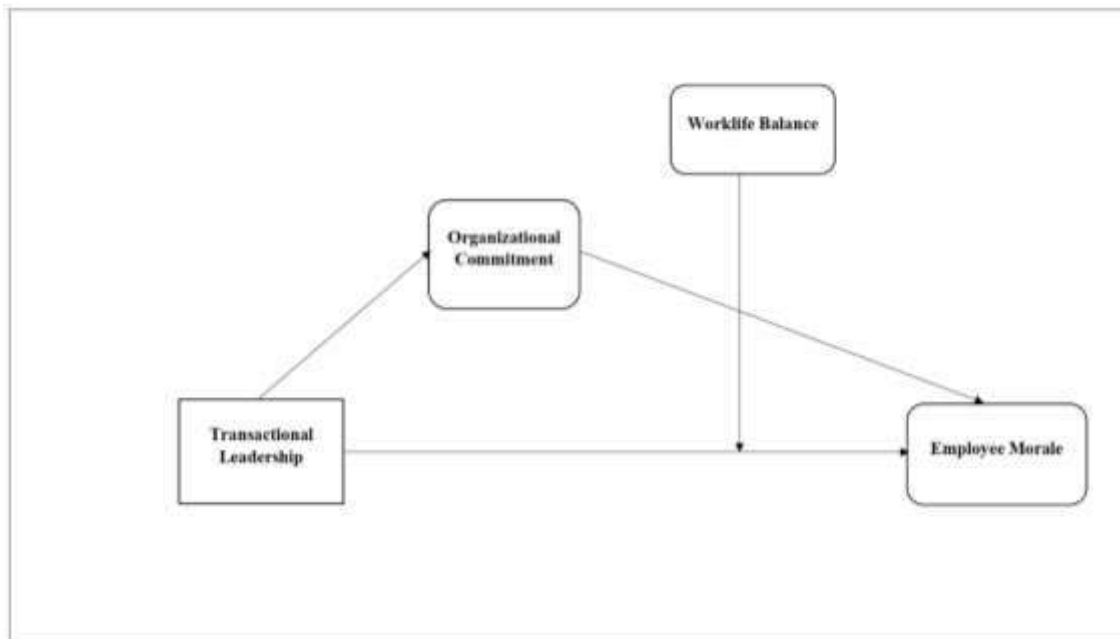
WLB is a determinant of emotional performance that is of high importance in the textile industry of Pakistan which works long hours and has little personal time. High WLB gives dedicated

employees an ability to be enthusiastic and optimistic and boosts morale, but low WLB can eliminate the gains of commitment, making them feel fatigued and stressful. Contingent rewards enhance clarity of role, fairness and predictability, enhancing commitment and morale and over directed corrective supervision is demoralizing. These associations are in line with Social Exchange Theory, the Three-Component Commitment Model and Work-Family Border Theory, where they show a multifaceted interaction among

leadership, commitment, personal needs in life and emotional performance in the Pakistani textile industry.

2.6 Conceptual Framework

Figure 2.1: Conceptual Framework [Description: A diagram showing Transactional Leadership pointing to Organizational Commitment, which points to Employee Morale, with Work-Life Balance moderating the Commitment-Morale arrow.]



3. Methodology

3.1 Research Design

The research is a quantitative survey that is cross-sectional, which is typically applied to study organizational relations (Creswell and Creswell, 2018). The design enables the researcher to collect data on a vast sample at one time and easily perform statistical analysis on the data in theoretical frameworks. The quantitative approach is appropriate to assess the perceptions, attitudes and intentions of the employees to behave in a particular way because of the variables of the study transactional leadership, commitment to the organization, employee morale, and work life balance (Bryman, 2016). By using a structured questionnaire, it becomes possible to use the most

sophisticated statistical methods, such as regression, mediation, and moderation.

3.2 Research Approach

The paper is deductive and this implies the fact that the hypotheses are guided by the established theories, among them being the Social Exchange Theory (Blau, 1964), the Commitment Model which was formulated by Meyer and Allen (1991), and the Work-Family Border Theory (Clark, 2000). The deductive logic is appropriate as there are the theoretical premises on the basis of which the study is conducted and the purpose of the research is to examine the hypothesized relationships with the assistance of the empirical information.

3.3 Population and Sampling

The sample consists of employees in the textile and apparel sector of Pakistan including denim units, knitting units, woven units, composite textile firms, apparel manufacturing units. The textile industry is chosen because the industry attracts more than 40 percent of all industrial labor in Pakistan and the pyramids of the industry have transactional leadership as one of the norms (PBS, 2023). The employees in the sector tend to experience work pressures and low work-life balance and thus may undergo testing to explore the organizational and emotional aspects of the model.

3.4 Sample Size

The non-probability convenience-based approach to sampling is used, which is appropriate in the organizational setting where the supply of the respondents might be constrained (Sekaran and Bougie, 2020). We sent out questionnaires to employees of the various textile organizations that were interested in participating. Despite the fact that probability sampling enhances the extent of generalization, convenience sampling can also be used in behavioral research where the observation is placed on the relationship among variables and not the extent of population accuracy.

3.5 Data Collection Procedure

The rule-of-thumb of multivariate analysis suggested by Krejcie and Morgan guidelines were applied to determine the sample size. The number of respondents on one variable should not be less than 10-15, which is one of the conditions in the case of regression-based models (Hair et al., 2019). Given that the number of important variables is four, 100-150 responses are required. The target sample comprises 150-200 respondents working in different textile units to obtain the goals of enhancing the statistical power, eradicating the sampling error and enhancing the reliability. Out of all the 250 target respondents 226 responses that are valid received.

3.6 Research Instrument

Self-administered structured questions through the use of a physical medium in the textile

organizations are used to gather primary data. I told the respondents about the purpose of the research and ensured anonymity and confidentiality. They were left to participate freely and no financial gains were offered. The respondents were asked to complete questionnaires during the break periods so that they did not interfere with working schedules.

3.7 Measurement Scale

Transactional Leadership (5 items): Scale was measured by using Multifactor Leadership Questionnaire (MLQ; Bass and Avolio, 1995); Items used were contingent reward, active and passive management-by-exceptions. Items attract recognition, expectations, error correction, supervision, and anticipation.

3.7.1 Organizational Commitment (6 items):

Basing on the Three-Component Model by Meyer and Allen (1991) (affective, continuance, normative). Products gauge commitment, devotion, and perceived restraint. TCM is reliably above 0.70 (Allen and Meyer, 1996; Haque et al., 2020).

3.7.2 Employee Morale (6 items):

Questions modified by McKnight et al. (2001), Dewettinck and Van Ameijde (2011), and current literature items, to assess enthusiasm, pride, motivation, and mental freshness, and respect (Borst et al., 2019).

3.7.3 Work-Life Balance (6 items):

Based on the works of Carlson et al. (2000) and Fisher et al. (2009) using reversed coded items to assess balance, flexibility, and control of personal and work life (Sirgy and Lee, 2018; UNDP Pakistan, 2023).

3.8 Reliability and Validity

Cronbachs alpha was used to measure reliability (internal consistency) and the value of alpha must be above 0.70 (Nunnally and Bernstein, 1994). Past research established a high level of reliability in all scales. Content, construct, and face validity were used to verify the validity (DeVellis, 2016). It was ensured that convergent (AVE > 0.50; factor

loading > 0.60) and discriminant validities are upheld (Fornell and Larcker, 1981).

3.9 Data Analysis Techniques

It was done by means of Partial Least Squares Structural Equation Modeling (PLS-SEM). Sample characteristics were summarized by descriptive statistics.

3.9.1 Reliability Testing:

Cronbach's α assessed internal consistency (> 0.70).

3.9.2 Correlation Analysis:

Pearson correlation examined relationships between variables.

3.9.3 Regression Analysis:

Tested direct effects of transactional leadership on employee morale (Judge & Piccolo, 2004).

3.9.4 Mediation Analysis:

The mediation of organizational commitment was tested using Baron and Kenny (1986) method with PROCESS Macro (Model 4), (Hayes, 2017).

3.9.5 Moderation Analysis:

PROCESS Macro (Model 1) examined the moderating effect of work-life balance on commitment-morale relationships.

3.9.6 Assumptions Testing:

VIF, histograms, and scatterplots were used to check normality, linearity, homogeneity and multicollinearity. The study accessed the associations between transactional leadership (TL), employee morale (EM), organizational commitment (OC) and work-life balance (WLB) in the Pakistani textile industry through Structural Equation Modeling (SEM) through SmartPLS. The analysis involved measurement model, reliability and validity test, hypothesis test, mediation test as well as moderation test.

4.1 Demographic Profile

The sample comprised mostly males (88.4%), and the majority of the respondents had a graduate degree (55.4%). Mostly incomes monthly fell

within the PKR 40,000 to 50,000 (33.0) or PKR 90,000 (32.1). The work experience was less than 5 years (25.0%), more than 15 years (23.2). Most (94.6) of them worked in denim units and the textile workforce was adequately represented.

4.2 Measurement Model

Reflective indicator outer loading (OC and EM) and TL and WLB were weaker in loading reverse coded items (TL5: 255 and WLB2: -.102). The internal consistency was satisfactory (Cronbach 48). TL = .71, OC = .77, EM = .73, WLB = .70). Most constructs had composite reliabilities of more than .70. The sufficient level of convergent validity was achieved (TL = .48, OC = .47, EM = .43, WLB = .44). Fornell-Larcker and HTMT criteria were used to detect discriminant validity. Theoretical expectations were true as correlations between TL and EM ($r = .52$), TL and OC ($r = .35$), and EM and OC ($r = .33$) were found to be positive and significant.

4.3 Hypothesis Testing

H1: Transactional Leadership → Employee Morale

TL ($\beta = .53$, $t = 6.41$, $p < .001$) was a significant predictor of EM ($f^2 = .37$), which is a significant effect size. This means that rewarded and organized leadership is a significantly successful way of boosting the enthusiasm, motivation and pride of employees, as well as their perceived respect. It seems to be the immediate and obvious reinforcement by contingent rewards so as to enhance the morale in highly interdependent textile work settings.

H2: Transactional Leadership → Organizational Commitment

TL was also a strong predictor of OC ($f^2 = .14$) ($= 3.93$, $t = .58$, $p = .001$). The expectations and predictable rewards allow TL to develop moderate-to-strong organizational commitment, especially with high-power distance and collectivistic societies like those of Pakistan. Organized leadership minimizes the role confusion, enhances occupational clarity, and stimulates protracted attachment substituting the classical transformational strategies.

H3: Mediation of Organizational Commitment

On the one hand, OC mediated the TL EM relationship (0.06, $t = 1.93$, $p = .056$). In spite of the fact that TL positively influenced EM and OC, the mediation was not substantial indicating that morale is more directly affected by immediate leadership actions and commitment is achieved over time. Other aspects like affective commitment can be more accurate in the mediating role than continuance and normative aspect of motivation.

H4: Moderation of Work-Life Balance

The EM-OC had a moderate relationship (WLB 48 $t = 1.04$, $p = .03$; $f^2 = .04$), meaning that an increased level of positive morale leads to organizational commitment when the level of WLB is high. Employees who have a work and personal life balance will be putting enthusiasm and motivation into long-term commitment, which is in line with the Conservation of Resources (COR) theory and interactionist views of organizational behavior. Even highly motivated employees in a low-balance work environment find it difficult to commit because they become exhausted and conflict with their roles.

4.4 Effect Sizes

The effects of TL on outcomes are also demonstrated by the effect sizes (f^2) TL OC ($f^2 = .14$, medium), TL EM ($f^2 = .37$, large), OC EM ($f^2 = .01$, negligible), and the moderating effect of WLB ($f^2 = .04$, small). The values highlight the direct impact of leadership on morale whereas WLB serves as a contextual amplifier to the morale commitment relationship.

4.5 Discussion**4.5.1 Transactional Leadership and Employee Morale**

The research confirms that TL has a positive influence on EM by contingent rewards, explicit expectations and organized guides. Predictable reinforcement is well received as employees experience increased motivation, pride and engagement especially in textile working conditions where work is highly interdependent and organized. It confirms meta-analytical results

suggesting that TL is correlated with positive attitudes and engagement (Breevaart and Bakker, 2020; Chua et al., 2021) and proves its practical value and use along with transformational leadership in the modern work environment.

4.5.2 Transactional Leadership and Organizational Commitment

TL helps to build commitment through the sense of stability, clarity, and fairness. Transformational leadership also tends to produce the affective commitment, and at the same time, TL could be effective in those cultures where structure and predictable reward are appreciated (Khalid and Nawaz, 2022; Yildiz and Sumer, 2020). The explicit performance expectations also lower the ambiguity, promote the sense of justice and the normative and continuance commitment, especially in long-term and stable settings.

4.5.3 Role of Organizational Commitment

The impact of commitment on TLEM relationship is less than half-baked, but a positive impact. Morale as short-term emotional reactions are very receptive to immediate leadership behavior, though commitment is sluggish and more experience-based (Meyer and Allen, 1997). This observation is consistent with previous studies that propose direct leadership interventions have the potential to affect morale and is independent of mediation by attitudinal constructs (Asbari et al., 2023; Frogner, 2022).

4.5.4 Work-Life Balance as a Moderator

WLB plays a critical role in enhancing the connection between EM and OC as a factor indicating that it is a boundary condition. Depending on a favorable mood, balanced employees find it easier to convert positive emotions into long-term commitment. This is in line with COR theory (Hobfoll, 2011) and modern perspectives of organizational behavior being contextualized in nature, which prove that morale cannot be employed to motivate commitment unless it is supported by favorable organized frameworks like WLB (Banks et al., 2023; Golden and Kim, 2023). WLB programs

combine with TL to translate the affective states into long-term involvement.

4.6 Implications

These results show that TL is not an outdated style of leadership in modern organizations provided it is supplemented with other systems that may support the achievement of work-life balance in organizations like WLB. Structured leadership practices direct on morale in the short-term, and WLB increases the transfer of morale to the organizational commitment, giving us information that can be applied to HR policy in the textile and other related industries. The research covers the gaps on leadership literature in that it demonstrates the direct and conditional impacts of TL on contemporary, high-demand workplaces. This Figure 4.1 demonstrates the structural equation model which was achieved

finally through the influence of Smart PLS. The model shows the proposed correlation between the variables of the Transactional Leadership (TL), Worklife balance (WLB), Organizational commitment (OC) and Employee Morale (EM). Direct paths are represented through the arrows between the latent variables and the path coefficients (3) are normalized to highlight the strength of every association. The R² scores represented by the numbers in the circles will be the percentage variance explained by each of the endogenous constructs. The significance of the path coefficients was measured through bootstrapping and the model was justified by the reliability, validity, and the model fit indices. The explanatory general model has been used and it has added to the hypotheses.

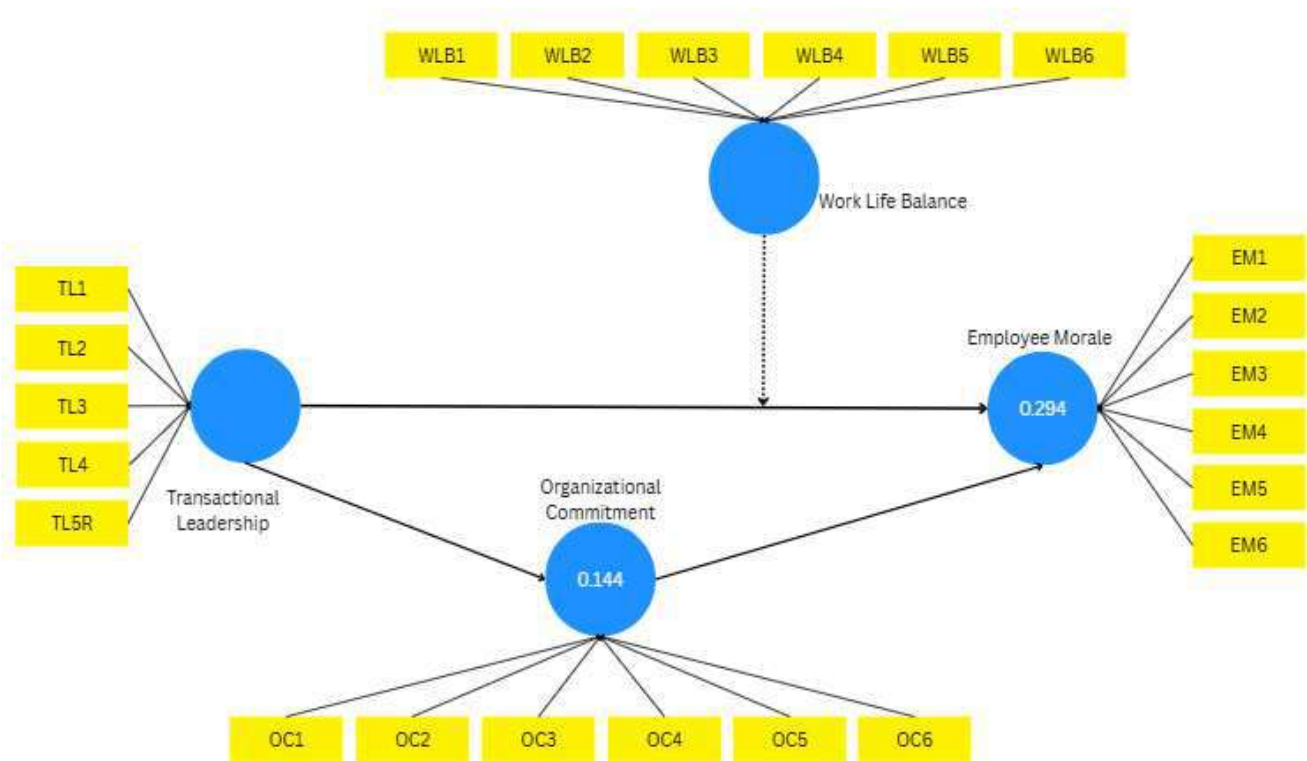


Figure 4.1

5. Discussion, Implications, Limitations, and Conclusion

In this research, it has been investigated how transactional leadership affects the employee morale and organizational commitment in the textile industry of Pakistan keeping in view the moderating influence of organizational commitment and the moderating influence of work-life balance.

5.1 Key Findings

5.1.1 Transactional Leadership and Employee Morale

The hypothesis 1 was accepted ($b = 0.528$, $p < .001$, $f^2 = 0.37$) and the impact of transactional leadership on employee morale was found to be significant. Employees in organized, time-sensitive textile companies react well to the expectations, justice, and reward systems. The results are consistent with the Social Exchange Theory (Blau, 1964) and other studies that have recognized the power of transactional leadership to boost morale with the help of perceived fairness, clarity, and psychological safety (Breevaart and Bakker, 2020; Tonkin et al., 2022).

5.1.2 Transactional Leadership and Organizational Commitment

Hypothesis 2 was supported ($\beta = 0.579$, $p = .001$). Continuum and normative commitment are promoted through transactional leadership in that it minimizes uncertainty and enhances the psychological contract as proposed in the three-component model by Meyer and Allen (1997). Pakistan has a collectivist setting where predictable, reward-based leadership helps to enforce loyalty and obligation (Yildiz and Sumer, 2020; Khalid and Nawaz, 2022).

5.1.3 Mediating Role of Organizational Commitment

Transactional leadership was partially related to morale through organizational commitment ($= 0.586$, $p = .056$). Since morale is a short-term emotional reaction, it is more directly affected by the everyday behavior of a leader, and commitment shows the attachment in the long term. These results can be aligned with the

previous research that showed the lack of mediation effects of commitment in transactional models of leadership (Asbari et al., 2023) and indicate that the concept of other mediators like psychological empowerment or organizational support can be more explanatory.

5.1.4 Moderating Role of Work-Life Balance

Hypothesis 4 was supported ($\beta = 0.477$, $p = .030$). The work-life balance reinforces the relationships between morale and commitment and emphasizes the role of contextual resources in maintaining the attitudes of employees. In line with the Work-Family Border Theory and the Conservation of Resources Theory, organizational practices that are supportive can be used in transforming high morale to consistent commitment particularly in industries that have been characterized by long working hours and demanding schedules (Hobfoll, 2011; Draper et al., 2019).

5.2 Theoretical Implications

A study establishes the sustained applicability of the transactional leadership within the non-Western, structured, and labor-intensive environments in addition to the transformational leadership literature. It stresses how leadership-morale connections can be explained by direct affective channels instead of by organizational commitment only. Moreover, the moderating nature of work-life balance highlights the necessity to use contextual factors in integrative leadership and well-being of employees.

5.3 Practical Implications

In the textile industry, managers are encouraged to use transactional leadership in terms of emphasis on fairness, effective communication and frequent rewards based on performance. Although leadership behaviors can be used to improve morale, commitment levels can only be maintained through other organizational support which includes career development, job security and positive working environment. Policies like flexible work schedule and leave policies are other work-life balance policies that can enhance the influence of leadership on commitment and retention.

5.4 Limitations

The cross-sectional nature of the study did not allow causal inference. The use of self-reported data can be biased. Only Pakistani textile firms were sampled, which has limited the generalizability. There were some reverse coded scale items that had low factor loadings, which indicates that the measurement should be refined in future studies.

5.5 Future Research Directions

Further research could involve other forms of mediators (e.g., psychological empowerment, role clarity), juxtapose transactional and transformational leadership, use longitudinal or experimental research, cross-cultural or cross-industry differences, and other moderators (e.g., organizational culture, gender, or job complexity).

5.6 Conclusion

In the textile industry of Pakistan, transactional leadership positively influences the morale of employees and has a moderate positive impact on organizational commitment, and the work-life balance is one of the important situational moderators. Hierarchical, labor-intensive settings, where expectations are clear, with fair treatment and physical rewards are needed to maintain engagement and organizational attachment. These results demonstrate that the combination of leadership practices and employee well-being programs is important to attain long-term beneficial results.

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