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Research Article**Transactional Leadership and Employee Performance: The Mediating Role of Organizational Citizenship Behavior in the Manufacturing Sector****Authors' Name**

Muhammad Adeel, Muhammad Nabeel,
Liaquat Ali, and Jazish ul Wahab

Muhammad Adeel,
Assistant Professor, Qurtuba University of Science
and Information Technology, Dera Ismail Khan.
Email: muhammad.adeel@qurtuba.edu.pk

Muhammad Bilal
M. Phil, Qurtuba University of Science and
Information Technology, Dera Ismail Khan
Email: bilal2131989@gmail.com

Muhammad Nabeel
Assistant Professor, Qurtuba University of Science
and Information Technology, Dera Ismail Khan
Email: mnabeel@qurtuba.edu.pk

Liaquat Ali,
M. Phil Department of Management Sciences
Qurtuba University of Science and Information
Technology, Dera Ismail Khan.
Email: liaqatali.scholar@gmail.com

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Abstract

This study investigates the effect of transactional leadership on worker performance through the mediating function of Organizational Citizenship Behavior (OCB). While transactional leadership is traditionally characterized by structured rewards and clear expectations, its influence through relational pathways like OCB remains underexplored in manufacturing contexts. A cross-sectional quantitative approach was employed, surveying 290 employees from Chashma Sugar Mills in Dera Ismail Khan, Pakistan. Standardized instruments were used to assess leadership behavior, OCB, and employee performance, and data were analyzed using SPSS version 25 with reliability checks, correlation analysis, regression modeling, and mediation testing via Hayes' PROCESS Macro Model 4. The findings demonstrate that transactional leadership significantly enhances employee performance both directly and indirectly through OCB. Mediation results confirm that OCB partially explains how transactional leadership contributes to improved performance outcomes. These findings indicate that developing citizenship behaviors in addition to transactional management practices can pay big dividends in employee effectiveness. It contributes to the leadership literature and provides applied implications for increasing productivity of the factory workforce in manufacturing companies.

Keywords: Transactional Leadership, Organizational Citizenship Behavior, Employee Performance, Mediation, Manufacturing Sector

1. Introduction.

Leadership is contemporary, performance-based and competitive organizational environment is key to determining the behavior and performance of the employees. Of all leadership styles, transactional leadership's style of guiding employees through contingent reward and corrective feedback stands out. This form of leadership focuses on clear roles, performance expectations, and direct feedback, always providing short-term performance improvements in tasks and compliance (Bass, 1985). But in ever-accelerating work environments—such as the manufacturing sector—managers must do more than manage tasks. They must establish an environment that is supportive of commitment, cooperation, and proactive behavior.

Organizational Citizenship Behavior (OCB), which refer to discretionary action that are not legally needed for employment but are essential for improving organizational performance is a significant behavioral feature that supports the transactional leadership model. These include civic virtue, conscientiousness, civility, and altruism, all of which help to increase team productivity and streamline work procedures (Buil, Martínez, & Matute, 2019). Although it has been demonstrated that transactional leadership improves employee performance (Donkor & Zhou, 2020), the mechanisms underlying this influence—specifically, the function of OCB—remain poorly understood in many organizational situations, particularly in developing nations.

A key factor in determining the success of a company is employee performance (EP), which includes both task-related activities and more general behavioral contributions. Understanding how leadership may improve EP, both directly and indirectly supporting behaviors like OCB, is crucial as businesses in Pakistan's manufacturing industry deal with increasing demands for efficiency and competitiveness. Although prior research (Asgari et al., 2020; Khan et al., 2023) indicates that OCB can work as a behavioral link between performance outcomes and leadership style, there is currently no empirical data that specifically addresses this relationship in the manufacturing industry.

By examining the direct impact of transactional leadership on worker performance as well as the mediating function of OCB in this relationship, this study fills this knowledge vacuum. The study, which was carried out at Chashma Sugar Mills in Dera Ismail Khan, Pakistan, intends to further the theoretical discussion of effective leadership while providing useful advice for business managers looking to improve worker performance and engagement.

The **research objectives** of this study are:

1. To investigate the direct effects of transactional leadership on employee performance.
2. To assess the impact of transactional leadership on Organizational Citizenship Behavior.
3. To assess the impact of Organizational Citizenship Behavior on employee performance.
4. To investigate the mediating role of Organizational Citizenship Behavior between transactional leadership and worker performance.

Hypothesis of the Study

Table 1.1 Hypothesis of the study from literature

H1: Transactional leadership has a significantly positive effects on employee performance.

H2: Transactional leadership positively influences Organizational Citizenship Behavior.

H3: Organizational Citizenship Behavior has a significantly positive impact on employee performance.

H4: Organizational Citizenship Behavior mediated the relationship between transactional leadership and employee performance.

Literature Review and Hypothesis Development

2.1 Theoretical Foundation

Bass's (1985) Transactional Leadership Theory, which maintains that leadership is an exchange process in which followers receive rewards for reaching specific goals and corrections for noncompliance, serves as the foundation for this study. This paradigm emphasizes performance, supervision, and structure. In order to maintain control and increase productivity, leaders primarily employ dependent compensation and management-by-exception.

The study also applies the Social Exchange Theory (Blau, 1964), which holds that when managers demonstrate good work practices, like Organizational Citizenship Behavior (OCB), workers reciprocate. Transactional leaders who have clear goals and provide fair compensation encourage their employees to go above and beyond the call of duty. The role that OCB plays as a mediator between leadership style and employee performance is reinforced by this reciprocity.

2.2 Transactional Leadership

Conditions reinforcement, performance monitoring, and structured goal-setting are ingredients of transactional leadership (Bass, 1985). The leader of this kind issues tasks, delegate's tasks, and offers material rewards for task performance or obedience. This is particularly common in traditional, hierarchical, industrial, and bureaucracy-oriented environments, where an efficient standardization was the key value (Aga, 2016).

The transactional leadership, however, has value in handling a large operational workforce, maintaining procedural continuity, and achieving short-term performance enhancements, but is often regarded as less charismatic in contrast to its transformational counterpart (Donkor & Zhou, 2020). When appropriately applied in a rule-based context such as the manufacturing sector, Alqatawenah's (2018) and Afriyie et al. (2019) evidence its positive impact on employee

2.3 Organizational Citizenship Behavior (OCB)

Organizational Citizenship Behavior is the term applied to non-classroom, discretionary behavior enhancing the effectiveness of a company but which is not in job descriptions. Five very significant dimensions of OCB (Organ, 1988) are altruism, conscientiousness, civic virtue, sportsmanship, and civility. They generate a collaborative working environment, improved coworker relationships, and improved workflow.

These behaviors are always supported by managers who handle employees in a good way and give them good directions (Built et al., 2019). OCB has also been linked to transformational leadership in the past, yet transactional leaders can cause such behavior through the continuous appreciation of work and maintenance of psychological contracts (Daouk et al., 2021). OCB is essential for facilitating peer collaboration and collective responsibility within industrial settings, where there exists high interdependence.

2.4 Employee Performance

Ramos-Villagrasa et al. (2019), employee performance (EP) is a multifaceted construct involving role occupancy, goal achievement, task productivity, and effectiveness of output. “Personal characteristics and organisational factors such as motivation, leadership and relationships have an influence on performance.

Quite often employee behavior is heavily influenced by leadership behavior, and how tasks are communicated, prioritized, and rewarded. Transactional leadership enhances performance due to job clarity, consistency, and performance-based rewards (Rehman et al., 2021). Moreover, OCB has implications for performance by creating a climate of cooperation, reducing conflict, and enhancing group solidarity.

2.5 Relationship between Variables

Transactional Leadership and Employee Performance

The work performance and transactional leadership is positively significantly related in multiple studies Discipline, focus, and productivity & assurance to task efficiency and goal congruence, especially in structured and organized entities such as manufacturing. Zhou, 2020; Rehman et al., 2021). This style of leadership has an to task efficiency and goal congruence, especially in structured and organized entities such as manufacturing.

Transactional Leadership and OCB

Afram et al., 2022), the response of staff to the transactional leader who recognized good work and gave criticism in ways that do not threaten social identity is one of staff member acting like a good citizen, and that is conducive employees see leadership as fair and trustworthy, transactional leadership may lead to positive consequences in OCB. *Aspergillus niger* According to a study done by Khan et Regarding search,

OCB and Employee Performance

OCB have significantly strong impact on employee performance, by creating a collaborative environment, reducing conflict and encouraging the taking of initiatives. Employees with OCB tend to maintain discipline, assist fellow employees, and integrate their behaviour with organizational

goals (Asgari et al., 2020). Hence, in general, the overall performance of groups high in OCB tends to improve.

OCB as a Mediator

OCB has recently been examined as an intervening intervariable between employees performance and leadership. As a conduit of discretionary effort, OCB, in the words of Built et al. (2019) and Khan et al. (2023), further strengthens the relationship between leadership behaviour and performance. In a fair and trusting organization, employees will give more of themselves over and above their defined performance fights back. employees will give more of themselves over and above their defined roles, and thus,

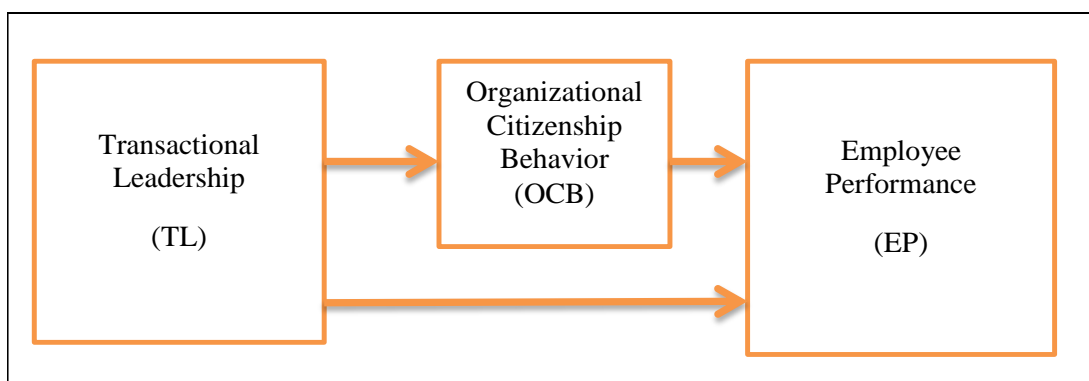


Figure 1: Research Framework

Methodology

This research investigated the impact of transactional leadership on employee performance using a quantitative, cross-sectional approach with an emphasis on the mediating role of Organizational Citizenship Behavior (OCB). For hypothesis testing and analyzing relationships among the three variables, we deemed a systematic survey approach most appropriate. The cross-sectional nature of the study enabled snapshot assessments of performance, behavior, and leadership at a given point in time in the industry setting.

Chashma Sugar Mills located in Dera Ismail Khan, Pakistan was chosen as the site for this study. The sample consisted of 290 employees from operational and human resource functions out of a total population of 1,050 that included production and administrative personnel as well. This convenience

sample was derived through non-probability sampling methods tailored for efficient data capture within organizational constraints using Yamane's formula (1967) at 95% confidence level with 5% margin of error.

Data was collected utilizing a self-administered structured questionnaire designed in three sections based on main constructs. Two core aspects

SPSS version 25 was utilized to examine the data as it is well-known within social science for its extensive analytic capabilities. The mean, standard deviation and other relevant values of essential variables and some demographic information were summarized using descriptive statistics. Relation of intensity and direction between each set of two variables was assessed through correlation analysis. The direct relationships of transactional leadership with organizational citizenship behavior (OCB) and employee performance were evaluated with multiple regression analysis. Finally, macro Hayes' PROCESS model 4 focuses on mediation by estimating direct and indirect effects using bootstrapped confidence intervals.

This methodology allowed thorough statistical analysis of the suggested hypotheses while also enabling a reliable exploration for mediating dynamics within performance and

Results

The results of the statistical studies that were performed to test the study's hypotheses are shown in this section. SPSS version 25 was used to examine reliability, relationships between variables, predictive effects, and mediation.

4.1 Reliability Analysis

To ensure internal consistency of the scales, Cronbach's alpha coefficients were calculated. As shown in Table 1, all constructs demonstrated strong reliability with values exceeding the acceptable threshold of 0.70.

Table 1 *Reliability Statistics*

Variable	No. of Items	Cronbach's Alpha
Transactional Leadership	10	0.882

Variable	No. of Items	Cronbach's Alpha
Organizational Citizenship Behavior (OCB)	10	0.867
Employee Performance	10	0.872

All three constructs show excellent internal consistency, with Cronbach's alpha values > 0.86 . The instruments are considered reliable for further analysis.

4.2 Correlation Analysis

Pearson correlation coefficients were computed to assess the relationships among the three main variables.

Table 2

Descriptive Statistics and Correlations (N = 290)

Variable	Mean	SD	1	2	3
1. Transactional Leadership	3.91	0.52	0		
2. Organizational Citizenship Behavior	4.03	0.55	0.641**	0	
3. Employee Performance	4.11	0.49	0.802**	0.749**	0

Transactional leadership is significantly and positively correlated with both OCB ($r = 0.641$, $p < .01$) and employee performance ($r = 0.802$, $p < .01$). OCB is also positively correlated with employee performance ($r = 0.749$, $p < .01$). These findings provide preliminary support for all three direct hypotheses (H1–H3).

4.3 Regression Analysis

Multiple regression analysis was conducted to test the predictive power of transactional leadership and OCB on employee performance.

Table 3 *Regression Coefficients Predicting Employee Performance*

Predictor	B	SE	β	t	p
Transactional Leadership	0.487	0.038	0.587	12.82	<.001
Organizational Citizenship Behavior	0.399	0.041	0.459	9.73	<.001

Model Summary

$R^2 = 0.756$, $F(2, 287) = 446.22$, $p < .001$

Both transactional leadership ($\beta = 0.587$, $p < .001$) and OCB ($\beta = 0.459$, $p < .001$) are significant predictors of employee performance. The model explains approximately 75.6% of the variance in performance, supporting H1 and H3.

4.4 Mediation Analysis (PROCESS Model 4)

A mediation study was performed to assess H4 using Hayes' PROCESS Macro (Model 4) with 5,000 bootstrap samples.

Table 4 *Mediation Analysis of OCB in the TL \rightarrow EP Relationship*

Path	Effect (β)	SE	95% CI	Significance
TL \rightarrow OCB (a path)	0.622	0.048	[0.527, 0.713]	$p < .001$
OCB \rightarrow EP (b path)	0.399	0.041	[0.319, 0.477]	$p < .001$
TL \rightarrow EP (direct, c' path)	0.487	0.038	[0.412, 0.562]	$p < .001$
TL \rightarrow EP (total, c path)	0.733	0.032	[0.670, 0.796]	$p < .001$
Indirect Effect (a \times b)	0.247	0.034	[0.186, 0.321]	Significant

The mediation analysis shows that OCB significantly mediates the relationship between transactional leadership and employee performance. The **indirect effect is significant** ($\beta = 0.247$, 95% CI [0.186, 0.321]), and the **direct effect remains significant**, indicating **partial mediation**. This

supports H4 and confirms that transactional leadership enhances performance not only directly but also indirectly through its positive effect on OCB.

Conclusion and Discussion

The purpose of this study was to investigate how transactional leadership affects worker performance, with Organizational Citizenship Behavior (OCB) as a mediating variable in the context of a manufacturing organization in Pakistan. The findings from statistical analysis strongly support all four hypotheses, offering significant theoretical and practical implications.

Consistent with literature (Donkor & Zhou, 2020; Rehman et al., 2021) that accountability-, expectation-, and structure-based reward-oriented leadership enhances job production and effectiveness, the results verify the positive and direct effect of transactional leadership on performance (H1). Transactional leadership also helps provide stability in performance continuously in the manufacturing sector where working activities are usually routine and standards are required.

Moreover, the research supports the postulation that transactional leadership exerts a significant impact on OCB (H2). The transactional leaders are indeed known to encourage discretionary behaviors by means of fairness, setting standards, and showing appreciation for employees' efforts—just as they have been correlated with transformational leadership. In line with the previous study of Donkor and Zhou (2020) and Rehman et al. (2021), which showed that accountability-based leadership, clear expectations, and formal rewards bring more job production and effectiveness, the findings confirm that transactional leadership has directly and favorably impacted on employee performance (H1). Transactional leadership offers the structure required for continuous performance within the manufacturing sector, where working is a job and norms are prevalent.

As per the findings, transactional leadership enhances employees' performance directly (H1), as concluded by previous research by Donkor and Zhou (2020) and Rehman et al. (2021). Consistent with previous studies by Donkor and Zhou (2020) and Rehman et al. (2021), which concluded that accountability-based leadership, clear expectations, and formal rewards give rise to enhanced job productivity and performance, the findings confirm that transactional leadership has directly and favorably effects on worker performance (H1). Transactional leadership provides the structure required to guarantee consistent performance in the manufacturing sector, where the tasks are mundane and the standards are critical. The study found that expectations-based leadership. Workers who engage in extra-role activities beyond assigned jobs through helping others, initiative, or positive

attitude perform better, as suggested by the validation of OCB and correlation between employee performances (H3). This is consistent with studies by Asgari et al. (2020) and Built et al. (2019), which highlighted how discretionary actions might improve performance in collaborative settings.

Although transactional leadership influences performance in a direct manner, its influence is multiplied when employees also participate in OCB, partial mediation effect of OCB (H4) implies. Two-way influence accords with the Social Exchange Theory, which holds that through the sustenance of equity and offering some benefits, mutual actions arise. The behavior process through which leadership affects results is also exemplified by the mediation; besides being responsible for controlling behavior, leadership produces the culture and norms underlying cooperation and commitment. In conclusion, the research contributes to transactional leadership studies in that it provides empirical evidence that the effect on performance is direct and mediated by OCB. The study shows that transactional leaders can motivate discretionary effort from their employees and significantly improve performance outcomes through exceeding close monitoring and building trust, equity, and recognition. The results are most useful to manufacturing companies seeking a balance of productivity and cooperation. Leadership development programs in those cases must emphasize relationship competencies that create good citizenship behaviors alongside incentives and openness about goals.

Limitations and Future Research Directions

While this research presents valuable information regarding the application of transactional leadership and Organizational Citizenship Behavior (OCB) in boosting employees' performance, there are a few limitations that must be noted. Firstly, the study was conducted within a **single manufacturing organization**, Chashma Sugar Mills in Dera Ismail Khan, Pakistan. While this provided a focused context, it limits the findings' applicability to different sectors or geographical areas. Future studies should include **multi-industry or cross-regional samples** to enhance external validity and assess whether these leadership-performance dynamics vary across different organizational cultures or sectors.

Second, the study used a cross-sectional design, gathering information all at once. This restricts the capacity to demonstrate a causal relationship between. Longitudinal studies would allow future researchers to track how transactional leadership and OCB evolve over time and whether their effects on performance are sustained in the long run.

Third, the data were gathered using **self-report questionnaires**, which can be susceptible to common method bias and social desirability effects. Although the reliability scores were high, the use of **multi-source data**—such as supervisor assessments of performance or peer evaluations of OCB,could strengthen the robustness of future findings.

Additionally, while this study focused on **OCB as a mediator**, other psychological and organizational factors may also influence the leadership-performance relationship. Future research could explore potential **moderators**, such as organizational culture, job satisfaction, or employee engagement, to better understand under what conditions transactional leadership is most effective.

Lastly, it may be useful to **compare transactional leadership with other styles**, such as transformational or servant leadership, within similar contexts to assess which leadership approaches are best suited for different organizational environments and workforce types.

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