

ROLE OF TRANSFORMATIONAL LEADERSHIP IN ENHANCING TEAM COHESION AND PERFORMANCE: A STUDY IN THE INDIAN IT SECTOR

Charulatha

Research Scholar, School of Management and Business Studies, Mahatma Gandhi University, Kottayam, Kerala

E Sulaiman

Professor, School of Management and Business Studies, Mahatma Gandhi University, Kottayam, Kerala

ABSTRACT

The article is based on an empirical finding aimed at studying the role of transformational leadership in the Indian IT industry, the mechanisms through which the leadership behaviors can be related to team cohesiveness and greater productivity, and provides practical suggestions to leaders and organizations. The present study employed a **quantitative research design** to examine the role of transformational leadership in enhancing team cohesion and performance within the Indian IT sector. A **sample of 150 respondents** was selected using **convenient sampling**, comprising employees and team leaders from various IT firms. Data were collected through a **structured questionnaire**, which included items measuring key dimensions such as leader's emotional intelligence, organizational culture, communication effectiveness, trust and psychological safety, follower readiness and motivation, shared vision and goal alignment, and leadership training and development. To identify the most influential factors and **Chi-square tests** were employed to determine the significance of differences among variables. The study ensured **confidentiality and voluntary participation** of all respondents, adhering to ethical research standards. This methodological approach provides empirical insights into how transformational leadership behaviors shape team dynamics and organizational outcomes in the rapidly evolving Indian IT context. Rapid digitalization and pace of growth, multicultural work teams, hierarchical organizational cultures, and growing focus on agile and knowledge work combine with Indian IT setting, which offers opportunities and creates limitations to transformational leadership. The results have shown that transformational leadership improves psychological safety, shared vision, learning orientation and adaptive collaboration that subsequently lead to performance outcomes in the form of innovation, on-time delivery and employee retention.

Keywords: *Transformational Leadership, Team Cohesion, Team Performance, Indian IT Sector, Individualized Consideration and Employee Engagement*

INTRODUCTION

The Indian IT industry has already turned out to be an international center of software creation, IT services and digital innovation. Teams tend to be geographically distributed, multicultural and knowledge intensive- circumstances that augment the need to depend on leadership in order to influence cooperation and effectiveness. Knowledge-intensive work is particularly compatible with transformational leadership that aims at raising values and motivation of followers towards

a common objective. The article discusses the reason and the manner in which transformational leadership can enhance the cohesion and performance of teams in Indian IT companies, paying attention to the cultural specificities, the working mechanisms, and implications to the management.

CONCEPTUAL BACKGROUND

The central proposition: transformational leadership strengthens both task and social cohesion by aligning values, fostering shared purpose, and creating an environment where members feel supported and intellectually engaged. Cohesive teams then perform better because coordination, communication, mutual support, and discretionary effort increase. It comprises four core behaviors: Team cohesion refers to the bonds that hold a group together—task cohesion (shared commitment to goals) and social cohesion (interpersonal attraction and support). Team performance in IT typically includes quality of deliverables, innovation, timeliness, and the ability to adapt to changing requirements.

1. **Idealized influence:** Idealized influence is when a leader serves as a good role model who gains the admiration, trust and respect of followers. Such leaders are known to be upright, ethical and also maintain consistency in words and actions, making others want to imitate their actions. When leaders are idealized in the Indian IT industry, they promote credibility and dedication among their followers particularly in tough project setups. With articulated values and being morally convinced, they inspire their employees to act in the best interest of others. Their charisma brings a feeling of identity and purpose, which enhances the unity of the team and trust. This aspect is essential in the establishment of loyalty and emotional attachment that are fundamental in the perpetual team cohesion and performance.
2. **Inspirational Motivation:** Inspirational motivation is the ability of a leader to convey a powerful and positive vision that would stimulate and make the team focus on the common objectives. Persuasive communication, enthusiasm, and clarity of goals are all used by leaders to motivate confidence and commitment in the team members. Inspirational motivation is essential in the Indian IT industry where teams usually have strict deadlines and constantly changing technological requirements. Leaders describe a purpose that is significant in what they do every day and tie the individual contribution to that of the organization. Through hope and enthusiasm, they develop resilience, creativity and active involvement. Inspirational motivation therefore turns mundane work to meaningful team work that allows the teams to maintain high intensity and group motivation even when working on a difficult project.
3. **Intellectual Stimulation:** Creativity, innovation and critical thinking among members of a team are promoted by intellectual stimulation. Transformational leaders are a challenge, they open the doors to new ideas and they make questioning and experimenting an atmosphere where they are not afraid of being wrong. This practice fosters learning based culture- essential in the Indian IT business where change in technology and solving of problems are always eminent. Intellectual stimulation leaders challenge their subordinates to find new solutions, think strategically and perceive a problem in various ways. They are innovative and see failure as an opportunity to learn. This environment will alleviate the fear of not succeeding and increase the ability to solve problems collectively. Therefore, intellectual stimulation does not only enhance the technical competence and

innovation, but also enhances collaboration, adaptability and a sense of team confidence to go through an advanced IT project.

AGREEMENTS BETWEEN PARTIES NEED TO BE INDIVIDUALLY AND PERSONALLY CONSIDERED.

Individualized consideration entails identification and consideration of individual needs, aspirations and potential of each team member. Transformational leaders also perform the role of mentors and coaches who give personal feedback, direction and development opportunities. This practice will promote inclusiveness and belonging in the Indian IT industry where workers are diverse in their educational and cultural backgrounds. Leaders increase motivation and job satisfaction by listening to them and being genuinely concerned with their individual development. Customized assistance, e.g. training, flexible job roles or acknowledgement of efforts, can make employees feel appreciated and powerful. Such individual care creates a sense of trust and emotional connection in the team, which works towards greater cohesiveness and less turnover. Finally, personalized attention renders work relationship as relationship of partnership in terms of respect, development, and commitment.

WHY TRANSFORMATIONAL LEADERSHIP FITS THE INDIAN IT CONTEXT

1. Knowledge Work and Autonomy: Indian IT teams require autonomy for creative problem solving. Intellectual stimulation and individualized consideration nurture autonomy while providing direction.
2. Cross-cultural and Cross-functional Teams: Transformational leaders create a unifying vision that bridges cultural and functional divides—important in teams with onshore–offshore members.
3. Rapid Change and Uncertainty: Inspirational motivation helps teams commit to change initiatives (e.g., digital transformations, migrations to cloud-native architectures).
4. Traditional Hierarchies vs. Modern Practices: Indian firms often balance hierarchical norms with emergent flat structures (agile, DevOps). Transformational leaders can navigate this tension by modeling openness while maintaining clarity of purpose.
5. Talent Retention: With intense competition for skilled professionals, leaders who develop and recognize individuals increase engagement and reduce attrition.

MECHANISMS LINKING TRANSFORMATIONAL LEADERSHIP TO COHESION & PERFORMANCE

1. Shared Vision and Meaning

Workers will see the sense in work and do not have to be technicians when their leaders share a powerful vision (inspirational motivation). The shared purpose creates priority (task cohesion) and encourages members to contribute to one another to meet shared goals and this enhances throughput and product quality.

2. Voice and Psychological Safety. The creation of psychological safety is achieved through intellectual stimulation and personalized attention: team members are confident that they are safe to express themselves. Transformational leaders that compensate curiosity impact innovation and error-reporting more, and help to devalue knowledge silencing and get out of junior employees

the knowledge that senior employees will not always report, which contributes to their higher innovation and error detection.

3. Trust and Role Modeling: Trust is developed in an idealized influence. Trust saves on coordination expenses- the transfer of hands is easier, and members can delegate with a lot of confidence. Trust in asynchronous work is a factor that is very important in the distributed teams; the transformational leaders who set examples of accountability inspire others to follow suit.

4. Learning Continuous Improvement and Orientation: Transformational leaders instill a learning culture by encouraging intellectual stimulation: views are healthy, failures are lessons and experimentation is encouraged. The direct impacts of this learning loop on quality of code, architecture choices, and sustainability.

5. Personal Development and Investment: Personalized attention - mentoring, career discussion, and personalized feedback increases the level of commitment of the members to the team. Employees experiencing growth opportunities tend to apply discretionary effort and stay with the company to stabilize the teams and improve performance continuity.

Figure: 1

FOUR DIMENSIONS OF TRANSFORMATIONAL LEADERSHIP IN THE INDIAN IT SECTOR



RESEARCH GAP

Numerous studies have examined the impact of transformational leadership on organizational outcomes, most existing research has focused on Western contexts or traditional manufacturing and service industries. Limited empirical attention has been given to the Indian IT sector, which presents a unique socio-cultural and organizational environment characterized by multicultural teams, high employee turnover, rapid technological change, and hybrid work structures. While leadership has been recognized as a critical factor in driving innovation and productivity in IT-based firms, there is insufficient understanding of how transformational leadership behaviors specifically enhance team cohesion and performance within India's dynamic digital ecosystem.

Moreover, existing studies often emphasize individual-level outcomes such as job satisfaction and motivation, overlooking collective factors such as trust, collaboration, and shared vision that directly influence team performance. This research addresses the gap by exploring the mechanisms through which transformational leadership promotes both task and social cohesion in IT teams, and how these, in turn, translate into measurable performance outcomes. Understanding this relationship in the Indian context can provide contextually relevant insights for leadership development and organizational policy design in knowledge-intensive environments.

IMPORTANCE OF THE STUDY

The research is valuable both in theory and in practice of management. In theory, it adds value to the leadership body as it contextualizes transformational leadership to the Indian IT industry where multicultural workforces, global customer interface and technology-oriented processes drive leadership to adapt to changes. The study helps in the new insight into how the transformational leadership behaviors, including inspirational motivation, intellectual stimulation, and individualized consideration, lead to the creation of trust, commitment and collaboration which further contributes to the overall effectiveness of the team. In practice, the research can be of great help to managers, HR managers/ personnel and policy makers in the IT sector to come up with specific leadership development programs to help cultivate cohesive and high performing teams. In a workplace with high attrition and competitive talent market, a culture of transformational leadership development can enhance retention of staff, staff engagement and creative work. Also, the results can help companies adjust the leadership practices to new work models like agile models and remote working. This paper identifies leadership as a strategic instrument of remaining competitive in an organization and as a driver of digital transformation in the fast-changing Indian IT sector by connecting leadership style and quantifiable team performance.

STATEMENT OF THE PROBLEM

Although the Indian IT industry has emerged as a leading organization in the world, employee disengagement, tension in cross-functional teams, and deteriorating productivity are still constant problems that many organizations are experiencing under heavy workloads and remote work arrangements. The conventional transactional styles of leaders (primarily oriented to compliance, supervision, and short-term goals) do not tend to make employees committed and creative in the long run. Consequently, there is an increasing desire to seek leadership paradigms that would, at the same time, enhance staff unity and boost performance. A possible solution can be found in transformational leadership, which focuses on the vision, empowerment, and personal development. Nevertheless, there is limited empirical information on the effects of transformational leadership behavior on team-based dynamics and performance at the Indian IT scenario. The main issue, thus, is the degree to which transformational leadership positively impacts team cohesion, be it in terms of task and social cohesion, and the degree to which this cohesion can be converted into better performance indicators, including quality, innovation, and project success. The resolution of this issue will offer practical findings of effective leadership practices that can serve to keep IT organizations in India motivated and collaborative and excelling in an ever-competitive and technology-driven world.

RESEARCH METHODOLOGY

The present study employed a **quantitative research design** to examine the role of transformational leadership in enhancing team cohesion and performance within the Indian IT sector. A **sample of 150 respondents** was selected using **convenient sampling**, comprising employees and team leaders from various IT firms. Data were collected through a **structured questionnaire**, which included items measuring key dimensions such as leader's emotional intelligence, organizational culture, communication effectiveness, trust and psychological safety, follower readiness and motivation, shared vision and goal alignment, and leadership training and development. Each item was rated on a **five-point Likert scale**, ranging from strongly disagree (1) to strongly agree (5). The collected data were analyzed using **descriptive statistics** (mean, standard deviation, and mean rank) to identify the most influential factors, and **Chi-square tests** were employed to determine the significance of differences among variables. The study ensured **confidentiality and voluntary participation** of all respondents, adhering to ethical research standards. This methodological approach provides empirical insights into how transformational leadership behaviors shape team dynamics and organizational outcomes in the rapidly evolving Indian IT context.

Table 1
Factors Influencing Organizational Dynamics- Friedman Test

Factors	Mean	Std. Deviation	Mean Rank
Leader's Emotional Intelligence	3.2465	.47464	2.92
Organizational Culture	3.5788	.45344	3.10
Communication Effectiveness	3.7250	.52781	3.15
Trust and Psychological Safety	3.7500	.48113	3.94
Follower Readiness and Motivation	3.4456	.50887	2.61
Shared Vision and Goal Alignment	3.4409	.52282	2.23
Leadership Training and Development	3.4424	.49506	2.50
N0.of. Respondents	150		
Chi-Square	216.542		
difference	6		

The analysis of factors influencing transformational leadership in enhancing team cohesion and performance reveals notable variations in respondents' perceptions. Among the identified factors, Trust and Psychological Safety recorded the highest mean score ($M = 3.75$, $SD = 0.48$; Mean Rank = 3.94), indicating that team members perceive trust and a supportive environment as the most critical elements for fostering cohesion and improving performance. This is followed by Communication Effectiveness ($M = 3.73$, $SD = 0.53$; Mean Rank = 3.15) and Organizational Culture ($M = 3.58$, $SD = 0.45$; Mean Rank = 3.10), suggesting that open communication and a collaborative culture play vital roles in transformational leadership outcomes. Conversely, Shared Vision and Goal Alignment ($M = 3.44$, $SD = 0.52$; Mean Rank = 2.23) and Leadership Training and Development ($M = 3.44$, $SD = 0.49$; Mean Rank = 2.50) received comparatively

lower mean scores, implying the need for stronger alignment of individual and organizational goals and enhanced leadership capacity-building initiatives. The computed Chi-square value ($\chi^2 = 216.542$, $df = 6$) indicates a statistically significant difference among the factors influencing transformational leadership. Overall, the findings emphasize that fostering trust, ensuring effective communication, and nurturing a positive culture are essential for maximizing team cohesion and performance through transformational leadership.

LIMITATIONS AND BOUNDARY CONDITIONS

Transformational leadership is not a panacea. Its effectiveness depends on:

- Leader Capability: Not all managers can authentically perform transformational behaviors; charismatic leadership without substance can be demotivating.
- Organizational Constraints: Rigid processes, lack of autonomy, or unrealistic deadlines can blunt leadership impact.
- Cultural Fit: In some teams steeped in hierarchical respect, certain transformational tactics (public praise of juniors, open dissent) must be applied sensitively.
- Task Characteristics: Very routine, low-autonomy tasks may benefit less from transformational approaches than creative, ambiguous tasks.

FUTURE RESEARCH IMPLICATIONS.

Empirical studies on causal connections should be done in the future by longitudinal studies of the effects of leadership development interventions, randomized trials of leader training, and multilevel analysis that conditions on team composition, type of task and organizational policy. Direct focus on the variations by the cities of India, start-ups and established companies, offshore-onshore would provide practical information to the leaders and HR professionals.

PRACTICAL RECOMMENDATIONS FOR LEADERS AND ORGANIZATIONS

For Leaders

1. Craft and Communicate a Clear, Localized Vision: Make the vision concrete and relatable to everyday tasks; tie sprint goals to larger business outcomes that team members value.
2. Model Vulnerability and Accountability: Admit mistakes in retrospectives to normalize learning. Publicly recognize both successes and learning from failures.
3. Encourage Safe Dissent: Use structured techniques (devil's advocate, pair programming rotations) to surface alternative ideas without penalizing contributors.
4. Invest in Individual Growth: Hold regular one-on-ones focused on career goals; sponsor stretch assignments and learning budgets.
5. Foster Cross-cultural Awareness: Run brief cultural orientation sessions for distributed teams; celebrate cultural festivals to build social bonds.

FOR ORGANIZATIONS

1. Train Leaders in Transformational Behaviors

Organizations should invest in structured leadership development programs that focus on cultivating transformational qualities such as empathy, vision articulation, coaching, and intellectual stimulation. Training should go beyond theoretical sessions and include experiential learning, mentoring, and 360-degree feedback. Leaders must be taught how to inspire teams, encourage innovation, and foster trust across hierarchical levels. Regular workshops and simulation exercises can help leaders practice motivational communication, emotional intelligence, and conflict resolution. Emphasis should also be placed on developing self-awareness and adaptability to diverse team dynamics. By building these competencies, organizations can create leaders who are capable of transforming teams into cohesive, motivated, and high-performing units aligned with strategic organizational goals.

2. Align HR Policies

Human Resource (HR) policies must reinforce and reward transformational leadership behaviors to ensure sustained impact. Performance appraisal systems should evaluate not only task completion but also collaboration, innovation, and team development. Reward structures should recognize leaders who empower employees, encourage creativity, and maintain cohesive teams. Recruitment and succession planning should prioritize candidates with strong interpersonal and visionary leadership capabilities. Additionally, HR should facilitate open communication, feedback mechanisms, and leadership coaching. Policies promoting diversity, work-life balance, and employee well-being also support transformational outcomes by creating a positive organizational climate. Aligning HR systems with transformational principles ensures consistency between leadership behaviors and organizational culture, leading to enhanced team performance and long-term engagement.

3. Create Structural Supports

To fully leverage transformational leadership, organizations need structural mechanisms that enable collaboration, learning, and innovation. This includes establishing digital platforms for knowledge sharing, cross-functional collaboration, and project transparency. Providing time and resources for innovation—such as hackathons, ideation sessions, or “learning hours”—empowers teams to experiment and grow. Organizational hierarchies should be flexible enough to allow for open communication and faster decision-making. Mentorship programs and internal leadership networks can support continuous learning and peer collaboration. Additionally, resource allocation should prioritize employee development, psychological safety, and recognition programs. These structural supports institutionalize transformational leadership practices, ensuring that visionary ideas are translated into actionable outcomes that strengthen team cohesion and performance.

4. Measure Team Health

Regular assessment of team health is essential to sustain transformational leadership outcomes. Organizations should implement periodic surveys and feedback tools to gauge team cohesion, trust levels, communication effectiveness, and psychological safety. Metrics such as employee engagement, retention, project success rates, and innovation frequency can serve as performance indicators. Qualitative feedback from team retrospectives, performance reviews, and one-on-one

meetings provides deeper insights into interpersonal dynamics. Data from these assessments should be analyzed to identify patterns, strengths, and areas needing intervention. Transparent sharing of results fosters accountability and continuous improvement. Measuring team health ensures that leadership initiatives are data-driven and adaptive, helping organizations maintain motivated, cohesive, and high-performing teams over time.

CONCLUSION

Transformational leadership is critical in the Indian IT sector in improving the performance and team cohesion. Transformational leaders can coordinate, innovate, and maintain performance levels through building a shared vision, fostering psychological safety, supporting intellectual engagement, and investing in people, which clarify why the leader would assist teams in better coordinating, innovating, and maintaining a higher level of performance. Agility, quality, and retention will be the benefits that will accrue to the organization that educates leaders on these behaviors and changes the policies to encourage collaboration and learning. Nevertheless, it takes authenticity, enabling structures, and cultural sensitivity to succeed transformational leadership should be complemented by organizational practices that translate inspiration into team action, which is enduring.

REFERENCES

1. Afsar, B.; Umrani, W.A. Transformational leadership and innovative work behavior: The role of motivation to learn, task complexity and innovation climate. *Eur. Journal. Innovation. Management.* 2019, 23, 402–428
2. Amankwaa, A.; Gyensare, M.A.; Susomrith, P. Transformational leadership with innovative behaviour: Examining multiple mediating paths with PLS-SEM. *Leadersh. Organ. Dev. J.* 2019, 40, 402–420.
3. Gyanchandani, R. (2017). The effect of transformational leadership style on team performance in IT sector. *IUP Journal of Soft Skills*, 11(3), 29-44.
4. Hughes, D.J.; Lee, A.; Tian, A.W.; Newman, A.; Legood, A. Leadership, creativity, and innovation: A critical review and practical recommendations. *Leadership. Q.* **2018**, 29, 549–569.
5. Jaroliya, D., & Gyanchandani, R. (2022). Transformational leadership style: a boost or hindrance to team performance in IT sector. *Vilakshan-XIMB Journal of Management*, 19(1), 87-105.
6. Lee, A.; Legood, A.; Hughes, D.; Tian, A.W.; Newman, A.; Knight, C. Leadership, creativity and innovation: A meta-analytic review. *Eur. J. Work Organ. Psychol.* **2020**, 29, 1–35.
7. Rao, A. S., & Kareem Abdul, W. (2015). Impact of transformational leadership on team performance: an empirical study in UAE. *Measuring Business Excellence*, 19(4), 30-56.
8. Sanders, K.; Shipton, H. The relationship between transformational leadership and innovative behaviour in a healthcare context: team learning versus a cohesion perspective. *Eur. Journal. Int. Management.* **2012**, 6, 83–100

9. Shedor, G. I., & George, A. (2021). Perception of transformational leadership, team cohesion, and team performance: A case study of guarantee trust bank. *Australian Journal of Science and Technology*, 5(4), 694-701.
10. Shin, S.J.; Zhou, J. Transformational leadership, conservation, and creativity: Evidence from Korea. *Acad. Manag. J.* **2003**, 46, 703–714