

Positive Institutions and their relationship with transformational leadership, empathy and team performance

Solares Menegazzo, Jéssica¹*, Cruz-Ortiz, Valeria¹, Ortega-Maldonado, Alberto¹, Salanova, Marisa¹.

Affiliation author¹ (Universitat Jaume I de Castelló, WoNT Research Team)
*Corresponding author: Universitat Jaume I, Departamento de Psicología
Evolutiva, Educativa, Social y Metodología. Av. de Vicent Sos Baynat, s/n,
12071, Castellón de la Plana: Castellón (Spain).email: solares@uji.es. Phone:
+34 964 729 955

Received: 2015-02-03; Accepted: 2015-06-12

Abstract

The current study tests the relationship between transformational leadership, empathy and excellent team performance, based on the HEalthy & Resilient Organizations (HERO) Model (Salanova, Llorens, Cifre & Martínez, 2012) in positive institutions, the third pillar of positive psychology (Seligman & Csikszentmihalyi, 2000). The study of empathy and its role in companies is important because it is not yet widely known the benefits that can provide to any institution. The study attempt to show a full mediating role of empathy in this relationship. The sample consist on 69 work teams, from 7 Small -and Medium- sized Enterprises (SMEs) including 4 educational institutions and 3 institutions of medical services from Spain. The Interclass Correlation Coefficients (ICC1 and ICC2) and the Average Deviation Index (ADM(J)) supports data aggregation at the team level. The results using SEM, through work teams, supported the hypothesis, that is, the empathy plays a full mediating role between transformational leadership and excellent team performance. Finally, theoretical and practical implications of the results are discussed.







Keywords

transformational leadership, empathy, excellent performance, positive institutions.

Positive Psychology is defined as "the scientific study of optimal human functioning" (Seligman, 1999) and includes the study of three pillars: (1) positive emotions experience, (2) positive traits, and (3) positive institutions (Seligman & Csikszentmihalyi, 2000; Peterson, 2006). Moreover, the field of study of this psychological perspective focuses both on an individual level, which studies including the positive characteristics of the person or the development of the virtues and character strengths (Peterson & Seligman, 2004; Peterson, Ruch, Beermann, Park & Seligman, 2007) and at the group level, which focuses on the characteristics of the groups and institutions that allow the development of better citizens (Seligman & Csikszentmihalyi, 2000). Thus, *positive institutions* are seen as a key pillar through which society contributes to the personal flourishing (Seligman, Steen, Park & Peterson, 2005) establishing its objectives taking into account the rituals and social practices that cultivate the virtues of society.

Regarding to Donaldson & Dollwet (2013) this third pillar of positive psychology includes families, communities, and societies; but organizations as businesses, schools or hospitals are considered positive institutions too. In this sense, it is important to consider that there are some organizations which offer main services to society (as education or health care) becoming a key resource for collectivity. Furthermore, given this special condition, it is important for these organizations, that teams obtain excellent performance, understanding this concept as an added value in the organization, given by a set of teams behaviors, contributing directly and indirectly to the organization goals (Borman & Motowidlo, 1997).





For instance, when we go to a hospital, we expect to receive the best care because our health depends on the people who work there. Furthermore and consistent with this, Lyubomirsky, King and Diener (2005) documented the relationship between indicators in healthy employees and organizational results, showing that these results are reflected in products and / or services of excellence which generates customer's loyalty.

In this line, there has been recently growing interest in research organizations and their behavior from a positive perspective (Culbertson, Fullagar & Mills 2010) to try to describe, explain and predict the optimal functioning in these contexts, as well as amplify and enhance psychosocial well-being and quality of work life and organization (Salanova, Martínez & Llorens, 2005; Llorens, Salanova & Martinez, 2008). In this way have been proposed and validated several explanatory models of psychosocial well-being in the workplace, such as demand-control model of occupational stress (Karasek, 1979; Karasek & Theorell, 1990), the job demands-resources model (Demerouti, Bakker, Nachreiner, & Schaufeli, 2001; Schaufeli & Bakker, 2004), the spiral dual occupational health model (Salanova, Cifre, Martinez & Llorens, 2007), and the Healthy & Resilient Organizations (HERO) model (Salanova, Llorens, Cifre & Martinez, 2012).

Salanova and colleagues (2012), proposed in their model of healthy organizations three important areas that are interrelated to contribute their common goal. The first one is called healthy practices or organizational resources, (e.g. team empathy, transformational leadership). The second area is the psychosocial wellbeing of employees (healthy employees) (e.g. team efficacy, team resilience, etc.). The third and final area is the healthy organizational outcomes (e.g. excellent team performance and quality service). Thus, in the model, each of them is interrelated with the others. Therefore considering this approach, it possible to understand that healthy organizational outcomes (such as performance excellence team) are related to healthy practices and organizational resources.



Organizational resources

One of the most important organizational resources studied in positive organizational psychology is leadership because leaders can influence their teams (Donaldson & Dollwet, 2013). In addition positive leadership style is associated with followers' psychological capital and positive work environment (Woolley, Caza & Levy, 2011). Following HERO model, positive leadership style is defined as *transformational leadership*. In this regard, Salanova in 2008 argued that a transformational leader is the one that leads the follower through a shared goal and achieve the commitment of the team members and the organization, and Molero (2011) exposed that a transformational leader, motivates the followers to give beyond than expected. Besides this, more and more is being investigated on transformational leadership, because of the benefits that produce in the organizations. Transformational leader has shown to have subordinates that report greater satisfaction, have higher performing work teams and receive higher rating of effectiveness and performance (Bryman, 1992; Bass, 1995).

But what characteristics make the transformational leader lead the subordinates to accomplish the goals and also challenge them to give beyond expected? In this sense the big five structure of personality framework gives the opportunity to integrate commonalities among diverse approaches to personality (John & Srivastava, 1999). According to Judge and Bono (2000), extraversion and openness to experience correlate with a transformational leader, neither neuroticism nor conscientiousness displayed any significant relationships with transformational leadership, and agreeableness displayed the strongest relationship with transformational leadership. This can be explained because, to mentor successfully, empathy is required and transformational leaders give special attention to neglected group members, treat each subordinate as an individual, and express appreciation for a job well done (Bass, 1985).







According to studies mentioned before empathy and support (the fourth dimension of transformational leadership) are important elements of a transformational leader. Empathy is defined as people's ability to understand others feelings and re-experience those feelings in the team (Huy, 1999). Barbuto & Burbach (2004) found that empathy was related to transformational leadership. Moreover the leadership literature is beginning to recognize that the ability to extend empathy contributes to leadership success (Cooper & Sawaf, 1997; Yukl, 1998). Some studies also show the importance of an empathic leader. George (2000) and Lewis (2000) exposed that high quality relationships derived from empathy tend to enhance perceptions of a leader's integrity or credibility, and tend to engender cooperation and trust. The authors also manifested that the knowledge and understanding gained from their sense of empathy, may enable leaders to influence follower's emotions and attitudes. In this sense, social psychology display several studies showing how common beliefs and affective experiences that emerge from people working together, tend to show similar patterns of behavior and feel collective emotions (Barsade, 2002; González-Romá, Peiró, Subirats & Mañas, 2000). This might explain why the followers replay with their coworkers some of the leader attitudes such as empathy.

But empathic attitudes between coworkers is not the only a possible positive outcome of a transformational leader. Studies have shown that transformational leadership influences in higher levels of individual, group, and organizational performances (Bass & Avolio, 1994) and Liao & Chuang,(2007) have found that a transformational leader was positively related to employee service performance. Other research has focused on identifying the effect of variables mediators in the leadership-performance ratio; such as the mediating effect of the group potency (Schaubroeck, Lam & Cha, 2007). Also the relationship between transformational leader role with the extra performance is mediated efficacy beliefs and engagement (Salanova, Lorente, Chambel & Martínez, 2011). Other







studies show the relationship of transformational leader and group performance is mediated by the engagement (Cruz-Ortiz, Salanova& Martínez, 2013)

Thus, we undersand that on one hand there are a relationship between resources such as transformational leadership and empathy with the result of excellent performance, and on the other hand exist a need to deepen the knowledge about what processes are involved in the role played by transformational leaders in the excellent team performance. Based on the HERO Model (Salanova et al., 2012) in which, practices and positive resources are vital for healthy employees in order to get healthy and positive outcomes, this paper tests how organizational resources such as transformational leadership and personal resources as empathy, generate desired and excellent performance on this type of positive institutions. We propose that empathy plays a fundamental and mediating role in the relationship between transformational leadership and excellent performance.

Thereby this study about positive schools and health institutions, and the role of transformational leadership and empathy in their excellent results, should contribute to the development of team management for organizations to take into account the proper use of practices and resources for healthy results to the flourishing of the community.

Transformational leadership

Bass (1985) model of transformational leadership has been embraced by scholars and practitioners alike as one way in which organizations can encourage employees to perform beyond expectations. Some studies considered the role of transformational leadership in the motivational process of his followers by transforming their attitudes and values as well as increased performance (Molero, Cuadrado, Navas & Morales, 2007).

In terms of the operationalization of the construct there are several proposals exposing that transformational leadership is composed of dimensions. One of the earliest and most extended is the Multifactor Leadership Questionnaire (MLQ) designed by Bass





and his colleagues (Bass, 1985; Bass & Avolio, 1990) that included both transactional and transformational leadership, and proposed that transformational leadership consisted of four dimensions: charisma, inspiration, intellectual stimulation and individualized consideration.

Rafferty and Griffin (2004), based on a review of the MLQ and the research generated by this instrument, proposed a redefinition of a model of leadership with five dimensions: (1) vision, defined as an expression of an idealized picture of the future based on the values of the organization; (2) inspirational communication, are those positive messages about the organization, that build motivation and trust; (3) intellectual stimulation, promotes the interest of employees to think the problem in new ways; (4) support, expressing concern for followers and taking account of their individual needs, Ashkanasy and Tse (2000) also commented that "Transformational leaders are sensitive to followers needs. . . they show empathy to followers, making them understand how others feel" (pag.232); and (5) personal recognition, the provision of rewards such as praise and acknowledgement of effort for achievement of specified goals. The authors show empirical evidence of the factorial structure of the construct attending to these five dimensions. Following this proposal, transformational leadership has been operationalized based on these five dimensions.

Empathy

Holling, (1994) referred to empathy as the ability to see the world, including our own behavior, from the point of view of others. But as mentioned before Huy (1999), defined empathy in the organizational context as people's ability to understand others feelings and re-experience those feelings in the organization. Muller (2014) went a step further and talk about collective empathy referring to it as the collectively shared desire to help others in need.







The study of empathy in the organizational environment has been limited. However, Jarrard (1956) noted that the implementation of empathy in industrial and organizational settings had as major concern assessing empathic abilities of leaders, management personnel and employees. Subsequent studies by Eisenberger, Huntintong, Hutchinson and Sowa (1984) reported that empathy in organizations generates less absenteeism, more commitment and more satisfied employees. But some other studies showed the importance of empathy between team members, for example Nadler y Liviatan (2006) exposed that empathy produce trust and also makes people more willing to reconcile.

Another construct related with empathy is performance, for example, Roberge (2013) argued that collective empathy works as a moderator in team diversity and performance. Also Akgün & Dogan (2014) exposed that "the existence of group norms collective empathy becomes a resource projects for performance improvements" and their study confirm that collective empathy has a significant effect on the performance of software development projects. This idea is supported by HERO Model, because this model explains how resources are used to produce results.

Group performance (In role, Extra Role and service quality)

Goodman y Svyantek (1999) proposed two dimensions of performance: (1) intra role, defined as those activities that contribute directly or indirectly to the technical base of the organization and vary between different jobs within the same organization and; (2) Extra role, defined as those activities that are not formally part of the work and employees perform them voluntarily. Moreover service quality can be explained as customer perception about employee performance (Salanova, Agut & Peiró, 2005).

Some studies show the relation between performance and transformational leadership. Dionne, Yammarino, Atwater y Spangler, (2004) exposed that the leader, through idealized influence, inspirational motivation and intellectual stimulation, can



http://dx.doi.org/10.4995/muse.2014.3694 EISSN: 2341-2593

promote the performance of work teams. Some other studies manifested that the transformational leadership increases the motivation of the teams. It can be directly through motivational strategies, but also indirectly through the dimensions that make up the leadership (Zaccaro, Rittman, and Marks, 2001).

Other studies related performance and empathy. Roberge (2013) suggested that both individual-level and team-level empathy are necessary mechanisms to explain how people may work harmoniously together and increase the overall team performance. Ensari and Miller (2006) suggested that empathy increase effectiveness and productivity.

According to the literature and based on HERO Model (Salanova et al., 2012) this paper proposes to study the relationship between transformational leadership, empathy and performance (In role ,Extra role and Service quality) by aggregating data at the team level. On this basis we expect that empathy fully mediates the relationship between transformational leadership and team performance (*In role, Extra Role and service quality*).





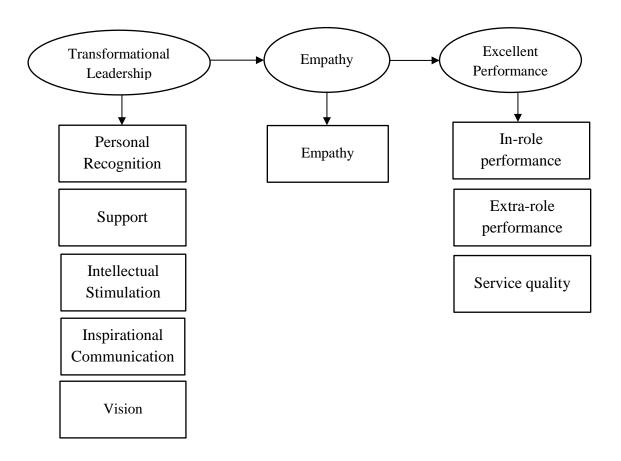


Figure 1. Theoretical research model and hypothesis

Method

Sample and procedure

A convenience sample consisting of 392 employees, nested within 69 teams, from seven Small -and Medium- sized Enterprises (SMEs) including four educational institutions and three institutions of medical services from Spain. Moreover, 60% were women, 65% had a tenured contract, 27% had a temporary, and 8% were self-employed contract. The



Solares et al. (2015)

http://polipapers.upv.es/index.php/MUSE

Mult. J. Edu. Soc & Tec. Sci. Vol. 2 No 2 (2015): 38-64 | 47



average job tenure was 95 months (SD = 89.3). After reaching an agreement about the company's participation in the study, questionnaires were administered to the participants, who were asked to take part voluntarily. To lead respondents' attention away from the individual level to the team level, all items focused on team perceptions as stipulated in the HERO (HEalthy and Resilient Organizations) questionnaire (Salanova et al., 2012). The confidentiality of the answers was guaranteed.

Instruments

Transformational leadership resources were assessed by 15 items in five different scales, we used the questionnaire of Rafferty & Griffin (2004): Vision (three items; e.g., "Our supervisor understand perfectly which the objectives of the group are"; alpha = .90), Inspirational Communication (three items; e.g., "Our supervisor say positive thinks about the department; alpha = .94), Intellectual Stimulation (three items; e.g., "Our supervisor has ideas that stimulate us to rethink about questions that never we had thought before"; alpha= .95), Support (three items; e.g., "Our supervisor thinks about our personal needs"; alpha=. 95), and Personal Recognition (three items; e.g., "Our supervisor congratulate us personally when we do an excellent work"; alpha=. 97). Empathy was assessed by three items we used the questionnaire from Salanova, et. al (2012- HERO, HEalthy and Resilient Organizations) (three items; e.g., "During the interpersonal relationships with others we should express emotions that not coincide with our truly feelings; alpha=.88). Excellent Performance, we tested three dimensions: Two different scales were considered: in-role performance (three items; e.g., "My work unit do all the functions and tasks demands by the job"; alpha = .73) and extrarole performance (three items; e.g., "In my work unit there are a high level of trust in the direction and in employees; alpha = .81), adapted from the Goodman and Svyantek scale (1999), and Service quality (Price, Arnould & Tierney, 1995; Parasuraman, Zeithaml & Berry, 1988) (sevens items; e.g., "In this organization we can share our ideas, emotions and hopes; alpha = .88).







All scales were included in the questionnaire HERO (HEalthy and Resilient Organizations) (Salanova et al., 2012). Respondents answered using a 7-point Likert-type scale ranging from 0 (never) to 6 (always). All items had as reference the work teams. Later was conducted aggregation of data at the team level, considering the scores averages of items answered.

Data aggregation

Firstly, the Harman's single factor test (e.g., Podsakoff, MacKenzie, Lee, & Podsakoff, 2003) was carried out using AMOS 18.0 (Arbuckle, 2009) for the variables assessed by the employees. Secondly, the agreement of employee perceptions in teams was checked using various indices: following a consistency-based approach, both ICC(1) and ICC(2) indices were calculated. Values greater than .05 for ICC(1) indicate an adequate level of within-unit agreement (Blease, 2000). For the ICC(2), values greater than .60 support aggregations (Glick, 1985). From a consensus-based approach, the Average Deviation Index was computed (AD_{M(J)}) (Burke, Finkelstein, & Dusig, 1999), whereby team agreement was concluded when AD_{M(J)} was equal to or less than 1 (Burke et al., 1999). Finally, Analyses of Variance (ANOVA) were computed in order to ascertain whether there was significant between-group discrimination for the measures (Kenny & La Voie, 1985).

Data Fit

We used Structural Equation Modeling (SEM) by AMOS 22.0 (Arbuckle, 2009). Three competitive models were compared: M0, the independence model; M1, the fully mediated model; and M2, the partially mediated model. Maximum likelihood estimation methods were used by computing the absolute goodness-of-fit indices were assessed: (1) the χ^2 goodness-of-fit statistic; and (2) the Root Mean Square Error of Approximation (RMSEA). (3) the Normed Fit Index (NFI); (4) the Tucker-Lewis Index (TLI); (5)





Comparative FiT Index (CFI); and (6) the Incremental Fit Index (IFI). Values smaller than .05 are indicative of an excellent fit for RMSEA (Brown & Cudeck, 1993) and values higher than .95 are indicative of an excellent fit for the relative indices (Hoyle, 1995).

Results

Descriptive and aggregation analyses

Firstly, the results of the Harman's single factor test (Podsakoff et al., 2003) revealed a poor fit to the data: $\chi 2 (28) = 395.10$, p < .000, RMSEA = .43, NFI = .37, TLI = .20, IFI = .39 and CFI = .38. Results also showed that the model considering three latent factors (i.e., transformational leadership, empathy and excellent performance) fit the data well: χ 2 (25) = 66.68, p < .000, RMSEA = .15, NFI = .90, TLI = .90, IFI = .93 and CFI = .93. The difference between both models is also significant in favor of the model with two latent factors, Delta χ^2 (3) = 328.42, p < .000. Consequently, common method variance is not a serious deficiency in these data (Conger, Kanungo, & Menon, 2000). Table 1 shows means, standard deviations, intercorrelations, and aggregation indices of all the study variables. ICC (1), ICC(2) and AD_{M(J)} indices ranged from .16 to .45, from .13to .83, and from .46 to .92, respectively. Results for these indices were modest in the case ICC(2) for empathy (ICC(2)=.53) and for quality service (ICC(2)=.47). However, one-way ANOVA results showed statistically significant between-group discrimination. In conclusion, overall aggregation results indicated within-group agreement in the teams so that unit members' perceptions can be aggregated. The database was constructed aggregate team mean scores. Aggregate data (Table I), the positive and significant correlation was found between the dimensions of the constructs (between .13 and .84; p < .001).





Tabla 1 *Means, standard deviations, intercorrelations, and aggregation indices for the study variables (Aggregate measures; N= 69 teams)*

Variables	Means	SD	ICC_1	ICC_2	F	$AD_{M(j)}$	1	2	3	4	5	6	7	8	9
1. Lid. Vision	4.32	1.50	.38	.78	5.932***	.73	_	.80**	.74**	.70**	.66**	.37**	.18**	.37**	.34**
2. Lid. Inspirational Communication	4.06	1.70	.45	83	5.323***	.84	.84**	_	.84**	.78**	.76**	.33**	.11*	.28**	27**
3. Lid. Intellectual Stimulation	3.73	1.69	.41	.80	5.138***	.83	.83**	.90**	_	.76**	.73**	.32**	.07**	.26**	.28**
4. Lid. Support	3.94	1.76	.33	.74	3.983***	.91	.81**	.89**	.87**	_	.82**	.37**	.08**	.26**	.25**
5. Lid. Personal Recognition	4.02	1.83	.34	.75	4.058***	.92	.77**	.85**	.80**	.89**	_	.37**	.13**	.22**	.27**
6. Empathy	4.63	1.29	.16	.53	2.131***	.75	.54**	.50**	.40**	.48**	.51**	_	.70**	.60**	.44**
7. In-role performance	4.71	5.16	.23	.64	2.806***	.46	.33**	.20**	.12**	.71**	.22**	.57**	_	.49**	.58**
8. Extra-role performance	5.05	.97	.25	.66	3.074***	.54	.57**	.50**	.43**	.45**	.41**	.53**	.57**	_	.50**
9. Service quality	4.88	.83	.23	.13	1.938***	.47	.54**	.46**	.46**	.37**	.39**	.39**	.58**	.72**	

Notes: Correlations are preseted at the individual-level (N= 392, below the diagonal) and the team-level (N= 69, above de diagonal). * p < .05,**p < .01; ***p < .001;





Model Fit: Structural equation modeling

As stated by Brown (2006), in cases in which it may be necessary to use single indicators in a SEM, measurement error can be readily incorporated into a dimensional indicator by fixing its unstandaridized error to some non-zero, calculate on the basis of measure's sample variance estimate and know psychometric information. Thus, we fixed the unstandaridized error of the indicator of resilience with the formula variance* $(1-\alpha)$.

To compute SEM, we used the aggregated database that included transformational leadership, empathy and excellent performance (N = 69). Table 2 shows the results of the SEM analysis indicating that the proposed partially mediated model fits the data well, with all fit indices satisfying their corresponding criteria. The chi-square difference test between M1 (the Fully Mediated model) and M0 (the Independence Model) shows a significant difference between the two models in favor of M1, Delta χ^2 (12) = -36, p < .001. The chi-square difference test between M1 (the Fully Mediated Model) and M2 (the Partially Mediated Model) shows a non-significant difference between the two models, Delta χ^2 (1) = .28, which is to be interpreted in favor of the most parsimonious one, namely M1.

Tabla 2 *Indices del Modelo de Ecuaciones Estructurales (N= 69 grupos)*

						- 0	1 /		
Modelos	χ^2	df	CFI	NFI	TLI	IFI	RMSEA	Δc2	Δdf
M0	632.49	36	.00	.00	.00	.00	.49		
M1	54.56	25	.95	.91	.93	.95	.13		
$\Delta M0-M1$								577,53***	12
M2	54,28	24	.95	.91	.92	.95	.13		
ΔM1-M2								.28 ns	1

Notes. $\chi 2 = \overline{\text{Chi-square}}$; df = degrees of freedom; RMSEA= Root Mean Square Error of Approximation; NFI = Normed Fit Index; TLI = Tucker-Lewis Index; IFI = Incremental Fit Index; ***p < .001, non-significant



Solares et al. (2015)





To assess the mediation effect, the Sobel test (Sobel, 1988) was conducted, which showed significant results (Sobel t=2.57, p<.005). However, further analyses were conducted using the approach developed by Baron and Kenny (1986): (1) transformational leadership were positively and significantly related to excellent performance ($\beta=.33$, p=.000); (2) transformational leadership was positively and significantly related to empathy ($\beta=.43$, p=.000); (3) empathy was positively and significantly related to excellent performance, controlling for transformational leadership ($\beta=.82$, p=.003); and finally (4) the effect of transformational leadership on excellent performance is reduced to non-significance when empathy's effect on excellent performance is taken into account ($\beta=.10$, p=.55 n.s.). The fact that the relationship between transformational leadership and excellent performance became significant suggests that empathy full mediated the relationship between transformational leadership and excellent performance. In conclusion, previous results using SEM and mediation analyses provide some evidence for M2, that is, the partially mediated model. The final model is depicted in Figure 2.



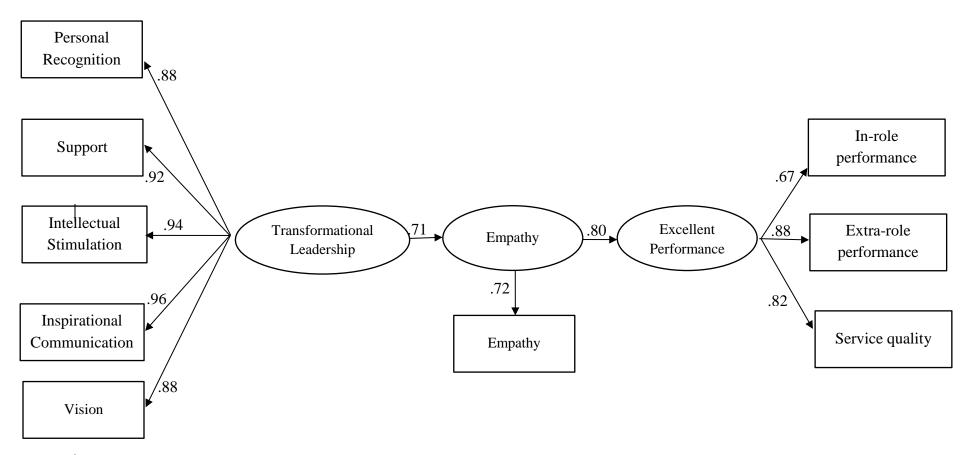


Figure 2. The final model with standardized coefficients (N = 69). All coefficients are significant at ***p < .001



Discussion

The objective of this paper was to analyze the relationship of transformational leadership with group excellent performance (In role performance, extra role performance and service quality) and the role that empathy plays in this relationship. The study tested the full mediation of empathy in the relationship between transformational leadership and performance in a sample of 69 units of teams from different PyMEs distributed nationwide.

Earlier in this paper we discuss that the role of empathy in the organizational context has not been extensively studied, for this reason we propose to study the effects of the empathy as a full mediator between the transformational leadership and team excellent performance. Showing that, although transformational leadership has effects on the excellent performance of team members is not enough and empathy remains as an important factor for the expected results. The result shows the importance to develop empathy between team members, because although the characteristics of a transformational leader are important for the performance, empathy plays a vital role for excellent results. Moreover, the results support the hypothesis proposed in this research and can indicate that the aim of this study has been achieved. This is important because it shows the value of the role played by empathy as an organizational and social resource to generate desired results.

Theoretical and practical implications

The present study shows different theoretical and practical implications. Theoretically, it expands the study of empathy in work teams. In addition provides evidence to HERO Model (Salanova, 2008; Salanova et al, 2009; 2012.) analyzing the interaction of health resources and organizational practices (e.g., empathy and transformational leadership) and health outcomes (e.g., in role and extra role performance) using superior levels of analysis (i.e., teams). Furthermore, the results contribute to research, showing the benefits of promoting the positive aspects in work contexts, in this case the role of empathy and its important role in the group performance.



From the point of view of organizational practices, this research interests human resources professionals toward implementing practices and resources that improve outcomes in teams work. We can say that it is important to conduct practices that increase empathy among employees and to enhance the wellbeing of teams, as this will have a positive relationship in how they carry out their tasks and generate expected results.

Limitations and future research

One possible limitation of this study is that data was obtained through self-report measures. However, the data was not treated on an individual level but aggregated perceptions of teams to empathy, transformational leadership and team performance. As a consequence, using aggregate-level team data can increase the validity of the scores, considering that we are dealing with "shared intersubjectivities" with shared and integrated mental models among team members, and not individual subjectivities.

Future studies can be directed to unravel the causal pathways by using longitudinal studies to observe how this mediation evolves over time. The use of multilevel methodology is also recommended to explore longitudinal studies in which the organizational level and lower-level variables are related.

Finally, in conclusion, this paper shows that empathy plays a full mediating role between transformational leadership and excellent team performance, so this relationship may be very important for the development of positive institutions.



References

Akgün, A. E., Keskin, H., Cebecioglu, A. Y., & Dogan, D. (2014). Antecedents and consequences of collective empathy in software development project teams. Information & Management. Ikarus

Arbuckle, J. L. (1997). *Amos users' guide versión 4.0*. Chicago, IL: Smallwaters Corporation.

Ashkanasy, N. M., & Tse, B. (2000). Transformational leadership as management of emotion: A conceptual review. In N. M. Ashkanasy, C. E. J. Härtel, & W. J. Zerbe (Eds.), *Emotions in the workplace: Research theory, and practice* (pp. 221–235). Westport, CT: Quorum Books.

Barbuto Jr. J. E., & Burbach, M. E. (2004). *The emotional intelligence of transformational leaders: A field study*. Paper presented at the Gallup Leadership Institute Inaugural Summit, Omaha, NE.

Barsade, S. G. (2002). The ripple effect: Emotional contagion and its influence on group behavior. *Administrative Science Quarterly*, 47, 644-675. http://dx.doi.org/10.2307/3094912

Bass, B. M. & Avolio, B. J. (1990). *Transformational leadership development: Manual for the Multifactor Leadership Questionnaire*. Palo Alto, CA: Consulting Psychologists Press Inc.

Bass, B. M. (1985). *Leadership and performance beyond expectations*. Nueva York: The Free Press.

Bass, B. M. (1996). Theory of transformational leadership redux. *The Leadership Quarterly*, 6, 463-478. http://dx.doi.org/10.1016/1048-9843(95)90021-7

Bass, B. M., & Avolio, B. J. (1994). *Improving organizational effectiveness through transformational leadership*, Sage (pp. 26–47), Thousand Oaks, C.A.



Baron, R. M., & Kenny, D. A. (1986). The moderator- mediator variable distinction in social psychological research: Conceptual, strategic and statistical consideration. *Journal of Personality and Social Psychology*, 51, 1173-1182. http://dx.doi.org/10.1037/0022-3514.51.6.1173

Borman, W. C., & Motowidlo, S. J. (1997). Task performance and contextual performance: The meaning for personnel selection research. *Human performance*, *10*, 99-109. http://dx.doi.org/10.1207/s15327043hup1002_3

Bliese, P. D. (2000). Within-group agreement, non-independence, and reliability. Implications for data aggregation and analysis. In K.J. Klein, & S.W.J. Kozlowski (Eds.), Multilevel theory, research, and, methods in organization (pp. 349-381). San Francisco: Jossey-Bass.

Brown G. D. (2006) Dectin-1: a signalling non-TLR pattern-recognition receptor. *Nat Rev Immunol* 6: 33–43. http://dx.doi.org/10.1038/nri1745

Burke, M. J., & Dunlap, W.P. (2002). Estimating interrater agreement with the average deviation index: A user's guide. *Organizational Research Methods*, *5*, 159-172. http://dx.doi.org/10.1177/1094428102005002002

Glick, W. H. (1988). Response: Organizations are not central tendencies: Shadowboxing in the dark, round 2. *Academy of Management Review*, *13*, 133-137.

Bryman, A. (1992). *Charisma and Leadership in Organizations*. Newbury Park, CA: Sage Pubns.

Conger, J. A., Kanungo, R. N., & Menon, S. T. (2000). Charismatic leadership and follower effects. *Journal of Organizational Behavior*, 21, 747-767. http://dx.doi.org/10.1002/1099-1379(200011)21:7<747::AID-JOB46>3.0.CO;2-J

Cooper, R. K., & Sawaf, A. (1997). Executive EQ: Emotional intelligence in leadership and organizations. New York: Grosset/Putman.



Cruz-Ortiz, V., Salanova, M., & Martínez, I. M. (2013). Liderazgo transformacional y desempeño grupal: unidos por el engagement grupal. *Revista de Psicología Social*, 28, 183-196. http://dx.doi.org/10.1174/021347413806196762

Culbertson, S. S., Fullagar, C.J. & Mills, M. J. (2010). Feeling good and doing great: The relationship between psychological capital and well-being. *Journal of Occupational Health Psychology*, *15*,421-433. http://dx.doi.org/10.1037/a0020720

Demerouti, E., Bakker, A. B., Nachreiner, F. y Schaufeli, W. B. (2001). The job demands-resources model of burnout. *Journal of Applied Psychology*, 86, 499-512. http://dx.doi.org/10.1037/0021-9010.86.3.499

Dionne, S. D., Yammarino, F. J., Atwater, L. E. & Spangler, W. D. (2004). Transformational leadership and team performance. *Journal of Organizational Change Management*, 17, 177-193. http://dx.doi.org/10.1108/09534810410530601

Donaldson, S.I., & Dollwet, M. (2013). Taming de waves and wild horses of positive organizational psychology. In A.B. Bakker (Ed.), *Advances in Posotive Organizational Psychlogy*. (pp. 1–22). Bingley, UK: Emerald. http://dx.doi.org/10.1108/S2046-410X(2013)0000001003

Eisenberg, R. Huntington, R, Hutchinson, S., & Sowa, D. (1986). Perceived organizational support. *Journal of Applied Psychology*, 71, 500-507. http://dx.doi.org/10.1037/0021-9010.71.3.500

Ensari, N. K., & Miller, N. (2006). The application of the personalization model in diversity management. *Group Processes and Intergroup Relations*, *9*, 589-607. http://dx.doi.org/10.1177/1368430206067679

George, J. M. (2000). Emotions and leadership: The role of emotional intelligence. *Human Relations*, *53*, 1027–1055. http://dx.doi.org/10.1177/0018726700538001

González-Romá, V., Peiró, J. M., Subirats, M. & Mañas, M. A. (2000). The validity of affective work team climates. In M. Vartiainen, F. Avallone, & N. Anderson (Eds.),





Innovative theories, tools and practices in work and organizational psychology (pp. 97-109). Götting: Hogrefe & Huber.

Goodman, S. A., & Svyantek, D. J. (1999). Person-organization fit and contextual performance: Do shared values matter. *Journal of Vocational Behavior*, *55*, 254-275. http://dx.doi.org/10.1006/jvbe.1998.1682

Hoyle, R. H. (1995). *Structural equation modeling: Concepts, issues, and applications*. (Ed.). Sage Publications.

Holling, C. S. (1994) New science and new investments for a sustainable biosphere. In A. M. Jansson, M. Hammer, C. Folke and R. Costanza, editors. *Investing in natural capital*. (pp. 57-73). Island Press, Washington, D.C

Huy, Q. H. (1999). Emotional capability, emotional intelligence, and radical change. *Academy Management Review*, *24*, 325–345.

Jarrard, L. E. (1956). Empathy: The concept and industrial applications. *Personnel Psychology*, *9*, 157-167. doi: 10.1111/j.1744-6570.1956.tb01059.

John, O. P., & Srivastava, S. (1999). The Big Five trait taxonomy: History, measurement, and theoretical perspectives. In E. Pervin & O. John (Eds.), *Handbook of personality* (pp. 102–138). New York: Guilford Press.

Judge, T. A., & Bono, J. E. (2000). Five-factor model of personality and transformational leadership. *Journal of applied psychology*, 85, 751-765. http://dx.doi.org/10.1037/0021-9010.85.5.751

Karasek, R. A. (1979). Job demands, job decision latitude and mental strain. Implications for job redesign. *Administrative Science Quarterly*, 24, 285-308. http://dx.doi.org/10.2307/2392498

Karasek, R.A. y Theorell, T. (1990). *Healthy Work Stress, Productivity and the Reconstruction of working life.* New York: Basic Books.





Kenny, D. A., & La Voie, L. (1985). Separating individual and group effects. *Journal of Personality and Social Psychology*, 48, 339-348. http://dx.doi.org/10.1037/0022-3514.48.2.339

Lewis, K. M. (2000). When leaders display emotion: How followers respond to negative emotional expression of male and female leaders. *Journal of Organizational Behavior*, 21, 221–224. <a href="http://dx.doi.org/10.1002/(SICI)1099-1379(200003)21:2<221::AID-JOB36>3.0.CO;2-0">http://dx.doi.org/10.1002/(SICI)1099-1379(200003)21:2<221::AID-JOB36>3.0.CO;2-0

Liao, H., & Chuang, A. (2007). Transforming service employees and climate: a multilevel, multisource examination of transformational leadership in building long-term service relationships. *Journal of applied psychology*, 92, 1006-1019 http://dx.doi.org/10.1037/0021-9010.92.4.1006

Llorens, S., Salanova, M., & Martínez, I. M. (2008). Psicología Ocupacional Positiva: concepto y metodología para su evaluación. In J. Tous, M. A. Carrión y López, F. (Eds.), *Promoción de la salud ocupacional. Colección Psicosociología de la Salud Ocupacional* (pp. 88-108). Mollet del Vallés, Barcelona: AEPA.

Lyubomirsky, S., King, L., & Diener, E. (2005). The benefits of frequent positive affect: Does happiness lead to success? *Psychological Bulletin*, *131*, 803-855. http://dx.doi.org/10.1037/0033-2909.131.6.803

Molero, F. (2011). Liderazgo transformacional y carismático. In F. Molero, & J.F. Morales (Eds.), *Liderazgo hecho y ficción. Visiones actuales* (pp. 117-143). Madrid: Alianza.

Molero, F., Cuadrado, I., Navas, M. & Morales, F. (2007). Relations and effects of transformational leadership: A comparative analysis with traditional leadership styles. *The Spanish Journal of Psychology*, 10, 358-368. http://dx.doi.org/10.1017/S1138741600006624



Muller, A. R., Pfarrer, M. D., & Little, L. M. (2014) A theory of collective empathy in corporate philanthropy decisions. *Acadademy Management Review*, *39*, 1–21. http://dx.doi.org/10.5465/amr.2012.0031

Nadler, A., & Liviatan, I. (2006). Intergroup reconciliation: Effects of adversary's expressions of empathy, responsibility, and recipients' trust. *Personality and Social Psychology Bulletin*, 32, 459-470.Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). *Servqual. Journal of retailing*, 64, 12-40.

Peterson, C. (2006). *A primer in positive psychology*. New York, NY: Oxford University Press.

Peterson, C., & Seligman, M. E. P. (2004). *Characters, Strenghts and Virtues (CSV)*. Oxford: Oxford University Press.

Peterson, C., Ruch, W., Beermann, U., Park, N. & Seligman, M.E.P. (2007). Strengths of character, orientations to happiness, and life satisfaction. *Journal of Positive Psychology*, 2,149-156. http://dx.doi.org/10.1080/17439760701228938

Podsakoff, P. M., MacKenzie, S. M., Lee, J., & Podsakoff, N. P. (2003). Common method variance in behavioral research: A critical review of the literature and recommended remedies. *Journal Applied of Psychology*, 88, 879-903. http://dx.doi.org/10.1037/0021-9010.88.5.879

Price, L. L., Arnould, E. J., & Tierney, P. (1995). Going to extremes: Managing service encounters and assessing provider performance. *The Journal of Marketing*, 83-97. http://dx.doi.org/10.2307/1252075

Raferty, A. E. & Griffin. M. A. (2004). Dimensions of transformational leadership: Conceptual and empirical extensions. *The Leadership Quarterly*, *15*, 329-354. http://dx.doi.org/10.1016/j.leaqua.2004.02.009

Roberge M. (2013). A multi-level conceptualization of empathy to explain how diversity increases group performance. *International Journal Business. Management*, 8, 122–135. http://dx.doi.org/10.5539/ijbm.v8n3p122





Salanova, M. (2008). Organizaciones saludables y desarrollo de recursos humanos. *Estudios Financieros*, *303*, 179-214.

Salanova, M., Agut, S. & Peiró, J. M. (2005). Linking Organizational Resources and Work Engagement to Employee Performance and Customer Loyalty: The Mediation of Service Climate. *Journal of Applied Psychology*, 90, 1217-1227. http://dx.doi.org/10.1037/0021-9010.90.6.1217

Salanova, M., Cifre, E., Martínez, I., y Llorens, S. (2007). Caso a caso en la prevención de riesgos psicosociales. Metodología WONT para una organización saludable. Bilbao: Lettera Publicaciones.

Salanova, M., Lorente, L., Chambel, M. J., & Martínez, I. M. (2011). Linking transformational leadership to extra rol behavior: The mediating role of self-efficacy and work engagement. *Journal of Advanced Nursing*, *67*, 2256-2266. http://dx.doi.org/10.1111/j.1365-2648.2011.05652.x

Salanova, M., Llorens, S., Cifre, E., & Martínez, I.M. (2012). We Need a Hero! Towards a Validation of the Healthy & Resilient Organization (HERO) Model. *Group & Organization Management*, 37, 785-822. http://dx.doi.org/10.1177/1059601112470405

Salanova, M., Martínez, I.M., & Llorens, S. (2005). Psicología Organizacional Positiva. In F.J. Palací (Ed..), *Psicología de la Organización* (pp. 349-376). Madrid: Pearson, Prentice-Hall.

Schaufeli, W. B. y Bakker, A. B. (2004). Job demands, job resources, and their relationship with burnout and engagement: a multi-sample study. *Journal of Organizational Behavior*, 25, 293-315. http://dx.doi.org/10.1002/job.248

Schaubroeck, J., Lam, S., & Cha, S. A. (2007). Embracing transformational leadership: Team values and the impact of leader behavior on team performance. *Journal of Applied Psychology*, 92, 1020-1030. http://dx.doi.org/10.1037/0021-9010.92.4.1020





Seligman, M. E. P. (1999). The president's address. *American Psychologist*, 54, 559-562.

Seligman, M. E. P., Steen, T. A., Park, N., & Peterson, C. (2005). Positive psychology progress: empirical validation of interventions. *American psychologist*, *60*, 410-421. http://dx.doi.org/10.1037/0003-066X.60.5.410

Seligman, M. E. P., & Csikszentmihalyi, M. (2000) Positive psychology: An introduction. *American Psychologist*, 55, 5-14. http://dx.doi.org/10.1037/0003-066X.55.1.5

Sobel, M. E. (1982). Asymptotic confidence intervals for indirect effects in structural equation models. In S. Leinhardt (Eds.), *Sociological methodology* (pp. 290-312). Washington, DC: American Sociological Association. http://dx.doi.org/10.2307/270723 Woolley, L., Caza, A., & Levy, L. (2011). Authentic leadership and follower development: Psychological capital, positive work climate, and gender. *Journal of Leadership Studies & Organizational Development*, 18, 438-448. http://dx.doi.org/10.1177/1548051810382013

Yukl, G. (1998). Leadership in organizations (4th ed.). NJ: Prentice Hall.

Zaccaro, S. J., Rittman, A. L. & Marks, M. A. (2001). Team Leadership. *The Leadership Quarterly*, 12, 451-483. http://dx.doi.org/10.1016/S1048-9843(01)00093-5