



UNIVERSIDADE CATÓLICA PORTUGUESA

The effects of empathetic transformational leadership on group commitment and cooperation

An experimental study

by

Pedro Miguel Teixeira Pereira Santos

Católica Porto Business School

2022



UNIVERSIDADE CATÓLICA PORTUGUESA

The effects of empathetic transformational leadership on group commitment and cooperation

An experimental study

Master Final Work
submitted to Universidade Católica Portuguesa
for the obtainment of the Marketing Master Degree

by

Pedro Miguel Teixeira Pereira Santos

under orientation of
Eva Dias de Oliveira and Rita Pasion

Católica Porto Business School, Universidade Católica Portuguesa

April 2022

Acknowledgements

The conclusion of this thesis represents the achievement of one more goal. Even so, as it is a personal goal, I cannot forget to mention, with a note of gratitude, all those who support and guide me on a daily basis.

Besides my family and friends, I would like to take this opportunity to thank my two supervisors, Professors Eva Dias de Oliveira and Rita Pasion, who, with great availability and patience, made the achievement of this objective possible.

Resumo

O conceito de liderança, com o passar do tempo, tem sido constantemente ajustado e adaptado, não existindo uma definição clara para este conceito. Desta forma, o nosso estudo pretende compreender o impacto que determinadas características da liderança, entre as quais, a empatia, conseguem influenciar as dinâmicas dos liderados enquanto grupo, seja no seu compromisso ou cooperação para com o mesmo. Para isso, desenvolvemos um questionário, que contou com a participação de 80 indivíduos, dividindo o mesmo em duas partes: tomada de decisão e um autorrelato. Na tomada de decisão, com a utilização do “Jogo do Bem Público”, foi possível medir a cooperação, enquanto no autorrelato foi possível medir a percepção de que os participantes possuem do seu líder, medindo as diversas características do mesmo. Os resultados permitiram-nos confirmar que a liderança, seja transformacional ou transacional, se correlaciona imenso com a empatia; permitiu confirmar que o compromisso ao grupo está positivamente correlacionado com a cooperação; e permitiu concluir que, neste caso em particular, apenas a liderança transacional se correlaciona com o compromisso de grupo, confirmando que no mercado competitivo e dinâmico em que realizamos o estudo, o mercado de retalho de moda, a recompensa funciona como um fator determinante para garantir níveis elevados de compromisso ao grupo.

Palavras-chave: liderança transformacional; empatia; compromisso ao grupo; cooperação.

Número de palavras: 5866

Abstract

The concept of leadership has been constantly adjusted and adapted over time, and there is no clear definition of this concept. In this way, our study aims to understand the impact that certain leadership characteristics, including empathy, have on the dynamics of the followers as a group, whether in their commitment or cooperation with the group. To this end, we developed a questionnaire with the participation of 80 individuals, dividing it into two parts: decision making and self-report. In the decision making part, with the use of the "Public Good Game", it was possible to measure cooperation, while in the self-report it was possible to measure the perception that the participants have of their leader, measuring the various characteristics of the leader. The results allowed us to confirm that leadership, whether transformational or transactional, is highly correlated with empathy; allowed us to confirm that group commitment is positively correlated with cooperation; and allowed us to conclude that, in this particular case, only transactional leadership correlates with group commitment, confirming that in the competitive and dynamic market in which we conducted the study, the fashion retail market, reward works as a determining factor to ensure high levels of group commitment.

Keywords: transformational leadership; empathy; group commitment; cooperation.

Number of words: 5866

Index

Acknowledgements.....	iv
Resumo.....	v
Abstract.....	vii
Index.....	ix
Table Index.....	xi
Introduction.....	13
Chapter 1 - Theoretical Background on Leadership.....	15
1. Leadership.....	15
1.1 Transformational Leadership.....	16
1.2 Transactional Leadership.....	19
2. Group Commitment and Cooperation.....	20
Chapter 2 - Goals and Hypotheses of the Present Study.....	22
Chapter 3 - Method.....	23
1. Sample.....	23
2. Instruments and measures.....	23
2.1 Public Goods Game.....	23
2.2 Interpersonal Reactivity Index (IRI).....	24
2.3 Group Commitment.....	25
2.4 Transactional Leadership.....	25
2.3 Transformational Leadership.....	25
3. Procedure.....	26
4 Statistical Analysis.....	27
Chapter 4 - Results.....	28
1. Correlation Results.....	28
2. Regression Results.....	29
Chapter 5 - Discussion, conclusion, and future directions.....	30
References.....	34
Annex.....	40

Tables' Index

Table 1: Pearson coefficients for associations between empathy, transformational leadership, transactional leadership, group commitment and cooperation.....	29
--	----

Introduction

Over the years the business world, with its competitiveness, has developed extremely quickly. Many companies have disappeared because they did not adapt to the demands of the times, while others have emerged and had a great impact on all of us and our lives. As a result, to guarantee the maintenance of the best (and biggest) assets of companies, and their people, the concept of leadership had to be constantly readapted and developed, taking into account the market and the different needs of the employees, forcing leaders to be extremely emotionally intelligent (Barbuto & Burbach, 2006). From jobs with dignified working conditions, where more than monetary rewards, they desire human rewards, the concern of the followers goes through the appreciation of the individual as a human being, the valorisation of their work, meritocracy and their personal development, but for this the leader has to understand and experience the feelings of his followers, only through his observation (Davis, 1980).

The leader had to readjust throughout time, starting as a leader where the focus was on reward in exchange for work, which was the only way to lead through power (Bass, 1990). This type of leadership, characterised as transactional leadership, is not primarily concerned with the motivation of the team and its satisfaction for better performance, but rather with achieving results and goals. On the other hand, we have a transformational leadership style, a more human leadership where there is a greater concern for each worker and their expectations. The leader has the mission to guide and motivate his team to achieve a common mission, which he has defined.

One of the leader's main objectives is to promote cooperation and commitment from the group to achieve a common objective. This study will contribute to the relationship between transformational leadership, group cooperation and group commitment, within the business context in which they operate. Cooperation occurs when someone decides to help others to achieve a certain objective impossible to reach

by one person alone. This help is provided without any kind of reward (Rand & Novak, 2013). While group commitment is characterised by the natural feeling of obligation to maintain and preserve a good relationship within the group in which one is inserted, strengthening the relationship established between the individual and the organisation (Meyer & Allen, 1991). Thus, if we can confirm the relation between transformational leadership and empathy, proving the positive impact that these have on cooperation and group commitment, the study may help organisations to improve their way of managing people, encouraging their leaders to have more empathic and motivational attitudes towards their subordinates, which will lead to better results for both the organisation and the team.

Concerning the research question, this study aims to understand the effects that empathetic transformational leadership has on group commitment and cooperation, using an experimental methodology, the "Public Goods Game", in which 80 people participated. Thus, to answer the question addressed above, the study will begin with a literature review where all the concepts and topics that will serve as a basis will be addressed, followed by an explanation of the objectives and respective hypotheses. Next, the methodology will be presented all information on the sample, instruments and measures, procedure and statistical analysis will be presented. Finally, the results and the respective discussion will be presented, leading to the study's conclusions, limitations and suggestions for future studies.

Chapter 1 – Theoretical Background on Leadership

1. Leadership

Leadership is defined in different ways. This does not sound surprising considering that we are facing a vast and complex theme. There are indeed different perspectives defended by different authors, however some of them have similarities in their approach. This concept has become a classic theme in organisational and management studies, making it virtually impossible not to associate the concept of leadership with these same studies, as mentioned by Cunha & Rego (2005). Even so, this concept consists of a connection between the words and actions of those who lead (Simons, 2002), developing a connection (positive or negative) with their followers, which will then influence their behaviour within the context in which they are inserted.

Furthermore, Yukl (2013) defined the concept of leadership as a process of influence in which those who are led need to understand and agree with their leader as to what needs to be done, facilitating all collective and individual efforts to achieve common goals, ensuring that the leader is able to secure the help and support of those he leads, through social influence (Chemers, 1997). In this way, Goleman (2002), affirms that more important than promoting the best strategies, ideas and vision, the important thing is to direct emotions assertively because otherwise, nothing would work as it should.

According to Burns (1978), within the concept of leadership, the author created a theory of Transformational and Transactional Leadership, later developed by Bass and Avolio (1994), where the power of an individual in changing the behaviour of those led is highlighted, in two somewhat distinct ways.

1.1 Transformational Leadership

Burns (1978) defines transformational leadership as a process in which all those involved (leaders and followers) must, through motivation, lift each other up in order to achieve the common objectives, placing the well-being of all as a priority and main concern, assuming that to achieve certain and determined goals, a paradigm shift would be necessary, but above all, an attitude change. For this, as the author argues, it became imperative to foster the commitment of the employees, leading the whole team to develop spontaneous behaviour and total surrender to the organisation.

Bass (1985), although agreeing with the concept presented by the previous author, also added that more important than increasing the levels of motivation and ethics, it was important to emphasise teamwork and collective effort, so that all team members, whether leaders or followers, exceed themselves and reach heights that until then seemed practically unattainable. Thus, later on, Bass and Regio (2005) went further and defined that it would be necessary to introduce some changes in the attitudes of the followers, supporting the objectives to be achieved with values and ideals that previously were not necessary, creating a need for purpose, constantly motivating them.

Later, according to Tracey and Hinkin (1994), transformational leadership, being "a process of influencing major changes in the attitudes and assumptions of the members of the organisation, building commitment to the mission and objectives of the organisation" (p. 271), i.e. it turned out to be necessary that everyone should be fully committed to achieving everything that was defined by the organisation, but for this, to ensure very high levels of productivity and motivation, everyone needed to perceive the same sense of mission.

These authors make it clear that with transformational leadership, it will be possible to change and develop the way all team members perceive themselves, creating future

and conscious leaders who will know how to make the best decisions by facing all daily challenges with the right attitude and posture. As so, Atkin-Plunk and Armstrong (2013 p. 557) state that this type of leadership can "affect both individual well-being of subordinates in the organization as well as performance outcomes". It is then important to mention that in transformational leadership, the followers tend to identify with their leader, sharing his or her vision, mission and purpose, working together to achieve all the objectives they have set for themselves.

Thus, the leader must inspire, coach, teach, encourage and support all employees to achieve organizational goals (Dartey-Baah and Ampofo, 2015), but to achieve this, Bass (1985), demonstrate to their followers that they care about their needs and fulfilment (Bass, 1985). Thus, an empathic leader needs to listen carefully and understand the perspectives of his team members, relating to people from various backgrounds and cultures. (Goleman, 2002).

The capacity to be empathetic turns out to be an extremely important aspect for those who intend to be excellent leaders, but not all empathic people manage to be excellent leaders. In this way, several of the previously mentioned authors suggest that the ability to possess and demonstrate empathy is a fundamental part of leadership, especially when we approach the concept of transformational leadership.

Transformational leadership is a multidimensional construct that includes several dimensions. According to several authors, such as Bass (1985), Dartey-Baah & Ampofo (2015), Lyons & Schneider (2009), Mesu, Sanders & Riemsdijk (2015) and Odetunde (2013), we shall reckon charisma (or idealised influence), inspirational motivation, intellectual stimulation and individual consideration.

Concerning charisma (or idealised influence), this dimension defines the leader as an example. A leader who makes all his decisions based on his values and principles (Bass & Riggio, 2006; and Bass, 1990). These, develop a sense of admiration in their

employees, creating a relationship of trust and respect between both parties. Thus, a leader with a high degree of charisma behaves in such a way as to serve as a role model for his or her subordinates, so that they identify with the leader and trust him or her with the next steps.

About inspirational motivation, Kark, Shamir & Chen (2003) stated that the transformational leader can develop a unique vision of the future, using emotional influences and demonstrating confidence, creating an almost instantaneous connection with his or her followers. In this way, these leaders promote optimism and team spirit, articulating a compelling vision, setting realistic goals and establishing confidence that it will be possible to achieve them (Bass, 1990).

Regarding intellectual stimulation, the transformational leader challenges his or her team members to aspire to deal with problems from a different perspective, encouraging the use of creativity and innovation, addressing past challenges in new ways. Bass (1990), stated that this type of leader liked to challenge the status quo, beliefs and values, encouraging employees to do the same.

Finally, the dimension of individual consideration reflects a leader, as defined by Bass (1985; 1990), who looks at his or her employees as individuals, developing special attention to their needs and ambitions. This leader is considered a mentor, not only concerned with the stimulation of his or her followers, but also to raise their levels of performance and potential. Thus, the leader's main concern is the development of his or her employees, with a special focus on their individual needs.

In this way, Transformational Leadership turns out to be an extremely complete leadership. Indeed, it focuses on the human being, allowing to create lasting relationships based on merit, trust and productivity. These leaders are admired by their followers mainly because they show concern for their employees, directing them towards a shared vision or goal, and at the same time controlling the complexity of

the organization, emphasizing that transformational leadership is associated with high levels of empathy on the part of the leader (Podsakoff et al., 1990).

1.2 Transactional Leadership

Transactional leadership, initially defined by Burns (1978), is a style of leadership which strongly relies on social exchanges, i.e., a leader who "exchanges tangible rewards for followers' work and loyalty" (Odumeru & Ifeany, 2013). Thus, Lievens et al. (1997) asserted that leaders transact efforts related to contractual rewards, with their employees, by clearly defining what they should do to get the rewards, punishing undesired actions and providing extra feedback and promotions for their good performance.

Bass (1985) went further by describing three forms of behaviour that the transactional leader can develop to enhance his relationship with his followers. The first concerns the acknowledgement that the follower wants to have with the work he has done, seeking to confirm whether the work done was achieved thanks to his commitment, or not. The second is defined as the exchange of rewards for the effort made by the subordinate in question. Finally, in the third behaviour, the leader is attentive and may meet requests related to the immediate personal interests of his subordinates, in exchange for the work done.

Thus, transactional leaders use the reward as the main way to obtain power, and the relationship between the leader and the subordinate is defined by a constant rational exchange so that everyone achieves the defined objectives, ensuring that this same relationship is continuous, while the reward remains achievable and attractive. (Bass, 1990). According to the same author, transactional leadership, also called authoritarian leadership, serves to clearly define the positions assumed by the leader, through a process of exchange between the reward given by the leader and the performance of the led.

2. Group Commitment and Cooperation

Rego (2003) stated that committed people are more likely to stay and grow within the organisation in which they work, being more dedicated to their work and to the organisational goals. Still, within this theme, Goleman (2000) and Goleman et al. (2009) emphasise the leaders' ability to obtain employees' participation, bringing out the best in them, promoting flexibility and responsibility also promote commitment.

Therefore, the authors Drury (2004), Mathieu & Zajac (1990) and Steyner et al. (2008), state that a type of leadership that is more effective in integrating certain values of the organisation, rules and objectives, and having as its main objective the promotion and reduction of the dropout rate, contribute to an increase in commitment. This behaviour, being entirely related to transformational leadership and the affective component of commitment (Meyer, Stanley, Herscovitch, & Topolnytsky, 2002), ends up becoming almost imperative, as Johnson, Skon & Johnson (1980). These same authors also highlight the importance of cooperation within an organisation, which should be developed by the leader, among his/her followers.

In fact, cooperation is another concept that needs to be considered. Authors like Bogaert, Boone and Declerck (2008) argue that, within the organisation, cooperation ends up being determinant, depending on the individual's expectation towards his/her partners to contribute to the common goal. Smith et al. (1995) defines cooperation as the contribution of individual effort, time, and resources to collective projects. In fact, It Is crucial for all organizations that their collaborators might be able to put an extra effort to interdependent tasks that can ultimately benefit the group or the organization that they are a part of.

As far as leadership is concerned, authors like Foss (2001), state that a cooperative leadership, helps increase cooperation and efficiency in social interactions, for example in teamwork. Effectively, we can easily understand that when a leader

demonstrates to be cooperative, his followers tend to follow him and reciprocate with similar cooperation levels (Rivas et al. 2009).

In this way, employees' behaviour within the organisation plays a very important role in the organisational commitment and cooperation of individuals towards the other members, correlating all these terms, to successfully achieve a common good.

Chapter 2 – Goals and Hypotheses of the Present Study

The main objectives of this study are to understand the impact that both empathy and transformational leadership have on cooperation and group commitment.

The research will focus on study transformational leadership and its empathetic characteristics, by relating leadership style and the results in cooperation and commitment, developing a clear relationship between these four concepts: empathy, transformational leadership, cooperation and group commitment.

Thus, to achieve concrete and objective results, the analysis was divided into two parts: a decision-making dilemma and a set of self-reports. Regarding decision making, the "Public Goods Game" was adapted to a hypothetical scenario to assess the type of cooperation and group commitment existing in participants' context. In relation to the self-report, it was possible to analyse group commitment and leadership-empathy styles as perceived by participants.

According to the existing literature and the objectives of the current study, three hypotheses are presented.

H1: There is a correlation between transformational leadership style and empathy.

H2: Transformational leadership predicts and affects group commitment and cooperation.

H3: Empathy predicts and affects group commitment and cooperation.

Chapter 3 – Method

1. Sample

The study carried out relied on the support of the participants' employing company to obtain the results, through an electronic questionnaire. The following questionnaire provided 189 responses, but only 80 participants have filled in all the answers, so this was the final sample size. The sample included 2 male participants (2.5%), 74 female participants (92.5%), and 4 participants who did not disclose their gender (5%). The mean age of the subjects was 26.89 years ($SD=4,39$), presenting a range of ages between 18 and 39 years. Regarding educational, most participants (73.8%) attended secondary school, followed by undergraduate and bachelor's degrees (18.8%) and finally, with regard to basic education and master's degrees, they both had the same percentage (3.8%). Furthermore, the average monthly household income of most participants is between 900€ and 1100€ (17.5%), followed by the range between 1100€ and 1300€ (16.25%). The range that has the lowest percentage is the one above 3400€ (2.5%), followed by the range between 2100€ and 2500€ (6.25%). Regarding the years' service in the company, the average number of years of the participants is between 2 and 5 years in the company ($M= 3,62$ $SD=1.51$). Finally, all participants, at the beginning of the questionnaire, were informed about how the data collected would only be used for research purposes and agreed to participate in the study in question.

2. Instruments and measures

2.1 Public Goods Game

The "Public Goods Game" was the instrument used to measure cooperation among participants. Using the Qualtrics platform a questionnaire was developed, shared online with participants where each was faced with an initial challenge. In a hypothetical scenario, everyone had a total of 200 euros and had to decide what part of their donation (200 euros), if any they wanted to keep, and what part of their

donation they wished to contribute to the group. In this way, participants could select any contribution: 0 euros, 200 euros or any other amount between these two, previously defined. Participants, when making their decision, should consider that the monetary contributions of each member of their team will be doubled and then divided equally among all. If all the team members opted for the maximum collective contribution (200 euros), the total money would double, each receiving 400 euros. However, if all the other members made the maximum contribution (200 euros each) to the common fund, unlike the person who responded, who decides to keep his 200 euros (contributing 0 euros), he would get 500 euros while the other team members would only get 300 euros each.

The contributions in the "Public Goods Game" functioned as a scale of cooperation, measuring this component between team members. So the higher the contribution, the greater the demonstration of cooperation within the group.

2.2 Interpersonal Reactivity Index (IRI)

Davis (1980) developed the IRI (Interpersonal Reactivity Index) which consists of a self-reported test with 28 statements, on a scale of 0 ("Does not describe me") to 4 ("Describe me very well"), where the objective is to measure empathy.

In 2010, Limpo et al. (2010) developed a portuguese version. The authors adapted the original IRI, eliminating some statements, and reducing the original 28 statements to 24. Taking this into account, in this study we decided to analyse just 12 statements, by adapting the previous self-report scale to and hetero-assessment scale, in which participants assessed their leader's displays of empathy (total score of perceived empathy).

This way, also using a Likert Scale ranging from 0 ("Completely disagree") to 4 ("Completely agree"), we focused essentially on the perception that the followers have of their leader's empathy (e.g. "My direct superior has feelings of concern for others"

or "My direct superior tries to understand others, imagining their perspective of seeing things").

2.3 Group Commitment

In order to understand each participant's level of commitment within the group, we use, the Portuguese version of the organizational commitment scale, from the original scale developed by Meyer and Allen (1991), adapted by Nascimento et al. (2008). Considering that this scale wasn't made to analyze group commitment, we needed to adapt and use specific statements that could be fitted into measuring the level of group commitment (e.g. "I really feel my team's problems as if they were my own") was also analysed using a Likert Scale ranging from 0 ("Completely disagree") to 4 ("Completely agree"). A total of 12 statements were used to analyse group commitment as a total score.

2.4 Transactional Leadership

To measure the participant's perception of their leader regarding the type of leadership practiced, we decided to analyze the levels of transactional leadership.

Using a scale divided by 5 statements, based on a Portuguese version developed by the author Arménio Rego & Miguel Pina e Cunha (2005), the level of transactional leadership (e.g. "My direct superior defines very clearly the specific performance goals that each one has to reach within the team") was also analysed using a Likert Scale ranging from 0 ("Completely disagree") to 4 ("Completely agree").

2.5 Transformational Leadership

With the purpose of measuring the participants' perception of their leader regarding the type of leadership practiced we decided to analyze the levels of transformational leadership.

Using a scale divided into 7 statements, adapted from a scale developed by Carless, S. A. et al. (2000), the level of transformational leadership (e.g. "My direct manager promotes pride and respect in others and inspires me because he/she is highly competent") was also analysed using a Likert Scale ranging from 0 ("Completely disagree") to 4 ("Completely agree").

3. Procedure

This study was conducted in partnership with a multinational company operating in the fashion retail sector. Thus, it was possible to request the collaboration of some employees of this same company who answered the questionnaire voluntarily and anonymously so as not to compromise their identity, the identity of their team and the organization identity.

After a telephone call, an e-mail (annex 1) was sent to the company's Headquarters in Portugal, where a formal request for collaboration was made, explaining how everything would proceed. After this request was approved in Portugal, a request was sent, via the company, to the official headquarters of the Organisation.

After receiving confirmation that we could go ahead with the experiment, the company shared with the participants a standardised message where it clarified and simplified the whole process for the participants. The participation, besides being voluntary, was done on their devices at home, starting with the instructions (annex 2), followed by a consent statement (annex 3) and finally they would participate in the "Public Goods Game". After this, they filled in the "game understanding" questions (annex 4), followed by the self-report measures. In the final part of the questionnaire, demographic questions were asked (annex 5), where the relevant information for the experiment was collected. It should be noted that, throughout this process, the Qualtrics platform was used to present the questions and collect all the answers.

At the end of the experiment, everyone was thanked for their participation and, since this was fictitious money, it is important to clarify that no participant received the amount they defined during the "Public Goods Game".

4. Statistical Analysis

We used parametric tests for conducting statistical analyses. All variables that were tested presented skewness values between < 1 and > -1 and kurtosis values between < 3 and > -3 . Therefore, we can assume that there were no robust violations of normality in our variables of interest (empathy, transformational leadership, transactional leadership, group commitment and cooperation).

First, Pearson correlations were used to analyse the degree of covariance/association of the variables of interest (empathy, transformational leadership, transactional leadership, group commitment and cooperation), making possible to test H1 (There is a correlation between transformational leadership style and empathy).

Afterwards, to analyse the impact of leadership-related variables on group commitment and cooperation (H2: "Transformational leadership predicts and affects group cooperation and commitment" and H3: "Empathy predicts and affects group cooperation and commitment"), we conducted multiple linear regression models with the dependent variables (group variables: group commitment and cooperation), to be explained by the independent variables (empathy, transformational leadership, and transactional leadership).

All analyses were conducted using the IBM SPSS Statistics 26 software (IBM Corporation, Armonk, NY, USA).

Chapter 4 - Results

1. Correlation Results

	Empathy	Transformational Leadership	Transactional Leadership	Group Commitment	Cooperation
Empathy	-				
Transformational Leadership	.810**	-			
Transactional Leadership	.792**	.766**	-		
Group Commitment	.444**	.467**	.523**	-	
Cooperation	.035	-.029	-.041	.223	-

Table 1 – Pearson coefficients for associations between empathy, transformational leadership, transactional leadership, group commitment and cooperation. (* $p < .05$; ** $p < .01$.)

Concerning the leadership variables (transformational and transactional) and empathy, there is a very strong positive association between them.

Transformational and transactional leadership appear to be strongly correlated, $r = .766$, $p < .001$. Empathy and transformational leadership also appear to be strongly correlated, $r = .810$, $p < .001$, just as empathy and transactional leadership, $r = .792$, $p < .001$.

Thus, hypothesis 1 was confirmed since transformational leadership was found to be associated with empathy. Nonetheless, it cannot be firmly stated that it is an exclusive aspect of this type of leadership, since it also seems to co-occur in transactional leadership.

Regarding the group variables (group commitment and cooperation), there is also a positive association between them. Group commitment and group cooperation are positively and significantly associated, $r = .223$, $p = .046$, although the strength of their correlation is lower.

2. Regression Results

The regression model including the three dimensions of leadership (empathy, transformational leadership and transactional leadership) as predictors of group commitment was statistically significant, $F(3,80)=10.2$, $p < .001$, $AdjR^2 = .256$.

Beta coefficients show that only transactional leadership predicts group commitment, $\beta = .404$, $p = .019$. Transformational leadership, $\beta = .166$, $p = .348$ and empathy, $\beta = -.010$, $p = .959$ were not significant predictors, thus H2 and H3 were not confirmed with respect to commitment. As such, when controlling for the variance shared between the different leadership dimensions, which were previously shown to be strongly correlated, it is the transactional dimension that stands out to explain higher levels of cooperation in the group.

The regression model including the three dimensions of leadership (empathy, transformational and transactional leadership) as predictors of cooperation was not statistically significant, $F(3,80) = .467$, $p = .706$, $AdjR^2 = -.020$.

The Beta coefficients show that none of the leadership variables predict cooperation with the group (empathy: $\beta = .243$, $p = .264$; transformational leadership: $\beta = -.114$, $p = .581$; transactional leadership: $\beta = -.147$, $p = .459$), so again, there is no statistical support to prove H2 and H3 previously presented.

Chapter 5 - Discussion, conclusion, and future directions

The main objective of this study was to analyse and understand the existing relationships between empathy, transformational leadership, group commitment and cooperation, within a real context, within the fashion retail market. In this way, a questionnaire was used, divided into two parts: decision making and a self-report. In the decision making, it was possible to measure the cooperation between the participants with the use of a monetary model. In the self-report, the participants answered a series of statements, where it was possible to measure group commitment, relating it to the participants' perception of empathy and the type of leadership on the part of their leader.

Considering the study carried out, it was possible to draw several conclusions, taking into account the variables used. Concerning the predictor variables (transformational leadership and empathy), we confirmed that they are highly correlated with each other and that they also correlate with transactional leadership. In this way, it was possible to confirm H1, which stated that there was an association between transformational leadership and empathy, but as previously mentioned, it was also possible to understand that this aspect is not exclusive to this type of leadership and that the relationship also exists in a more transactional type of leadership, which is based on the existence of a reward, between the leader and the subordinate, after the completion of the task in question. The transformational leader, when necessary, may opt for a transactional style, making it clear that the profiles of a leader are not and cannot be exclusive and must adapt to the situation, the people and the environment in which he/she lives.

Regarding the group variables (group commitment and cooperation), as expected, although with a weaker association, they showed a positive association, which, as proven by Nuncio (2020, unpublished), the more commitment there is, the more cooperation there is as well. Still, the two hypotheses to be analysed (H2:

Transformational leadership predicts and affects group commitment and cooperation. And H3: Empathy predicts and affects group commitment and cooperation), were not confirmed because it was not possible to prove that transformational leadership and empathy have a relationship, in the context in which the data were collected, with the previous group variables. This result does not agree with the studies developed by Podsakoff et al. (1990) and also by Barbuto and Burbach (2006), who stated that when transformational leadership is associated with high levels of empathy, there is greater cooperation within the group. Thus, we can state that in the cooperation model, no predictor (transformational leadership and empathy) was significant in explaining it.

Although, even though no predictor was significant to explain group cooperation, it was possible to observe that transactional leadership has a greater impact on group commitment, which, taking into account the existing dynamics in the fashion retail market where there is a greater appreciation of the reward, ends up answering the result obtained. In other words, taking into account that this study was developed in a real context and that the company can be considered a transactional company, since it focuses on obtaining results through the existence of a reward, intervening only when the defined standards and goals are not changed, we believe that this characteristic may have conditioned the representation of transformational leadership, which limited us in obtaining more concrete conclusions. Thus, a recommendation for future studies is to increase the sample, bearing in mind that we only had 80 participants who completed the questionnaire in full and to introduce new contexts, namely some that are not so explicitly reward-based, to create a balance between the different types of leadership instilled in the culture of the different markets on which a future study could focus.

Another reason we point to the practically non-existent relationship between the predictor variables (transformational leadership and empathy) and the group variables (group commitment and cooperation) may be related to the fact that the two

group variables are being assessed in different ways, bearing in mind that, even though a (modest) correlation was evidenced between both, group commitment ended up being analysed taking into account self-report, whereas cooperation was analysed through the "Public Good Game", requiring decision-making. Regarding decision making, and taking into account that this study was conducted within a business context, another limitation highlighted was the fact that the monetary value, not being real, raises the doubt that if the money was not hypothetical, the results could change, hence we found it interesting, taking care of ethical issues related to data protection, to make the remuneration real and sufficiently enticing to obtain answers as close to the truth as possible.

To conclude, it was extremely interesting to conduct this study within a business context. Although it was not possible to confirm two of the hypotheses that had been initially defined, it was also possible to draw some conclusions from this. As this is a study based on a questionnaire, which was answered at a distance, it ended up making the interaction that could exist with the participants a little more difficult, so that the study could be carried out as close to reality as possible. Even so, in this specific case, by adapting the questionnaire to the context in which the participants were inserted, it was possible to establish some extremely interesting relationships between the various variables under study, where the relationship between group commitment and transactional leadership must be highlighted. As previously mentioned, it would be interesting to conduct the same study in different business contexts and with a larger sample to standardise the data collected and achieve more general results that are closer to reality.

With this study, I believe I was able to demonstrate the complexity of the variables studied (transformational leadership, empathy, group commitment and cooperation) and their relationships, showing that the two predictor variables correlate, as do the two group variables, but that no predictor variable (transformational leadership and

empathy) correlates with the group variables (group commitment and cooperation). Thus, it is possible to state that the relationships between the variables may change depending on the context in which they are inserted.

References

- Atkin-Plunk, C. A., & Armstrong, G. S. (2013). Transformational leadership skills and correlates of prison warden job stress. *Criminal Justice and Behavior*, 40(5), 551–568.
- Barbuto, J. E., & Burbach, M. E. (2006). The emotional intelligence of transformational leaders: A field study of elected officials. *The Journal of Social Psychology*, 146(1), 51–64. <https://doi.org/10.3200/SOCP.146.1.51-64>
- Bass, B. M. (1985). Leadership and performance beyond expectations. *New York: The Free Press*.
- Bass, B. M. (1990). Bass and Stogdill's Handbook of Leadership: A Survey of Theory and Research. *New York: The Free Press*.
- Bass, B. M. & Avolio B. J. (1990), The implications of transactional and transformational leadership for individual, team and organizational development, In R. W. Woodman e W. A. Passmore (Eds.), *Research in organizational change and development* (pp 231-272). Greenwich, CT: JAI.
- Bass, B. M., & Avolio, B. J. (1994). Improving organizational effectiveness through transformational leadership. *Thousand Oaks, CA: Sage Publications*.
- Bass, B. M. & R. E. Riggio (2005), *Transformational Leadership*, 2a edição, Inc USA: Lawrence Erlbaum Associates.
- Burns, J. M. (1978). *Leadership*. New York: Harper & Roe.
- Bogaert, S., Boone, C., & Declerck, C. (2008). Social value orientation and cooperation in social dilemmas: A review and conceptual model. *British Journal of Social Psychology*, 47(3), 453–480. <https://doi.org/10.1348/014466607X244970>

- Carless, S. A., Wearing, A. J. & Mann, L. (2000). A Short Measure of Transformational Leadership. *Journal of Business and Psychology* 14, 389 – 405.
- Chemers, M., & Ayman, R. (1997). An integrative theory of leadership. *Leadership theory and research: Perspectives and directions.* , (pp. 293-319). San Diego, CA, US: Academic Press, xx, 347 pp.
- Dartey-Baah, K., & Ampofo, E. Y. (2015). Examining the influence of transformational and transactional leadership styles on perceived job stress among ghanaiian banking employees. *International Journal of Business and Management*, 10(8), 1833–8119.
- Davis, M. H. (1980). A multidimensional approach to individual differences in empathy. *JSAS Catalog Selected Documents in Psychology*, 10, 85–103.
- Drury, S. (2004). Employee Perceptions of Servant Leadership: Comparisons by Level and with Job Satisfaction and Organizational Commitment. Regent University.
- Foss, N. F. (2011). Why Micro-Foundations for Resource-Based Theory Are Needed and What They May Look Like. *Journal of Management*, 37(5), 1413-1428.
- Goleman, D. (2000). Leadership that gets Results. *Harvard Business Review*, 1–75.
- Goleman, D., Boyatzis, R., & Mckee, A. (2002). Os novos lideres – A inteligência emocional nas organizações. Lisboa: Ed. Gradiva.
- Goleman, D., Boyatzis, R., & Mckee, A. (2009). Primal leadership. *IEEE Engineering Management Review*, 37(3), 75–84.
- Hogan, R., & Kaiser, R. (2005). What we know about leadership. *Review of General Psychology*, 9, pp. 169-180.

- Johnson, D. W., Skon, L., & Johnson, R. (1980). Effects of Cooperative, Competitive, and Individualistic Conditions on Children's Problem-solving Performance. *American Educational Research Journal*, 17(1), 83–93. <https://doi.org/10.3102/00028312017001083>
- Kark, R., Shamir, B., & Chen, G. (2003). The two faces of transformational leadership: Empowerment and dependency. *Journal of Applied Psychology*, 88(2), 246–255.
- Lievens, F., P. Van Geit e P. Coetsier (1997), Identification of Transformational Leadership Qualities: An Examination of Potential Biases, *European Journal of Work and Organizational Psychology*, 6(4), 415-430.
- Limpo, T., Alves, R. A., & Castro, S. L. (2010). Medir a empatia: Adaptação portuguesa do Índice de Reactividade Interpessoal. *Laboratório de Psicologia*, 8(2), 171–184.
- Lyons, J. B., & Schneider, T. R. (2009). The effects of leadership style on stress outcomes. *Leadership Quarterly*, 20(5), 737–748.
- Mathieu, J. Zajac, D. (1990). A review and meta-analysis of the antecedents, correlates, and consequences of organizational commitment. *Psychological bulletin*, 108, 171–194.
- Martins, C. G. F. (2021). *The impact of the perceived leader's empathy, group commitment, and individualism/collectivism on cooperation*. [Unpublished master's thesis]. Universidade Católica do Portuguesa, Católica Porto Business School.
- Mesu, J., Sanders, K., & Riemsdijk, M. van. (2015). Transformational leadership and organisational commitment in manufacturing and service small to medium-sized enterprises. *Personnel Review*, 44(6), 970–990.

- Meyer, J. P., & Allen, N. J. (1991). A three-component conceptualization of organizational commitment. *Human Resource Management Review*, 1(1), 61– 89. [https://doi.org/10.1016/1053-4822\(91\)90011-Z](https://doi.org/10.1016/1053-4822(91)90011-Z)
- Meyer, J. P., Stanley, D. J., Herscovitch, L., & Topolnytsky, L. (2002). Affective, continuance, and normative commitment to the organization: A meta- analysis of antecedents, correlates, and consequences. *Journal of Vocational Behavior*, 61(1), 20–52. <https://doi.org/10.1006/jvbe.2001.1842>
- Nascimento, J. L., Lopes, A., & Salgueiro, M. de F. (2008). Estudo sobre a validação do “Modelo de Comportamento Organizacional” de Meyer e Allen para o contexto português. *Comportamento Organizacional e Gestão*, 14(1), 115–133.
- Núncio, A. T. S. (2020). *The effects of leader’s perceived empathy, group commitment and individualism on team cooperation, under “public goods game”* [Unpublished master’s thesis]. Universidade Católica do Portuguesa, Católica Porto Business School.
- Odetunde, O. J. (2013). Influence of transformational and transactional leaderships and leaders’ sex on organisational conflict management behaviour. *Gender & Behaviour*, 11(1), 5223–5335.
- Odumeru, J., & Ifeanyi, G. (2013). Transformational vs. Transactional Leadership Theories: Evidence in Literature. *International Review of Management and Business Research Journal*, 355-361.
- Podsakoff, P. M., MacKenzie, S. B., Moorman, R. H., & Fetter, R. (1990). Transformational leader behaviors and their effects on followers’ trust in leader, satisfaction, and organizational citizenship behaviors. *The Leadership Quarterly*, 1(2), 107– 142.

- Rand, D. G., & Nowak, M. A. (2013). Human cooperation. *Trends in Cognitive Sciences*, 17(8), 413–425. <https://doi.org/10.1016/j.tics.2013.06.003>
- Rego, A. (2003). Comprometimento organizacional e ausência psicológica: afinal, quantas dimensões? *RAE eletrônica*, 43(4), 25–35.
- Rego, A. & Cunha, M. P.,(2005). *Liderar. Lisboa: Dom Quixote.*
- Rivas, M. F. & Sutter M. (2009). Leadership in public goods experiments - On the role of reward, punishment and endogenous leadership.
- Sadri, G., Weber, J. T., & Gentry, W. A., (2011). Empathic emotion and leadership performance: An empirical analysis across 38 countries. *The Leadership Quarterly*, 22, 818–830.
- Simons, T. (2002). Behavioral Integrity: The Perceived Alignment between Managers' Words and Deeds as a Research Focus. *Organization Science*, Vol. 13, No. 1 (Jan. - Feb., 2002), pp. 18-35.
- Smith, K. G., Carroll, S. J., & Ashford, S. J. (1995). Intra-and interorganizational cooperation: Toward a research agenda. *Academy of Management journal*, 38(1), 7-23.
- Sobrinho, J. (2016). *Effects of leaders' behavioural integrity on followers cooperation levels.* Universidade do Porto, Faculdade de Economia
- Steyrer, J., Schiffinger, M., & Lang, R. (2008). Organizational commitment—A missing link between leadership behavior and organizational performance? *Scandinavian Journal of Management*, 24(4), 364–374.
- Tracey, J. B., & Hinkin, T. R. (1994). Transformational leaders in the hospitality industry. *Cornell Hotel and Restaurant Administration Quarterly*, 35(2), 18–24.

Yukl, G. (2013). *Leadership in Organizations*. New York: Albany: Pearson.

Walumbwa, F. O., Avolio, B., & Zhu, W. (2008). How transformational leadership weaves its influence on individual job performance: the role of identification and efficacy beliefs. *Personnel Psychology*, 61(4), 793–825.

Annex

Annex 1: Email sent to the company

English version

Hello,

As part of my final dissertation for the Master's in Marketing, which I am currently attending, with the theme "The power of empathy in team performance and decision making", I would like, if possible, to involve the Calzedonia Group, in particular the brand Tezenis in the process.

So, in order to achieve more real and concrete results, I would like each element of the shops, at a national level, to answer a questionnaire, attached in the e-mail, for approval, as the protocol between Católica Porto Business School and Calzedonia Group, where the data treatment would be anonymous, being both the company and the people participating protected.

The main objective of the questionnaire is to obtain the perception that the teams have of their shop managers and their leadership. We then intend to involve all the Tezenis shops in the country, dealing with all the data as a group.

In short, this e-mail is to ask for the collaboration of the group in the realization of this social experiment.

Any questions that you may have, I am entirely available to answer.

Rest of a good work,

Thank you very much for your attention,

Pedro Santos

Portuguese version

Bom Dia,

No âmbito da minha dissertação final do Mestrado em Marketing, que neste momento frequento, com o tema "O poder da empatia na performance de uma equipa e na tomada de decisão", pretendia, se possível envolver o Grupo Calzedonia, em particular a marca Tezenis no processo.

Assim, de forma a atingir resultados mais reais e concretos gostaria que cada elemento das lojas, a nível nacional, respondesse a um questionário, anexado no e-mail, para aprovação, tal como o protocolo entre a Católica Porto Business School e o Grupo Calzedonia, onde o tratamento de dados seria anónimo, ficando tanto a empresa, como as pessoas que participassem protegidas.

O principal objetivo do questionário é obter a percepção que as equipas tem das suas gerentes e da sua liderança. Pretendemos então envolver todas as lojas Tezenis do país, tratando de todos os dados como um todo.

Em suma, serve o presente e-mail, para pedir a colaboração do grupo na realização desta experiencia social.

Qualquer dúvida que surja estou inteiramente disponível para responder.

Resto de um bom trabalho,

Muito obrigado pela atenção,

Pedro Santos

Annex 2: Game Instructions

English version

Imagine that you were selected to participate in this study with whom you work daily and who are part of your work team. Whenever we refer to this work team, we ask that you only consider your colleagues (that is, do not consider superiors, such as the manager and sub-manager). Imagine now that all these people, including you, receive 200 euros and the same instructions for this study. Your task is to decide how much of this amount you keep for yourself and how much of this amount, if any, you give to a common team project. Contributions are made in euros, and you can decide any amount between 0 and 200 euros

In this hypothetical scenario, each team member's monetary contributions to this common project will be doubled and then divided equally among all team members.

This means that if all team members opt for the maximum collective contribution (200 euros), everyone's money will double, each receiving 400 euros. However, if all other elements of your team make the maximum contribution (200 euros each) to the common project of the team, unlike you, who decides to keep your 200 euros (i.e. contributing 0 euros), you will earn 500 euros while the other elements of your team will only earn 300 euros each.

We reinforce that you can decide to contribute with any amount between 0 and 200 euros.

Portuguese version

Imagine que foi selecionado para participar neste estudo com quem trabalha diariamente e que fazem parte da sua equipa de trabalho. Sempre que nos referirmos a esta equipa de trabalho pedimos que considere apenas os seus colegas (ou seja, não considere chefias, como o gerente e subgerente). Imagine agora que todas essas

peessoas, incluindo você, recebem 200 euros e as mesmas instruções para este estudo. A sua tarefa consiste em decidir quanto deste montante guarda para si e quanto deste montante, se é que algum, dá para um projeto comum da equipa. As contribuições são realizadas em euros, sendo que pode decidir qualquer valor entre 0 e 200 euros

Neste cenário hipotético, as contribuições monetárias de cada membro da equipa para este projeto comum irão ser duplicadas e depois divididas de forma igual por todos os membros da equipa.

Tal significa que se todos os membros da equipa optarem pela contribuição coletiva máxima (200 euros), o dinheiro de todos irá duplicar, cada um recebendo 400 euros. No entanto, se todos os outros elementos da sua equipa fizerem a contribuição máxima (200 euros cada) para o projeto comum da equipa, ao contrário de si, que decide manter os seus 200 euros (ou seja, contribuindo com 0 euros), você irá ganhar 500 euros enquanto os outros elementos da sua equipa apenas ganharão 300 euros cada.

Reforçamos que pode decidir contribuir com qualquer valor entre 0 e 200 euros.

Annex 3: Information Consent Letter

English version

This research work aims to study decision making in different work contexts. In this study, subjects who accept to participate will be faced with a dilemma that involves decision making, involving their teammates.

The study will last approximately 15 minutes. Participants will be invited to answer brief questions about their personal position on the dilemma presented. After carrying

out this activity, they will have to answer a set of questions about the activity in question, as well as indicate socio-demographic and organizational data.

This study is conducted by Católica Porto Business School. The data collected will be treated anonymously and confidentially and the name or sensitive personal data will never be asked. The data will be used only for research purposes and will always be analyzed in an aggregated way for the purpose of scientific publication. Participation in the experience does not involve any harm to the person and is voluntary, so you can withdraw at any time.

For more information, contact the researcher in charge – Eva Dias de Oliveira (eoliveira@ucp.pt).

Portuguese version

Este trabalho de investigação tem como objetivo estudar a tomada de decisão em diversos contextos de trabalho. Neste estudo, os sujeitos que aceitem participar irão deparar-se com um dilema que envolve uma tomada de decisão, envolvendo os seus colegas de equipa.

O estudo terá a duração aproximada de 15 minutos. Os participantes serão convidados a responder a breves questões sobre a sua posição pessoal quanto ao dilema apresentado. Após a realização desta atividade, terão de responder a um conjunto de questões sobre a atividade em causa, bem como indicar dados sócio-demográficos e sobre a organização.

Este estudo é conduzido pela Católica Porto Business School. Os dados recolhidos serão tratados de forma anónima e confidencial e nunca será pedido o nome ou dados pessoais sensíveis. Os dados serão utilizados só e apenas para fins de investigação e serão sempre analisados de uma forma agregada para efeitos de publicação científica.

A participação na experiência não envolve nenhum prejuízo para a pessoa e é voluntária, pelo que pode desistir a qualquer momento.

Para mais informações, contacte a investigadora responsável – Eva Dias de Oliveira (eoliveira@ucp.pt).

Annex 4: Game understanding questions

English version

The following two questions intend to evaluate your comprehension of the decision-making task you have participated in.

1. Which level of contribution has the higher return for the group as a whole?

0 euros; 25 euros; 50 euros; 75 euros; 100 euros; 125 euros; 150 euros; 175 euros; 200 euros

2. Which level of contribution has the highest payment for you personally?

0 euros; 25 euros; 50 euros; 75 euros; 100 euros; 125 euros; 150 euros; 175 euros; 200 euros

Portuguese version

As próximas duas questões pretendem avaliar a compreensão da tarefa de tomada de decisão em que acaba de participar.

1. Que nível de contribuição tem um maior pagamento para o grupo como um todo?

0 cents; 25 euros; 50 euros; 75 euros; 100 euros; 125 euros; 150 euros; 175 euros; 200 euros

2. Que nível de contribuição tem um maior pagamento para si pessoalmente?

0 euros; 25 euros; 50 euros; 75 euros; 100 euros; 125 euros; 150 euros; 175 euros; 200 euros

Annex 5: Demographic questions

English version

1. How old are you?
2. What is your gender?
 1. Male
 2. Female
 3. I prefer not to answer
3. Academic Qualifications
 1. Primary School: 1st, 2nd 3rd or 4th Years
 2. Junior High School: 5th or 6th Years
 3. High School: 7th, 8th or 9th Years
 4. Senior High School: 10th, 11th or 12th years
 5. Bachelor's Degree
 6. Master's
 7. PhD
4. 4. Select, approximately, the average monthly income of your household (ie the sum of the individual earnings of the residents of the same household per month, including yours, if you work). If you are not sure, enter your best estimate.
 1. Less than €450
 2. Between €450 - €700
 3. Between €700 - €900
 4. Between €900 - €1100
 5. Between €1100 - €1300
 6. Between €1300 - €1700
 7. Between €1700 - €2100
 8. Between €2100 - €2500
 9. Between 2500 - 3400€
 10. More than €3400

Portuguese version

1. Qual a sua idade?
2. Qual é o seu género?
 11. Masculino
 12. Feminino
 13. Prefiro não responder

3. Habilitações Académicas

14. 1º Ciclo Ensino básico: 1º, 2º 3º ou 4º Anos
15. 2º Ciclo Ensino básico: 5º ou 6º Anos
16. 3º Ciclo Ensino básico: 7º, 8º ou 9º Anos
17. Ensino superior: 10º, 11º ou 12º anos
18. Licenciatura/Bacharelado
19. Mestrado
20. Doutoramento

4. Selecione, aproximadamente, o rendimento mensal médio do seu agregado familiar (ou seja, o somatório dos ganhos individuais dos moradores de um mesmo domicílio por mês contando com o seu, caso trabalhe). Caso não tenha a certeza, aponte a sua melhor estimativa.

1. Inferior a 450€
2. Entre 450€ - 700€
3. Entre 700€ - 900€
4. Entre 900€ - 1100€
5. Entre 1100€ - 1300€
6. Entre 1300€ - 1700€
7. Entre 1700€ - 2100€
8. Entre 2100€ - 2500€
9. Entre 2500 - 3400€
10. Superior a 3400€