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## Employee positive moods as a mediator linking transformational leadership and employee work outcomes

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Past leadership research has demonstrated that transformational leadership has a positive effect on employee task performance and helping coworker behavior. However, among the research on the mediating mechanisms linking transformational leadership and employee work outcomes, little has been done empirically to examine the mediating effect of employee positive moods. This study extends previous research by examining the mediating role played by employee positive moods. Data were collected longitudinally from 282 employees and their immediate supervisors in 10 insurance companies in Taiwan. Results showed that transformational leadership both directly influenced employee task performance and helping coworker behavior and had an indirect effect through employee positive moods.

**Keywords:** emotion; helping coworker behavior; moods; positive moods; task performance; transformational leadership

### Introduction

Being a leader is one of the most important roles in an organization. Early leadership theory focused on the exchange relationship between leaders and employees that the leaders provide the orientation, support, and enhanced employee behavior. One approach, described as transformational leadership, has been defined in terms of the leader's influence on employees. Under this style, the employees feel trust, admiration, loyalty, and respect toward the leader while being motivated to do more than were expected of them (Bass 1985). Past research has shown transformational leadership as an effective approach to ensure that employees achieve expected task performance (Bass 1985; Yukl 1999) as well as to encourage other forms of behaviors such as organization citizenship behaviors (OCBs; Podsakoff, MacKenzie, Paine and Bacharach 2000). However, surprisingly little is known about the process by which transformational leadership influences employee outcomes (Yukl 1999; Bass 1999). Yukl (1999) argued that past research on transformational leadership had not fully examined the important mediating variables that link the leadership to employee performance and behavior. In addition, Bass (1999, p. 24) mentioned, 'Much more explanation is needed about the workings of transformational leadership.'

Researchers have proposed several mediators (e.g., leader-member exchange, core job characteristics, intrinsic motivation, and goal commitment) to explain the mediating processes between transformational leadership and employee outcomes (Wang, Law, Hackett, Wang and Chen 2005; Piccolo and Colquitt 2006). However, while leader-member exchange theory may provide some explanations as to how to build quality relationships, the social function of moods

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may also play a potential role in helping build strong relationships between leaders and members (Sy, Cote and Saavedra 2005). Since 1980, the importance of employees' moods in relation to the leadership process has emerged. As noted by Isen and Baron (1991) and George and Brief (1992), employees experiencing higher positive moods have been found to be more helpful, more creative, and to have more persistence with certain tasks than those with lower positive moods. The leader and the employees will express and be influenced by each other's moods, and this interaction will affect the employees' behaviors in the workplace (Kelly and Barsade 2001). However, leadership research has not actually examined how leaders influence their employees' moods (George and Brief 1996).

Recent research has begun to link moods to important employee work outcomes, such as employee task performance and helping coworker behavior (e.g., George and Brief 1996; Podsakoff et al. 2000). Hatfield, Cacioppo and Rapson (1994) proposed that effective leaders are those who can motivate members through influencing employees' emotions. Some relevant studies have proposed that moods may play a mediating role between leadership and employee performance. For example, Cherulnik, Donley, Wiewel and Miller (2001) noted that transformational leadership could arouse emotions in employees that encourage them to achieve organizational vision. George and Brief (1992) also argued that employees' positive moods would be influenced by the leaders' excitement, enthusiasm, and energy. Brief and Weiss (2002) indicated the contention that leaders affect their followers' feelings is clearly evident in Conger and Kanungo's (1998) argument that the transformational leader will use their strong emotional influences to arouse similar feelings in their audiences.

Some past research has indicated that transformational leadership might be an important antecedent to employees' moods. However, little field research has actually tested this proposition. Brief and Weiss (2002, p. 292) have made this point clearly when they argued, 'Empirical research on how leaders may affect the feeling of their followers is embryonic; however, it exhibits tremendous promise on theoretical grounds.' George (2000, p. 1047) took a symbolic interactionist perspective and argued: 'It would be interesting to explore how interactions between leaders and followers result in the creation and management of emotions in a work setting.' Employees' moods may be central to understand the manner, magnitude, and duration of workers' applications of efforts to their roles (George and Brief 1996). Thus, the present research is intended to examine employee positive moods as a mediating variable between transformational leadership and employee work outcomes.

This study extends previous research on transformational leadership and moods at work theory through a mediating model that illustrates how and why transformational leadership influences employee positive moods, task performance, and helping coworker behavior. An empirical study by McColl-Kennedy and Anderson (2002), consisted of 121 pharmaceutical sales representatives in Australia, found that the employees' optimism and frustration were two possible mediators underlying the relationship between transformational leadership and employee task performance. However, in our study we focused our examination on employees' positive moods as a mediator of the relationship between transformational leadership and task performance to better capture the mood construct. Moreover, we included the employee helping coworker behavior as another outcome variable as suggested by prior research (Brief and Weiss 2002; Bass 1999; Yukl 1999; George 2000; Sy et al. 2005).

### **Theory and hypotheses**

According to Avolio, Waldman, and Yammarino (1991) transformational leadership contains four sub-dimensions: (1) *Idealized influence* (including the *idealized attribution* and *idealized behavior*), the leaders are admired, respected, and trusted; (2) *Inspirational motivation*, involves

leaders motivating their employees by providing meanings and challenges at work; (3) *Intellectual stimulation*, leaders stimulate their employees' drive to be innovating by resolving traditional problems in new ways; and (4) *Individual consideration*, reflects leaders acting as a coach or mentor in order to increase an employees level of achievement and personal growth.

The positive relationship between transformational leadership and task performance is supported by a great deal of research (Piccolo and Colquitt 2006; Judge and Piccolo 2004; Lowe, Kroeck and Sivasubramaniam 1996; Fuller, Patterson, Hester and Stringer 1996). In Piccolo and Colquitt's (2006) meta-analysis 247 articles and 34 doctoral dissertations were collected about transformational leadership and employee outcomes; they found that the estimated true score correlation was 0.44 between the two variables. In another meta-analysis (Lowe et al. 1996), based on 75 papers that linked transformational leadership to employee task performance, a positive correlation between task performance and idealized influence (charisma,  $r = 0.71$ ), individualized consideration ( $r = 0.62$ ), and intellectual stimulation ( $r = 0.60$ ) was found. Although the aforementioned positive associations have been demonstrated by past research, the mechanisms underlying the relationships between transformational leadership and task performance are still worthy of further examination (Bass 1999).

#### ***Transformational leadership → employee positive moods → Task performance***

Leaders may influence their employee positive moods in terms of emotional contagion. Hatfield et al. (1994) defined emotional contagion as 'a tendency to mimic another person's emotional experience/expression... and thus to experience/express the same emotions oneself.' Hatfield et al. (1994) indicated that people tend to transmit their moods when they express their feelings to others. Moreover, people are likely to engage with another's moods if they can read others' expression. From this perspective George and Brief (1992) noted that if leaders were in a positive mood, then their subordinates would also be in positive moods. Subordinates tend to relate to their leaders' moods because the latter are in a better position to control and influence the formers' resources and interactions (Sy et al. 2005). Conger and Kanungo (1998) proposed that transformational leaders would use their emotions to influence their employees by arousing similar feelings in their audiences. Cherulnik et al. (2001) used 2 sets of 84 and 22 undergraduate students to explore whether transformational leadership can influence the audience to imitate their leader. The findings demonstrated that, when a candidate smiles more often or for longer, and pays more attention to the audience, then the participants experienced more positive moods.

Other studies have used the symbolic interactionists' perspective to explain how leaders influence their employees' moods. Cherulnik et al. (2001) proposed that leadership behaviors would elicit emotional arousal in their subordinates. In Sullivan and Masters's (1988) research, they found that different candidates' neutral and happy/reassuring facial displays will elicit varied emotions. In addition, viewers' emotional responses were more likely to be influenced to happy/reassuring displays. More specifically, Ashforth and Humphrey (1995) argued that the transformational leader would use metaphors, anecdotes, language, acts, and so forth to communicate a set of beliefs and guiding values to their employees. Therefore, one important feature of the transformational leader is his/her skill in articulating and communicating their feelings (Awamleh and Gardner 1999).

Also exploring this issue, Lazarus (1991) used the concept of latent motivational disposition to illustrate the process by which emotion acts to influence others. In terms of latent motivational disposition, an emotional response occurs after people appraise whether the goals are harmful or beneficial or even if it is achievable (Lazarus 1991). In affective events theory (AET), emotional reactions generally begin with an appraisal of an event (Plutchik 1994). The greater the

importance of a particular goal is then the higher the intensity of emotion (Weiss and Cropanzano 1996). Therefore, transformational leaders may attempt to convince their followers through eliciting inspirational messages to influence their subordinates' positive moods.

In an empirical study examining transformational leadership and employee's positive moods, Cherulnik et al. (2001) asked 22 undergraduates to watch a videotape of the 1992 American president candidates' speeches and to rate the differences in charisma between the candidates. They found that charismatic leadership (i.e., one form of transformational leadership) helped the audience experience more positive moods.

Prior research has used theories of motivation to illustrate how the mechanisms of positive moods influence task performance. For example, George and Brief (1996) used expectation theory (Vroom 1964) to argue that positive moods will enhance the personal effort to meet expectations for task performance as well as engendering the belief that standards and targets can be achieved. In addition, Locke and Latham (1990) used goal setting theory to explain that employees in a positive mood will set more difficult objectives and take those as a challenge to achieve a higher task performance. Moreover, positive moods may foster creativity and inductive reasoning (Isen, Johnson, Mertz and Robinson 1985; Isen, Daubman and Nowicki 1987), which in turn lead to higher task performance.

In an experimental study, Erez and Isen (2002) found that people in positive moods will produce a higher level of performance in an anagram game than those in neutral moods. In another study, Totterdell (1999) used 33 cricket players and recorded on a pocket computer their moods status at 12 time points in a four-day period. They found that positive moods positively correlated with the subjective and objective performance of the players.

Moreover, transformational leadership can influence employee task performance through means other than employees' positive moods. For example, Shamir, House, and Arthur (1993) identified two transformational leadership motivational processes that link leadership and employee task performance using the self-concept based theory. First, the transformational leader provides vision, expresses high expectations and shows confidence to increase employees' self-efficacy. Second, employees who have pride in belonging to their leader facilitate social identification with their group. A high level of self-efficacy and group identification on the part of the employee would in turn enhance employee task performance. Thus, the following is proposed:

*Hypothesis 1:* Employee positive moods will partially mediate the relationship between transformational leadership and employee task performance.

### ***Transformational leadership → Employee positive moods → Helping coworker behavior***

As mentioned before, the real essence of transformational leadership is the ability of the leaders to encourage followers to exceed their original expectations (Burns 1978; Bass 1985). This extra effort involved in going beyond anticipated behaviors is part of the pattern of OCBs (Podsakoff et al. 2000). In a meta-analytic review of studies that illustrated the antecedents of OCBs, core transformational leadership (0.26), leadership supportive behavior (0.26), articulating a vision (0.20), and intellectual stimulation (0.20) were positively correlated with the altruism aspect of OCB. In addition, individualized support was shown to produce a higher relationship with altruism (Podsakoff et al. 2000). Furthermore, Organ and Ryan (1995) conducted a meta-analysis of studies that had examined the antecedents of OCBs and found that leaders' consideration for their employees produced the strongest positive relationship with altruism.

Some past research has suggested that the construct of employee performance should include in-role, and extra-role behavior (Organ 1988; Staw and Boettger 1990). George and Brief (1992)

argued that extra-role behaviors are voluntary actions that can contribute benefit to the organization. The discretionary nature of extra-role behavior is a necessary element for the group and the organization (George and Brief 1992). It is worthy to note that such behaviors (e.g., helping coworkers) are voluntary, not required by job descriptions, and the individual behavior in the aggregate may promote the effective functioning of the organization (Organ 1988). Thus, to further illustrate the mediating role of employee positive moods, voluntary helping coworker behaviors were included in our model.

Following Hypothesis 1, transformational leaders may influence helping coworker behavior through employee positive moods. When people are in positive moods, they are likely to be more optimistic, remember positive information, be self-assured, take credit for success, and be more helpful to others (George 2000). Forgas (2002) argued that people's positive moods would influence their interpersonal behavior (e.g., helping coworkers, communicating, negotiating, and persuading others). In addition, they consciously endeavor to maintain their positive feelings through self-reinforcement (Clark and Isen 1982) such as by helping others (Carlson, Charlin and Miller 1988).

When people are in positive moods, they tend to feel positively towards both coworkers and opportunities for helping (e.g., Isen and Levin 1972; Isen, Clark and Schwartz 1976; Cunningham, Steinberg and Grev 1980; George 1991) and to be helpful (George and Brief 1992). George (1991) sampled 221 sales clerks to examine the relationship between employee positive moods and helping coworker behavior and found that there was a positive correlation. Furthermore, Eisenberger, Armeli, Rexwinkel, Lynch, and Rhoades (2001) selected 413 postal employees and found that employees in higher positive moods showed greater levels of helping coworker behavior. In addition, a meta-analysis composed of 92 experimental papers about positive moods and helping behavior, showed the weighted mean of effect sizes was 0.37 (Lyubomirsky, King and Diener 2005).

In addition, transformational leadership can also influence employees' helping coworker behaviors through means other than employees' positive moods. For example, House and Baetz (1979) proposed that transformational leadership would increase employees' motivation and aspirations in order to inspire them to go beyond their self-interest. Hence, transformational leadership could enhance employees' feelings of belongingness and transfer their focus from self-interest to common interest through articulation of a strong and clear vision (Bass and Avolio 1997; Conger and Kanungo 1998; Shamir et al. 1993). This may encourage employees to increase their helping coworker behavior in order to achieve their collective goals. A meta-analytic review of studies examining the antecedents of OCBs found that the core transformational leadership, supportive behavior, articulating a vision, and intellectual stimulation, were all positively correlated with altruism (Podsakoff et al. 2000). Thus, the following is proposed:

*Hypothesis 2:* Employee positive moods will partially mediate the relationship between transformational leadership and employees' helping coworker behavior.

## Methods

### *Data collection*

Insurance sales agents were selected as the participants for this study. Sales agents often operate with little or no direct supervision and may work closely with their colleagues (Singh, Goolsby and Rhoads 1994). Transformational leadership may play an important role in establishing core values to guide the employees' behavior even if their supervisors are not present (Bryman 1992). MacKenzie, Podsakoff and Rich (2001) further indicated that transformational leadership could inspire sales agents to perform beyond the minimum levels required by the organization

thereby having a positive effect on sales volume. Moreover, transformational leaders could motivate their subordinates to exhibit helping coworker behavior (MacKenzie et al. 2001). The helping coworker behavior is important to insurance sales agents. There are many ways it can occur, for example, the sharing of experiences of success and failure, knowledge of complicated insurance legislation, and taking care of administrative matters in the case of coworker absence.

To enhance the clarity of the causal relationship among the variables of the present study and to reduce the common method variance, the data were collected from independent sources at two different time points. Furthermore, Wright and Staw (1999) argued that the employees' outcomes could be said influenced by moods only if the time periods partially overlapped. Hence, it was considered appropriate to evaluate transformational leadership, employee positive moods, task performance and helping coworker behavior with a three weeks interval and one week overlap.

To test our model, we first obtained permission and support from 10 insurance firms' management for data collection in Taiwan. The questionnaires were then distributed and collected by the researchers in the insurance agents' daily meetings. Sales agents were asked to recall and evaluate their own positive moods and the leaders' transformational leadership over the previous week. Three weeks later, a second questionnaire was administered. Based on the employee questionnaires obtained in first week, the immediate supervisors of the employees were identified and asked to evaluate their employees' task performance and helping coworker behaviors. Those sales agents whose job tenures were less than six months and those cases without complete matched data across the two time points were removed from the study. As a result, we had a final usable sample of 282 data sets which represented a valid return rate of 55.1%. Of the sales agents, 97 of them (34.4%) were men. The leaders' ( $n = 156$ ) mean age was 41.03 years ( $SD = 7.13$ ) and 65 of them (41.7%) were men. Thus, on average, each leader rated 1.81 of the sales agents for task performance and helping coworker behaviors. Those participating received a gift, worth approximately US\$1.00, that was distributed post-survey completion to reduce any effects on employee positive moods.

## **Measures**

### *Transformational leadership*

We adapted 20 items from the Multifactor Leadership Questionnaire-Form 5X (MLQ-5X) by Bass and Avolio (1997). Our measure covered five general components of transformational leadership. Employees were asked to recall in the past week the extent to which each of the terms described how they felt about their leader's transformational leadership. Sample items from each aspect of the MLQ – Form 5X were as follows: (1) Ideal attributes: 'My leader acts in ways that build others' respect for me' and 'My leader displays a sense of power and confidence;' (2) Idealized behaviors: 'My leader talks about his important values and beliefs with me' and 'My leader specifies the importance of having a strong sense of purpose to me;' (3) Inspirational motivation: 'My leader talks optimistically about the future with me' and 'My leader talks enthusiastically about what I need to accomplish;' (4) Intellectual stimulation: 'My leader re-examines critical assumptions to question whether they are appropriate' and 'My leader seeks differing perspectives when solving problems' and (5) Individualized consideration: 'My leader spends time teaching and coaching me' and 'My leader treats me as an individual rather than just as a member of a group.' The Cronbach's alphas were respectively 0.82 for ideal attributes, 0.82 for idealized behaviors, 0.87 for inspirational motivation, 0.78 for intellectual stimulation, and 0.81 for individualized consideration.

### Employee positive moods

This construct was measured using four indicators from Diener, Larsen, Levine, and Emmons (1985). These indicators were measured using a 4-point Likert-type scale and covered a range from 1 (I felt that way *Not at all* during the past week) to 4 (I felt that way *Extremely/much* during the past week). The items of this construct included 'happy', 'pleased', 'joyful', and 'enjoyment'. The average of the four terms was computed to represent the construct of employee positive moods ( $\alpha = .92$ ).

### Employee task performance

Seven items from Wayne, Liden, Graf and Ferris's (1997) scale were used to measure employee task performance. Supervisors were asked to recall during the past month the extent to which the terms described employees' task performance on a 4-point Likert-type scale, ranging from 1 (*Strongly disagree*) to 4 (*Strongly agree*). Sample items included: 'I think this employee has been performing his/her job to the extent that I like it to be performed' and 'Overall, I think this employee has been effectively fulfilling his or her roles and responsibilities.' The average of the seven items was computed to represent employee task performance ( $\alpha = .91$ ).

### Helping coworker behavior

Four items ( $\alpha = .84$ ) obtained from Coleman and Borman's (2000) scale were used to measure this construct. Supervisors evaluated the extent to which their subordinates provided help to their coworkers. The items were presented with four Likert-type response options, ranging from 1 (*strongly disagree*) to 4 (*strongly agree*). We averaged the item scores to represent employee helping coworker behavior. Sample items included: 'He/She helped other organization members,' 'He/She engaged in a behavior that benefits individuals in the organization' and 'He/She assisted coworkers with personal matters' ( $\alpha = .87$ ).

## Results

Table 1 reports the means, standard deviations, and correlations for the study variables. The significant positive correlations for the first five variables were all over 0.34 ( $p < .01$ ), suggesting that all of the sub-dimensions of transformational leadership correlated positively with the employee positive moods, and the correlations. In addition, the correlations for all of the sub-dimensions of transformational leadership and employee task performance were also positive and were all over 0.21 ( $p < .01$ ). A similar result was found for helping coworker behavior (all correlations were over 0.23,  $p < .01$ ).

Table 1. Means, standard deviations, and correlations among variables.

	Mean	SD	1	2	3	4	5	6	7	8
1. Ideal attributes	3.79	.79	<b>.82</b>							
2. Idealized behaviors	3.97	.73	.79**	<b>.82</b>						
3. Inspirational motivation	3.94	.78	.80**	.81**	<b>.87</b>					
4. Intellectual stimulation	3.79	.74	.75**	.81**	.78**	<b>.78</b>				
5. Individualized consideration	3.87	.73	.76**	.78**	.77**	.81**	<b>.81</b>			
6. Employee positive moods	2.54	.68	.35**	.35**	.36**	.34**	.40**	<b>.92</b>		
7. Task performance	3.09	.61	.24**	.23**	.21**	.21**	.29**	.27**	<b>.91</b>	
8. Helping coworker behavior	3.19	.62	.27**	.24**	.23**	.25**	.27**	.26**	.71**	<b>.87</b>

Notes: Cronbach's alphas appear on the diagonal in boldface; \*  $p < .05$ ; \*\*  $p < .01$ .



We assessed the model with the maximum likelihood estimation using LISREL 8 (Jöreskog and Sörbom 1993). In these analyses, we used scale scores as single indicators of the respective constructs and corrected measurement errors by fixing the factor loadings and error variances using the internal consistency reliabilities and the variances of the measures (see Tsai and Huang 2002).

The hypothetical structural model displayed in Figure 1 fits the data well (chi-square (17,  $N = 282$ ) = 23.16,  $p > .05$ ; RMSR = .02; GFI = .98; IFI = 1.00; NFI = .99; CFI = 1.00). According to Baron and Kenny (1986), evidence for partial mediation is present when the following conditions are met: Paths from the independent variable to the mediator and from the mediator to the dependent variable and a direct path from the independent variable to the dependent variable are all significant. As seen in Figure 1, all standardized path coefficients relevant to hypotheses 1 and 2 were statistically significant (all  $p < .01$ ) and in the predicted directions, offering support for both Hypotheses 1 and 2.

However, there are several alternative models that are theoretically plausible. Hayduk (1987) suggested that research should test other competing models while conducting structural equation analysis. Thus, we examined the plausibility of four other alternative models. In alternative model 1, the direct link from transformational leadership to task performance was removed. Hence, employee positive moods partially mediated the relationship between transformational leadership and task performance. Under this model transformational leadership still had a direct influence on helping coworker behavior. In alternative model 2, we removed the direct link from transformational leadership to helping coworker behavior. In alternative model 3, transformational leadership did not influence the employee positive moods; hence, both transformational leadership and positive moods independently influenced task performance and helping coworker behavior. In alternative model 4, it is possible that employee positive moods could fully mediate the influence of transformational leadership on both task performance and helping coworker behavior. It can be seen that in Table 2, all of the four alternative model fits were not significantly better than that of the hypothesized model. The chi-square differences of the four alternative models ranged from 5.63 to 43.18 (all  $p < .05$ ) and thus this offered support for the superiority of our hypothesized model.

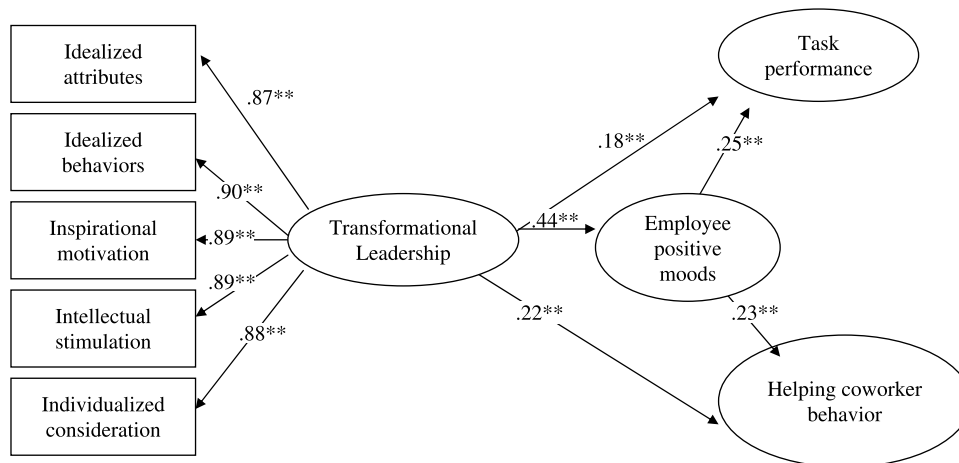


Figure 1. Standardized path coefficients for the hypothesized model. \* $p < .05$ ; \*\* $p < .01$ .

Table 2. Fit indices for the hypothesized and alternative models.

<i>Model</i>	$\chi^2$	<i>df</i>	$\Delta\chi^2$	<i>GFI</i>	<i>CFI</i>	<i>NFI</i>	<i>IFI</i>	<i>RMSR</i>
Hypothesized	23.16	17	–	.98	1.00	.99	1.00	.02
Alternative 1	28.79	18	5.63	.98	.99	.98	.99	.05
Alternative 2	31.34	18	8.18	.97	.99	.98	.99	.06
Alternative 3	66.34	18	43.18	.94	.97	.96	.97	.14
Alternative 4	31.65	19	8.49	.97	.99	.98	.99	.07

## Discussion

Research in leadership theory has focused on how transformational leadership enables leaders to increase employee task performance and helping coworker behavior. However, little empirical research has examined the mediating role played by employee positive moods. In this study, we extended the work of McColl-Kennedy and Anderson (2002), George (2000), and Brief and Weiss (2002) by drawing on mood theory to enhance understanding of how transformational leadership influences employee task performance and helping coworker behavior. Consistent with our expectations, the results of this study show that transformational leadership can indirectly increase employee task performance and helping coworker behavior through employee positive moods.

Our findings are important for managerial practice. Past research has treated leader-member exchange as a mediator (Wang et al. 2005). However, in contrast, this study demonstrates that positive moods are another mediator underlying the relationship between transformational leadership and employee outcomes. The results suggest that transformational leadership can influence employee task performance and helping coworker behavior by arousing employees' positive moods. It has been well accepted in past research that employees in more positive moods typically display higher task performance and more helping coworker behavior. Our results extend mood theory by suggesting that transformational leadership may indirectly influence employee task performance and helping coworker behavior through employees' positive moods. Combining past research on positive moods with the present findings, it suggests that employees' positive mood is one of the important variables in leadership that should not be ignored.

The findings of this study also indicate that the behavior of transformational leaders may improve employees' positive moods by idealized influence, inspirational motivation, intellectual stimulation, and individual consideration. As George (2000) suggested, leaders can provide employees with challenging projects, training and knowledge to promote employees positive moods. Moreover, leaders who show their confidence in employees' capability and let them know they play an important role in the organization will make employee experience positive moods (George 2000).

The present research was primarily focused on the mediating effect of positive moods between transformational leadership and employee work outcomes. However, this did not imply that other possible mediators are unimportant or did not exist. For example, Jung and Avolio (2000) found that followers' trust in the leader and value congruence had both direct and indirect mediating effects between transformational leadership and performance. As several scholars have argued, trust is a multidimensional construct. Trust involves cognitive, emotional and moral bases (Barber 1983). Thus, when transformational leaders show greater concern for employees' needs then this will result in employees' holding high levels of trust. Furthermore, employees will demonstrate their persistence and capability to achieve their vision, and possibly through employees' willingness to sacrifice for their group (Kirkpatrick and Locke 1996). Future research

may explore whether and how both moods and cognitive variables interplay in the transformational leadership process.

Practically, the findings of this study suggest the need to design effective transformational leadership training programs. For example, understanding how transformational leaders motivate and thereby create employees' positive moods could enhance leadership effectiveness. According to the findings of this research, leaders displaying transformational leadership that can influence their employee positive moods will be an effective management tool to directly or indirectly influence their employee task performance and helping coworker behavior. This suggests that managers may be able to improve their employee outcomes substantially by paying more attention to their own transformational leadership. Hence, they need to think more carefully about how they can perform a better job of demonstrating idealized influence, inspirational motivation, intellectual stimulation, and individual consideration. In addition, managers can become transformational leaders by attending corporate-sponsored training programs (Barling, Weber and Kelloway 1996). In brief, leaders in the organization could learn and apply transformational leadership to increase their employee positive moods, which in turn could lead to higher task performance and helping coworker behavior.

#### ***Limitations and directions for future research***

A few limitations of the current research should be noted. First, employees were required to report their inner mood states, and to rate their supervisor's transformational leadership. Thus, some of the observed correlations of transformational leadership and positive moods in the proposed model may have been inflated due to common method variance. However, our action may be justified by the contention that employees are in a better position than others to measure their supervisor's transformational leadership and their own positive moods.

Second, the concept of liking in the relationship between the leaders and the employees may contribute to the leaders' ratings of their employee task performance and helping coworker behavior. Some research has shown that liking is related to both the quality of a dyadic relationship and performance ratings. Thus, some of the observed relationships between transformational leadership and task performance/helping coworker behavior in our model are probably inflated due to the liking effect (Wayne and Ferris 1990; Judge and Ferris 1993).

Third, the present study was based on a sample in Taiwan that could raise concerns about the effect of culture. However, research in different cultures has proven that transformational leadership may influence employee outcomes (Chen and Farh 1999). Our approach was based on Western theory and was successfully supported using an Eastern (Taiwanese) sample. Future study can test our hypotheses in other countries to increase the generalizability of our findings.

The present research has one strength in terms of the research method. Lowe et al. (1996) suggested that research data should be collected from two different time points and different sources. This was an approach we took in this study. Different sources of data were collected, in terms of leaders and subordinates, to reduce the common method variance effect in our model. Additionally, we collected the transformational leadership and employee positive moods data from subordinates at the end of the first week and then collected the employee task performance and helping coworker behavior survey from their leaders three weeks later.

This study provided some insights into the relationship among leadership, employee positive moods, and employees' outcomes. Future studies may collect leader-member exchange variables together with moods in a theoretical model to explain further how to enhance the effectiveness of leadership. That may provide more insights into the psychological processes of the effects of transformational leadership.

Furthermore, as Brief and Weiss (2002) noted, there are many potential events (e.g., physical setting, rewards, etc.) that influence employees' moods in the workplace. Although this research examined the positive relationships among transformational leadership, positive moods, and employee outcomes future research should explore how those environmental factors could influence the results based on our theoretical model.

In addition, the setting for this study was insurance companies in the service industry. Future research may further examine whether the present findings can be generalized to other contexts (e.g., the manufacturing industry or the creative industries). For example, George and Zhou (2002) found that positive moods were negatively related to creative performance when perceived recognition and rewards for creativity and clarity of feelings were high. Future studies may further examine the nature of relationships among transformational leadership, positive moods, employees' task performance, and helping coworker behavior in such a context.

## Conclusion

The findings from this study provide contributions to leadership and mood theory to clarify the mechanisms between transformational leadership, employee task performance, and helping coworker behavior. Specifically, transformational leadership can partially influence task performance and helping coworker behavior through employee positive moods. The findings help illustrate the role of employee positive moods in the effects of transformational leadership. Also the result of this study demonstrates that this form of transformational leadership is an important antecedent of their employees' positive moods.

## Note

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