IMPACTS OF EMOTIONAL INTELLIGENCE ON LEADERSHIP EFFECTIVENESS

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Abstract. This paper aims to identify the impacts of emotional intelligence on leadership effectiveness. First, different approaches to leadership are shown and analyzed and narrowed down to a working definition of leadership. This definition is furthermore translated into categories of leadership categories as a first step to measure effective leadership. The categories are then filled with items from various leadership and management definitions in order to find an itemization of leadership. Itemizations used by previous academics, such as Stogdill’s Leadership Behaviour Description Questionnaire (LBDQ) and Bass and Avolio’s Multifactor Leadership Questionnaire (MLQ) are presented and analysed. The latter is then decided to be the most promising one for valid leadership research. In the second part, emotional intelligence is introduced and the capabilities of emotional intelligent persons are shown. It is then analysed if the defined characteristics of effective leaders would be enhanced by emotional intelligence, which is confirmed by this secondary research as well as by different primary researches. Recommendations for further research are given.

Key words: leadership, emotional intelligence, LBDQ

JEL code: M12

Introduction

In today’s work environment with international teams, a constant lack of skilled workers and experts and a generation joining the workforce which is more technically literate, connected and mobile than any other generation before (Bristow et al. 2011) leadership is gaining importance and therefore coming into the focus of management research. The main research questions within leadership research is what makes an effective leader, are there certain traits, abilities or behaviours that might be identified, how could those be measured and developed and which other abilities might be of importance. In this paper, the impacts of emotional intelligence on leadership effectiveness are analysed. As a fairly new concept, emotional intelligence has only been discussed for the past twenty years and valid researches on the effects of emotional intelligence in the work environment are still rare. This paper tries to add to the discussion with an analysis of the links between emotional intelligence and effective leadership.

Research results and discussion

The words “leader” and “leadership” did not come into the English language until the 13th century. It came from the Anglo-Saxon “leiden” which is to go forward, or to go up to. And it was then used usually to describe the person at the head of an army. (Ramsden 2008, p. 20) Today, researchers usually define leadership according to their individual perspectives and the aspects of the phenomenon of most interest to them (Yukl 2006, p. 2). Leadership definitions can roughly be differentiated into goal-oriented, influence-oriented, vision-oriented and coordination-oriented. The goal-oriented definitions of leadership

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focus on company goals, which are the reason for the existence of leadership in the work environment. Therefore, the goal-orientation seems to be a logical definition base for leadership in the work environment. On the other hand, most of the authors focus on the goals and the achievement thereof only without taking into account the process of leadership and how the goals are reached (Bower 1997, p. 7; Holzbaur 2001, p. 55; Franke 1972, p. 50). The influence-oriented leadership definitions take into account that individuals need to be influenced in order to work towards company goals and that those goals have to be seen as common objectives. Leadership is – according to this perspective – seen as the influencing process necessary to have employees reach company goals. While taking a broader perspective than the goal-oriented perspective, those definitions do not clearly state the difference between individual and company goals and how leaders can reduce this difference (Scanlan 1982, p. 30; Riggio 2011, pp. 119-120; Lorsch 2010, p. 414). While clearly stating the importance of formulating visions which combine company goals and individual goals, most vision-oriented definitions of leadership do focus on visions only and do not explain the process of translating goals into visions and the process of turning visions into reality (Charteris-Black 2007, p. 219; Hinterhuber, Krauthammer 2001, p. 18; Carnegie 2011, p. 45). The coordination-oriented definitions of leadership show the complexity of leadership and its task but do leave out the process of leadership as well as the relationship between leaders and followers (Potthoff 1979, p. 80; Hungenberg, Wulf 2006, pp. 329-330; Link 2010, p. 7). Summarizing the perspectives, leadership is defined as the process of translating company goals into visions, which are understandable and shareable by different stakeholder groups and influencing employees to share those visions and coordinate work towards them. While leadership has been defined by translating goals into visions and influencing people to work towards those visions, management can be seen as the underlying structure, defining the goals and providing the structures and control mechanisms. Both concepts do have joint goals but different, complimentary ways to reach them. So the company goals would be reached most efficiently if leadership and management were performed at the same time. Concerning the roles of leaders and managers, it is according to Yukl obvious that a person can be a leader without being a manager (e.g., an informal leader), and a person can be a manager without leading (Yukl 2006, p. 5). It does take very different personality traits for leaders and for managers, as the definitions above have made clear. Therefore leadership and management abilities are rarely found in the same personality. This is the reason why a differentiation between leaders and managers is advisable.

In order to conduct further research on leadership, emotional intelligence and motivation it is necessary to define some kind of measurement system for all three concepts. Only if one is able to measure the concepts, one is able to research interrelations and effects. Therefore different measurements used by previous researchers are analysed before selecting the appropriate measure for this research. “Measurement is about assigning numbers to objects, ideas, views or answers. It is the systematic and disciplined observation, quantification and interpretation of phenomena guided by a theory in one way or another. In science, the accurate and systematic measurement of phenomena can give great practical control over the subject, and can make possible the formulation of principles or laws which can make confirmation or refutation unambiguous and clear” (Chopra, Kanji 2011, p. 69). In the social sciences, phenomena such as quality, leadership, emotional intelligence, poverty, inequality and social capital are so ambiguous and perplexing that there is no agreement among social scientists regarding the conceptualization of the construct and what it constitutes (Chopra, Kanji 2011, p. 70). It is therefore necessary to clearly conceptualize the phenomenon in question and fit the measurement method to this conceptualization. The conceptual definition of the phenomenon is the first step a social scientist or researcher has to make. A purchaser of a test will first want to know how a particular construct such as poverty or emotional intelligence is defined (Chopra, Kanji 2011, p. 70). The second step is to define how a phenomenon is measured in an accurate representation of the construct which means creating different items in a measurement system. This means to interpret or convert the conceptual definition into an operational definition of the construct very carefully and accurately. This challenge involves establishing casual connections, specifying the measurement model, estimating of the model, model identification and
Leadership was defined as the process of translating company goals into visions, which are understandable and shareable by different stakeholder groups and influencing employees to share those visions and coordinately work towards them. This definition implicates three broad categories of leadership qualities: first, a leader has to be able to translate company goals into understandable and shareable visions, second a leader needs to know how to influence his employees to share those visions and thirdly the leader has to motivate his followers to coordinately work towards the visions. According to Chopra’s advice, these categories now have to be itemized. For this task the itemization of leadership from different researchers is analyzed to see if the items proposed fit the above definition. Due to the often synonymous use of the terms leadership and management, itemizations of the term management are not excluded in this analysis. In a survey conducted by Alexander, Hearald and Mittler, the measurement was based upon ten conceptual categories of leadership: creativity/innovativeness, vision, personal relationships with members, teamwork and collaboration, goal setting and measurement, performance monitoring, resource acquisition, focus, external relations, and conflict resolution (Alexander et al. 2011, p. 347). Vision and external relations are skills that seem to be useful for the formulation of a vision that incorporates corporate goals and may be understood and shared by different stakeholder groups. For the influence on employees to share the vision, personal relationships with members and focus seem to be the most helpful skills among the selection proposed by Alexander et al. In order to motivate followers to coordinately work towards the vision, goal setting and measurement is necessary, as well as teamwork.
and collaboration, performance monitoring and conflict resolution. Resource acquisition and creativity do not seem adequate measures for leadership as defined above. Alexander further explains effective leadership as paying attention to issues of process, such as recognition of member effort, incorporating feedback and input, and ensuring respect for all opinions (Alexander et al. 2011, p. 343). Attention to process issues and the recognition of member effort seem best suited in the part of working towards the vision realization. Incorporating feedback and respect for all opinions are important when influencing employees to share the vision. According to Trehan, for success in professional life and for performing various managerial roles and functions effectively, a manager is expected to excel in leadership, motivation, communication, decision making, interpersonal relations and change management (Trehan, Shrivastav 2012, p. 55). Since the task at hand is to find items to measure leadership, the usage of leadership as itself for an item is not helpful. Motivation fits best into the category to motivate employees to work towards the vision, while communication is mostly used to influence employees to share the vision. Decision making is probably best suited to the category vision formulating, although this category does not implicate this item. Interpersonal relations may be seen as a synonym for the personal relationships with members and therefore be allocated at the category influence employees to share the vision. The same category seems to be appropriate for change management, since a newly adapted vision might be combined with necessary changes.

Chopra defines management as a system comprising a range of human actions designed to facilitate the desired outcome. This human action subsumes planning, organizing, leading, coordinating, controlling, staffing and motivating. This also includes “managing” oneself, a prerequisite to attempting to manage followers (Chopra, Kanji 2011, p. 63). If leading is excluded once again from the items due to the above mentioned reasons, this definition adds planning, organizing, coordinating, controlling, staffing and motivating. Motivation has already been added to the items, while the other items are very clearly management functions and do not apply to the core of leadership, according to the differentiation between management and leadership in the literature review part. Therefore, the definition of Chopra does not add any new items.

In 1963 Stogdill developed the Leadership Behavior Description Questionnaire (LBDQ) which follows Stogdills typology of leadership style into consideration and initiating structure. The first versions of the questionnaire contained two factorially defined subscales—Consideration and Initiating Structure in Interaction. Several new subscales have been developed, such as Production Emphasis, Tolerance of Member Freedom of Action, Influence with Superiors, and Representation of the Follower Group (Stogdill 1969, p. 153). This questionnaire has been used as basis for different studies (e.g. Hartmann et al. 2010; Sweney et al. 1975). Hartmann’s scale consists of five-point, fully anchored scales that measure respondents’ agreement with eight statements concerning consideration behavior, and eight items concerning initiating structure behavior. Respective sample items are “My supervisor treats his employees as equal” and “My superior determines in detail what should be done and how it should be done”. The items expressed the leadership style in which supervisors manage the activities of their subordinates (Hartmann et al. 2010, p. 287). Since Stogdills questionnaire is mainly used to describe leadership behavior and is designed to identify the performed leadership style, it does not seem adequate for the general measurement of leadership which is the main task at hand.

Another often used (Kanji 2008, p. 417; Trehan, Shrivastav 2012, p. 55; Clarke 2010, p. 9) Leadership questionnaire is the Multifactor Leadership Questionnaire (MLQ) which is based on Bass’s model of transformative leadership. Bass’s conceptualization of transactional and transformational leadership included seven leadership factors, which he labeled charisma, inspirational, intellectual stimulation, individualized consideration, contingent reward, management-by exception and laissez-faire leadership. In subsequent writings, he noted that although charismatic and inspirational leadership were unique constructs, they were often not empirically distinguishable, thus reducing his original multifactor model to six factors (Avolio et al. 1999, p. 441). The MLQ (Form 5X) was developed to address concerns with earlier versions of the MLQ survey, including problems with item wording, lack of discriminant validity.
among certain leadership factors, and the incorporation of behaviors and attributions in the same scale (Avolio et al. 1999, p. 442). “The six factors and their operational definitions are: (1) Charisma/ Inspirational – provides followers with a clear sense of purpose that is energizing, is a role model for ethical conduct and builds identification with the leader and his or her articulated vision; (2) Intellectual Stimulation – gets followers to question the tried and true ways of solving problems, and encourages them to question the methods they use to improve upon them; (3) Individualized Consideration – focuses on understanding the needs of each follower and works continuously to get them to develop to their full potential; (4) Contingent Reward – clarifies what is expected from followers and what they will receive if they meet expected levels of performance; (5) Active Management-by-Exception – focuses on monitoring task execution for any problems that might arise and correcting those problems to maintain current performance levels; and (6) Passive-Avoidant Leadership – tends to react only after problems have become serious to take corrective action, and often avoids making any decision at all” (Avolio et al. 1999, pp. 444-445). Clarke used the Multifactor Leadership Questionnaire Form 5X (MLQ-5X) to measure transformational leadership behaviors. All of the MLQ-5X responses are made on a five-point scale ranging from 0 (not at all) to 4 (frequently, if not always) (Clarke 2010, p. 9).

### Table 1
**Comparison of leadership measurements**

<table>
<thead>
<tr>
<th>Category</th>
<th>Items by definitions</th>
<th>Bass’s MLQ-5X</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formulating vision</td>
<td>External relations</td>
<td>Charisma / Inspirational</td>
</tr>
<tr>
<td></td>
<td>Vision</td>
<td></td>
</tr>
<tr>
<td>Influence employees to share the vision</td>
<td>Decision making</td>
<td>Intellectual Stimulation</td>
</tr>
<tr>
<td></td>
<td>Focus</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Personal relationship</td>
<td>Individual consideration</td>
</tr>
<tr>
<td></td>
<td>Incorporate feedback</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Respect</td>
<td>Charisma / Inspirational</td>
</tr>
<tr>
<td></td>
<td>Change management</td>
<td></td>
</tr>
<tr>
<td>Motivate followers to work towards the vision</td>
<td>Process</td>
<td>Management-by-Exception</td>
</tr>
<tr>
<td></td>
<td>Conflict resolution</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Motivation</td>
<td>Charisma</td>
</tr>
<tr>
<td></td>
<td>Performance monitoring</td>
<td>Contingent Reward</td>
</tr>
<tr>
<td></td>
<td>Goal setting + measurement</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Effort recognition</td>
<td>Individual Consideration</td>
</tr>
<tr>
<td></td>
<td>Teamwork</td>
<td></td>
</tr>
</tbody>
</table>

Source: own illustration

As shown in the above table, the leadership categories drawn from the definition of leadership may be itemized either by the items of independent definitions of leadership and management or by the MLQ – 5X. The MLQ – 5X is based on Bass’s theory of transactional and transformational leadership. As became clear in the literature review part, transformational leadership is believed to be the most effective currently known
leadership style. Due to those reasons as well as for the sake of comparability in leadership research, it is decided to use the MLQ – 5X in this research for the measurement of leadership.

Beginning in the 1990s, the idea of emotional intelligence began attracting a good deal of attention, both among psychologists and in the popular press. Many people seem to agree that emotional intelligence is important, even though they are not exactly sure what it is. After all, emotions are important and intelligence is good, so emotional intelligence must be valuable, too (Shiota, Kalat 2012, p. 301). Earlier, emotional intelligence was not discussed because emotions were seen as “undesired influences on the logical-analytical behaviour and were left outside in order not to scratch the ideal of the rational acting manager” (Schlegel 2003, p. 13). Salovey subsums the forms of personal intelligence proposed by Gardner (Gardner 1993, p. 8) under his basic definition for emotional intelligence which structures these abilities in five sections: Self-perception, to know ones own emotions; suitability, to handle emotions; goal-directed, to translate emotions into actions; empathy, to know what others feel; relationships, basis for popularity, leadership and interpersonal effectiveness (Salovey, Rothman 1991, pp. 280-282). According to Caruso, Emotional intelligence comprises four areas of competencies which are named hierarchically: identify emotions, use emotions, understand emotions, and manage emotions (Caruso, Salovey 2005, pp. 7-8). Summarizing, emotional intelligent persons recognize their own emotions and the ones of others, know how to influence and regulate those emotions and can manage them in order to use emotions for effective actions.

The main criteria for effective leadership were defined according to Bass and Avolio as charismatic / inspirational, intellectual stimulation, individual consideration, management by exception and contingent reward. The question is now if these characteristics can be enhanced by emotional intelligence. “Being able to use emotions for goal achievement opens the possibility for self motivation and creativity” (Hauer 2003, p. 38). This statement by Hauer implicates that emotional intelligent people tend to be more motivated and creative, a fact that can lead to them being inspirational role models. Trehan states that effective leaders mostly rely on the expression of feelings to help convey their messages. So when effective leaders want to implement significant changes, they rely on the evocation, framing and mobilization of emotions (Trehan, Shrivastav 2012, p. 59). Therefore emotional intelligent leaders are more likely to be seen as believable and integer since their word will be supported by the displayed emotions. This advantage is likely to add to the charisma of leaders. Charismatic persons are described as persons who care, understand others and believe in their strengths (Avolio et al. 1999). These abilities all base on empathy, one of the main abilities within emotional intelligence. The second characteristic of transformative leaders is the intellectual stimulation. According to Shiota, emotional stimuli grab our attention; therefore emotional arousal does improve memory. Emotions – if under control – help us making more correct and holistic decisions (Shiota, Kalat 2012, p. 333). It may be deducted from this statement that emotional intelligent leaders do tend to make better decisions and may have an improved memory. They may therefore be able to better intellectually stimulate their followers. This impact is possible but will not necessarily happen in all cases. Therefore one cannot say that emotional intelligence necessarily improves the intellectual stimulation. The next characteristic of effective leaders is individual consideration. Per definition, emotional intelligent leaders do know the emotions of their followers and know how to influence them. Since emotions are highly individualized, leaders do have to consider each employee individually in order to know his or her emotions and to influence them if needed. Individualized consideration is therefore implicit in the concept of emotional intelligent leadership. Management by exception is the next characteristic of transformative leaders. An emotional intelligent leader can recognize the emotions of his followers and will treat them accordingly, meaning that in case of strong emotions usual management techniques may not be useful. Therefore an emotional intelligent leadership style will implicitly have tendencies of management by exception. If this management style is fully executed or not does, on the other hand, not depend on the emotional intelligence of the leader but on other situational variables. The last characteristic of an effective leader according to Bass and Avolio is the contingent reward. Emotional intelligent leaders are likely to display more positive emotions since
they know how to regulate their negative emotions. These emotions are likely to be contagious, since a leader is under direct and constant observation of his followers (Goleman et al. 2003, p. 37). So emotional intelligent leaders are likely to create a positive work environment, what may be seen as a reward for the employees. If other rewards are granted or not, does not necessarily depend on the emotional intelligence of the leader but on other context variables.

Conclusion

As seen above, emotional intelligence is very likely to add to the leadership qualities charisma / inspirational and individual consideration. It may furthermore enhance intellectual stimulation, management by exception and contingent reward. Based on this purely secondary research one can conclude that emotional intelligence will make leaders more effective and successful. This conclusion is supported by different findings from primary research as well, such as Trehan who found emotional intelligence important for leadership, motivation, communication, decision making, interpersonal relations, and change management at 99% level of confidence (Trehan, Shrivastav 2012, p. 65). Cartwright subsumed the meta-analysis of various studies with the statement that the ability to perceive emotion is a factor associated with effective leadership (Cartwright, Pappas 2008, p. 161). Clarke proved the relationship between emotional intelligence and transformational leadership with personality and cognitive abilities as control variables (Clarke 2010, p. 15). Bin Sayeed came to the same conclusion, summarizing that leaders are most likely to lead their followers if they have insights into their needs, values, and hopes. This insight may be facilitated through a higher level of emotional awareness and sensitivity. Leaders can create emotional responses in the followers, communicate and instill commitment toward a common vision and create shared norms. Focusing on individual followers, leaders should be supportive, considerate, empathetic, caring, and giving personalized attention. These requirements may be easier for an individual who is high on emotional intelligence and is able to accurately perceive and understand others’ emotions, while managing his/her own emotions (Bin Sayeed, Shanker 2009, pp. 596-597).

Since the correlation between emotional intelligence and leadership may be seen as confirmed, further research should be conducted, first on the ability to measure and develop emotional intelligence and second on the impacts of emotional intelligent leadership e.g. on the motivation of employees, their loyalty, customer satisfaction or goal achievement.

Bibliography


