

**The relationship between emotional intelligence and leadership  
effectiveness with an emphasis on corporate culture in a consumer goods  
organization**

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## DECLARATIONS

I, Lara C S De Miranda, hereby declare that the work submitted in this thesis **“The relationship between emotional intelligence and leadership effectiveness with an emphasis on corporate culture in a consumer goods organization”** to the School of Business Leadership, University of South Africa, is my own work. This thesis has not been submitted previously for any other degree at this university or any other university.

All sources in this study have been referenced and appear in the comprehensive list of references. This dissertation is my own work and that all sources that I have quoted have been indicated and acknowledged by means of complete references.



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**Signature**

**Lara de Miranda**

**8 May 2011**

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**Date**

## **ABSTRACT**

The topic of emotional intelligence and effective leadership has attracted considerable interest from researchers for many years. Most of the interest in the area is based on claims that emotional intelligence and organizational culture is linked to leadership effectiveness. Many studies have been conducted on the link between emotional intelligence and leadership effectiveness this studies examines the relationship between three concepts: emotional intelligence, leadership effectiveness and organizational culture. The study concludes with recommendations for further studies in this field.

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## TABLE OF CONTENTS

**Declaration**

**Abstract**

**Acknowledgements**

**List of Tables**

**List of Figures**

**Abbreviations**

<b>CHAPTER 1: INTRODUCTION AND PROBLEM IN CONTEXT.....</b>	<b>1</b>
1.1 INTRODUCTION.....	1
1.2 PROBLEM IN CONTEXT .....	2
1.3 PROBLEM REVIEW.....	4
1.4 PROBLEM STATEMENT .....	5
1.5 RESEARCH OBJECTIVES .....	5
1.5.1 To assess the relationship between emotional intelligence factors and leadership effectiveness.....	5
1.5.2 To determine whether emotional intelligence is a major factor of highly successful managers .....	6
1.5.3 To identify which emotional intelligence sub-factors most contributes to leadership effectiveness.....	6
1.5.4 To find out the extent to which these emotional intelligence sub-factors contributes to leadership effectiveness .....	7
1.6 LIMITATIONS/DELIMITATIONS .....	7
1.7 IMPORTANCE OF THE STUDY .....	8
1.8 CHAPTER OVERVIEWS.....	9
1.9 SUMMARY .....	10
<b>CHAPTER 2: PROBLEM ANALYSIS/THEORETICAL .....</b>	<b>11</b>
2.1 INTRODUCTION.....	11
2.2 EMOTIONAL INTELLIGENCE MODELS .....	11
2.2.1 Salovey and Mayer .....	12
2.2.2 Bar-On .....	13

2.2.3 Goleman's Four Constructs of Emotional Intelligence .....	14
2.2.4 Other Models of Measure .....	16
2.2.4.1 Levels of Emotional Awareness Scale (LEAS) .....	16
2.2.4.2 The Self-Report Emotional Intelligence Test (SREIT) .....	16
2.3 COMPARING MODELS OF EMOTIONAL INTELLIGENCE .....	17
2.4 EMOTIONAL INTELLIGENCE SUB-FACTORS; THE 5 META-FACTORS OF THE BAR-ON MODEL .....	17
2.4.1 Intrapersonal .....	18
2.4.1.1 Self-Regard .....	18
2.4.1.2 Emotional Self-Awareness .....	19
2.4.1.3 Assertiveness .....	19
2.4.1.4 Independence .....	20
2.4.1.5 Self-Actualization .....	20
2.4.2 Interpersonal .....	21
2.4.2.1 Empathy .....	21
2.4.2.2 Social Responsibility .....	21
2.4.2.3 Interpersonal Relationships .....	22
2.4.3 Stress Management .....	22
2.4.3.1 Stress Tolerance .....	23
2.4.3.2 Impulse Control .....	23
2.4.4 Adaptability .....	24
2.4.4.1 Reality Testing .....	24
2.4.4.2 Flexibility .....	25
2.4.4.3 Problem Solving .....	25
2.4.5 General Mood .....	26
2.4.5.1 Optimism .....	26
2.4.5.2 Happiness .....	26
2.5 LEADERSHIP .....	27
2.5.1 Transformational and transactional leadership .....	28
2.5.2 Charismatic leadership .....	30
2.6 CORPORATE CULTURE .....	30

2.6.1 Handy's four cultures .....	31
2.6.1.1 Power culture .....	31
2.6.1.2 Task culture .....	32
2.6.1.3 Person culture .....	32
2.6.1.4 Role culture .....	33
2.6.2 Deal and Kennedy's cultural model .....	33
2.6.2.1 Work-hard, play-hard culture .....	34
2.6.2.2 Tough-guy macho culture .....	34
2.6.2.3 Process culture .....	34
2.6.2.4 Bet-the-company culture .....	35
2.7 SUMMARY .....	35
<b>CHAPTER 3: LITERATURE REVIEW .....</b>	<b>36</b>
3.1 INTRODUCTION .....	36
3.2 EMOTIONAL INTELLIGENCE .....	37
3.2.1 The Beginning of Emotional Intelligence .....	37
3.2.2 Emotional Intelligence and success .....	38
3.2.3 The role of Emotional Intelligence in leadership .....	39
3.2.4 Components of Emotional Intelligence and leadership .....	40
3.2.5 Emotional intelligence – the balancing of individual and organizational needs .....	42
3.2.6 Emotional Intelligence and organizational development .....	43
3.2.7 Is emotional intelligence measurable? .....	45
3.3 LEADERSHIP EFFECTIVENESS .....	45
3.3.1 Leadership styles .....	46
3.3.2 Emotionally intelligent leaders .....	49
3.3.3 The relationship between emotional intelligence and leadership .....	52
3.3.4 The role of emotional intelligence in different leadership styles .....	54
3.3.5 Culturally-linked leadership styles .....	58
3.3.6 Transformational leadership and team effectiveness .....	61
3.4 ORGANIZATIONAL CULTURE .....	66
3.4.1 Organizational culture .....	66

3.4.2 Purposeful culture.....	70
3.4.3 Hofstede's work on corporate culture.....	73
3.5 CONCLUSION .....	77
<b>CHAPTER 4: RESEARCH METHODOLOGY .....</b>	<b>78</b>
4.1 INTRODUCTION.....	78
4.2 EXPLORATORY RESEARCH.....	78
4.3 QUALITATIVE AND QUANTITATIVE APPROACHES.....	78
4.3.1 Quantitative research.....	79
4.4 RELIABILITY AND VALIDITY.....	79
4.5 RESEARCH DESIGN.....	80
4.5.1 Non-experimental design.....	80
4.6 DATA MEASUREMENT .....	81
4.7 POPULATION .....	81
4.8 SAMPLING.....	82
4.9 DATA ANALYSIS TECHNIQUES.....	82
4.9.1 Descriptive Statistics.....	82
4.9.2 Mean and Median .....	82
4.10 SUMMARY .....	83
<b>CHAPTER 5: RESEARCH FINDINGS .....</b>	<b>84</b>
5.1 INTRODUCTION.....	84
5.2 POPULATION AND SAMPLE .....	84
5.3 RESEARCH INSTRUMENT .....	84
5.4 RATIONALE AND BACKGROUND .....	85
5.5 CONTENTS OF THE QUESTIONNAIRE .....	86
5.6 VALIDITY AND RELIABILITY.....	87
5.7 DATA COLLECTION.....	87
5.8 DATA ANALYSIS .....	87
5.9 RESEARCH RESULTS.....	88
5.10 SUMMARY .....	93
<b>CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS.....</b>	<b>94</b>
6.1 CONCLUSIONS.....	94



6.2 RECOMMENDATIONS .....	95
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## REFERENCES

## LIST OF TABLES

Table	Name	Page Number
2.1	Framework of emotional intelligence Competencies	15
5.1	Questions for analysis	86
5.2	Mean and Median Scores	88
5.3	Above-average vs Below-average EQ Scores	89
5.4	EQ scores vs EQ sub-components	89
5.5	Leadership scores vs EQ sub-components	90
5.6	Leadership and Motivation vs Above-average EQ	90
5.7	Leadership and Motivation vs Below-average EQ	91
5.8	Mean Scores	91

## LIST OF FIGURES

Figure	Name	Page Number
2.1	Framework of emotional intelligence Competencies	13

## LIST OF ABBREVIATIONS

Abbreviation	Meaning
EI	Emotional Intelligence
EQ	Emotional Quotient
LEAS	Levels of Emotional Awareness Scale
SREIT	Self-Report Emotional Intelligence Test
MLQ	Multifactor Leadership Questionnaire
SUEIT	Swinburne University Emotional Intelligence Test

## CHAPTER 1: INTRODUCTION AND PROBLEM IN CONTEXT

### 1.1 INTRODUCTION

The future existence of organisations is determined largely by their ability to adapt to continuous change. Growth and sustained profitability will only be attained by organizations that realise the role of effective leadership in organisational performance. In today's fast-paced world the complexity of business environments particularly in the consumer goods industry requires organizations to employ leaders with strong managerial skills who also have strong intrapersonal and interpersonal skills. During the last decade interpersonal skills have become integral to effective leadership (Goleman, 1998).

As businesses change so too do the skills, knowledge and attitudes of the managers. Managers need to redefine the functions they perform as well as the outcomes they achieve. Every change process has an impact on people and their work behaviour. The way in which change is introduced and implemented by managers influences the attitudes of those involved. Although IQ and experience are important for managers it does not always guarantee that these managers have the ability to deal with subordinates effectively (Goleman, 1998). Emotional intelligence is a key factor in an individual's ability to be socially effective and is viewed in leadership literature as a key determinant of effective leadership (Kerr *et al.*, 2006).

Emotional intelligence is a set of abilities that refer to how effectively one deals with emotions (Salovey & Mayer, 1990). Goleman (1998) has demonstrated that emotional intelligence is the single most important factor in job performance. A manager with emotional intelligence can focus on positive emotions and restrain anger, doubt and other negative emotions (Goleman, 1998).

## **1.2 PROBLEM IN CONTEXT**

Globalization has given rise to rapid changes in environmental conditions. These changes have led to intensive competition in the market. This intensified competition has led to market instability and change. The reasons for this intensified competition are due to radical redefinition of market boundaries, frequent emergence of new technologies, changes in consumer buyer behaviour, shorter product life-cycles and aggressive action and reaction patterns by competitors. As the levels of risk and uncertainty increase, the level of predictability decreases. Globalization refers to technological, political, and economic changes that make the world function in a different way from the way it did a few years ago.

This research project is based on a multinational organization that operates in the consumer goods industry based in South Africa. This organization has developed carton packaging that protects both the nutritional value and the taste of the packaged product. This organization is a liquid dairy packaging manufacturer that provides high quality carton packaging for consumer products such as milk and juice. This organization is the market leader in South Africa and has a global strategy that emphasizes efficiency as well as a structure that provides varying degrees of co-ordination of policy and procedures. Part of the strategy map which focuses on sustainable profitable growth is to develop effective and reliable innovation processes, so that the product portfolio can be continually renewed to maximize customer value. With the consumer goods markets changing due to globalization, managers have to constantly establish effective structures that provide a basis for the co-ordination and control of activities.

This multinational organization operates in an extremely competitive packaging industry with competitors such as plastic and glass liquid dairy packaging. Consumers have become more informed due to advances in technology particularly with the instant accessibility to the internet. Our way of living has

changed dramatically, it has become more fast-paced and consumers are now accustomed to a wide range of choice and on-the-go consumption, consumers constantly want more flexibility. Living has become more expensive and consumers have become savvy with regards to where they spend their money this is especially evident now because of the economic recession. The consumer goods organization therefore needs to adapt to these changes and be efficient and respond swiftly to external forces in order to survive and remain competitive. In order to be successful the organization has to meet the needs of its customers and therefore has to be locally responsive. Managers have to have both a global and a local orientation. In response to increasing global competition the multinational organization has to think globally but act locally.

There is a growing emphasis on organizational learning and promoting shared values within the multinational organization. Organizational learning is a strategic capability through developing competence at implementing new processes quickly in a variety of situations. Managers have to pass on the operation of successful organizational routines to staff. The company requires managers to be accountable for business integration, knowledge transfer and learning. As changes occur in technological and administrative processes it is necessary to initiate programmes of learning within the organization. Individuals and groups learn through doing, but in a multinational organization, organizational learning requires the passing on of knowledge so that the wheel is not constantly being reinvented.

There is pressure to recognize global best practice and encourage the international transfer of know-how. The company regularly engages in this kind of transfer of know-how through expatriate appointments and international training which assists in attaining global efficiency. This adds to the difficulties with cross-cultural changes. This organization has created a culture where people are involved in the overall values of a meaningful future. Their motto provides employees with a common direction. It reminds them what they are striving to do

and it is open minded, allowing them to pursue new opportunities for existing and new business. The objective of this organization is to create a sense of common identity and purpose across the whole organization. Organizational culture is often equated with shared values; this multinational organization has core values that are intended to be understood and accepted throughout the organization. Managers and employees are expected to live by these core values; however problems arise due to cross-cultural differences.

It is important for the organization to employ managers with strong managerial and technical skills however due to the changing nature of the organization in this fast-paced business environment some managers fail when it comes to leading their subordinates. Rapid changes challenge the organization in many ways and one of these aspects is the ability to effectively lead subordinates through the change management processes. According to the annual employee surveys there is a lack of communication between manager and employees which leads to increased job dissatisfaction. Constant change creates uncertainty with employees and they start feeling negative towards all these changes which leads to resistance to change. Some managers perform poorly when it comes to dealing with their subordinates.

### **1.3 PROBLEM REVIEW**

A number of emerging themes have been identified. They are:

- Theme 1: Leadership effectiveness
- Theme 2: Interpersonal skills/Emotional Intelligence
- Theme 3: Corporate culture

If organizations want to survive and remain competitive in this rapidly changing environment they have to be flexible and adapt to these changes quickly. Some leaders of this multinational organization are appointed via expatriate contracts

and these leaders often have different ideas, values and beliefs which are difficult for the local employees to understand. If an organization has too-rigid an organizational culture it is often difficult for these leaders to adapt or change, often resulting in conflict. Managers require more than just task competencies and technical know-how.

Managers are often faced with having to reconcile the feelings of frustration of conflicting interest groups within the organization and these managers need to have the necessary interpersonal and intrapersonal skills to manage their subordinates in order to drive the organization in the right direction and to be effective and successful leaders.

#### **1.4 PROBLEM STATEMENT**

To ascertain is the relationship between emotional intelligence and leadership effectiveness with an emphasis on corporate culture. Is there a correlation between intelligence and work experience in relation to emotional intelligence?

#### **1.5 RESEARCH OBJECTIVES**

The main purpose of this study is to investigate the significance of emotional intelligence in leadership effectiveness in managers in the consumer goods industry.

##### **1.5.1 To assess the relationship between emotional intelligence factors and leadership effectiveness**

In order for a leader to achieve organizational goals they have to successfully maximise and integrate the resources available in the internal and external environments. Yet some leaders fail to drive the organization in the right direction. Why is it that these leaders who are seemingly intelligent and



experienced are unable to be effective? Is it possible that they lack a certain quality that prevents them from being able to integrate all the resources? There have been various studies done on emotional intelligence and leadership which aims to identify whether or not having a certain emotional factor contributes to leadership effectiveness. Emotional intelligence is the ability to understand how others' emotions work and to control one's own emotions. Does a leader need to have emotional intelligent factors such as drive, motivation, self-confidence and empathy in order to be effective? Is there a direct correlation between emotional intelligence and leadership effectiveness?

#### **1.5.2 To determine whether emotional intelligence is a major factor of highly successful managers**

There are many leaders that fail to understand their subordinates' feelings and are unable to motivate them appropriately. Emotional intelligence refers to various things including motivation, empathy, sociability, positive disposition. Are any of these factors important to be a successful manager? As managers climb the ranks, do they become more emotionally intelligent?

#### **1.5.3 To identify which emotional intelligence sub-factors most contributes to leadership effectiveness**

Emotional intelligence refers to the ability to perceive, control, and evaluate others emotions as well as one's own emotions. There are many aspects when it comes to emotional intelligence and there are sub-factors that make up emotional intelligence, which of these is the most important factor when it comes to leadership effectiveness and can any of these factors be learned and strengthened? Is there one sub-factor that stands out above the rest or are they equally important? There are also questions around whether or not culture plays a role in effective leadership.

#### **1.5.4 To find out the extent to which these emotional intelligence sub-factors contributes to leadership effectiveness**

With emotional intelligence, a manager can restrain negative feelings and focus on positive emotions in themselves and in their subordinates. How important is emotional intelligence when it comes to leadership effectiveness? Can a manager still be a good leader even if he doesn't have any of the emotional intelligence sub-factors such as motivation, self-confidence, self-regulation and stress management?

### **1.6 LIMITATIONS/DELIMITATIONS**

Several limitations constrain the interpretation and application of this study's findings. The aim of this study is to explore the role of emotional intelligence in leadership effectiveness is also a weakness, because it does not include non-managerial employees.

This study did not use one of the acceptable emotional intelligence measurement instruments. It would be useful to conduct a study which compares the results of this study with those used by other acceptable measures of emotional intelligence.

The study is limited by its sample. The study is limited to just one multinational organization within the consumer goods industry.

A self-report questionnaire will be used to collect data. Self-report measures allow for the possibility of self-report biases, which may inflate emotional intelligence and business challenge scores. Respondents may give desirable responses that make them look good.

The final limitation of the study is the restricted scope of variables measured. There are several competencies not related to emotional intelligence that are extremely important to leadership success that will not be measured. Variables such as technical skills, experience, and extent of one's network can all lead to increased levels of success in leadership in various situations and these competencies will not be accounted for in this study.

### **1.7 IMPORTANCE OF THE STUDY**

According to the employee satisfaction survey that is conducted on an annual basis there are certain key issues that lead to employee dissatisfaction such as their manager's inability to effectively communicate with them. These managers fail at developing mutual interactions with their employees and are seen as being dogmatic in their approach, they are overly controlling and micromanage their employees.

Although the organizational culture is one that embraces innovation there are divisions that have their own sub-culture, some of these divisions are often reactive rather than proactive with innovation and new business development. These managers fail to align and pursue the goals of the organization. In order for these managers to drive the organization in the right direction they need to have the motivation and commitment to strive to improve or meet the organizations standard of excellence.

People are an important resource in the organization and in order to get buy-in on certain decisions it is important to keep the employees informed of any decisions that will affect them. By creating an environment of trust these managers will be able to create group synergy in pursuing collective goals. Yet these managers fail to take an active interest in their employees' well-being.

It is important to understand why some managers fail dismally at leadership so that the organization is better able to address the issue by developing these skills. As managers develop their interpersonal and intrapersonal skills through training they can become insightful people enabling them to develop the skills of their employees and build productive teams. Emotional intelligence helps managers understand themselves as well as others' emotional traits. This will enable them to effectively relate to a wide variety of people. Emotional intelligence can contribute to success in work and everyday life.

## **1.8 CHAPTER OVERVIEWS**

Chapter one covers the background of the study: the reasons, the objectives and the aim of the study. The business environment is constantly changing and the leaders of organizations need to ensure that they drive the organization in the right direction by successfully leading their subordinates. What makes a manager successful has been a central research question for decades and this study attempts to understand if there is a direct correlation between emotional intelligence and leadership effectiveness.

Chapter two is an analysis of the problem using theoretical considerations and models. The work of Salovey and Mayer (1998), Daniel Goleman (1995) and Reuven Bar-on (2002) paved the way for numerous research studies on the topic of emotional intelligence and leaders.

Chapter three includes literature on studies that have previously been conducted on the topic of emotional intelligence and leadership effectiveness. Literature suggests that managerial skills and emotional intelligence play a significant role in the success of managers in the workplace.

Chapter four introduces the research methodologies used in this study. The use of non-experimental, quantitative research methods were used to conduct the

study. The research design included a 45-item self-report questionnaire on emotional intelligence, leadership and culture. The questionnaire was submitted to 30 managers in a multinational organization.

Chapter five analyzes the results of the questionnaire and used mean and median data analysis techniques to determine whether or not there is a direct relationship between emotional intelligence, emotional intelligence sub-factors, culture and leadership.

Chapter six concludes the findings from the research and makes recommendations.

## **1.9 SUMMARY**

The ability for a manager to empathize with others and to manage interpersonal relationships contributes to motivate and inspire their subordinates. Emotional intelligence enables leaders to recognize and respect followers' opinions, ideas and feelings. Leaders with a high level of emotional intelligence use their social skills to help followers to develop and grow so that they are able to meet their needs and achieve their goals. This research report will attempt to investigate the relationship between emotional intelligence and leadership effectiveness in a multinational consumer goods organisation. This research report will attempt to investigate the relationship between emotional intelligence and leadership effectiveness in a multinational consumer goods organization.

## **CHAPTER 2: PROBLEM ANALYSIS/THEORETICAL**

### **2.1 INTRODUCTION**

In recent years, there has been increasing attention paid to the importance of emotional intelligence and leadership. Problems in connection with emotion especially arise when leaders work in a context different to their own culture. There are however practical frameworks that could help leaders understand what emotional competencies they need to acquire in order to be successful.

### **2.2 EMOTIONAL INTELLIGENCE MODELS**

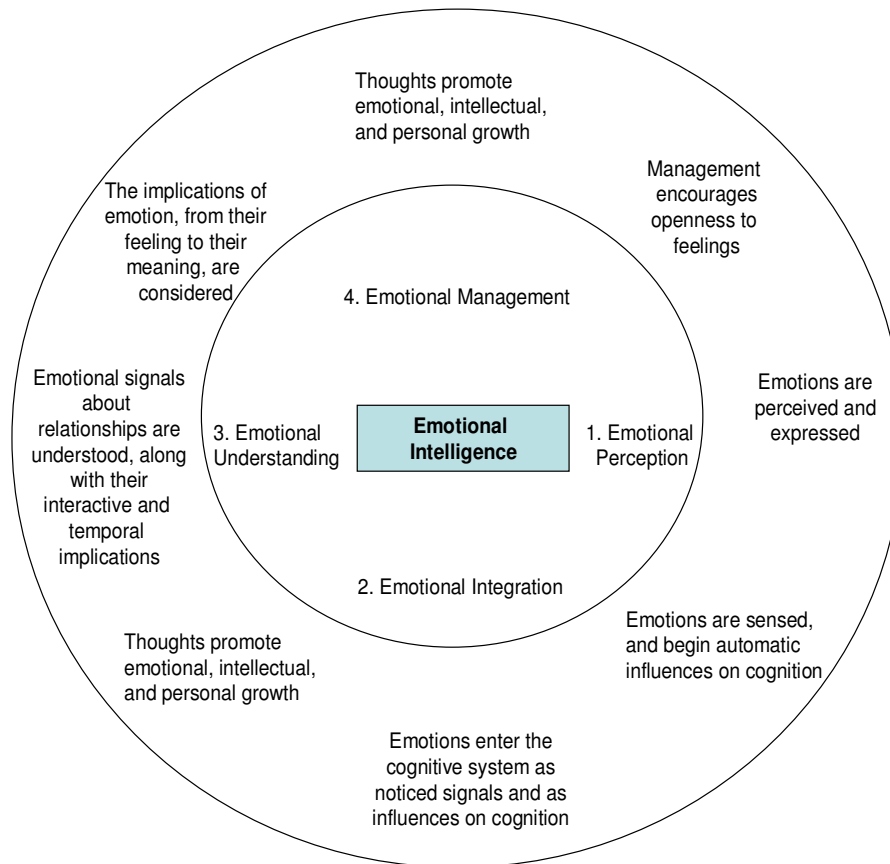
Emotional intelligence refers to the ability to recognize and regulate emotions in ourselves and others (Goleman, 2001). Several schools of thought exist that aim to accurately describe and measure emotional intelligence.

Each theoretical model conceptualizes emotional intelligence from either the ability or mixed model perspective (Mayer, 1990). However, mixed models of emotional intelligence combine mental ability with personality characteristics (Mayer, 1990). John Mayer and Peter Salovey (1990) proposed the ability model of emotional intelligence. Reuven Bar-On proposed a model based on the personality theory context, it emphasizes the co-dependence of the ability aspects of emotional intelligence with personality characteristics. Daniel Goleman also proposed a mixed model in terms of performance, abilities, personality and the effects in the workplace (Goleman, 2001).

### **2.2.1 Salovey and Mayer**

Peter Salovey and John Mayer were the first to stipulate the phrase “emotional intelligence” in 1990 (Salovey & Mayer, 1990) and have since continued to conduct research on the significance of the construct.

Salovey and Mayer’s conception of emotional intelligence is based within a model of intelligence; it strives to define emotional intelligence within the confines of the standard criteria for a new intelligence (Mayer, Salovey, Caruso & Sitarenios, 2003). It proposes that emotional intelligence is comprised of two areas: experiential and strategic. Each area is further divided into two branches that range from basic psychological processes to more complex processes integrating emotion and cognition. The first branch, emotional perception, is the ability to be self-aware of emotions and to express emotions and emotional needs accurately to others. Emotional perception also includes the ability to distinguish between honest and dishonest expressions of emotion. The second branch, emotional assimilation, is the ability to distinguish among the different emotions one is feeling and to identify those that are influencing their thought processes. The third branch, emotional understanding, is the ability to understand complex emotions such as feeling two emotions at once, and the ability to recognize transitions from one to the other. The fourth branch, emotion management is the ability to connect or disconnect from an emotion depending on its usefulness in a given situation (Mayer & Salovey, 1997).



**Figure 2.1:** Four-Branch Model of Emotional Intelligence (Source: Mayer & Salovey, 1997)

### 2.2.2 Bar-On

Reuven Bar-On developed one of the first measures of emotional intelligence that used the term “Emotional Quotient” (Bar-On, 2002). Bar-On’s model of emotional intelligence relates to the potential for performance and success (Bar-On, 2002). It focuses on an array of emotional and social abilities, including the ability to be aware of, understand, and express oneself, the ability to be aware of, understand, and relate to others, the ability to deal with strong emotions, and the ability to adapt to change and solve problems of a social or personal nature (Bar-



On, 1997), In this model, Bar-On outlines 5 components of emotional intelligence: intrapersonal, interpersonal, adaptability, stress management and general mood. Within these components are subcomponents. Bar-On states that emotional intelligence develops over time and that it can be improved through training, programming and therapy (Bar-On, 2002). Bar-On hypothesizes that those individuals with higher than average E.Q.'s are in general more successful in meeting environmental demands and pressures. He also notes that a deficiency in emotional intelligence can mean a lack of success and the existence of emotional problems. Problems in coping with one's environment is thought, by Bar-On, to be especially common among those individuals lacking in the subscales of reality testing, problem solving, stress tolerance and impulse control. Bar-On considers emotional intelligence and cognitive intelligence to contribute equally to a person's general intelligence, which then offers an indication of one's potential to succeed in life (Bar-On, 2002).

### **2.2.3 Goleman's Four Constructs of Emotional Intelligence**

Daniel Goleman discovered the work of Salovey and Mayer in the 1990's. It inspired him to conduct his own research in the area and eventually wrote *Emotional Intelligence* (Goleman, 1995). Goleman's model outlines four main emotional intelligence constructs. The first, self-awareness, is the ability to read one's own emotions and recognize their impact while using gut feelings to guide decisions. The second construct, self-management, involves controlling one's emotions and impulses and adapting to changing circumstances. The third construct, social awareness, includes the ability to sense, understand, and react to other's emotions while comprehending social networks. The fourth construct, relationship management, entails the ability to inspire, influence and develop others while managing conflict (Goleman, 1998).

Goleman includes a set of emotional competencies within each construct of emotional intelligence. Emotional competencies are not innate talents, but rather

learned capabilities that must be worked on and developed to achieve outstanding performance (Goleman, 1995). Goleman states that individuals are born with a general emotional intelligence that determines their potential for learning emotional competencies. The constructs and competencies fall under one of four categories: the recognition of emotions in oneself or others and the regulation of emotion in oneself or others.

**Table 2.1:** Framework of Emotional Intelligence Competencies (**Source:** Goleman, 1997 p.6)

	<b>SELF Personal Competence</b>	<b>OTHER Social Competence</b>
<b>RECOGNITION</b>	Self-Awareness Emotional self-awareness Accurate self-assessment Self-confidence	Social Awareness Empathy Service orientation Organizational awareness
<b>REGULATION</b>	Self-Management Self-control Trustworthiness Conscientiousness Adaptability Achievement drive Initiative	Relationship Management Developing others Influence Communication Conflict management Leadership Change catalyst Building bonds Teamwork and Collaboration

## **2.2.4 Other Models of Measure**

### **2.2.4.1 Levels of Emotional Awareness Scale (LEAS)**

The Levels of Emotional Awareness Scale is a self-report measure of emotional intelligence intended to assess the extent to which people are aware of emotions in both themselves and others. The measure is based on a hierarchical theory of emotional intelligence, more specifically of emotional awareness, which consists of five sub-levels: physical sensations; action tendencies; single emotions; blends of emotions; and blends of these blends of emotional experience (Lane & Schwartz, 1989). The Levels of Emotional Awareness Scale consists of 20 scenarios involving two people and an emotion-eliciting situation. The participant must indicate how they would feel in the situation and how the other person in the scenario would feel in the situation.

### **2.2.4.2 The Self-Report Emotional Intelligence Test (SREIT)**

The Self-Report Emotional Intelligence Test is a 33 item self-report measure of emotional intelligence developed by Schutte and colleagues (1998). Initially based on early writings on emotional intelligence by Mayer and Salovey, the Self-Report Emotional Intelligence Test has been criticized for not properly mapping onto the Salovey and Mayer model of Emotional Intelligence and thus measuring a different concept of emotional intelligence. This criticism stems from the fact that the original Self-Report of Emotional Intelligence Test consists of 62 items which mapped into the original model of emotional intelligence by Salovey and Mayer. However, analysis resulted in a single-factor, 33 item measure which did not accurately reflect the principles of the model (Petrides & Furnham, 2000).

## **2.3 COMPARING MODELS OF EMOTIONAL INTELLIGENCE**

All of the models aim to understand and measure the elements involved in the recognition and regulation of one's own emotions and the emotions of others (Goleman, 2001). All models agree that there are certain key components to emotional intelligence, and there is even some consensus on what those components are. All these models of emotional intelligence implicate the awareness of emotions and the management of emotions as being key elements in being an emotionally intelligent individual.

## **2.4 EMOTIONAL INTELLIGENCE SUB-FACTORS; THE 5 META-FACTORS OF THE BAR-ON MODEL**

According to the Bar-On model (Bar-On, 1997), emotional-social intelligence is a cross-section of interrelated emotional and social competencies, skills and facilitators that determine how well we understand and express ourselves, understand others and relate with them, and cope with daily demands, challenges and pressures. The emotional and social competencies, skills and facilitators included in this broad definition of the construct are based on the 5 meta-factors defined below, that were confirmed by a series of second order factor analyses in the development of the Bar-On psychometric measure of this construct.

From Darwin to the present, most descriptions, definitions and conceptualizations of emotional-social intelligence have included one or more of the following key components, all of which are included in the Bar-On conceptual model: (i) the ability to understand emotions as well as express our feelings and ourselves; (ii) the ability to understand others' feelings and relate with people; (iii) the ability to manage and control our emotions; (iv) the ability to manage change and solve problems of an intrapersonal and interpersonal nature; (v) the ability to generate positive mood and be self-motivated. These meta-factors of the conceptual

model of emotional-social intelligence are referred to as follows in the Bar-On (Bar-On, 1997) measures of this model:

- Intrapersonal (self-awareness and self-expression)
- Interpersonal (social awareness and interaction)
- Stress Management (emotional management and control)
- Adaptability (change management)
- General Mood (self-motivation)

Each of these 5 meta-factors comprises a number of closely related competencies, skills and facilitators (15 in all), which are listed and briefly defined below (Bar-On, 1997).

#### **2.4.1 Intrapersonal**

This meta-factor of emotional-social intelligence comprises self-regard, emotional self-awareness, assertiveness, independence and self-actualization as defined below. This meta-factor relates primarily to self-awareness and self-expression, governing our ability to be aware of our emotions and ourselves in general, to understand our strengths and weaknesses, and to express our feelings and ourselves nondestructively. It determines how in touch we are with our emotions and feelings, our ability to feel good about ourselves, and to feel positive about what we are doing in our lives. People who have high intrapersonal capacity are emotionally self reliant, are able to express their feelings, and are strong and confident in conveying their opinions and beliefs (Bar-On, 1997).

##### **2.4.1.1 Self-Regard**

This intrapersonal sub-factor is defined as the ability to accurately perceive, understand and accept ourselves. Self-regard is the ability to respect and accept ourselves as basically good. Respecting ourselves is liking the way we are; and

self-acceptance is the ability to accept our perceived positive and negative aspects as well as our limitations and possibilities. This conceptual component of emotional-social intelligence is associated with general feelings of security, inner strength, self-assuredness, self-confidence and feelings of self-adequacy. Feeling sure of ourselves is dependent upon self-respect and self-esteem, which are based on a fairly well-developed sense of identity. A person with good self-regard feels fulfilled and satisfied. At the opposite end of the continuum are feelings of personal inadequacy and inferiority (Bar-On, 1997).

#### **2.4.1.2 Emotional Self-Awareness**

This intrapersonal sub-factor is defined as the ability to be aware of and understand our emotions. Emotional self-awareness is the ability to recognize our emotions. It is not only the ability to be aware of our emotions, but also to differentiate between them, to know what we are feeling and why, and to know what caused those feelings (Bar-On, 1997).

#### **2.4.1.3 Assertiveness**

This intrapersonal sub-factor is defined as the ability to constructively express our feelings and ourselves in general. This is the ability to express feelings, beliefs and thoughts and to defend our rights in a nondestructive manner. Assertiveness is thus composed of three basic components: (i) the ability to express our feelings; (ii) the ability to express beliefs and opinions; and (iii) the ability to stand up for our rights and not to allow others to bother or take advantage of us. Assertive people are not overly controlled or shy, and they are able to outwardly express their feelings (often directly) without being aggressive or abusive (Bar-On, 1997).

#### **2.4.1.4 Independence**

This intrapersonal sub-factor is defined as the ability to be self-reliant and free of emotional dependency on others. This is the ability to be self-directed in our thinking and actions and to be free of emotional dependency. Independent people are self-reliant in planning and making important decisions. They may, however, seek and consider other people's opinions before making decisions; but consulting with others is not a sign of dependency in this regard. Independence is, moreover, the ability to function autonomously versus needing protection and support from others. Independent people avoid clinging to others in order to satisfy their emotional needs. The ability to be independent rests on our degree of self-confidence, inner strength as well as a desire to meet expectations and obligations without becoming a slave to them (Bar-On, 1997).

#### **2.4.1.5 Self-Actualization**

This intrapersonal sub-factor is defined as the ability to set personal goals and the drive to achieve them in order to actualize our potential. Fundamentally, self-actualization pertains to the ability to realize our potential capacities. It is manifested by becoming involved in pursuits that lead to a meaningful, rich and full life. Striving to actualize our potential involves developing enjoyable and meaningful activities and can mean a lifelong effort and an enthusiastic commitment to long-term goals. Self-actualization is an ongoing, dynamic process of striving toward maximum development of our competencies, skills and talents. This is associated with persistently trying to do our best and trying to improve ourselves in general. Additionally, excitement about our interests energizes and motivates us to continue these interests. Self-actualization is also associated with feelings of self-satisfaction. Low levels of self-actualization are associated with depression (Bar-On, 1997).

### **2.4.2 Interpersonal**

This meta-factor of emotional-social intelligence comprises empathy, social responsibility and interpersonal relationship as defined below. It relates primarily to social awareness, skills and interaction. This meta-factor is, essentially, concerned with our ability to be aware of others' feelings, concerns and needs, and to be able to establish and maintain cooperative, constructive and mutually satisfying relationships. Those who function well in this area tend to be responsible and dependable. They understand, interact with and relate well with others. They inspire trust and function well as part of a team (Bar-On, 1997).

#### **2.4.2.1 Empathy**

This interpersonal sub-factor is defined as the ability to be aware of and understand how others feel. It is being sensitive to what, how and why people feel the way they do. Being empathetic is the ability to 'emotionally read' other people. Empathetic people care about other people and show interest in and concern for them (Bar-On, 1997).

#### **2.4.2.2 Social Responsibility**

This interpersonal sub-factor is defined as the ability to identify with our social group and cooperate with others. Social responsibility is the ability to demonstrate ourselves as co-operative, contributing and constructive members of our social group (in the family, among friends and at work). This involves acting in a responsible manner, even though we may not benefit personally. Socially responsible people possess 'social consciousness' and a basic concern for others, which is manifested by being able to take on group and community-oriented responsibilities. This component of emotional-social intelligence is associated with doing things for and with others, accepting others, acting in accordance with our conscience and upholding social rules. These people have



acquired a sense of interpersonal sensitivity and are able to accept others and use their talents for the good of the collective (and not just for the good of the self). Individuals who are seriously deficient in this ability may entertain antisocial attitudes, act abusively towards others and take advantage of people (Bar-On, 1997).

#### **2.4.2.3 Interpersonal Relationships**

This interpersonal sub-factor is defined as the ability to establish and maintain mutually satisfying relationships and relate well with others. Mutual satisfaction describes meaningful social interactions that are potentially rewarding and enjoyable for those involved. Being adept in interpersonal relationship skills is characterized by giving and receiving warmth and affection and conveying intimacy. This component of emotional-social intelligence is not only associated with the desirability of cultivating friendly relations with others, but with the ability to feel at ease and comfortable in such relationships and to possess positive expectations concerning social interaction. This social skill is based on sensitivity towards others, a desire to establish relations as well as feeling satisfied with relationships (Bar-On, 1997).

#### **2.4.3 Stress Management**

This meta-factor comprises stress tolerance and impulse control as defined below. This component of emotional-social intelligence relates primarily to emotional management and control and governs our ability to deal with emotions so that they work for us and not against us. People who are adept in this area are able to withstand and effectively cope with stress without losing control. They are typically calm, rarely impulsive and work well under pressure. They can handle tasks that are stressful, anxiety-provoking and even dangerous (Bar-On, 1997).

#### **2.4.3.1 Stress Tolerance**

This stress management sub-factor is defined as the ability to effectively and constructively manage emotions. In essence, stress tolerance is the ability to withstand and deal with adverse events and stressful situations without getting overwhelmed by actively and positively coping with stress. This is based on: (i) choosing a course of action for coping with stress, which means being resourceful and effective, being able to come up with suitable solutions and knowing what to do and how to do it; (ii) an optimistic disposition toward new experiences and change in general as well as towards our ability to successfully overcome the specific problem at hand, which assumes a belief in our ability to face and handle these situations; and (iii) a feeling that we can control or influence the stressful situation. Stress tolerance includes having a repertoire of suitable responses to stressful situations, and it is associated with the capacity to be relaxed and composed and to calmly face difficulties without getting carried away by strong emotions. People who have a well-developed capacity for stress tolerance tend to face crises and problems rather than surrendering to feelings of helplessness and hopelessness. Anxiety often results when this component of emotional-social intelligence is not functioning adequately (Bar-On, 1997).

#### **2.4.3.2 Impulse Control**

This stress management sub-factor is defined as the ability to effectively and constructively control emotions. More precisely, impulse control is the ability to resist or delay an impulse, drive or temptation to act. It entails a capacity for accepting our aggressive impulses, being composed and controlling aggression, hostility and irresponsible behavior. Problems in impulse control are manifested by low frustration tolerance, impulsiveness, anger control problems, abusiveness, loss of self-control and explosive and unpredictable behavior (Bar-On, 1997).

#### **2.4.4 Adaptability**

This meta-factor of emotional-social intelligence comprises reality testing, flexibility and problem solving as defined below. This meta-factor relates primarily to change management i.e., how we cope with and adapt to personal and interpersonal change as well as change in our immediate environment. It determines how successfully we are able to cope with daily demands by effectively 'sizing up' and dealing with problematic situations. People who have a high capacity for adaptability are typically flexible, realistic and effective in understanding problematic situations and competent at arriving at adequate solutions. These people can generally find good ways of dealing with everyday difficulties. Success in this area means that we can grasp problems and devise effective solutions, deal with and resolve various issues as they arise at home, with friends and in the workplace (Bar-On, 1997).

##### **2.4.4.1 Reality Testing**

This adaptability sub-factor governs the ability to objectively validate our feelings and thinking with external reality. This includes assessing the correspondence between what is experienced and what objectively exists. Testing the degree of correspondence between what we experience and what actually exists involves a search for objective evidence to confirm, justify and support feelings, perceptions and thoughts. Reality testing, essentially, involves 'tuning in' to the immediate situation, attempting to keep things in correct perspective and experiencing things as they really are without excessive fantasizing or daydreaming about them. The emphasis is on pragmatism, objectivity, the adequacy of our perception and authenticating our ideas and thoughts. An important aspect of this adaptability sub-factor is the degree of perceptual clarity evident when trying to assess and cope with situations; and it involves the ability to focus when examining ways of coping with situations that arise. Reality testing is associated with a lack of withdrawal from the outside world, a tuning into the immediate

situation, and lucidity and clarity in perception and thought processes. In simple terms, reality testing is the ability to accurately 'size up' the immediate situation (Bar-On, 1997).

#### **2.4.4.2 Flexibility**

This adaptability sub-factor represents the ability to adapt and adjust our feelings, thinking and behavior to new situations. This entails adjusting our feelings, thoughts and behaviour to changing situations and conditions. This component of emotional-social intelligence refers to our overall ability to adapt to unfamiliar, unpredictable and dynamic circumstances. Flexible people are agile, synergistic and capable of reacting to change without rigidity. These people are able to change their minds when evidence suggests that they are mistaken. They are generally open to and tolerant of different ideas, orientations, ways and practices (Bar-On, 1997).

#### **2.4.4.3 Problem Solving**

This adaptability sub-factor governs the ability to effectively solve problems of a personal and interpersonal nature. Problem solving entails the ability to identify and define problems as well as to generate and implement potentially effective solutions. It is multi-phasic in nature and includes the ability to go through the following process: (i) sensing a problem and feeling confident as well as motivated to deal with it effectively; (ii) defining and formulating the problem as clearly as possible which necessitates gathering relevant information; (iii) generating as many solutions as possible; and (iv) implementing one of the solutions after weighing the pros and cons of each possible solution and choosing the best course of action. People who are adept at problem solving are often conscientious, disciplined, methodical and systematic in persevering and approaching challenging situations. This skill is also associated with a desire to do our best and to confront problems, rather than avoiding them (Bar-On, 1997).

### **2.4.5 General Mood**

This meta-factor of emotional-social intelligence comprises optimism and happiness as defined below. This meta-factor is closely associated with self-motivation. It determines our ability to enjoy ourselves, others and life in general, as well as influences our general outlook on life and overall feeling of contentment. People who are adept in this facilitator of emotional-social intelligence are typically cheerful, hopeful, positive, well motivated and know how to enjoy life. In addition to being an essential element in interacting with others on a daily basis, this facilitator of emotionally and socially intelligent behavior is an important motivational component for managing emotions and solving problems of an intrapersonal and interpersonal nature (Bar-On, 1997).

#### **2.4.5.1 Optimism**

This general mood sub-factor is defined as the ability to maintain a positive and hopeful attitude toward life even in the face of adversity. It represents a positive approach to daily living and a very important motivating factor in whatever we do. Optimism is the opposite of pessimism, which is a common symptom of depression (Bar-On, 1997).

#### **2.4.5.2 Happiness**

This general mood sub-factor is defined as the ability to feel content with ourselves, others and life in general. It is the ability to feel satisfied with our life, enjoy others and have fun. In this context, happiness combines self-satisfaction, general contentment and the ability to enjoy life. This component of emotional-social intelligence involves the ability to enjoy various aspects of our life and life in general. Happy people often feel good and at ease in both work and leisure; they are able to 'let their hair down' and enjoy the opportunities for having fun. Happiness is associated with a general feeling of cheerfulness and enthusiasm.

Happiness acts as a barometric indicator of our overall degree of emotional and social functioning telling us how we are doing in general; it also functions as a powerful facilitator and motivational factor for various aspects of emotional-social intelligence. The inability to experience happiness and difficulties in generating positive affect in general are often indicative of dissatisfaction, discontent and depressive tendencies (Bar-On, 1997).

## **2.5 LEADERSHIP**

Organizations operate in a rapidly changing environment and in order to succeed they need to adapt to these changes. Leaders of these organizations play an important role in ensuring that these organizations survive in this rapidly changing environment. There are two main aspects of strategic leadership:

- The abilities of effective strategic leadership which include aspects such as strategic thinking, emotional intelligence and behavioural complexity; transformational leadership thinking is considered
- The tasks and roles of effective strategic leadership in which the leader is responsible for setting organizational direction, create organizational alignment and a supportive culture, as well as managing the change process

Top-level executives need to demonstrate strategic leadership capability, they need to be able to think strategically, be emotionally intelligent, have a range of behaviours at their disposal and have the wisdom to apply the right combination of behaviours at the right time and the ability to apply transactional or managerial leadership and transformational or visionary leadership. These leaders must build and utilize core competencies, create organizational alignment, create an organizational culture and values supportive of the strategy and lead change (Bass & Avolio, 1994).

### **2.5.1 Transformational and transactional leadership**

Current academic research in the area describes two distinct types of leaders: transformational and transactional (Bass & Avolio, 1994). The transformational leader stimulates interest among colleagues, inspires a different outlook on the work, generates an awareness of the goals of the organization, develops others to higher levels of ability, and motivates others to consider the interests of the group over their own interests. Transformational leadership is said to be comprised of the following four dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individual consideration (Bass & Avolio, 1994). The transactional leader on the other hand is one whom rewards or disciplines staff on the basis of their performance. They emphasize work standards, task completion, and employee compliance while relying heavily on organizational rewards and punishments to influence employee performance (Bass & Avolio, 1994).

Researchers investigating the effects of transformational and transactional leadership have found that transformational leadership predicts higher ratings of effectiveness and satisfaction (Hater and Bass, 1988) , higher group performance (Keller, 1995), and higher amount of effort on the part of subordinates (Seltzer and Bass, 1990) compared to transactional leadership. Researchers have proposed that effective transformational leaders must possess social and emotional intelligence. These elements are considered critical to inspire employees and to build strong relationships. Research comparing emotional intelligence and transformational leadership has consistently found positive correlations between the two constructs.

The transactional/transformational leadership model (Bass and Avolio, 1990) and the “ability” model of emotional intelligence by Salovey and Mayer (1997) provide an intuitive basis for which to examine this relationship. The ability model of Emotional Intelligence is the most theoretically well clarified.

In most organisational contexts, transformational as compared to transactional leadership is considered a more effective leadership style and is consistently found to promote greater organizational performance (Lowe & Kroeck, 1996). Transformational leadership is more emotion-based compared to transactional leadership and involves heightened emotional levels (Yammarino & Dubinsky, 1994). It is predicted that there will be a stronger relationship between Emotional Intelligence and transformational leadership than between Emotional Intelligence and transactional leadership.

Transformational leaders are seen as those executives that are able to create a vision, communicate this vision, build commitment amongst subordinates to the vision and model the vision. Transactional leaders are viewed more as managers that maintain the status quo. Their focus is on linking job performance to rewards and ensuring subordinates have the necessary resources to undertake their roles. It is felt that as transformational leaders are able to deal with strategic matters more efficiently and in turn are able to build commitment in employees; these leaders are more likely to take an organization forward. Thus the assumption is that transformational leaders are more effective than transactional leaders, at least in some instances (Bass & Avolio, 1994; McShane & Von Glinow, 2000).

Many leadership theories today indicate that leadership styles are transforming at a rapid pace to keep up with globalization and flattening organizational hierarchies. Leaders operating in such a turbulent environment are required to possess a specific set of skills. Of the two leadership styles, the transformational leadership approach has repeatedly shown the benefit of using a communal approach to leadership (Rosette & Tost, 2010; Lowe *et al.*, 1996; Eagly, 2005). In particular, communal leadership behaviours which are spread through transformational traits, such as inspirational motivation and individualized consideration, are increasingly regarded as effective leadership (Eagly and Johannesen-Schmidt, 2001; Mandell and Pherwani, 2003) because they are



essential for developing subordinates and creating environments that encourage continuous learning. To achieve a more complete and accurate view of leadership styles in an expanding global environment, we need to understand different cultures and their beliefs about leadership perspectives.

### **2.5.2 Charismatic leadership**

A third trend contributing to the importance attached to emotions for leadership comes out of the academic work which emphasizes transformational, as opposed to transactional, leadership processes (Bass, 1985; Burns, 1978). Transactional leadership processes involve reciprocal exchanges between leaders and followers, creating relationships that allow the mutual fulfillment of each other's needs and desires. In contrast, transformational leadership processes create a unity of purpose that transcends individuals. A close emotional bond is created, with followers identifying strongly with the leader and a shared cause. The emotional emphasis within the transformational leadership paradigm probably arises from the centrality of charisma to its conception (Conger & Kanungo, 1998). Charisma has typically been viewed within an emotionalized frame of reference (Wasielewski, 1985) with discussions of it often focusing on the emotional expressions of leaders and the emotional bonds that are created between leaders and followers (Cherulnik, Donley, Wiewel, & Miller, 2001). The emotional processes of charismatic relationship are so important to the transformational leadership paradigm that "emotional leadership" is virtually equated to it, that is., transformational leadership is said to be "emotion based" (Yammarino & Dubinsky, 1994).

## **2.6 CORPORATE CULTURE**

Culture is the basic values, ideologies and assumptions which guide and fashion individual and business behaviour (Cameron, 2003). These values are evident in more tangible factors such as stories, rituals, language and jargon, office

decoration and layout and prevailing modes of dress code among the staff (Cameron, 2003).

Strong corporate culture is taken to mean the adoption by all employees within an organization of senior management's values, interpretations and preferred ways of doing things. These will provide a cohesive set of values, beliefs and behaviour, a shared sense of purpose and a shared ideology (Cameron, 2003). Such a strong corporate culture provides unobtrusive control on attitudes and behaviour, and can allow for a quick and appropriate response to a situation because the answer is obvious (Cameron, 2003). The idea of a strong corporate culture is attractive because of its assumed benefits of acceptable control combined with flexibility (Cameron, 2003). The rapid flexible response promised by a strong corporate culture is only an advantage while the response required is that which the culture generates. If the contingencies faced by the organization change then the response may no longer fit. But because it is based on deep-rooted and unquestioned values and assumptions it may take a long time for this to become apparent. Culture can lead to inflexibility as well as flexibility (Cameron, 2003).

### **2.6.1 Handy's four cultures**

One of the most widely quoted models of culture was developed by Handy (Cameron, 2003). He identified four groups of behaviour: power, task, person and role cultures (Cameron, 2003).

#### **2.6.1.1 Power culture**

A power culture is best pictured as a web because the key to the whole organization sits in the centre, connected to and pulling the strings of an ever-widening network of intimates and influences (Cameron, 2003). The organization is very much like a club, it exists to enable the decisions of those at the centre to

be carried out (Cameron, 2003). It is often found in small entrepreneurial companies, political organizations and single-issue pressure groups (Cameron, 2003). It is often a very personal culture, in the sense that communications are between people as individuals rather than between formal job holders or departments (Cameron, 2003). The culture is typically dominated by a charismatic figure or founder (Cameron, 2003). Here personality is more important than formal structures, roles or procedures in sustaining and advancing the organisation (Cameron, 2003). The culture as a whole relies heavily on individual responses and interpersonal commitments in dealing with new and changing circumstances. This culture has the feel and ethos of a large extended family (Cameron, 2003).

#### **2.6.1.2 Task culture**

The dominant feature of a task culture is its job or project orientation. Much of the power and influence lies at the intersections of the net (Cameron, 2003). Competent people, who enjoy new challenges and are stimulated by joining different teams for different purposes, often prefer a task culture. The notion of work as problem solving will probably be a major feature of a task culture, with people relying on their concerted abilities to deal with new situations rather than applying tried-and-tested formulae. Co-ordinators and team leaders, rather than managers are central figures (Cameron, 2003). There is an air of self-confidence and energy about task cultures, which can be difficult for those who need the security of agreed processes and procedures to shape their work and their relationships (Cameron, 2003).

#### **2.6.1.3 Person culture**

Power and task cultures assume that it is an organisation's purpose that is of paramount importance (Cameron, 2003). In contrast, a person culture puts individuals and their interests first and sees the organization as a means to an

end, a resource on which individuals can draw to enhance their own talents, abilities or concerns. In this culture, commitment to the organization is unusual. The person culture is almost wholly dependent for its continuation on the extent to which those involved pay any attention to it (Cameron, 2003).

#### **2.6.1.4 Role culture**

Impersonality is central to a role culture (Cameron, 2003). This is classic bureaucracy. The organization is seen as a set of interrelated rolls; individuals are role occupants; communication tends to be formalised into systems and procedures, both horizontal and vertical. This is an organization that likes straight lines (Cameron, 2003). Management is likely to be more important than leadership. Certainty, predictability, continuity and stability are important organisational virtues (Cameron, 2003). Processes for training and developing expertise are important, so that the people involved in the organisation can contribute appropriately. Independence and initiative will probably be less highly valued than professionalism and reliability (Cameron, 2003).

#### **2.6.2 Deal and Kennedy's cultural model**

Deal and Kennedy's (1982) model of culture is based on characterizing four different types of organization, based on how quickly they receive feedback and reward after they have done something and the level of risks that they have taken.

A major driver of people in companies and hence their culture is the general feedback and specific rewards that tell them they are doing a good or bad job. If this feedback is immediate or shorter-term, it will quickly correct any ineffective behaviour and hence lead to a consistent culture. Those who cannot survive will quickly find out and either leave or be fired. If the feedback takes longer to arrive, then mistakes can be left uncorrected but it also lets people look further into the

future. There is likely to be some substitute activity such as process management to help keep things on track until the results are known. Uncertainty and risk are something that some people hate and some people thrive on. It is another motivating force that leads people to focus on managing it. Where the risk is low, people may be willing to take risks up to their acceptable limit. Where the risks are high, then the risks need to be managed or accepted. High risk companies are more likely to include people who enjoy taking a gamble (Deal & Kennedy, 1982).

#### **2.6.2.1 Work-hard, play-hard culture**

This has rapid feedback and reward and the risks are low. This leads to stress coming from quantity of work rather than uncertainty and high speed action leading to high speed reaction.

#### **2.6.2.2 Tough-guy macho culture**

This has rapid feedback and reward and the risks are high. This leads to stress coming from high risk and potential loss or gain of reward. It also focuses on the present rather than the longer-term future.

#### **2.6.2.3 Process culture**

This has slow feedback and reward and the risks are low. This leads to low stress, comfort and security. Stress may come from internal politics and systems procedures.

#### **2.6.2.4 Bet-the-company culture**

This has slow feedback and reward and the risks are high. This leads to stress coming from high risk and delay before knowing if actions have paid off. The long view is taken but then much work is put into making sure things happen as planned.

### **2.7 SUMMARY**

Leadership is a process of social interaction where the leader's ability to influence the behaviour of their followers can strongly influence performance outcomes. Emotional intelligence is a key factor in an individual's ability to be socially effective and is viewed in leadership literature as a key determinant of effective leadership (Ashkanasy, 2000). Leaders today need to have multiple intelligences in order to lead employees in a cultural setting that encourages creativity and innovation.

## CHAPTER 3: LITERATURE REVIEW

### 3.1 INTRODUCTION

In order to understand the emotional processes and deal with it effectively, one needs to have self-awareness and self-regulation. Empathy and social skills involve one's ability to perceive others' emotions, feelings, and needs and help others to regulate their emotions to achieve desirable goals. Motivation is needed to help an individual to remain focused for attaining goals (Druskat & Wolf, 2001).

The relevance and importance of emotional intelligence in the organizational setting, while somewhat controversial, is well documented in the literature. Goleman (1998) noted the very best corporate leaders, while diverse in their leadership styles, share in common the characteristics of self-awareness, self-regulation, motivation, empathy and social skill.

These skills according to Goleman (1998) allow the superb leader to understand their own as well as others' emotional makeup well enough to move people to accomplish company objectives. Bradberry and Greaves (2003) noted that these skills, when considered cumulatively, were vital in representing mental and behavioral functions of individuals beyond their native intelligence. Wang and Huang (2009) found that emotional intelligence and group cohesiveness were positively associated with transformational leadership. In detailing the relevance and efficacy of emotional intelligence, Antonakis *et al.*, (2009) concluded that relationship approaches to leadership are inherently emotional. Dasborough and Ashkanasy (2002) argued that leader-member exchange relationship quality was enhanced through emotional intelligence of leaders. Similarly, Zhou and George (2003) concluded that emotional intelligence can enhance leadership within team settings.

## **3.2 EMOTIONAL INTELLIGENCE**

Emotional intelligence is a set of abilities that refer to how effectively one deals with emotions (Salovey & Mayer, 1990). For Mayer, emotional intelligence is the ability to understand how others' emotions work and to control one's own emotions.

### **3.2.1 The Beginning of Emotional Intelligence**

The concept of emotional Intelligence goes back to early studies in the 1920s (for a review, see Bar-On and Parker, 2000). In the early 1980s, scholars began to systematically conceptualize the idea of emotional intelligence. Notably, Gardner's (1983) conceptualization of intrapersonal intelligence and interpersonal intelligence and Steiner (1984) work on emotional literacy were the building blocks of what Salovey and Mayer (1989-1990) first termed as emotional intelligence. Salovey and Mayer (1989-1990, p.189) defined emotional intelligence as "the subset of social intelligence that involves the ability to monitor one's own and others' feelings and emotions, to discriminate among them and to use this information to guide one's thinking and actions". Later on, they refined and defined emotional intelligence as "the ability to perceive emotions, to access and generate emotions so as to assist thoughts, to understand emotions and emotional knowledge, and to reflectively regulate emotions so as to promote emotional and intellectual growth" (Mayer & Salovey, 1997, p.5).

Salovey and Mayer (1989-1990) argued that there is a set of three conceptually related mental processes – appraising and expressing emotions in the self and others, regulating emotion in the self and others, and using emotions in adaptive ways – involving emotional information. The following are brief descriptions of the content and importance of these mental processes: (i) Appraising and expressing emotions in the self and others. Individuals differ in the degree to which they are aware of their emotions and the degree to which the latter are verbally and non-



verbally being expressed (George, 2000). Individuals who accurately appraise and express their emotions are likely to be better understood by the people they work with, and they also have the potential to better lead and manage people when they are able to perceive the emotions of the people around them and to develop empathy – the ability to comprehend another's feelings and to re-experience them (Salovey & Mayer, 1989-1990). (ii) Regulating emotion in the self and others. People differ in their ability to manage their emotions as well as in their ability to regulate and alter the affective reactions of others (Salovey & Mayer, 1989-1990). Regulation of one's own emotions and moods results in positive and negative affective states. Emotionally intelligent individuals are adept at placing themselves in positive affective states, and are able to experience negative affective states that have insignificant destructive consequences (Carmelli, 2003). Emotionally astute people can induce a positive affect in others that results in a powerful social influence, an important component of leadership (Wasielewski, 1985). (iii) Using emotions in adaptive ways. Individuals also differ in the ways in which they utilize their emotions.

### **3.2.2 Emotional Intelligence and success**

During the last decade interpersonal skills have become integral to effective leadership (Goleman, 1998). In today's fast-paced world the complexity of business environments in the consumer goods industry requires organisations to employ leaders with strong managerial skills who also have high emotional intelligence and leadership effectiveness. Goleman (1998) has demonstrated that emotional intelligence is the single most important factor in job performance. A manager with emotional intelligence can restrain anger, doubt and other negative emotions and can focus on positive emotions. Some leaders emphasize their intelligence at the cost of their emotional intelligence (Goleman, 1998). Emotional intelligence is in fact a major factor that determines the difference between highly successful managers and those who are less successful (Goleman, 1998). Goleman (1998) also suggests that the most important factor that distinguishes

effective leaders is not their IQ but their Emotional Intelligence Quotient (EQ). Goleman (1998) has demonstrated that emotional intelligence is the single most important factor for personal adjustment, success in relationships and in job performance. IQ is relatively fixed whereas EQ can be learned, improved, trained and matured. As EQ grows, managers are transformed into leaders. Managers gain in interpersonal skills and develop as insightful persons (Goleman, 1998).

In Bradford's analysis (1984) successful leaders not only have the ability to motivate, control and coordinate subordinates but also bring them into the decision process. The leader's effectiveness is associated with drive, motivation, honesty/integrity, self-confidence, intelligence and emotional intelligence, all of which can be developed through experience, training and analysis.

Cooper and Sawaf (1997) also demonstrate the difference emotional intelligence can make in the success of a career or organization. A primary source of motivation, information, feedback, personal power, innovation and influence, Emotional Intelligence helps in decision making, leadership, strategic and technical breakthroughs, open honest communication, trusting relationships and teamwork, customer loyalty, creativity and innovation. By helping managers to acknowledge and understand the feelings of themselves and others, to appropriately respond to the emotions and to effectively apply them, Emotional Intelligence contributes greatly to success in work and everyday life.

### **3.2.3 The role of Emotional Intelligence in leadership**

The high level of self-awareness associated with EQ enables leaders to display self-confidence and earn respect and trust from followers. Through self-regulation they can objectively consider the needs of others despite their own immediate feelings. Leader's who are able to maintain balance, keep themselves motivated, optimistic and hopeful are positive role-models to help motivate and inspire others. The ability to empathise with others and to manage interpersonal

relationships also contributes to motivate and inspire subordinates. EQ enables leaders to recognise and respect followers with feelings, opinions, and ideas, to treat them as persons with unique needs and abilities. Empathetic leaders use their social skills to help followers to grow and develop, to enhance their self-image and sense of self-worth, and help their followers to meet their needs and achieve their goals.

### **3.2.4 Components of Emotional Intelligence and leadership**

Scholars have also focused on relating emotional intelligence to leadership (George, 2000) or showing how components of emotional intelligence such as empathy are important traits that contribute to leadership (Kellett *et al.*, 2002; Wolff *et al.*, 2002). In addition, a growing body of research has been concerned with the degree to which emotional intelligence can make the difference between good and poor leaders. This stream of research is also of great interest to many organizations that seek to better understand the variance in employees' performance. Inspired by Daniel Goleman's article "What Makes a Leader?" published in The Harvard Business Review in 1998, the top management team of Johnson and Johnson decided to fund a study that "would assess the importance of Emotional Intelligence in leadership success across the Johnson and Johnson Consumer Companies". The study, which was conducted by Kathleen Cavallo and Dottie Brienza on a randomly selected 358 managers, found "a strong relationship between superior performing leaders and emotional competence. Leaders who received performance ratings of 4.1 or greater on a 5-point scale were rated significantly higher than other participants in all four of the emotional intelligence dimensions of self-awareness, self-management, social awareness, and social skills by supervisors and subordinates". The growing body of empirical work in the leadership domain has been mainly devoted to examining the effects of emotional intelligence on the performance of senior executives. The problem with this work is that it hardly examines important behavioral attitudes, behaviour and outcomes that are essential for evaluating whether one can be viewed as an

effective manager and leader. In this study, emotional intelligence was examined with respect to a set of work attitudes, work behavior and work outcomes (Carmelli, 2003).

Evidence supports a positive effect of emotional intelligence on the success of the individual at work (for a review, see Goleman, 2001). This is of particular importance if we believe that “management skills lies at the heart of leadership” (Whetten and Cameron, 2001, p.15), and specifically recognize the need to develop and acquire skills for managing people and that emotional intelligence may have a critical role in the creation of effective leadership. A notable study conducted by George (2000) showed how the aspects of emotional intelligence – appraisal and expression of emotions, use of emotion to enhance cognitive processing and decision making, knowledge about emotions and management of emotions – contribute to effective leadership.

Although Gardner (1983, 1999) did not use the term EQ, his concepts of intrapersonal and interpersonal intelligences provided the basis for the conceptualization of EQ., whereas intrapersonal intelligence is the ability to understand one’s own emotions, interpersonal intelligence is one’s ability to understand the emotions of others. Goleman (2001) suggested that this intelligence is associated with social competencies, such as empathy and social skills. Several researchers have attempted to develop measures of EQ (for example, Bernet, 1996; Bar-On, 1997; Cooper and Sawaf, 1997; Schutte *et al.*, 1998; Mayer *et al.*, 2000; Boyatzis and Goleman, 2001; Law *et al.*, 2004; Rahim *et al.*, 2002). Goleman (1995) is the progenitor of the EQ construct. In his role as a consultant in organizations, Gardner (1983) (see also Goleman, 1995; Goleman *et al.*, 2002) found that EQ is twice more important than technical skills and IQ for jobs at all levels. He also reported that EQ plays an increasingly important role at the highest levels of a company. It appears that EQ relates to a number of non-cognitive skills, abilities, or competencies that influence a manager’s capacity to deal with environmental demands and pressures. Davis *et*

*al.*, (1998) concluded from their three studies that, “as presently postulated, little remains of EQ that is unique and psychometrically sound. Thus, questionnaire measures are too closely related to established personality traits; whereas objective measures of EQ suffer from poor reliability”.

Another issue is that in organisational studies, supervisors are often asked to assess their own managerial skills, but studies by Kruger and Dunning (1999) and Shipper and Dillard (2000), reported that unsuccessful supervisors overestimate their skills compared to successful supervisors. Also three studies reported that under-estimators of their managerial skills are likely to be more effective than over-estimators (Atwater & Yammarino, 1992; Van Velsion *et al.*, 1993; Church, 1997). As a result, if the supervisors are asked to self-assess their EQ, some of them will probably provide misleading information.

### **3.2.5 Emotional intelligence – the balancing of individual and organizational needs**

Given the presence and complexities of these internal and external influences, the leaders of organizations are often faced with the prospect of reacting to constant changes in the internal and external environment. In order to be effective in that regard the leader must possess the characteristics most often associated with the description of emotional intelligence: self-awareness, self-regulation, motivation, empathy and social skill. Additionally, the leader must be effective at injecting these same characteristics throughout the organization, since having these skills concentrated in a single individual within the organization is not optimal. This process in and of itself creates a tension between the needs of the organization and those of the individuals within the organization. One can argue that the balancing of those interests requires an even higher level of emotional intelligence in the leader. Recognizing the tension between the competing interests of the organization and individual is one thing; knowing what to do about it and acting on it is quite another (Taylor *et al.*, 2005).

### 3.2.6 Emotional Intelligence and organizational development

Self-awareness, self-regulation, motivation, empathy and social skill, as identified by Goleman (1998), constitute the behaviours most readily identified among individuals described as emotionally intelligent. These behaviours, while historically described as present in an individual, may alternately be viewed as processes to balance the internal interests of the organization for the benefit of those it intends to serve. Specifically, the utilization of the emotional intelligence principles to develop a shared sense of culture can transform emotional intelligence from an individual behaviour to a group dynamic (Blattner & Bacigalupo, 2007).

In spite of the crucial role that EI could play in improving individuals' performance as well as career prospects in organizations, employees, executives and career professionals across the world is only beginning to understand the concept. They want to know what EI is, how EI develops in a person, and what tools, techniques and methods are available to raise and incorporate EI into one's personality. These queries persist because, despite EI becoming a multimillion-dollar training industry in itself, research outputs from EI academics are yet to reach the wider populations.

Emotional intelligence performance of executives reveal that managers who are aware and have true understanding of their own and other's emotions, and are able to use that understanding to effectively motivate, inspire, challenge, and connect with others are far more effective than traditional managers who actively separate any emotion from the workplace and promote methodical, detached, micro-managing style of supervision (Gardner, 1999; Goleman *et al.*, 2002; Kouzes & Posner, 1995; Wheatley, 1999).

EI can also raise the level of individual and team performance. Perhaps due to an enhanced ability to recognize and manage emotions and brace against

distracting emotions, EI skills connect both to individual cognitive-based performance and team task performance skills (Morehouse, 2007). In research on teams, Jordan and Troth (2004) reported that teams comprised of members possessing high EI tend to display superior task performance skills when compared with teams made up of emotionally less intelligent members. Goleman (1998) had earlier found that for technical and complex positions in organizations, a lack of EI might lead to diminished cognitive performance and an inability to accomplish tasks, especially with others.

It thus appears that EI has a pervasive influence on job performance in diverse career settings. But do these performance stories culminate in career advancements for people? Studies indicate that EI competencies are all the more important for career advancement of people as they move up and across various career levels in organizations. Research comparing promotion readiness of middle and senior executives reports EI as a more important screening criterion than intellect and other managerial skills (Langley, 2000). Mandell and Pherwani (2003) observe that EI-linked competencies of people in leadership positions, such as flexibility, conflict management, persuasion, and social reasoning, become increasingly important with advancing career levels in organizations. Findings from a seven-year longitudinal study by Dulewicz and Higgs (2003) also revealed EI as stronger determiner than intellect and other management competencies in predicting career advancements of managers. Analyzing the skills required at various career levels in an organization's hierarchy, Dulewicz and Higgs (2003) compared skill differences between senior directors and managers and found that the directors displayed significantly higher measures on overall EI and on interpersonal sensitivity, whereas no differences appeared to exist among the directors and managers in terms of intellect or other managerial competencies.

### **3.2.7 Is emotional intelligence measurable?**

In psychology, traditional intelligence is expressed as IQ. Similarly EI is measured and expressed as emotional quotient (EQ). EQ is a measure of the emotional competencies of a person, but it is not EI as such. It is the measure of the application of EI to one's personal and social life. EQ measures the level of one's personal and social awareness and active skills in the area of managing interactions with others and vice versa (Mayer *et al.*, 1997). From the brain theory point of view, EQ is the measure of a person's competence in maintaining the rational-emotional balance required at the inner mental level and tells his or her "touch with reality". In summary, thus, EQ is a summative score of the rational and emotional abilities in dealing with the interpersonal realities of life. Even though there are conflicting arguments (Ciarrochi *et al.*, 2000) about the validity and reliability of the tools used in measuring EI, EQ measurement is fast becoming an industry in itself. Academic researchers and EI training agencies have designed and used a plethora of measuring instruments to help people gain insight into their EI profile. The most common measuring instruments include Mayer-Salovey-Caruso Emotional Intelligence Test (MSCEIT; Mayer *et al.*, 2002), Emotional Competence Inventory (ECI; Goleman *et al.*, 2002), and Bar-On's EQ-I (1997).

## **3.3 LEADERSHIP EFFECTIVENESS**

Despite a substantial amount of research on leadership, there is still much uncertainty about what is required to be an effective leader. Questions still remain around why intelligent and experienced leaders are not always successful in dealing with environmental demands and life in general. Perhaps what leaders need is emotional intelligence, rather than cognitive intelligence or specific personality traits? (Rosete & Ciarrochi, 2005).



Because of a constantly changing business environment, leadership positions often require more than just task competencies or technical know-how (George, 2000). Riggio *et al.*, (2002) propose that effective leaders possess multiple forms of intelligence, which allows them to respond successfully to various situations. In particular, scholars have noted that emotional skills are essential for executive level leader performance (Carmeli, 2003) and become increasingly important as individuals advance within their organizational hierarchies (Dulewicz & Higgs, 2003; Goleman *et al.*, 2002). Goleman (1998, p.93) states that “effective leaders are alike in one crucial way: they all have a high degree of emotional intelligence” and suggests that emotional intelligence is the sine qua non of leadership.

### **3.3.1 Leadership styles**

“Leadership is one of the most observed and least understood phenomena on earth” (Burns, 1978). Fortunately, much of the leadership research completed over the past several decades has assisted us to gain better insight into the history of leadership styles and approaches and their impact on society. For instance, research in recent years has been aimed at a better and more thorough understanding of what makes an effective leader (Eagly *et al.*, 2003; Eagly, 2007; Holt *et al.*, 2009). Although, leadership was regarded as an inherent ability to influence others by controlling the behaviour of other members of a group, leadership styles have evolved and extended beyond influence, to include motivation and enabling of others to help achieve organizational goals (House *et al.*, 2004; Rosette & Tost, 2010; Caldwell & Dixon, 2010). In contemporary research the focus is on an exploration of the behaviours that constitute effective leadership. This philosophy underpins the emergence of transformational leadership and transactional leadership in the late 1970s. Burns (1978) developed a comprehensive theory to explain the differences between the behaviours of political leaders by using the terms “transactional” and “transformational”. Burns (1978) defined transactional leaders as people who emphasize work standards, and have task-oriented aims (Burns, 1978), while

transactional leaders perform their leadership within the organizational constraints and adhere to the existing rules and regulations.

They aim to make sure that all the regular organizational tasks are completed on time. Power, authority and control are rooted in this behaviour because organizational targets are achieved by rewarding or disciplining subordinates in the style of a transaction. The implicit understanding was of a task needing to be carried out and, if satisfactorily completed, a reward would be forthcoming. Such reward-based action was intended to influence and improve employee performance (Burns, 1978). However, much of the research that contrasted transactional approach is transformational style. Here communal traits such as being warm and kind together with inspirational values are ascribed to define leadership. Transformational leadership attributes are associated with nurturing and caring; the role is typically viewed as an ability to show consideration and develop the followers to achieve their fullest potential. Leaders are inclined to lead in ways that are encouraging and motivating (Burns, 1978) because communal characteristics are largely beneficial in producing and fostering self-worth and self-confidence amongst subordinates.

Bass and his colleagues built on the early work of Burns, and concluded that a transactional leadership style was one which utilized a transaction between leaders and followers, who were then rewarded or disciplined based on work performance (Bass & Avolio, 1994; Bass *et al.*, 1996). Agentic traits such as self-confidence and independence, and an autocratic style in which power and control are essential are often utilized by leaders. They identify individual strengths, and set up agreements with subordinates explaining the rewards, incentives and outcomes that will be achieved when tasks are completed (Avolio & Bass, 2004).

Bass (1997) defined the transformational leader as one who arouses awareness and interest in the group or organisation, increases the confidence of individuals or groups, and attempts to move the concerns of subordinates to achievement

and growth rather than existence. These leaders seek new ways of working, new opportunities and prefer effectiveness to efficiency (Lowe & Kroeck, 1996). Transformational leaders orient their subordinates towards performance beyond established standards and goals – emphasising employee empowerment rather than dependence (Yammarino & Dubinsky, 1994). Transactional leadership is described by Bass as one who prefers a leader-member exchange relationship, whereby the leader fulfils the needs of the followers in exchange for their performance meeting basic expectations. This leader has a preference for risk avoidance and is able to build confidence in subordinates to allow them to achieve goals (Yammarino *et al.*, 1993). There is a third component to this model known as non-transactional or *laissez-faire* leadership (Yammarino *et al.*, 1993). This is a “do-nothing” style of leadership that creates a negative relationship between leadership and subordinate performance. These leaders are absent when needed, avoid accepting responsibility and fail to follow up on subordinates requests for assistance (Bass, 1997). Generally in organizations, a transformational leadership style is considered to be more effective than a transactional style, transformational leaders have been consistently found to promote greater organizational performance (Lowe & Kroeck, 1996).

Transformational style is, however, comprised of behaviours consistent with communal traits which are, primarily, characteristics that enhance team work, development of subordinates’ skills and supporting others towards achieving goals. These attributes are imperative for an authentic transformational leader because they help in obtaining the commitment and productivity of organizational members (Lowe & Kroeck, 1996).

A thorough development of transactional and transformational leadership understanding was based on the multifactor leadership questionnaire (MLQ). (Sarros *et al.*, 2002; Avolio & Bass, 2004; Bass & Avolio, 1989). The specifics that encapsulate transformational leadership are the four main subscales:

idealized influence, inspirational motivation, intellectual stimulation and individualized consideration (Avolio & Bass, 2004); Bass& Avolio, 1989)).

### **3.3.2 Emotionally intelligent leaders**

Because of a constantly changing business environment, leadership positions often require more than just task competencies or technical know-how (George, 2000). Riggio *et al.*, (2002) propose that effective leaders possess multiple forms of intelligence, which allows them to respond successfully to various situations. In particular, scholars have noted that emotional skills are essential for executive level leader performance (Carmeli, 2003) and become increasingly important (compared to IQ and technical skills) as individuals advance within their organizational hierarchies (Dulewicz & Higgs, 2003; Goleman *et al.*, 2002). Goleman (1998, p 93) states that “Effective leaders are alike in one crucial way: they all have a high degree of emotional intelligence” and suggests that emotional intelligence is the sine qua non of leadership. In their research with leaders of a large biotechnology/agricultural company, Rubin *et al.*, (2005) found that the ability to recognize emotion, maintain positive affect, and demonstrate agreeableness, positively predicted transformational leadership behaviour.

Using emotion recognition, a facet of Emotional Intelligence, Rubin *et al.* (2005) concluded that leaders who were able to perceive emotions more accurately were rated more highly on transformational leadership behaviour, suggesting that these types of leaders were more interpersonally sensitive than leaders who rely on contingent reward behaviour. In their research with construction executives, Butler and Chinowsky (2006) found a positive relationship between total EQ and transformational leadership and that 34 percent of the variance in transformational leadership was explained by total EQ. The authors also identify five specific components of Emotional Intelligence that were related to transformational leadership behaviours. Transformational leadership is largely viewed as the most effective form of leadership, a style in which leaders are

closely engaged with followers beyond conventional transactional exchanges and is predictive of positive individual and organizational outcomes (Bass, 1997). In order for leaders to engage in transformational behaviours, they must be confident in their ability to manage their own emotions and the emotions of others. Bar-On (1997) proposes that individuals with higher levels of emotional intelligence have the ability to handle stressful situations without losing control and are able to maintain a calm composure when relating with others even while experiencing intense emotions. Sosik and Megerian (1999) suggest that emotionally intelligent people feel more secure in their ability to control and influence life events and, as a result, provide individual focus on others as well as intellectually stimulate and motivate followers.

Emotionally intelligent leaders are thought to be happier and more committed to their organization (Abraham, 2000), achieve greater success (Miller, 1999), perform better in the workplace (Goleman, 1998), take advantage of and use positive emotions to improve their decision making and instil a sense of enthusiasm, trust and co-operation in other employees through interpersonal relationships (Gardner & Stough, 2002).

As highlighted by George (2000), previous studies of leadership have examined what leaders are like, what they do and how they make their decisions. The majority of research has yet to identify the effect of leaders' emotions on their work and subordinates, and in general the role emotions play in leadership. George (2000) suggests that emotional intelligence plays an important role in leadership effectiveness and proposes that the ability to understand and manage moods and emotions in oneself and in others theoretically contributes to the effectiveness of leaders. George (2000) argues that emotional intelligence enhances leaders' ability to solve problems and to address issues and opportunities facing them and their organization. Specifically George (2000) proposed that leaders high on emotional intelligence will be able to use positive emotions to envision major improvements to the functioning of an organization.

She further suggests that a leader high in emotional intelligence is able to accurately appraise how their followers feel and use this information to influence their subordinates' emotions, so that they are receptive and supportive of the goals and objectives of the organization.

Deriving from the increasing number of theoretical papers assessing relationships between emotional intelligence and effective leadership are two recent empirical studies by Barling *et al.*, (2000) and Palmer *et al.* (2001). An exploratory study by Barling *et al.*, (2000) examined the relationship between the transformational/transactional leadership paradigm (Bass, 1985; Bass & Avolio, 1995) and emotional intelligence. These authors suggested that emotional intelligence predisposes leaders to use transformational behaviours. The theoretical justification of Barling *et al.* is primarily based on the model of Salovey & Mayer (1990), Mayer & Salovey (1997) and Goleman (1995). The authors propose that, consistent with the conceptualization of idealized influence (a component of transformational leadership), leaders who are able to understand and manage their emotions and display self-control act as role models for followers, enhancing the followers' trust and respect for the leader. Second, the authors suggest that leaders high in the emotional intelligence component of understanding emotions are more likely to accurately perceive the extent to which followers' expectations can be raised, and this is related to the transformational sub-component of inspirational motivation. The ability to manage emotions and relationships permits the emotionally intelligent leader to understand followers' needs and to react accordingly.

Theoretically the area of emotional intelligence appears to have great validity in predicting effective leaders; however, empirical evidence is very limited. Both Barling *et al.* (2000) and Palmer *et al.*, (2001) provide empirical justification for the relationship between emotional intelligence and effective leadership; however, both studies tested small samples (49 and 43 participants respectively) and are limited methodologically in that neither used a measure of emotional

intelligence specifically designed for use in the workplace (Gardner & Stough, 2002).

### **3.3.3 The relationship between emotional intelligence and leadership**

In Bradford's analysis (1984) successful leaders not only have the ability to motivate, control and coordinate subordinates but also bring them into the decision process. The leaders effectiveness is associated with drive, motivation, honesty/integrity, self-confidence and emotional intelligence, all of which can be developed through experience and training.

Palmer *et al.*, (2001) administered a self-report Emotional Intelligence measure to 43 managers in order to evaluate the link between Emotional Intelligence and leadership style. They found significant correlations with several components of the transformational leadership model. Especially, the inspirational, motivation and individualized consideration components of transformational leadership correlated with the ability to monitor emotions and the ability to manage emotions.

Similarly, Barling *et al.*, (2000) conducted an exploratory study on the relationship between Emotional Intelligence and transformational leadership. Their results suggest that Emotional Intelligence is associated with three aspects of transformational leadership, namely, idealized influence, inspirational motivation and individualized consideration. The leaders who report exhibiting these behaviours were assumed to be more effective in the workplace.

Gardner and Stough (2002) and later Palmer *et al.*, (2003) also examined the relationship between a self-report measure of emotional intelligence using the Swinburne University Emotional Intelligence Test (SUEIT) (Palmer and Stough, 2001), personality, and effective leadership as measured by the Multifactor Leadership Questionnaire (MLQ) (Bass & Avolio, 1990). Their results indicated

that Emotional Intelligence, specifically the ability to perceive and understand emotions in others, accounted for the majority of the variance in transformational leadership when compared to other personality measures.

Dulewicz and Higgs (1999) examined the link between self-reported Emotional Intelligence and job competence, and unlike many previous studies, did not focus on the transformational-transactional model. These researchers looked at leadership effectiveness from the perspective of progression within the hierarchy of an organization amongst 58 managers from the UK and Ireland. Using a self-report measure of Emotional Intelligence, which they derived from a job competency survey, they found that Emotional Intelligence was able to explain a greater proportion of an individuals' advancement than either cognitive intelligence (also derived from elements of the job competency survey) or personality traits (using the 16 personality factors and organizational personality questionnaire).

Leader effectiveness has always been difficult to measure as objective criteria are often absent (Murensky, 2000). Some have argued that emphasis must be made on shareholders return on investment (Bass and Avolio, 1990), while others have advocated for a more balanced approach which also incorporates non-financial measures (Kaplan & Norton, 1996).

Before the conceptualisation of a workplace model of emotional intelligence, the relationship between emotions and leadership was studied by researchers. Ashforth and Humphrey (1995) noted that transformational leadership appears to be dependent upon the evocation, framing and mobilisation of emotions, whereas transactional leadership appears to be more dependent upon subordinates' cognitions, and tends to follow a rational model of motivation (that is, motivate employees to achieve basic goals with the reward of pay and security). House *et al.*, (1988) suggest that the paradigm of transformational leadership is associated



with higher levels of subordinate effort and performance and higher ratings of effectiveness from supervisors.

### **3.3.4 The role of emotional intelligence in different leadership styles**

Recently a new paradigm of research has focused on the role of emotional intelligence in different styles of leadership. Emotional intelligence, as originally conceptualised by Salovey and Mayer (1990), “involves the ability to perceive accurately, appraise and express emotion; the ability to access and/or generate feelings when they facilitate thought; the ability to understand emotion and emotional knowledge; and the ability to regulate emotions to promote emotional and intellectual growth”. Mayer and Salovey (1993) suggested that there are individual differences in our emotional intelligence relating to differences in our ability to appraise our own emotions and those of others. They further suggested that individuals higher in emotional intelligence might be more open to internal experience and better able to label and communicate those experiences. Since Salovey and Mayer’s (1990) original conceptualisation of emotional intelligence, three alternative models of the construct have been proposed, ranging from ability models (Mayer and Salovey, 1997) to non-cognitive models (Bar-On, 1997) and competency-based models (Goleman, 2001). Mayer and Salovey’s ability model defines emotional intelligence as “intelligence” in the traditional sense, that is, as a set of mental abilities to do with emotions and the processing of emotional information that are a part of, and contribute to, logical thought and intelligence in general. These abilities are arranged hierarchically from basic psychological processes to the more psychologically integrated and complex, and are thought to develop with age and experience in much the same way as crystallised abilities. Further, they are considered to be independent of traits and talents and preferred ways of behaving (Mayer & Salovey, 1993).

Bar-On’s (1997) non-cognitive model defines emotional intelligence as “an array of non-cognitive capabilities, competencies and skills that influence one’s ability

to succeed in coping with environmental demands and pressures". While Bar-On (2000) places this model under the banner of emotional intelligence, it is a somewhat broader construct to which he more generically refers as "emotional and social intelligence". Bar-On has operationalized this model according to 15 conceptual components that pertain to five specific dimensions of emotional and social intelligence (refer to Chapter 2). These are, intrapersonal emotional intelligence – representing abilities, capabilities, competencies and skills pertaining to the inner self; interpersonal emotional intelligence – representing interpersonal skills and functioning; adaptability emotional intelligence – representing how successfully one is able to cope with environmental demands by effectively sizing up and dealing with problematic situations; stress management emotional intelligence – concerning the ability to manage and cope effectively with stress; and general mood emotional intelligence – pertaining to the ability to enjoy life and to maintain a positive disposition. The 15 components of the model are described as non-cognitive variables that "...resemble personality factors" (Bar-On, 1996, p.6). Bar-On proposes that the components of this model develop over time, change throughout life, and can be improved through training and development programs, and that the model relates to the potential for performance rather than performance itself.

The competency-based model of emotional intelligence by Goleman (2001) has been designed specifically for workplace applications. It is described as an emotional intelligence-based theory of performance that involves 20 competencies that distinguish individual differences in workplace performance (Goleman, 2001). The competencies underlie four general abilities:

- Self-awareness – the ability to understand feelings and accurate self-assessment
- Self-management – the ability to manage internal states, impulses and resources
- Social awareness – the ability to read people and groups accurately

- Relationship management – the ability to induce desirable responses in others

The limited theoretical and empirical studies of leadership and emotional intelligence have utilized one of the above models of emotional intelligence and have generally measured leadership based on the transformational/transactional model of Bass & Avolio (1995). As highlighted by George (2000), previous studies of leadership have examined what leaders are like, what they do and how they make their decisions. The majority of research has yet to identify the effect of leaders' emotions on their work and subordinates, and in general the role emotions play in leadership. George (2000) suggests that emotional intelligence plays an important role in leadership effectiveness and proposes that the ability to understand and manage moods and emotions in oneself and in others theoretically contributes to the effectiveness of leaders. George (2000) argues that emotional intelligence enhances leaders' ability to solve problems and to address issues and opportunities facing them and their organization. Specifically George (2000) proposed that leaders high on emotional intelligence will be able to use positive emotions to envision major improvements to the functioning of an organization. She further suggests that a leader high in emotional intelligence is able to accurately appraise how their followers feel and use this information to influence their subordinates' emotions, so that they are receptive and supportive of the goals and objectives of the organization. Leaders within this conceptualization are able to improve decision making via their knowledge and management of emotions, and those who are able to accurately recognize emotions are more able to determine whether the emotion is linked to opportunities or problems and thus use those emotions in the process of decision making (Schwartz, 1990).

Examining leadership styles and emotional intelligence of 49 managers, Barling *et al.*, (2000) concluded that emotional intelligence is positively related to three components of transformational leadership (idealized influence, inspirational

motivation, and individualized consideration) and contingent reward (a component of transactional leadership). *Laissez-faire* leadership and active and passive management-by-exception were unrelated to emotional intelligence. They reported the highest correlations between emotional intelligent and inspirational motivation, indicating that the emotional intelligent dimension of understanding emotions is particularly important in leadership effectiveness. The authors measured emotional intelligence using the EQ-i (Bar-On, 1997), reporting only a total emotional intelligence score. Given the dimensions of emotional intelligence that the authors sought to correlate with leadership, it was somewhat surprising that they employed the EQ-i, rather than a measure specifically assessing perception, appraisal and expression of emotion; emotional facilitation of thinking; understanding and analyzing emotions and emotional management. The EQ-i yields a total emotional intelligence score as well as scores on the sub-scales of intrapersonal, interpersonal; adaptability; stress management; and general mood emotional intelligence (Although Barling *et al.*, (2000) only report the total emotional intelligence score). It is therefore difficult to interpret the results of this study in terms of the four underlying dimensions of emotional intelligence (identifying emotions, using emotions, understanding emotions, and managing emotions (Mayer *et al.*, 1999)). Despite this limitation this study does provide justification for the utility of further studies examining emotional intelligence and leadership and has established a foundation indicating the potential utility of EI in leadership research and applications.

A second examination of the relationship between emotional intelligence and effective leadership has been recently reported by Palmer *et al.*, (2000). The authors predicated that, because transformational leadership is considered to be more emotion based (involving heightened emotional levels) than transactional leadership (Yammarino and Dubinsky, 1994), there should be a stronger relationship between emotional intelligence and transformational leadership than with transactional leadership. Palmer *et al.*, (2000) correlated the sub-scales of a modified version of the Trait Meta Mood Scale (Salovey *et al.*, 1995), which

measures the attention, clarity and mood repair dimensions derived from Salovey and Mayer (1990) model, with the sub-scales of the multifactor leadership questionnaire (Bass and Avolio, 1995) which measures leadership style.

Several significant correlations between transformational leadership and emotional intelligence were observed (Palmer *et al.*, 2001), for instance; the ability to monitor and the ability to manage emotions in one and others were both significantly correlated with the inspirational motivation and individualized consideration components of transformational leadership. Second, the ability to monitor emotions within oneself and others correlated significantly with the transformational leadership components of idealized attributes and idealized behaviours (combined, these components reflect “charisma”). The authors suggest that two underlying competencies of effective leadership are the ability to monitor emotions in oneself and others and the ability to manage emotions.

### **3.3.5 Culturally-linked leadership styles**

There are explicit differences between cultures, particularly in terms of the values, attitudes and behaviours of individuals, and this divergence has implications for leadership in organizations (Hofstede & Hofstede, 2005; Alves *et al.*, 2006). Previous leadership studies have concentrated on the leaders themselves, including their culturally-linked leadership styles actions, styles and philosophies, and the acceptance and appropriateness thereof for various leadership styles. Increasing numbers of studies also reveal that different leader behaviours and actions are interpreted and evaluated differently depending on their cultural environment, and are due to variations in people’s ideas of the ideal leader (Jung and Avolio, 1999; Yamaguchi, 1999; Yokochi, 1989; Jogulu and Wood, 2008), with some approaches being favoured and others perceived as less effective. These variations exist because the meaning and importance given to the concept of leadership appears to vary across cultures (Wood & Jogulu, 2006; Dorfman, 2004; Jung & Avolio, 1999). With globalization and the expansion

of organizations across borders, numerous challenges and opportunities exist for leadership. With differing cultural beliefs and values, there is a greater necessity for understanding and acknowledging culturally-linked leadership styles. Being receptive towards cultural sensitivities may be radically different from one's own values and beliefs and is crucial for leadership effectiveness.

Leadership theories traditionally developed in individualistic societies represent effective leadership as an action of producing greater and better financial results, which encompasses the outcome from a leader's behaviour rather than a particular type of behaviour. These theories are drawn on manifestations of self-interest such as mentoring, networking and other personal initiatives which prevail in individualistic cultures. However, it is anticipated that leaders in collectivist cultures will view leadership effectiveness as a long-term goal resulting from subordinate loyalty, extra effort and satisfaction with the leader. Furthermore, collectivist cultures prioritize the needs of the group, family and overall community when engaging in leadership actions. Therefore, values of mutual obligations require leaders to give followers protection and direction in exchange for loyalty and commitment.

Similarly, leadership theories typically advocate a democratic view of attaining leadership roles, arguing that "anyone can get to the top". However, again, this concept draws from an individualistic perspective based on the cultural variable of low power distance (Hofstede, 1980). Small power distance cultures believe that roles and responsibilities can be changed based on individual effort and achievement, and that someone who today is my subordinate, tomorrow could be my superior (Hofstede, 2005). Yet, in high power distance cultures, social status, titles and positions are highly regarded because they dictate the way others treat and behave towards you, thus, leaders and their subordinates consider each other as unequal. Therefore, it is anticipated that leadership styles in high power distance cultures will seek to demonstrate tolerance, respect for age,

compromise and consensus in working out rules for working together which are acceptable to all.

Despite the limitations of Jung and Avolio's (1999) study, there has been a view that transformational and transactional leadership theories will have a universal application because these models have the capacity to be adapted in different cultural settings (Avolio & Bass, 2004). Some management writers advocate that transformational leadership promotes greater participation within collectivist cultures because followers are more likely to accept and identify with their leader's ideology due to high power distance and acceptance for authority (Jung & Avolio, 1999). Given the research findings of senior managers in Japanese organizations (Yokochi, 1989), as well as from a sample of secondary school principals in Singapore, researchers are convinced that, in collectivist cultures, the emergence of transformational style is associated with leadership success (Koh, 1990). However, more exploration is required in order to develop a strong and consistent picture of the generalisability of culturally-linked leadership styles. It is likely that leadership styles are perceived, evaluated or enacted differently in diverse cultures because the meaning and importance given to the concept of leadership vary across cultures.

Relatively few studies have taken into account the possible cultural influences on leadership styles, the differences in leadership approach that are practiced in other countries, and how generalizable the leadership styles are. Reliance and generalisation based only on limited research raises significant research questions for studying differences in leadership styles across cultures. International studies are necessary to uncover new relationships by forcing research to broaden the cultural variables. From a managerial perspective, variations in leadership styles pose difficult challenges for organizations, especially when expanding their operations internationally. These corporations may often have to contend with diverse cultural values, norms and behaviours in conditions much different from the host country. Hence, it is critical that we

examine the influence of culture-specific forces on differences in leadership styles.

### **3.3.6 Transformational leadership and team effectiveness**

Managers are faced with a requirement to develop, implement and if necessary challenge a range of new tasks, business processes, projects to be managed and teams to be led (Hull, 2006). Perhaps the most difficult aspect for a supervisor of being a work team leader is motivation of team members. Work teams may be more successful in achieving organisational goals if their members are empowered to do their jobs (Latham & Gary, 2004). Conversely, if their authority and responsibility are restricted, employees may well reduce their levels of commitment. They might continue to perform satisfactorily but with little enthusiasm for improving quality and productivity (Steers *et al.*, 2004).

Informal meetings between supervisors and subordinates on a regular basis empower joint decision-making and participative management. Moreover, the existence of accurate job description on departmental basis is associated positively with effective task allocation and the absence of role conflict (Polychroniou, 2005). Team effectiveness within the organisation is achieved further when tasks are allocated to employees through a transparent process that takes into account the organizational goals as well as the subordinates' abilities and preferences. Successful management actively not only promotes a team spirit, but also installs team mechanisms and the means to develop in team skills (Harris & Harris, 1996). Teamwork is also enhanced when such a process also considers training and skills development. The job design literature has been clear in suggesting that a favourable climate is necessary for job design efforts to be successful since it moderates the relationship between job complexity and satisfaction (Hackman & Oldham, 1980; Ferris & Gilmore, 1984). Moreover, defining factors for team effectiveness refer to leadership style of supervisors. The role of leadership in management is largely determined by the organizational



culture of the company. It has been argued that supervisors' beliefs, values and interpersonal competences are of critical importance to the overall style of leadership that they adopt.

Theoretical contributions suggest that components of EQ may be associated with effective leadership (Morris & Feldman, 1996; Goleman, 1998/2001; Bass, 2002). Existing literature support that dimensions of supervisors' EQ influence supervisor's transformational leadership, subordinates' outcomes and job performance (Megerian & Sosik, 1996; Rahim *et al.*, 2002/2006).

Following Burns (1978), Bass (1985) and Bass and Avolio (1993), they proposed that transformational leadership is associated with distinct dimensions of charisma or idealized influence (extent of pride, trust, and respect engendered by and emotional identification with the leader), intellectual stimulation (extent the leader encourages followers to question their own way of doing things and become innovative), and individualized consideration (extent the leader provides personal attention and encouragement for self-development of followers). The transformational leader has the capacity to motivate subordinates to do more than normally expected. Transformational leaders raise subordinates consciousness about new outcomes and motivate them to transcend their own interests for the sake of the team. They create an atmosphere of change, and they may be obsessed by visionary ideas that excite, stimulate, and drive other people to work hard. The true transformational leader often does not fit within a traditional organization and may lead a social movement rather than a formal organization (Hellriegel & Slocum, 2004; Hellriegel *et al.*, 2005).

Leaders who possess empathy are likely to recognize subordinates' needs, take active interest in them, respond to changes in their emotional states, and to work together to attain goals on team basis (Rahim *et al.*, 2002). Empathy is likely to be associated with individualized consideration. Social skills that are associated with enabling followers to engage in desirable behaviours are likely to be

associated with intellectual stimulation (Goleman, 2001; Rahim *et al.*, 2006). Employees are likely to respect and emotionally identify with a leader who is considerate and is willing to help subordinates to be effective, enhance utilization of integrating style for handling conflict and improve their job performance (Rahim *et al.*, 2002/2006).

In general, transformational leaders who possess EQ are likely to exhibit behaviours associated with increasing effectiveness and handling conflict with subordinates for positive outcomes on teamwork (Rahim *et al.*, 2002/2006). Several scholars use the term EQ to include emotional awareness, accurate self-assessment, self-confidence, trustworthiness, conscientiousness, adaptability, innovation, and so on (Goleman, 1998; Bar-On and Parker, 2000). Also, studies reported that self-awareness is an essential ability for enhancing managerial effectiveness (Church, 1997; Shipper & Dillard, 2000). Self-awareness is also a prerequisite for self-regulation, empathy, and social skills. Goleman (2001) indicates that in workplace self-awareness positively influences self-regulation, empathy, social skills, and motivation; and self-regulation, in turn, influences social skills, motivation and empathy. Moreover, Goleman (2001) and Rahim *et al.*, (2002) suggested that EQ is also associated with competencies, such as social skills, motivation and empathy. In order to understand the emotional processes and deal with them effectively, one needs to have also social skills, motivation, and empathy. Empathy and social skills involve one's ability to perceive others' emotions, feelings, and needs and help others to regulate their emotions to achieve desirable goals. Motivation is needed to help an individual to remain focused for attaining goals (Church, 1997; Sosik & Megerian, 1999; Druskat & Wolf, 2001).

The leaders who possess interpersonal intelligence may be associated with transformational leadership for several reasons. Social skills that are associated with enabling followers to engage in desirable behaviours are likely to be associated with intellectual stimulation. Employees are likely to respect and

emotionally identify with a transformational leader who is considerate and is willing to help employees to increase team effectiveness and improve their job performance. Moreover, leaders who possess empathy are likely to recognize followers' needs, take active interest in them, and respond to changes in their emotional states. Empathy is likely to be associated with individualized consideration. Motivation, in the process of attaining goals, could be useful in a supervisor-subordinate conflict, which must be handled functionally for positive outcomes. Therefore, the three dimensions of EQ are likely to be associated with leaders' charisma or idealized influence.

Employees are one of the most valuable resources companies have to remain competitive. In a dynamic, unpredictable environment, modern organizations might achieve this by using organic human resources systems that promote the development of a human capital pool possessing a broad range of skills and that are able to engage in a wide variety of behaviour. Moreover, modern organizations should focus on subordinate's motivation and supervisor's effective leading on a team basis. The role of leadership in management is largely determined by the organizational culture of the company. Organizations that adopt a greater number of prescribed practices are likely to empower teamwork, enhance employee satisfaction and enjoy superior performance. However, pointed out that the implementation of these practices is not always an easy task. As it was stated scholars and writers in management emphasize the importance of EQ on leadership effectiveness. It has been argued that supervisors' beliefs, values and interpersonal competences are of critical importance to the overall style of leadership that they adopt. Supervisors who possess interpersonal intelligence may be associated with transformational leadership for several reasons. Transformational leaders create an atmosphere of change, and they may be obsessed by visionary ideas that excite, stimulate, and drive other people to work hard. They have the capacity to motivate team members to do more than normally expected. In addition transformational leaders have an emotional impact on subordinates.

Existing literature support that dimensions of supervisors' EQ influence supervisor's transformational leadership, subordinates' outcomes and job performance (Megerian & Sosik, 1996; Rahim *et al.*, 2002/2006). In order to understand the emotional processes and deal with them effectively, one needs to have self-awareness and self-regulation. Empathy and social skills involve one's ability to perceive others' emotions, feelings, and needs and help others to regulate their emotions to achieve desirable goals. Motivation is needed to help an individual to remain focused for attaining goals. According to research findings, supervisors in organizations try to lead effectively using interpersonal competencies such as social skills. In particular they handle conflict with tact and diplomacy, manage negative feelings and create team consensus in their subordinates. Furthermore empathy also helps supervisors to understand subordinates' feelings, take an active interest in them and provide emotional support to their team members in order to work together to attain goals. Empathy appears to enhance transformational leadership of supervisors in Greek organizations, but less than social skills. This could be also explained by individualistic culture as well as subordinates' perceived degree of power distance in organization. It seems that cultural context has also a strong impact on motivation dimension. Although motivation is a better predictor of supervisor's transformational leadership than empathy, sometimes setbacks prevent managers to remain focused on goals and accept necessary changes.

Supervisors may be more successful in achieving organizational goals and reach team effectiveness if their subordinates are empowerment to do their jobs and feel secure in organization. Transformational leadership has positive impact on subordinate's willingness to integrate goals with their supervisors and follow a creative problem solving process. This will help the supervisors and subordinates to develop participative management, team consensus and to work together to attain goals. Appropriate interventions may be needed to enhance supervisors' emotional competencies and transformational leadership that would involve

education and specific job-related training. Organizations should provide positive reinforcements for learning and improving managers' essential emotional competencies needed for specific jobs.

### **3.4 ORGANIZATIONAL CULTURE**

Organizational culture has received much attention in the last two decades due to its effects and potential impact on leadership effectiveness (Rashid, Sambasivan & Johari, 2002). A lot of scholarly attention has been focused on the hypothesis that strong cultures, defined as a set of norms and values that are widely shared and strongly held throughout the organization, enhanced organizational performance (O'Reilly & Chatman, 1996). Schein (1985) argued that the role of the leader was fundamental in the process of creating a strong culture in the organization.

#### **3.4.1 Organizational culture**

Organizational culture in operations practices. Organizational culture is significantly related to service organizations effectiveness (Paulin *et al.*, 1999). In past research, organizational culture has been explored as the Influence of leadership competency source of competitive advantage in post merger/acquisition integration, and as the prime factor in the success or failure of a large-scale change effort (Trefry, 2006). A study by Xenikou and Simosi (2006) has found that the achievement and adaptive cultural orientations has a direct effect on performance of a large financial organization in Greece. In line with these findings, this study investigated the effect of organizational culture on organizational performance. As mentioned earlier, the inclusion of organizational culture in the service operations practices still needs to be further explored (Dangayach & Deshmukh, 2001; Fitzsimmons & Fitzsimmons, 2001; Ingram, 1997). This view is also supported by a more recent study by Fang and Wang (2006), which argues that the effect of organizational culture on operations

practices studies has been neglected in the early years. Organizational culture has been defined at two levels (Trefry, 2006):

- practice and behaviour (how things are done here)
- underlying practice (beliefs and values)

Furthermore, Trefry (2006) noted that, among the researchers who defined organizational culture at the level of underlying values include Davis *et al.*, (2002), Schein (1985) and Hofstede (1997). In similar thought, Paulin *et al.*, (1999) categorized these two levels as visible and invisible; the visible level includes the behaviour patterns, the physical and social environment, and the written and spoken language used by the group while the invisible level relates to the group's values or the group's basic assumptions. In line with this contention, Hofstede (1997) defines organizational culture as a collective programming of the mind that distinguishes the members of one organization from another. He also indicated that shared perceptions of daily practices should be included in the organizational culture. Besides these two broad categories, generally, organizational culture is defined as the set of common norms and values shared by people in an organization (Deshpande' & Webster, 1989). Among the examples of organization and culture practices include the way organization communicate with, develops, empowers and involves its staff (Prabhu *et al.*, 2002). Following Deshpande' and Webster's (1989) definition mentioned above, this study defines organizational culture practices as "The extent of shared values and beliefs that are related to operational systems practiced by a hotel". Again, to draw the line between this research and other organizational culture researches, this research only considers organizational culture practices that are related to responsiveness, which is discussed in the next section. The responsiveness-related organizational culture practices were adapted from Coughlan and Harbison's (1998) study that emphasizes employee management, flexibility and performance standards and measurement, leadership, process management, quality management, service culture, service design, service

recovery, understanding customers, and value creation in contributing to the performance of Irish service firms. In their research, responses to 80 questions were rated on a five-point Likert-type scale.

A number of scholars have developed integrative frameworks of organizational culture (Allaire and Firsirotu, 1984; Hatch, 1993; Martin, 1992; Ott, 1989; Schein, 1985, 1990), but little consensus exists with regard to a general theory. Since culture is a complex phenomenon ranging from underlying beliefs and assumptions to visible structures and practices, healthy skepticism also exists as to whether organizational culture can actually be “measured” in a comparative sense. Research on the link between organizational culture and effectiveness is also limited by lack of agreement about the appropriate measures of effectiveness. Despite these challenges, better understanding of this topic remains critical to the development of organizational studies.

The current literature has its roots in the early 1980's. There is the Deal and Kennedy (1982) cultural model where risks, rewards and feedback define the corporate culture. Peters and Waterman (1982) focused attention on the strategic importance of organizational culture and stimulated interest in the topic. Kotter and Haskett (1992) expanded on this by exploring the importance of adaptability and the “fit” between an organization and its environment.

According to Denison (1996), organizational culture was the deep structure of organizations, which was rooted in the values, beliefs and assumptions held by organizational members.

Organizations tend to be effective because they have “strong” cultures that are highly consistent, well-coordinated, and well-integrated (Davenport, 1993; Saffold, 1988). Behaviour is rooted in a set of core values, and leaders and followers are skilled at reaching agreement even when there are diverse points of view (Block, 1991). This type of consistency is a powerful source of stability and

internal integration that results from a common mindset and a high degree of conformity (Senge, 1990). Ironically, organizations that are well-integrated are often the most difficult ones to change (Kanter, 1983). Internal integration and external adaptation can often be at odds. Adaptable organizations are driven by their customers, take risks and learn from their mistakes, and have capability and experience at creating change (Nadler, 1998; Senge, 1990). They are continuously changing the system so that they are improving the organizations' collective abilities to provide value for their customers (Stalk, 1988).

Successful organizations have a clear sense of purpose and direction that defines organizational goals and strategic objectives, and expresses a vision of how the organization will look in the future (Hamel & Prahalad, 1994; Mintzberg, 1987/1994; Ohmae, 1982). When an organization's underlying mission changes, changes also occur in other aspects of the organization's culture.

Like many contemporary models of leadership and organizational effectiveness, this model focuses on the contradictions that occur as organizations try to achieve internal integration and external adaptation (Hatch, 1993; Schein, 1990). For example, organizations that are market-focused and opportunistic often have cultural and organizational effectiveness problems with internal integration. On the other hand, organizations that are well-integrated and over-controlled usually have a hard time adapting to their environment. Organizations with a top-down vision often find it difficult to focus on the empowerment and the "bottom-up" dynamics needed to implement that vision. At the same time, organizations with strong participation often have difficulty establishing direction. Effective organizations are those that are able to resolve these contradictions without relying on simple trade-offs.

At the core of this model are underlying beliefs and assumptions. These "deeper" levels of organizational culture are typically quite unique to each firm, and are difficult to measure and harder to generalize about. They are often best



understood from a qualitative perspective. Nonetheless, they provide the foundation from which behavior and action spring (Schein, 1985). The four traits of organizational culture presented by Denison and Mishra (1995) have been expanded by Denison and Neale (1996), and Denison, Cho and Young (2000) to include three sub-dimensions for each trait for a total of 12 dimensions.

### **3.4.2 Purposeful culture**

According to Heckscher (1994), the notion of a strong organizational culture is not a new one, for it developed at least as early as the 1920s in opposition to the bureaucracies that had developed within most corporations. At that time, “corporate leaders began consciously structuring their organizations as communities, stressing values of loyalty and cooperation” (Heckscher, 1994, p. 30). Such considerations constitute the most fundamental elements of culture. So, organizational development, which is founded on the concept of a corporate culture, emerged primarily from the recognition of a higher level of requirements for the organization in its effort to cope effectively and efficiently with a new order of environmental change. This proved to be a capability that the bureaucracy could not achieve, for it had been designed and employed to be effective in a fairly static environment. Whereas “Cultures can be very stable over time, but they are never static” (Kotter & Heskett, 1992, p.7). And some problems of bureaucracy seem to be inherent even in those that are well managed. The top three among them are that people are responsible only for their own jobs, that bureaucracy fails at effectively controlling the “informal” organization (the systems for accomplishing work without encountering the formal bottlenecks inherent in bureaucratic structures), and that it does not manage processes effectively over time (Heckscher, 1994, pp. 20–23).

In general, the management strategy to move away from the use of power by authority as the lever for organizational change, which characterizes the bureaucratic hierarchy toward the use of peer influence as the means to that end,

became the new standard. An ostensibly grassroots movement to identify and strengthen values held in common by peers as a way to move the entire organization through the onslaught of challenges posed by its environment holds very practical benefits for the organization: it reduces the frequent negative reaction to authority, it enhances communication throughout the organization, and it helps satisfy the need of employees to see their contribution to the greater enterprise. In short, "Culture as a social control mechanism is important because it offers several advantages over external control accomplished through rewards and sanctions" (Pfeffer, 1997, p.123). But from the strict standpoint of corporate results, the single most significant contribution of the flatter or less rigid hierarchical organization is the greater quantity and higher quality of information that can be brought to bear on any issue.

"The most important strength is that decisions result from a thorough 'mixing' of the intelligence found throughout the organization. For that reason one would expect the decisions to be better, especially in the long run. We know that bureaucracies tend to become conservative and inward-focused, missing the implications of important changes.

And so, the nurturing of a corporate culture not just any culture, but a culture attuned to the advancement of the executive vision for the formal organization became the dominant management strategy in the 1980s. It was to be a strategy whereby everyone could become a winner. But the self-conscious nurturing of a corporate culture was a new and improved plan whose goal nonetheless remained that of maintaining control. Thus, instead of being controlled through manifest administrative force, the culture is managed through the less direct eliciting of "behaviour consistent with cultural prescriptions" (Kunda, 1992, p. 218). John Kotter and James Heskett (1992) point out that the ideas embedded in a culture can originate anywhere in the organization, "But in firms with strong corporate cultures, these ideas often seem to be associated with a founder or other early leaders who articulate them as a 'vision,' a 'business strategy,' a

'philosophy,' or all three" (p. 7). In successful examples, the guiding principles come from the top.

Just as corporate culture is the nucleus of organizational development, values constitute the core of culture. Therefore, values figure foremost in molding the ethos of the workplace in an apparently less authority- and power-driven environment than is associated with the bureaucracy. This strategy is commonly called "reengineering." As defined by Michael Hammer and James Champy (1993), reengineering is "the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service, and speed" (Michael Hammer and James Champy, 1993: p.32). Reorganization to such an extent was unprecedented in the mid-20th-century America, but its complexities were recognized immediately to be complex, rife with ambiguities, and stressful for all. And its implications went deep, because this effort demanded the adoption of an entirely new perspective on the manner in which the organization functions and how it communicates internally.

The foundation of corporate culture is constructed of the values held formally and promulgated throughout the organization. In fact, according to Jeffrey Pfeffer (1997, p.121), some researchers have defined culture as a form of organizational control exercised through shared values, while he and Charles O'Reilly conclude from their collaborative research that "A value that is the basis for a set of norms or expectations about what are the appropriate attitudes and behaviors can act as a powerful social control system. This is what organizational culture really is: a social control system in which shared expectations guide people's behaviour" (O'Reilly & Pfeffer, 2000, p.238).

Of course, the work of any organization is performed by individuals, working together, to be sure, but individuals. So, just as the values of the organizational leadership are adopted by the collective workforce, they must be adopted by

each individual in that workforce “For a person to succeed in any organization, he or she has to understand what is really important to that firm and its values. The policies and practices of the company signal clearly what is valued and important” (O’Reilly & Pfeffer, 2000, p 233).

### **3.4.3 Hofstede’s work on corporate culture**

Hofstede’s work became widely known in the academic world after the publication of his first monograph *Culture’s Consequences: International Differences in Work-Related Values* (Hofstede, 1980). An abridged paperback version appeared in 1984. In 1991, Hofstede published a book for students and a general readership: *Cultures and Organizations: Software of the Mind*. It interpreted the results of the 1980 study and more recent findings in non-academic language. While *Culture’s Consequences* was only rarely and partially translated, the 1991 student book and its subsequent editions have so far appeared in 18 languages with about 400,000 copies sold.

The foundation of Hofstede’s multidimensional cultural model originated from his analysis of some 116,000 survey questionnaires administered to employees of the IBM corporation in 72 countries, Hofstede argued that many national differences in work-related values, beliefs, norms, and self-descriptions, as well as many societal variables, could be largely explained in terms of their statistical and conceptual associations with four major dimensions of national culture. To some scholars, including the first author of this article, this came as an astounding revelation.

In its original form, Hofstede’s doctrine had a number of salient characteristics that provided it with a distinct identity and gave it the status of a paradigm shift in cross-cultural research:

- Before Hofstede's work, cross-cultural researchers had often treated culture as a single variable. If a statistical difference was found between two populations from two nations or ethnic groups, and if it could not be accounted for in another way, it was often explained away as a function of "culture". Many researchers intuitively felt that culture is too complex a phenomenon to be treated as a single package, yet the "unpackaging" of culture was a daunting task that many shied away from. Hofstede's work showed how culture can be unpackaged into independent dimensions
- Hofstede's dimensions of national culture were constructed at the national level. They were underpinned by variables that correlated across nations, not across individuals or organizations. In fact, his dimensions are meaningless as descriptors of individuals or as predictors of individual differences because the variables that define them do not correlate meaningfully across individuals. For organizational cultures, entirely different dimensions were found as well. Yet, despite Hofstede's repeated warnings that his dimensions do not make sense at the individual or organizational level, articles that attempt to use them for these purposes appear periodically in various journals, the latest one being a study by Taras *et al.*, (2010), called a meta-analytical review of Hofstede's dimensions. In fact, Hofstede (2001) indicated that the idea of constructing dimensions at the national level occurred to him after realizing that, analyzed at the individual level; his IBM data did not make much sense. Hofstede was not the first author to produce national indices on the basis of variables that correlate at the national level and are conceptually linked to cultural phenomena. More than 30 years before him, Cattell (1949) pioneered the use of factor analysis of country data for the same purpose. However, prior to Hofstede (1980), such studies tended only to yield a strong economic development dimension and some other factors that were trivial or difficult to interpret.

- Hofstede's dimensions were all constructed in such a way that they addressed basic problems that all societies have to deal with. In Hofstede (1991, pp.13-14), they were formulated as follows:
  - Power distance. Social inequality, including the relationship with authority
  - Individualism-collectivism. The relationship between the individual and the group
  - Masculinity-femininity. The social implications of having been born as a boy or a girl. (Later editions of the book replaced the word "social" by "emotional")
  - Uncertainty avoidance. Ways of dealing with uncertainty, relating to the control of aggression and the expression of emotions. (Later editions of the book refer to "the extent to which the members of a culture feel threatened by ambiguous or unknown situations")
- Hofstede has always believed that his dimensions reflect stable national differences. Concerning criticisms to the effect that his data are old, he has always defended the opinion that cultures do evolve but they tend to move together in more or less one and the same cultural direction. Therefore, the cultural differences between them are not necessarily lost, and these differences are what the dimensions describe. The clearest confirmation of the correctness of this position was provided by Inglehart (2008). In an analysis of empirical data from Western European countries spanning the period from 1970 to 2006, he showed that while Western cultures did evolve and even tended to show some incomplete convergence, at least on a number of subjectively selected variables, their paths practically never crossed during those 36 years.
- Hofstede's work provided the first large collection of data demonstrating that national culture constrains rationality in organizational behaviour and

management philosophies and practices, and in society at large. It is likely that suspicions that this was the case existed in some quarters even before the analysis of the IBM project, but large-scale empirical evidence was missing. Nowadays, few managers with international experience will deny the fact that culture matters in international business.

Hofstede's books, since 1991, also integrate the results of his organizational cultures study (Hofstede *et al.*, 1990). The topic of organizational cultures had become popular in the management literature of the early 1980s, but solid research was still missing. With a team of collaborators, Hofstede in 1985-1986 conducted in-depth interviews and representative surveys in 20 different organizational units in Denmark and The Netherlands, varying from a pharmaceutical plant to two police corps. The study concluded that using the word "culture" for both nations and organizations was misleading: a nation is not an organization, and the two types of culture are of a different nature. National cultures are part of the mental software we acquire during the first ten years of our lives in the family, the living environment and at school, and they contain most of our basic values. Organizational cultures are acquired when we enter a work organization as young or not-so-young adults, by which time our values are firmly in place. According to Hofstede, organizational cultures consist mainly of the organization's practices – they are more superficial. The study found six dimensions of organizational cultures entirely different from the national culture dimensions. They were firmly rooted in organizational sociology and validated by the characteristics of the organizations. In 2001, Hofstede published a completely revised edition of his first monograph, with a new subtitle: *Culture's Consequences: Comparing Values, Behaviours, Institutions and Organizations Across Nations* (Hofstede, 2001). It reviewed over 800 publications written after 1980, including all accessible and meaningful applications of the 1980 dimensions.

### **3.5 CONCLUSION**

In conclusion, there is empirical evidence of a positive relationship between organizational culture and leadership effectiveness. Research in examining the utility of emotional intelligence is gaining momentum. Emotionally intelligent leaders are thought to be happier and more committed to the organization (Abraham, 1999) and achieve greater success (Miller, 1999) perform better in the workplace (Goleman, 1998) take advantage of and use positive emotions to envision major improvements in organizational functioning (George, 2000). A leaders' ability to influence the emotional climate can strongly influence performance. Emotional intelligence is viewed as a key determinant of leadership effectiveness (Goleman, 1998).



## **CHAPTER 4: RESEARCH METHODOLOGY**

### **4.1 INTRODUCTION**

Research is important for business in that it reduces uncertainty by providing information that improves the decision-making process (Coldwell & Herbst, 2004). There are three different types of business research strategies namely descriptive research, exploratory research and casual research. For the purposes of this study exploratory research will be used.

### **4.2 EXPLORATORY RESEARCH**

Exploratory research involves research into an area where tentative hypotheses about a particular relationship exist but do not warrant a full-scale study until greater clarity is gained (Coldwell & Herbst, 2004). It can also involve the use of untried measuring instruments whose reliability and validity have not been rigorously tested (Coldwell & Herbst, 2004). The purpose of exploratory research is to determine whether or not a phenomenon exists, and to gain familiarity with such a phenomenon, but not to compare it with other phenomena (Coldwell & Herbst, 2004). Exploratory research is used in this study to learn something about the problem facing managers in terms of being unable to effectively lead their subordinates.

### **4.3 QUALITATIVE AND QUANTITATIVE APPROACHES**

Qualitative research means that the research findings are not subjected to formal quantitative analysis (Coldwell & Herbst, 2004). Qualitative research can be used to examine the feelings and motivations of the subjects. Quantitative research can reveal statistically significant differences between variables (Coldwell & Herbst, 2004). This study will use a quantitative approach to examine the relationship between various variables.

#### **4.3.1 Quantitative research**

Quantitative research involves the collection of primary data from large numbers of individual units, frequently with the intention of projecting the results to a wider population (Coldwell & Herbst, 2004). The collection of numbers and their classification, together with other facts and opinions, provide data (Coldwell & Herbst, 2004). The quantitative approach describes, infers and resolves problems using numbers. Emphasis is placed on the collection of numerical data and the drawing of inferences from the data (Coldwell & Herbst, 2004). Measurement is seen as critically important in quantitative analysis, and factors that cannot be easily measured using numbers are feelings, values and beliefs, these are difficult to include in a quantitative analysis (Coldwell & Herbst, 2004).

#### **4.4 RELIABILITY AND VALIDITY**

Scientific statements about the world must be reliable and valid (Coldwell & Herbst, 2004). Scientific statements have to be true, they have to show what they purport to show and in order to do this effectively, the instruments used to measure the phenomena have to be reliable (Coldwell & Herbst, 2004).

Validity is usually discussed in terms of internal and external validity (Coldwell & Herbst, 2004). Internal validity refers to the validity of the findings of a particular study or the extent to which the hypotheses are supported by the available evidence (Coldwell & Herbst, 2004). External validity refers to the capacity to generalise findings to other similar situations and contexts (Coldwell & Herbst, 2004). In order to show the validity of a particular research study, a number of validity issues need to be investigated, namely:

- Face validity - this is a weak form of validity and refers to whether the items in a measuring instrument appear to measure what they purport to measure

- Content validity - this aims to show the extent to which the items for a particular measuring instrument fully represent the area under study, with no omissions
- Construct validity - this is measured in terms of how well the items selected for the construct actually measure the construct, that is how well the factors that are included in a particular construct are supported by the available data
- Criterion-related validity - this can be in two forms, concurrent and predictive. Concurrent validity refers to the extent to which the measures taken by one instrument correlate with the measures taken at the same time by another instrument or measure of a given construct

## **4.5 RESEARCH DESIGN**

A research design is the strategy for the study and the plan by which the strategy is to be carried out (Coldwell & Herbst, 2004). It will specify methods and procedures for the collection, measurement and analysis of data (Coldwell & Herbst, 2004).

### **4.5.1 Non-experimental design**

The idea behind survey methodology is to measure variables by asking people questions and then examining relationships among the variables (Coldwell & Herbst, 2004). The term survey refers to one or a combination of two procedures: questionnaires and interviews (Coldwell & Herbst, 2004). Questionnaires are almost always self-administered, allowing respondents to fill them out themselves (Coldwell & Herbst, 2004).

Surveys can be cost-effective however, there are certain weaknesses such as not being able to make inferences at the level of cause and effect and you are unable to rule out rival hypothesis (Coldwell & Herbst, 2004). Other weaknesses

include the respondents giving socially desirable responses; it is difficult to access the right amount of people; respondents may drop out; and surveys are full of systemic biases (Coldwell & Herbst, 2004).

The research design for this study will be a non-experimental survey research design using the questionnaire. The study will use a self-administered e-mail questionnaire. The questionnaire questions will be closed questions.

#### **4.6 DATA MEASUREMENT**

This study will make use of the Likert scale which is also termed a summated instrument scale (Coldwell & Herbst, 2004). Each item will be allocated a score from 0 – 3, which means that the items can be summed to produce a total score (Coldwell & Herbst, 2004). Data will be coded and tabulation will be used in order to process and analyse the data. A higher score implies stronger emotional intelligence skills and a more positive prediction for effective functioning in meeting demands and challenges. Conversely, a lower emotional intelligence score suggests poorer emotional intelligence skills and a reduced ability to be effective in meeting demands and challenges.

#### **4.7 POPULATION**

Population is a collection of data whose properties are to be analyzed. The population is the complete collection to be studied. It contains all subjects of interest (Coldwell & Herbst, 2004). It is a group of individual persons, objects or items from which samples are taken for measurement (Coldwell & Herbst, 2004).

The study was done in a multinational organization that operates in the fast moving consumer goods industry. This organization has 220 employees of which 90 are managers.

## **4.8 SAMPLING**

A sample can be defined as a set of respondents selected from a larger population for the purpose of the study (Coldwell & Herbst, 2004). Sampling is the act, process or technique of selecting a representative part of a population for the purpose of determining parameters or characteristics of the whole population (Coldwell & Herbst, 2004). Inferential statistics are used to draw conclusions about populations from samples (Coldwell & Herbst, 2004). It enables us to determine a population's characteristics by directly observing an enumeration of the population for many reasons (Coldwell & Herbst, 2004).

For the purposes of this study a non-probability convenience sampling technique will be used. Non-probability samples that are restricted are called convenience samples (Coldwell & Herbst, 2004). This study will have a sample size of 30 managers from a population of 90 managers within a multinational organization that employs 220. This organization operates in a highly competitive packaging industry.

## **4.9 DATA ANALYSIS TECHNIQUES**

### **4.9.1 Descriptive Statistics**

Descriptive statistics are the most commonly used and they include number and measures of variation (Coldwell & Herbst, 2004). This study will measure the relationship between emotional intelligence factors and leadership effectiveness.

### **4.9.2 Mean and Median**

The mean and median are measures of central tendency and indicate what the typical or middle point of a set of data is (Coldwell & Herbst, 2004). They are also called measures of location (Coldwell & Herbst, 2004).

The mean is used to find the arithmetic average (Coldwell & Herbst, 2004). The values obtained in the study are summed and divided by the number of observations (Coldwell & Herbst, 2004). The mean reflects all the values in the data set (Coldwell & Herbst, 2004).

The median is a single value from the data set that indicates or measures the central item in a data set (Coldwell & Herbst, 2004). This single item is the most central item in a set of numbers (Coldwell & Herbst, 2004). To determine the median of a data set, the data must first be arrayed into ascending and descending order (Coldwell & Herbst, 2004). If the data set consists of an odd number of items, the middle item of the array is the median (Coldwell & Herbst, 2004). If the data set consists of an even number of items, the median is the average of the two middle items (Coldwell & Herbst, 2004).

#### **4.10 SUMMARY**

It is important for the information and data gathered to be organized into a clear and concise business report to aid in the decision-making process. The communication of the results needs to be clear so that the decision-makers are able to act effectively and take the optimal decisions (Coldwell & Herbst, 2004).

## **CHAPTER 5: RESEARCH FINDINGS**

### **5.1 INTRODUCTION**

Emotionally intelligent people possess the remarkable attribute of recognizing and understanding the internal emotional environment of their own and others' minds during social interactions and show skillfulness in managing their relationships with others in ways that produce mutually productive outcomes for both (Goleman, 2005). The research findings in this report suggest that there is a link between emotional intelligent sub-factors and leadership effectiveness such as motivation and stress management.

### **5.2 POPULATION AND SAMPLE**

A sample of 30 managers was selected from a population of 90 managers within a multinational organisation in the fast moving consumer goods industry. Out of the 30 managers selected, only 25 respondents participated in this study. The participants were of ages between 25 and 60, male and female and various different race groups.

### **5.3 RESEARCH INSTRUMENT**

While the quantitative approach used in this analysis did not allow for an analysis of the deepest level of leadership, it allowed the researcher to examine the perceptual realities of the respondents. This 45-item questionnaire asked employees questions in terms of the 5 sub-factors of emotional intelligence using a Likert rating scale comprising 'strongly agree'; 'agree'; 'disagree' and 'strongly disagree'; a measurement of 0 to 3 was assigned to each item.

The questionnaire measures an individual's overall level of emotional intelligence as well as five sub-factors of emotional intelligence. The participants completed a

set of questions pertaining to perceiving emotion, using emotion, understanding emotions, managing emotions as well as questions pertaining to culture and leadership abilities.

The 45-items were divided into questions on culture, leadership and five sub-factors of emotional intelligence including:

- Self-regulation
- Self-control
- Social skills
- Motivation
- Stress management

#### **5.4 RATIONALE AND BACKGROUND**

The aim is to better understand the relationship between emotional intelligence factors and leadership effectiveness and to identify if corporate culture is a significant factor. It is important to understand the reasons why some managers fail at leading their subordinates so that the correct actions can be taken in order to improve this relationship.



## 5.5 CONTENTS OF THE QUESTIONNAIRE

Emotional intelligence sub-factors were used to determine whether any of these sub-factors contributed to leadership. Various questions were asked with regards to emotions, culture and leadership. Some of the questions for analysis were as follows:

**Table 5.1:** Questions for analysis (**Source:** Own source)

		Strongly Agree	Agree	Disagree	Strongly Disagree
1	I am motivated by my own beliefs and aspirations.				
2	I approach negotiations knowing what I want and determined to get it.				
3	I can read between the lines and pick up on how other people are feeling.				
6	If I feel that my immediate superior is working against my interests and those of the company I would go over his head to his/her superior.				
30	I can soothe or contain distressing feelings in a group so that they don't affect relationships or performance.				

## **5.6 VALIDITY AND RELIABILITY**

The questionnaire used was not a scientifically validated emotional intelligence test and therefore could affect the validity of the data.

Self-report questionnaires always risk bias. Respondents may answer favourably in order to create the perception of excellence.

The sample size of the study was too small. This may have affected the findings in terms of generalizing. The questionnaire is based on perceptions of the managers and is therefore subjective; this leads to the results being skewed which affect the validity and reliability of the study.

## **5.7 DATA COLLECTION**

A 45-item questionnaire was submitted via e-mail to 30 managers within the organisation. Only 25 managers participated and returned the questionnaire via e-mail.

## **5.8 DATA ANALYSIS**

Mean and median were used as analysis tools. Those managers who had strong leadership skills had lower than average EQ scores however they rated high on the motivation and stress management sub-factors of emotional intelligence. The present results suggests that one of the underlying competencies of being a strong leader is the ability to motivate themselves as well as other, these leaders also have stronger stress management abilities. Social skills were not found was not found to correlate with high emotional intelligence and leadership skills. Culture however was found to have a significant influence on the leadership skills.

## 5.9 RESEARCH RESULTS

The main objective of the study was to identify the relationship between emotional intelligence and leadership effectiveness.

**Table 5.2:** Mean and Median Scores (**Source:** Own source)

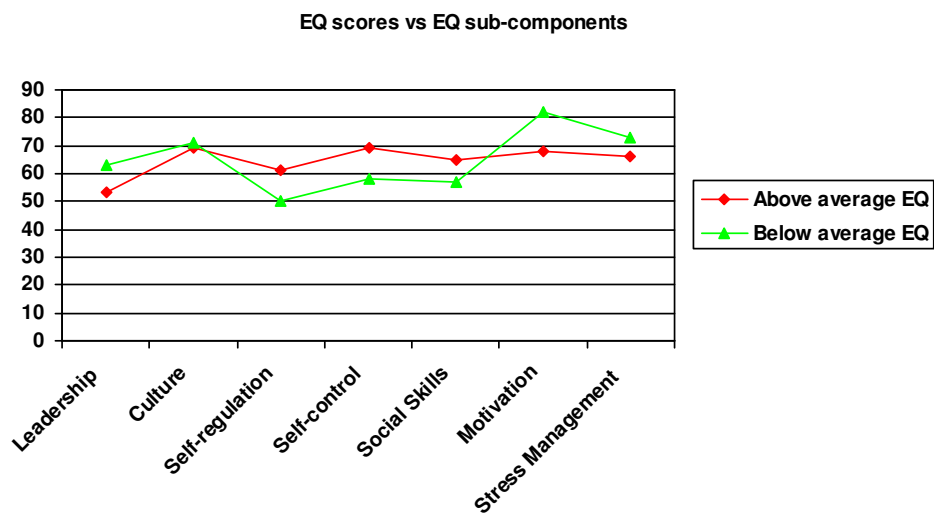
	Mean Scores	Median scores
<b>Self-regulation</b>	56	58
<b>Self-control</b>	64	63
<b>Social skills</b>	62	61
<b>Motivation</b>	74	80
<b>Stress Management</b>	69	67
<b>Culture</b>	70	67
<b>Leadership</b>	58	62
<b>TOTAL EQ%</b>	58	63

The mean and median scores show that the managers have average EQ and leadership scores however the mean and median scores for culture and stress management were relatively high with motivation having the highest score. This shows that certain sub-factors of EQ are more important than total EQ.

**Table 5.3:** Above-average vs Below-average EQ Scores (**Source:** Own source)

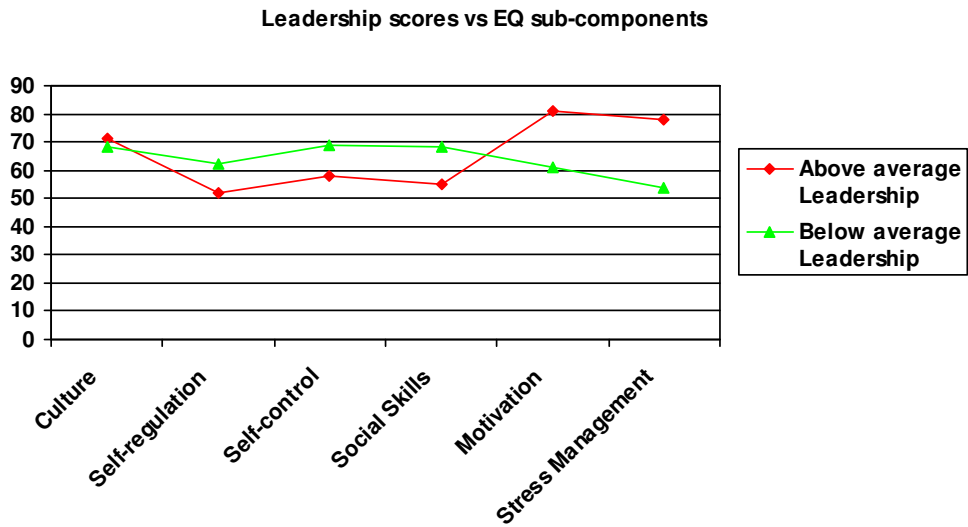
	Above-average EQ scores vs Below-average EQ scores							
	EQ	Leadership	Culture	Self-regulation	Self-control	Social Skills	Motivation	Stress Management
Above average	68	53	69	61	69	65	68	66
Below average	55	63	71	50	58	57	82	73

**Table 5.4:** EQ scores vs EQ sub-components (**Source:** Own source)



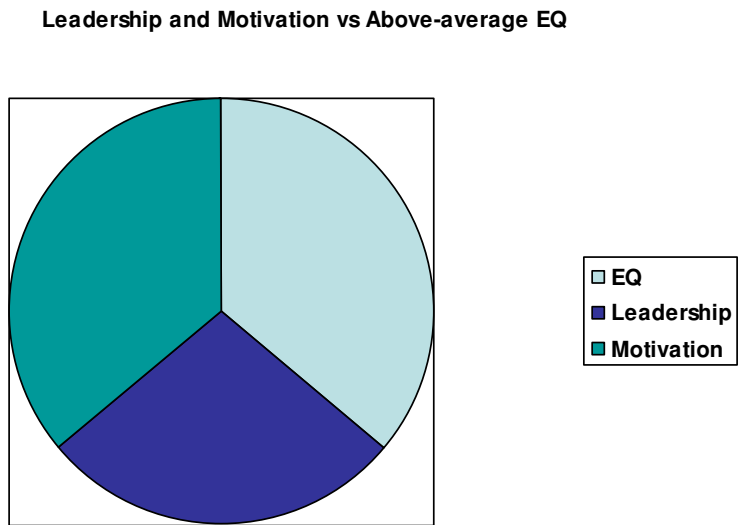
This graph indicates that those managers with above average EQ scores, scored lower on leadership than managers with below average EQ scores. However, the managers with above average EQ scores scored significantly higher on motivation and stress management.

**Table 5.5:** Leadership scores vs EQ sub-components (Source: Own source)

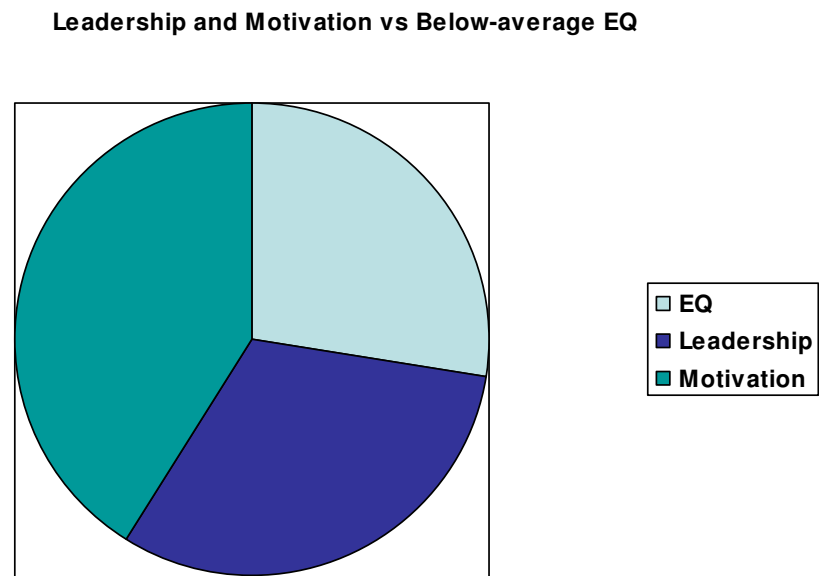


The above graph indicates that there is no direct relationship between total EQ and leadership skills however, the sub-components of emotional intelligence are more important than total EQ.

**Table 5.6:** Leadership and Motivation vs Above-average EQ (Source: Own source)

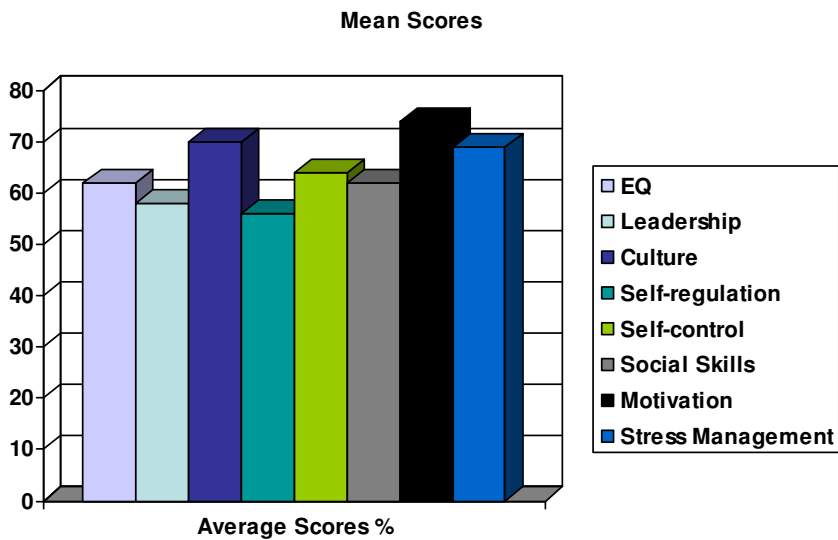


**Table 5.7:** Leadership and Motivation vs Below-average EQ (**Source:** Own source)



The two graphs above indicate that motivation plays a big role in leadership effectiveness as opposed to total EQ.

**Table 5.8:** Mean Scores (**Source:** Own source)



The above graph indicates that motivation and stress management are important sub-factors of emotional intelligence and that culture also plays a big role in leadership effectiveness.

**Objective 1: To assess the relationship between emotional intelligence factors and leadership effectiveness.**

The results show that there are no significant relationships between total emotional intelligence and leadership effectiveness. However at some of the sub-factor levels of emotional intelligence are the main predictors of leadership effectiveness are motivation and stress management.

**Objective 2: To determine whether emotional intelligence is a major factor of highly successful managers.**

The results do not show a direct correlation between emotional intelligence and highly successful managers. On the contrary those managers that scored high on leadership skills had only an average overall score for emotional intelligence.

**Objective 3: To identify which emotional intelligence sub-factors is a major factor of highly successful managers.**

The results show that motivation and stress management are key determinants of highly successful managers.

**Objective 4: To find out the extent to which emotional intelligence sub-factors contributes to leadership effectiveness**

From the study conducted it is difficult to say, a more in-depth study of leadership will have to be conducted in order to make a conclusion. A more reliable emotional intelligence test will also have to be conducted.

**5.10 SUMMARY**

The findings of this research paper indicate that a relationship exists between emotional intelligence sub-factors and leadership effectiveness and not emotional intelligence as an overall factor. The findings also indicate that culture is an important factor for leadership effectiveness. In this fast moving environment the ability to motivate oneself as well as other around you, and to move with the current issues and challenges without losing control of oneself is seen as an important factor in providing support to subordinates in stressful times.



## **CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS**

### **6.1 CONCLUSIONS**

The study finds that most of the managers had moderate EQ scores in the areas of motivation, social skills, stress management, self-regulation and self-confidence and had moderate leadership skills with relatively high cultural scores. Not all managers were found to have adequate levels of EQ and leadership effectiveness, it was found that stress management and motivation were the most important factors.

It is concluded from reviewing the results that emotion is an important topic in leadership, but a lot of research is still necessary with respect to its possible pitfalls and challenges. Therefore, it is recommended that research be conducted that focuses on the challenges leaders are confronted with in a cross-cultural context.

Leadership is based on the interaction between leaders and followers; thus, leaders need competences when it comes to upholding relationships. In this context, self-awareness and awareness of the emotions of others are certainly relevant. Consequently, emotional intelligence sub-factors is highly relevant to leadership, and if possessed by leaders, would contribute to their effectiveness, however the exact significance of emotional intelligence for effective leadership is thus still to be proven.

People with high emotional intelligence tend to possess an advantage over those with lower levels of emotional intelligence. The message that emerges from these developments is clear; executives, employees and career aspirants who wish to advance and grow in their careers should pay attention to developing EI competencies and endeavours to strengthen these skills as they progress through organizational careers. As individuals grow in EI, it changes both their

inner minds and outside relationships and cultivates within them better attitudes, clearer perceptions, and productive social relationships that are valued in diverse career and life settings (Goleman, 1995). Most often, EI builds and incorporates into the minds of people a burning spirit for pursuing noble goals, missions, and accomplishments that lead to definable progress both in their career and life.

## 6.2 RECOMMENDATIONS

- It is recommended that the relationship between emotional intelligence and leadership be studied in other organisations and in other industries to allow for a more comprehensive comparison of the relationship
- It is recommended that the organization develops programs to enhance emotional intelligence of current managers. This will enable managers with lower levels of emotional intelligence to enhance their motivation and self-confidence and to lead their subordinates in a more constructive way
- It is recommended that further studies be conducted in the area of leadership effectiveness in order to ascertain the challenges and pitfalls
- It is recommended that any future studies in this area be conducted using a validated research instrument

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