

Emerging Markets Queries in Finance and Business

Leadership and emotional intelligence: the effect on performance and attitude

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Abstract

Employers and mainly those the operate in an international context and interact in a multicultural environment want and look for employees who possess emotional competences, which influence and ease relationships between people, allow a better social cohesion, an emotional self-control and an “alphabetisation” of emotional states, and who work together for their personal benefit and not contrary to their expectations, needs and competences. An increasing number of specialists state that emotional intelligence is a central variable that affects leaders’ performance.

In this study, carried out in a sugar factory, we tried to characterise the internal environment of the organisation and the relationships that dominate them in order to identify and understand the situation the organisation is confronted with in terms of the relationship between managers and subordinates, empathy, nonverbal communication, self-control, handling relationships, emotional intelligence. We tried to provide exploratory evidence for the effects that emotional intelligence has on leaders and followers in terms of performance, results and work satisfaction.

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1. General Considerations

Lately, there has been a growing interest in emotional intelligence among researchers and consultants in the

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fields of psychology, education and, especially, management. Emotional intelligence courses are conducted by management consultants. Some experts state that emotional intelligence affects both physical and mental health, and the career development of individuals. Some theories of leadership imply that emotional and social intelligence are more important for leaders and managers as cognitive and behavioural complexity and flexibility are important characteristics of competent leaders. Yet there is little empirical evidence in the literature on the relationship between emotional intelligence of leaders and their followers and the results of their work. One reason for this lack of evidence may be the absence of accurate measurements from the psychological and the practical perspective of emotional intelligence that can be used in studies of leadership and management. A group of Chinese scientists from universities in Hong Kong have attempted to develop such a measurement and to provide exploratory evidence about the effects of emotional intelligence on work outcomes of leaders and their followers.

2. Approaching Leadership in Terms of Emotional Intelligence

Leadership is concerned with the interaction of leaders with other individuals. Once there are involved social interactions, emotional awareness and emotion regulation become important factors affecting the quality of interactions. Social intelligence can affect the success in work of managers and leaders in a more important way than traditional mental intelligence. Effective leadership behaviour depends crucially on the ability of a leader to solve complex social problems that arise in organisations. Good leaders must have a good understanding of their own emotions and of those of others, and are able to regulate their emotions when interacting with others.

Emotional intelligence has become a vital element of the way today's leaders address the complexity of the challenges they encounter in the business environment. The leaders who are considering this type of intelligence own a real competitive advantage. Emotional intelligence does not fall within the classic model of leadership, where the leader is associated with representative, charismatic and sometimes despotic figures in military history. Today, it is difficult for the workforce to accept autocratic leadership styles, retaliation or omissions pronounced at psychological level occur, the employees now having more options and choices than yesterday's soldiers, so that the leaders must lead this workforce who are more aware of their rights and adopt consultative, cooperative and democratic styles.

The importance of emotions has been addressed, argued, dissected, criticised, highlighted ever since Antiquity. Plato said that what one learns has an emotional basis, which is very relevant and proven in each individual, as when learning and work are done with passion, there are positive feelings towards learning, towards the activities to be undertaken, the learning process becomes by itself easier for the memory, it is a pleasure to be involved and has both intrinsic individual results and measurable and observable performance, and when coercive factors related to a particular field or situation interfere and which are forced on the limbic system of the brain, although emotionally and psychologically there is the refusal of that acquirement, of adopting a particular style or achieving a process, what is learned or done thereafter will be forgotten, so it will not represent something useful which is worth to be used later, it generates stress, frustration, and will be stored in long-term memory - at best - as something which is always negative, which needs to be postponed as it creates discomfort, so a disagreement between emotional perception and what needs to be done or said, entails disturbing effects in the interaction with others, in activities at work, in private life, which manifests itself sooner or later in different forms.

It was found that people with high intelligence failed to obtain significant performance at work, that there are components of intelligence which do not manifest by intelligence in its classic format but greatly affect work performance and social success. It was concluded that there are human qualities that promote success, other than those that give a high intelligence quotient, and thus was developed the concept of emotional quotient. It has been shown that people with high emotional intelligence achieve high performance in sales or management, where success is closely linked to the ability to understand and use interpersonal relationships.

This concept is increasingly used with instruments that measure it in modern business leadership, at least

where the emphasis is on the interaction between people. Since emotional skills are so important for professional adjustment, there has been outlined a number of areas of education and training, such as the identification and control of negative emotional states - anger, rage, depression – as these generate leadership styles belonging to the strong demotivational category, lead to a decline in the morale of the organisation, generate stress and in turn attract a number of reactions from the members of the organisation, identification of own emotions and then assuming accountability for the identified emotions, learning compassion and empathy.

Self-knowledge is the first step towards emotional intelligence and effective leadership, because some people are unable to recognise their own emotional states and reactions and eventually get stuck in dysfunctional behavioural patterns, hence the inability of effectively leading others. Affective states can be cultivated in order to lead to the goal and not to be in conflict with it. Mood regulation is particularly important for leaders, because those who cannot master their emotional states, those whose rage makes them destructive for themselves or for others, can create cascading effects that spread far into the organisation. On the road of self-knowledge it is important for the leaders to discover what can produce for them a feeling of “*overflow*”, which can be used to self-reveal the situations where they feel best, where their performance is maximum.

In all its strength, the *overflow* is the emotional intelligence at the absolute degree. This is the opposite of depression. Thus, the *overflow* occurs when we are completely absorbed in what we do and we also relate positively to the situation, we put passion in what we do, all the attention is directed towards meeting the goal, sensitivity merges with action, oblivion intervenes, so it is a prerequisite to achieving performance in a profession, to finding a vocation, so that when an individual is led naturally, by oneself, inherently to areas that absorb him/her spontaneously, it may be the beginning of higher levels of achievement. Other attitudes in emotional intelligence are active listening, non-verbal communication and interpretation. The ability to interpret and use emotional states of self and others in an organisation is an art which can improve and redress situations or, conversely, destroy relationships, so that negative emotions, which often alienate the person from others, block introspection and produce physical and mental stress, have protective effects by acting in favour of self-esteem, providing the individual with moral justification, motivating him to act. Positive emotions promote pleasant relationships with others, stimulate the adventure spirit that motivates the individual to explore the unknown and not to remain passive.

High emotional intelligence generates the creation of stronger, more solid interpersonal relationships, self-motivation and increased motivation for others, proactivity, innovation and creativity, high performance as leaders, better work under pressure and better adaptation to the changes, and, not least, self-reconciliation. The higher level a person has in an organisation, the more important it is to have emotional intelligence and, in contrast, the less important become technical skills.

A leader full of affection and understanding offering challenges to employees so that they can stand out by fulfilling the tasks followed by the expected feedback by means of appreciation, helping people feel alive and dynamic, will lead the organisation to great results. An emotionally intelligent leader, either in the position of a leader or manager, will provide feedback at the right time; he is aware that the appreciation by feedback will not generate costs and, more than that, it will increase performance and engender satisfaction, accomplishment, pride and utility among the subordinates who are an emotional source. The true leader has a high energy consumption, which generally manifests in two shades: aggressive and affectionate.

Emotional intelligence is composed of four distinct dimensions: evaluation and expression of own emotions, assessment and recognition of others' emotions, regulation of own emotions, using emotions to facilitate performance.

3. The Effects of Emotional Intelligence on Work Outcomes in the Workplace

Organisations are environments that require personal interaction. Most of these interactions are related to the fulfilment of work duties, such as serving customers, receiving instructions and reporting to superiors or cooperation and coordination with colleagues. Employees with high levels of emotional intelligence are those who can effectively use regularisation based on history and on responses of emotions and who master

interactions with others in a great manner. Emotional commitment to others is a necessary component of social interaction and the expression of positive emotions is associated with a greater likelihood of success at the workplace, namely, emotional intelligence is directly linked to performance. It is considered that emotional intelligence should be linked to other affective labour outcomes such as professional satisfaction, commitment to the organisation and intention to leave the organisation.

Based on such assumptions we tried to formulate hypotheses as follows: emotional intelligence is positively related to work performance, emotional intelligence is positively related to professional satisfaction, emotional intelligence is positively related to organisational commitment; the relationship between emotional intelligence and work performance is moderated by the amount of emotional work required by the position; the relationship between emotional intelligence and professional satisfaction is moderated by the amount of emotional work required by the position; the relationship between emotional intelligence and intention to leave the organisation is moderated by the amount of emotional work required by the position.

The objective of our research was to study the degree of association, in both leaders and subordinates, between the level of emotional intelligence and professional performance or professional satisfaction by analysing the intercorrelations matrix, which includes other variables such as: the level of emotional intelligence of the leader, theoretical knowledge, level of education and age and then using multiline regression analysis to determine which are the best predictors for the professional performance of subordinates.

Based on the set objectives, there were established the following assumptions:

- a. Leaders with high emotional intelligence levels tend to achieve both higher professional performance and high scores on professional satisfaction;
- b. Subordinates with a high level of emotional intelligence tend to obtain higher professional performance and high scores on professional satisfaction;
- c. Subordinates who have leaders with a high level of emotional intelligence tend to achieve both higher professional performance and high scores on professional satisfaction.

For the study we used a group of 154 subjects, including 15 managers, 139 workers, mostly male, aged between 20 and 60 years old, the average age being 42 years old.

The level of professional performance of leaders and subordinates is provided by the organisation where the research is conducted, the assessment tools are: to assess the professional performance of the leaders there was used the rating scale with behavioural anchors, method used and suitable for estimating the efficiency of managers in different industries, answering three important criteria: professional success factors are defined more accurately; the anchors describe more accurately the main positional categories of each scale; the answer of the assessor is well-controlled by following precise instructions for using the scale. The assessment scale with behavioural anchors comprises eight professional dimensions on which assessment is made: the volume of theoretical and practical knowledge, the application of professional knowledge, professional effectiveness, and responsiveness to professional requirements, management ability, team integration, training ability and observance of work discipline. Each dimension is detailed on an upper, middle and lower professional performance behaviour, being classified on a scale from 1 to 9.

The annual evaluation sheet was used for assessing the professional performance of subordinates, as it is a rating scale with multiple steps measuring nine aspects: the quality of workers, work performance, knowledge and skills, retraining, self-improvement, creativity, initiative, discipline, integration in the team / collaboration and ethical behaviour. Each aspect is detailed on five degrees.

For measuring the emotional intelligence there was used the Emotional Intelligence Scale developed by Schutte (1998), adapted by the Faculty of Psychology and Science of Education of the Babeş-Bolyai University Cluj-Napoca. The questionnaire consists of 33 items and it is based on the theoretical model of emotional intelligence built by Salovey and Mayer (1990) comprising four subscales: regulation of personal emotions, assessment of emotions, regulation of other's emotions and use of emotions. The EIS total score, according to the scale itself, is obtained performing sums of the partial scores obtained on the scale items. It can range between 33 and 165. Calculation of the other scores, specific to the EIS scale, is made using a similar procedure. These can have the following values: personal emotions adjustment scores (PEA) and the

assessment of emotions (EAs) between 9 and 45, the score for the adjustment of emotions of others (EOA) between 11 and 55 and the score for using emotions (UE) between 4 and 20. Three of the 33 items are reversely scored, namely grade 5 is given if the subject circled value 1, 4, if the subject circled value 2 etc. EIS has an optimal validity of content and construction, as well as an appropriate reliability: the coefficient of internal consistency α Crombach is 0.85 and the value of the test-retest correlation r is 0.73 (less than 0.01).

For assessing professional satisfaction there was used Balzer's (1997) Job in General Index (JIG). JIG reflects general feelings towards work, bringing together all aspects of professional satisfaction.

Evaluation of emotional intelligence and professional satisfaction levels, in both leaders and subordinates, was made by conducting the two questionnaires for the 254 employees in the sample.

4. Research Results

After processing the data from the questionnaires by analysing the intercorrelations matrix, the following were found:

a. Professional performance of leaders positively correlates with emotional intelligence ($r = 0.58$ at the significance threshold of $p < 0.05$), theoretical knowledge ($r = 0.79$ at the significance threshold of $p < 0.01$) and education ($r = 0.67$ at the significance threshold of $p < 0.01$). In other words, the greater the emotional intelligence, the level of theoretical knowledge and education, the higher the professional performances the leaders achieve.

b. There can also be found a significant positive correlation between the level of education and theoretical knowledge ($r = 0.53$ at the significance threshold of $p < 0.05$); the more years of study the leaders have, the more they acquire extensive theoretical knowledge. It also stands out a decrease in the years of study with the increase in age, the correlation between these variables being negative ($r = -0.51$ at the significance threshold of $p < 0.05$), this shows that there is a decrease in the interest in vocational training and continuous lifelong development of leaders with the passing years, with negative repercussions on adapting to the ever changing requirements of the environment.

c. There can also be found the lack of correlation between professional performance and professional satisfaction in leaders, which is a proof that high professional performance scores are obtained on the background of the disinterest for their current job with long-term consequences such as: increased stress, absenteeism and high fluctuation, indicating a deficiency in the appointment of leaders on positions based on interests and a widespread use of economic coercion and motivation to achieve high professional performance.

d. Looking at the results of multilinear regression analysis used to predict professional performance of leaders, it appears that of the three independent variables (emotional intelligence, theoretical knowledge and education) that can be used as predictors for the dependent variable (professional performance), emotional intelligence and theoretical knowledge help us better in our prediction, the multiple regression coefficient being 0.74, which means that the emotional intelligence variable together with the theoretical knowledge variable justify by 74% the variance of professional success.

e. By analysing the data of the intercorrelations matrix in subordinates among the variables: own emotional intelligence, emotional intelligence of the leader, theoretical knowledge, education, age, professional satisfaction and performance, it is noted that the professional performance of subordinates positively correlates with their own emotional intelligence ($r = 0.56$ at the significance threshold of $p < 0.01$), the emotional intelligence of the leader ($r = 0.46$ at the significance threshold of $p < 0.01$), the theoretical knowledge ($r = 0.63$ at the significance threshold of $p < 0.01$) and education ($r = 0.28$ at the significance threshold of $p < 0.05$); it is in negative correlation with age ($r = -0.13$ at the significance threshold of $p < 0.05$). In other words, the greater their own emotional intelligence, the emotional intelligence of the leader, the level of theoretical knowledge and education, the higher the professional performance of the subordinates, decreasing as subordinates age. There can also be seen a significant positive correlation between the level of education and theoretical knowledge ($r = 0.42$ at the significance threshold of $p < 0.01$); the more years of study the subordinates have, the more they acquire more extensive theoretical knowledge. It also stands out a decrease in

the years of study with the increase in age of the subordinates, the correlation between these two variables being negative ($r = -0.35$ at the significance threshold of $p < 0.01$), the same trend being ascertained between satisfaction and the level of education ($r = -0.44$ at the significance threshold of $p < .05$). Similar to the results obtained in the matrix of intercorrelations for leaders, there can be found a lack of correlation between professional performance and professional satisfaction of subordinates, which could have the same causes that have been listed already, such as deficiency in appointing personnel on positions according to interests and the widespread use of economic coercion and motivation to achieve high professional performance. In what concerns the negative correlation between education and professional satisfaction ($r = -0.14$ at the significance threshold of $p < 0.05$), one possible explanation would be that those who have more years of education cannot exploit their maximum potential due to conservatism shown by the old guard, which leads to a feeling of hopelessness. The decline with age of the professional performance can have many causes, such as: reduction of cognitive and physical capacities, lack of adaptability to new methods and techniques used in the technological process or, as shown by the intercorrelations matrix, a lack of theoretical knowledge.

f. The analysis of the results of the multilinear regression used to determine which are the best predictors for professional performance of subordinates in a situation of professional selection shows that, similar to the case of leaders, of the three independent variables (emotional intelligence, theoretical knowledge and education) that we can use as predictors for the independent variable (professional performance), emotional intelligence and theoretical knowledge help us best in predicting professional performance of subordinates, the value of the multiple regression coefficient is 0.5, which means that the emotional intelligence variable together with the theoretical knowledge variable, justifies by 57% the variant of professional success.

5. Conclusions

In recent times, an increasing number of researchers have stated that emotional intelligence is a fundamental variable that affects the performance of leaders. But there is little evidence on the effects of emotional intelligence of leaders and subordinates on work results. The aim of this study was to develop such measurements and provide evidence on the effects of emotional intelligence and on work results to support future research in leadership and management. We also wanted to conduct a study on the degree of association, both in leaders and subordinates, between the level of emotional intelligence and professional performance or professional satisfaction by analysing the intercorrelations matrix, which includes other variables such as: theoretical knowledge, level of education and age, and then by analysis and multilinear regression to determine which are the best predictors for professional performance, both in leaders and subordinates.

With regard to the first hypothesis of the paper, it was confirmed only partially, namely there was obtained a significant positive relation between the level of emotional intelligence and the professional performance of leaders. When leaders know and control their emotions, they are better able to address the problems in a more flexible way, to consider alternative scenarios and to avoid the effects of rigidity in decision making. They may find that different affective moods and emotions make them consider multiple options and alternatives.

After testing the second hypothesis, as in the case of leaders, we obtained a significant positive correlation only between the level of emotional intelligence and the professional performance of subordinates. Professional performance of subordinates with a high level of emotional intelligence is superior because at present most of the activities within the organisation are conducted in teams, emotional intelligence, in this case, contributing to a better cooperation among group members with effects on work outcomes. Emotional intelligence contributes to constructive thinking that facilitates problem solving at work and may also facilitate the generation of creative ideas for solving conflicts and disagreements; it can also ensure cooperation and trust within the organisation. Furthermore, the employees with a high level of emotional intelligence can better cooperate with their hierarchical superior in terms of work duties, and this induces a positive attitude on the leader with influence on the performance appraisal process.

Regarding the third hypothesis, after the statistical processing of the data, there was obtained only a significant positive correlation between the level of emotional intelligence of leaders and the professional

performance of subordinates. Leaders with a high emotional intelligence level can inoculate their employees a note of enthusiasm, excitement and optimism, and an atmosphere of cooperation, through which they may subsequently develop positive interpersonal relationships with them; positive interpersonal relations between leadership and employees can bring many benefits to the organisation, such as for example, increased professional performance.

When leaders understand and are able to influence the emotions of subordinates, they will be able to make them reassess the emotions they experience and the way they can express and manifest them. In general, emotional intelligence includes those skills or abilities related to the emotions which underpin the ability of a leader to make major changes in the organisation. Some people have difficulty in determining the affective states of others. Others have difficulty in responding to the feelings of others. Both types of people will not however be able to impose major changes in an organisation. On the other hand, individuals who can assess the feelings of others and can respond to these feelings in an adaptive manner are more able to overcome resistance to change and to transform the organisation in different ways.

With regard to the relationship between emotional intelligence and professional satisfaction, one of the possible explanations for the failure to obtain a significant positive correlation between these two variables, both in leaders and subordinates and in the leaders-subordinate relationship, is that professional satisfaction may be influenced by the expectations of the individual and by the actual results of work, as well as by the personality of the employee who is prone to be more or less satisfied, factors that are not mediated by own emotional intelligence, or the leader's in the case of subordinates. The other explanation would be that people with high scores of emotional intelligence have skills that lead to success in various spheres of life, both at work and in private life, without them giving special priority to work or motivation.

Multilinear regression analysis revealed that emotional intelligence and theoretical knowledge best help us in predicting professional performance, both of leaders and subordinates, the emotional intelligence variable together with the theoretical knowledge variable justifying by 74% the variance of professional success of leaders and by 57% the one of the subordinates. The emotional knowledge and theoretical knowledge level must therefore be assessed in a situation of professional selection, the scores obtained for the two variables being the selection criteria, and their weight being determined according to the characteristics of the position in question. For positions which require high emotional skills, the weight of the results obtained on the scale of emotional intelligence must be higher than for the positions which do not require such abilities.

Regarding other significant correlations obtained by statistical processing of data, both in leaders and subordinates, namely the negative correlation between age and education, satisfaction and education, professional performance and age and the positive correlations between the level of theoretical knowledge and education, professional performance and education, highlight the fact that the organisation where the study was conducted employs young people with high professional training acquired through education, but who cannot exploit their potential because of old practices maintained by older employees who are not interested to improve their theoretical knowledge by training – self training and lifelong learning, which may have negative impacts on short and medium term such as: inadaptability to the requirements of the ever-changing market, to the methods and techniques used in the technological process, it decreases the degree of autonomy of older employees because of the old mentalities where everything was mapped by the hierarchical superior, thus reducing the efficiency of the works in terms of execution time.

In order to achieve a significant positive correlation between professional performance and professional satisfaction of the employees in the future, it is necessary to develop an effective management system of rewards which results in increasing productivity and the quality of the services provided to the customers and in reducing conflicts and disagreements due to wages. It would be interesting to study in the future the evolution of professional performance and professional satisfaction in this organisation after the implementation of a programme to develop emotional intelligence for both leaders and subordinates.

The paper tries to address the influence of emotional intelligence in the organisational environment, considering only two issues: the relationship between the leader and subordinates as well as the interaction within the work group. The objectives of future research may be to study how emotional intelligence can

influence other aspects, such as work-personal life balance, stress resistance, creativity, self-esteem and motivation to work.

This study provides some evidence on the role played by the emotional intelligence of leaders and subordinates, and on the effects of the interaction between emotional intelligence and emotional labour of employees on the work performance and their attitude towards their positions. We believe that more research is needed on the role of emotional intelligence of leaders and subordinates at work.

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