

Emotional Intelligence: Catalyst for Leadership Effectiveness

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Abstract

This study assessed the relationship between emotional intelligence and leadership effectiveness of deposit money banks in Rivers state, Nigeria. In this cross-sectional survey, data obtained from 250 respondents was analysed and hypothesis were tested using regression Analysis. The Results of the study revealed that a positive and statistically significant relationship between emotional intelligence and leadership effectiveness. Consequently, the study concludes that leaders that exhibits high level of intelligence emotionally are able to achieve personal and organisational effectiveness. The study recommends that: Leaders should be trained to possess necessary competence that will enhance their emotional intelligence, as critical understanding of oneself is an important denominator that engenders high leadership effectiveness. Also, operators of deposit money banks in Rivers State should develops programs to enhance emotional intelligence of its current managers as this will enhance their motivation and self-confidence in leading their subordinates in a more constructive way.

Index terms— emotional intelligence, leadership, leadership effectiveness

1 Introduction

rganizations face constant leadership challenges and business disruptions including lack of suitable, skilled and qualified manpower, uncertain investment environment, unfavourable legal structure, mix of capital structure and finance and risk management which requires steadfast leadership to achieve optimum results. Deposit money banks operate in fast-moving financial market environments, competitive conditions with huge volumes of transactions. Leadership challenge in organizations is about how leaders mobilize others to accomplish a given task in their departments so as to achieve organisational objectives. More so, organizations nowadays emphasize the need for its leaders to take on new roles of expediting, directing, and orchestrating employees work behaviour. Valentine and Prater, (2011) observed that, practices and approaches employed by leaders to convert values to actions, visions to realities, obstacles to innovations, separateness into solidarity, and risks into rewards and to improve shareholders' value are sometimes detrimental to employee wellbeing. Also, cases of dysfunctional behaviour, punitive and abusive working environments continue to be exposed and combined with a seemingly relentless drive for leaders to achieve more and more with fewer and fewer resources, these pressure is transferred to the employee. Where they are unable to cope they resort to deviant work behaviour such as loafing, insensitivity to the needs of others, lack of corporation and ultimately become disloyal to laid down rule of the organisation. Another apparent manifestation of ineffective leadership is high employee turnover, the deposit money banks had in recent times witness high rate of employee turnover and low productivity due to their inability to meet targets. Leadership scholars have used different predictor variables such as motivation, leadership style, organisational structure and performance appraisal in trying to resolve the issues of leadership effectiveness in organisations (Northouse, 2013; Yukl, 2011; Hogan and Hogan, 2002; Cohen and Bailey, 1997). From review of literature it appears nothing have been done on emotional intelligence and leadership effectiveness of deposit money banks in Nigeria, hence it is this perceived gap in literature that this study aimed to bridge and also contribute to the development of our understanding of the role of emotional intelligence on leadership effectiveness. It is hoped that the findings of this study will help to reduce the huge incidence of leadership failures in deposit money banks.

2 II.

3 Literature Review a) Emotional Intelligence

Several models of Emotional Intelligence (EI) have evolved offering different conceptualizations and definitions. There seem to be lack of agreement regarding the definition of emotional intelligence which has resulted in the development of different measures to assess it. According to Beck, (2013) what the different EI conceptualizations share is that they all describe one or more aspects of personality. Pachulia and Henderson, (2009) suggested that the different EI models is similar to cognitive ability and competency, and must be considered in the prediction of successful adaptation. The appeal of emotional intelligence has been continuously fuelled by claims stating that it is a key foundation of effective leadership (Joseph and Newman, 2010). Salovey and Mayer (1990) sees emotional intelligence as a subset of social intelligence that involves the ability to monitor one's own and other's feelings and emotions, to discriminate among them and to use this information to guide one's thinking and actions. Bar-on (2007) with a slightly different approach stated that, it is the understanding oneself and others, relating to people and adapting to and coping with the immediate surroundings to be more successful in dealing with environmental demands. According to Harms and Credé (2010), emotional intelligence is regarded as either a trait or an ability. In the first case, emotional intelligence is viewed as an inherent innate feature in an individual that enables and promotes wellbeing. In the second case, emotional intelligence plays a role in comprehending and regulating emotions as well as in understanding and integrating them into cognitions. Stein (2009) on the other hand described EI as the ability to tune in to the world, read situations and to connect with others whilst taking charge of your own life. From the foregoing it could be said that emotional intelligence is the capacity to analyse the feelings and emotions of one's self and of others and to utilize the knowledge to shape person's thinking and actions consequently. Goleman (2006) observed that leaders that with high emotional intelligence are key to organizational success and that leaders must have the capacity to feel employee's emotion at their work environment, to intervene when problems arise, to manage their own emotions in order to gain the trust of employees and to understand the political and social conventions within an organization.

4 b) Leadership Effectiveness

Leadership is the process of translating company goals into visions, which are understandable and shareable by different stakeholder groups and influencing employees to share those visions and coordinately work towards them, (Kruse, 2013). George (2000) suggests that leadership effectiveness involves the development of a collective sense of goals, instilling in others both knowledge and appreciation of certain work activities, and generating a sense of excitement, confidence, and trust. Also, Leadership is a process of social interaction where the leader's ability to influence the behaviour of their followers can strongly influence performance outcomes (Humphrey, 2002). Leadership is inspiring others to pursue your vision within the parameters you set, to the extent that it becomes a shared effort, a shared vision, and a shared success (Zeitchik, 2012). Leadership is a process of social influence, which maximizes the efforts of others, towards the achievement of a goal (Kruse, 2013).

However, thinking about leadership effectiveness has increasingly shifted to a much broader base and now includes any successful attempt to influence a group, whether or not there is formal authority or control in place (and in fact willingness to follow has assumed much greater importance). This shift has occurred not only because the command and control approach has been challenged by a more democratic leadership methods but because it has made more sense to devolve some parts of the leadership role to individuals who possesses emotional awareness and are able to regulate them as they perform their task (Susan and Anne, 2014). Also, Tschan; Rochat and Zapf, (2015), pointed out that leadership effectiveness is measured in terms of a leader's influence in controlling others, to set and achieve goals and to coordinate the reporting team's efforts on a top-down basis. However, these factors may still play a part, leadership effectiveness is now likely to involve other factors, some of which are more important in terms of determining overall success, and to apply in part to individuals in a non-formal leadership role.

5 c) Emotional Intelligence and Leadership Effectiveness

Emotional intelligence reflects the ability to read and understand others in social contexts, to detect the nuances of emotional reactions, and to utilize such knowledge to influence others through emotional regulation and control. As such, it represents a critically important competency for leadership effectiveness. Also, Dulezwicz and Higgs (2011) study produced an analysis of how the emotional intelligence elements of self-awareness, emotional management, empathy, relationships, communication and personal styles correspond to competencies such as sensitivity, flexibility, adaptability, resilience, impact, listening, leadership, Persuasiveness, motivating others , synergy, decisiveness, and achievement motivation. They concluded that there is distinct associations between competency models and elements of emotional intelligence.

In another study, Rosete and Ciarrochi (2013) conducted a small exploratory study of the relationship between an ability measure of emotional intelligence, personality, cognitive intelligence and leadership effectiveness amongst senior executives. Leadership effectiveness was assessed using both managerial performance ratings and an assessment involving each leader's subordinates and direct manager ratings. Correlational analyses revealed that higher emotional intelligence was associated with higher leadership performance.

104 Furthermore, emotional intelligence has emerged as one of the most notable social effectiveness constructs, and
105 have been argued that it is a foundational element of leadership effectiveness. Goleman (1995;1998a;1998b;2004)
106 has made the case through his many writings that the key to a leader's effectiveness and success in an organization
107 is his/her emotional intelligence. His premise also challenged conventional thinking, in that emotions are
108 considered in relation to one's effectiveness. Emotions and emotional intelligence are no longer considered taboo
109 in the workplace today as it provides the foundations for performance (Weinberger, 2003). More so, leaders who
110 are poor at perceiving their emotions may unknowingly miss important emotional signals from their employees.

111 Similarly, leaders who are poor at managing emotions may allow their emotions to interfere with effective
112 action. It has been proposed that in leadership, dealing effectively with emotions may contribute to how one
113 handles the needs of employee and effectively motivates them to accomplish a given task.

114 Today, effective leadership skills have been described to depend, in part, on the understanding of emotions
115 and the abilities associated with Emotional Intelligence (Cooper and Sawaf, 1997;Goleman, 1998a;Ryback, 1998).
116 Goleman et al. (2004) posited that leaders use emotional intelligence to develop relationships that are in-sync
117 with their organization by forming emotional bonds that help them stay focused even amid profound change and
118 uncertainty. The dominant quest in organizations today is that of strong leadership, a leader project a vision
119 that their employees accept and believe in, inspire, motivate, and stimulate them intellectually, (Ashkanasy
120 and Daus, 2002). Also, Fullan (2002) emphasized that emotionally intelligent leaders are aware of their own
121 emotional makeup, sensitive and inspiring to others, and are able to deal with day-to-day problems in the
122 workplace, therefore a leaders must first identify and communicate the vision, and then rally the followers around
123 it. Essentially, leaders need to be attuned to the big picture, and be able to think conceptually as they transform
124 their organizations through people and teams. They will also need to possess strong interpersonal skills, be able
125 to get along with others, and exercise high levels of intelligence and energy. On the other hand, Locke, (2005)
126 argued that there is no associations between emotional intelligence and leadership effectiveness and that the
127 concept of emotional intelligence is an invalid concept. Hence we hypothesize that Ho 1 : There is no significant
128 relationship between emotional intelligence and leadership effectiveness of deposit money banks Nigeria.

129 **6 III.**

130 **7 The Empirical Study a) Method**

131 This study, which generated data from a population of 1,027 organizational members of the 17 consolidated
132 deposit money banks operating in Rivers State was conducted in a non-contrived setting as cross-sectional
133 survey. Adopting the Krejcie and Morgan (1970) table for sample size determination, the corresponding sample
134 size for the study was 285. Furthermore the sample size of 285 was distributed to the 17 consolidated Deposit
135 Money Banks using proportionate sampling technique relative to the of employees in each bank, this is because
136 the population is vastly different as it is made up of different subgroups. With a 94.34% response rate attained,
137 250 copies of the questionnaire were returned and used for analysis in this study that was built around the
138 purpose of hypotheses testing. The data generated from the survey were analyse using frequencies, mean scores
139 and Pearson's product moment correlation in assessing the relationship between the variables with the help of
140 statistical package for social sciences (SPSS). Also, data was generated on elements of individual differences in
141 other to investigate possible patterns and their influences on the outcome of the study.

142 **8 IV.**

143 **9 Data Analysis and Results**

144 Analysis was done both at the primary and secondary levels, at the primary level frequencies and descriptive
145 statistics were used in the primary analysis, which concentrates on the demographics and univariate analysis in
146 turns, and at the secondary level of analysis inferential statistics were used. At the primary level, 85 persons
147 representing (34.0%) of the respondents were male while 165 persons (66.0%) were female, while majority of the
148 respondents which is 120 (48.0%) were within the age bracket of 21 to 30 years, 60 (24.0%) were 20 years of age.
149 50 (20.0%) were within the age of 31 to 40 years while 20 (8.0%) were within an unspecified age. This means that
150 the majority of the respondents are in their youthful years having the ability to practice the knowledge earned in
151 formal learning. Also that 99 (39.6%) of the respondents had acquired Bachelor of Science Degrees. 94 (37.6%)
152 possessed Higher National Diploma Degrees, 34 (13.6%) have attained MBA Degrees while only 8 (3.2%) have
153 Doctor of Philosophy Degrees. Also, 90 persons (36.0%), 5 (7.7%), 102 (40.8%) and 35 (14.0%) of the respondents
154 have worked in their respective firms for less than 2 years, 2 to 5 years and 6 to 10 years respectively while 23
155 (9.2%) of the respondents have worked for over 10 years. The results of univariate analysis are revealed that the
156 mean scores (\bar{x}) obtained for the study variables are: emotional intelligence (4.30), leadership effectiveness (4.55)

157 Furthermore at the secondary level of analysis, inferential statistics such as spearman's rank order correlation
158 coefficients and Regression coefficients including the p-values, were calculated for purposes of testing the stated
159 hypotheses.

10 a) Relationship between Emotional intelligence and Leadership effectiveness

The correlation analysis depicting the relationship between emotional intelligence and leadership effectiveness is shown below. The table above shows that the coefficient of correlation is 0.946. This shows that a very strong positive and significant relationship exist between Emotional intelligence and leadership effectiveness. The Coefficient of Determination (r^2) = 0.895. It implies that 89.5% variation in leadership effectiveness is explained by variations in emotional intelligence. The remaining 10.5% is elucidated by some other variables not covered in this study. The F-calculated of 4359.43 had a corresponding significant t-value of 0.000. The researcher therefore concludes it is a good and useful model. Conventionally $F_{Cal} = 4359.43 > F_{tab}(0.05, 1, 249) = 3.84$. The test of significance conducted as shown in the table above shows that emotional intelligence significantly influences leadership effectiveness ($PV = 0.000 < 0.05$). More so, $t_{cal} = 66.026 > t_{tab}(0.05, 249) = 1.96$. Basing our decision on benchmark as reported in Irving (2005) we thus reject the H_0 and accept H_1 , that there is a significantly positive relationship between emotional intelligence and leadership effectiveness.

V.

11 Findings and Discussions

The findings of the statistical analysis of the hypothesis revealed that emotional intelligence is significantly related to leadership effectiveness of deposit money banks in Rivers State. The positive and significant relationship found among the study variables indicates that the more the organisational leaders becomes emotionally intelligent, the more effective they are in discharging their leadership responsibility in achieving the organisational objectives. Again, this findings supports several other findings of similar studies around the globe. Williams (1994) has reported that given comparable size, companies in which top executives exhibited more emotional intelligence competencies showed better results as measured by both profit and growth. Our findings also support Harris et al (2009) assertion that leaders of organisations have richly embraced and incorporates emotional intelligence into the workplace by utilizing its construct in managing complexity and expanding their sphere of influence. Again, Hefferman et al (2005) study, finding suggests that managers' emotional intelligence is positively correlated to profitability. Managers that can recognize their feelings and those of others are able to motivate themselves and the employees, form outstanding relationships with other colleagues and customers which enhanced their contributions to the success of the organisation and improve their effectiveness. Emotional intelligence is communicable, managers that radiate with positive emotions which motivated them and other employees to perform their best for the achievement of the overall objectives of the organisation. Robbins et al (2007) have observed that when leaders feel excited, enthusiastic, and active, they may be more likely to energize their subordinates and convey a sense of efficacy, competence, optimism, and enjoyment. Furthermore, Goleman, Boyatzis, and McKee (2004) have argued that emotional intelligence is a critical component of leadership effectiveness, particularly as leaders deal with other members of the organisation. Emotionally intelligent leaders serve as a benefit to an organisation in that leaders motivate employees to work together toward set goals. Leaders also serve as a transformational influence over employees. In this manner, leaders task their employees to work hard at increasing organisational effectiveness and performance, facilitate employee interaction dynamics, build interpersonal trust, and inspire team members to implement the articulated vision.

Goleman posits that leaders high in emotional intelligence are key to organizational success and leaders must have the capacity to sense employee's feelings at their work environment, to intervene when problems arise, to manage their own emotions in order to gain the trust of employees and to understand the political and social conventions within an organization (Goleman, 2006).

12 VI. Conclusions and Recommendations

Leadership is based on the interaction between leaders and followers; thus, leaders need competences when it comes to upholding relationships. In this context, being conscious of one's emotions and those 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. Furthermore, implementing emotions intelligently by a leader plays a vital role to leadership effectiveness. Also, leaders should have a thorough knowledge about emotions, meaning the leader is able to predict emotional reactions in various scenarios, this knowledge aids the leader in the activity of emotion regulation and management of members the banks. Hence we recommend that: Leaders alike should be trained to possess necessary competence that will enhance their emotional intelligence, as critical understanding of oneself is an important denominator that engenders high leadership effectiveness. Also, operators of deposit money banks in Rivers State should develops programs to enhance emotional intelligence of its current Leaders as this will enable those with lower levels of emotional intelligence to enhance their motivation and self-confidence and to lead their subordinates in a more constructive way.

1

Emotional
Intelligence

Leadership
Effectiveness

Figure 1: Table 1 :

2

Variable\Coef.	t-cal	sig. t	t-tab (0.05,250)	R	R ²	F-cal	F-tab (0.05, 1, 249)	
Constant	589.492	1.214	1.96	0.94	0.895	4359.43	3.84	0.000
EI		66.026	0.000					

Dependent Variable; Leadership Effectiveness

Source: Field Survey Data, 201

$$LE = a_0 + a_1 EI + U_1$$

$$LE = .589 + .492EI$$

$$T\text{-values} = (1.214) (66.026)$$

Figure 2: Table 2 :

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