

Emotional intelligence and effective leadership among academic heads management e...

[Business](#), [Management](#)



INTRODUCTION

For the purpose of writing this proposal, reference is made to the following Article " The Relationship between Emotional Intelligence and Effective Leadership among Academic Heads in Higher Learning Educational Institutions." My proposal is based on the following researchy topic: " A Study on Relationship between Transformational Leadership and Organizational Performance with Emotional Intelligence as a Moderating Factor." My proposal will make some references to the Article with regards to the Methodology, Questionnaires used in the study, and Data analysis.

Introduction to the Problem

The difficulty in studying concepts such as leadership, organisational performance, emotional intelligence and the interrelations between the three constructs, is that these terms are hard to define, describe, and to measure systematically. The disagreement among theorists concerning the definitions of these variables has led to further controversy about research design and instrumentation and to exacerbate this situation, there appears to be few gains being made to improve our understanding of these important concepts. Leadership is a difficult concept to fully appreciate and understand. Burns (1978), as cited in the Article " Changing roles : Leadership in the 21st century by Dess, G. G. and Picken, J. C.(2000)" comments that " Leadership is one of the most observed and least understood phenomena on earth" (p. 19). This statement appears to be just as true and accurate today as it was when Burns made it. Since Burns made this powerful statement, the interest in understanding leadership and its

consequences has intensified. While the term leadership has existed for centuries and has been most commonly associated with the military, the emergence of manager, as a leader, is a relatively new phenomenon. Because of the perceived and actual influence of managers and their importance to globalisation, prosperity, and economic growth, interest in this new leader has been and continues to be intense. There are hundreds of studies that tend to popularise and evaluate managers to a level that seems unattainable by most. Yet for all of the books, articles, and studies available on leadership and the managers, who lead, there is very little known about the attitudes, behaviours and characteristics that engender effective manager performance. Even sparser is the information that tries to tie the leadership style of the managers with their emotional intelligence on the performance of the organisation. When the substantial body of leadership literature is reviewed there appears to be two clear distinctions made by the scholars. One body of work focuses on the internal dispositions or characteristics of the leaders while the second is concerned with the behaviours and activities of the same leaders. However, the connection between these two distinct views is not always clear or easy to understand. The study will be undertaken in an effort to address some of the gaps in empirical research and to apply the results of transformational leadership in local automotive industry. The purpose of this study is threefold: (1) to examine the relationship between a manager's score on transformational leadership with the performance of the organisation; (2) to explore the relationship between the constructs of transformational leadership and emotional intelligence; and (3) to find out if there is any positive relationship

exists between organisational performance and transformational leadership with the presence of emotional intelligence. One frequently discussed theory is that of transformational leadership, first introduced by Burns in 1978. Transformational leaders change their organisation's culture by inspiring a sense of mission and purpose about the importance of the group's work and stimulating new ways of thinking and problem solving (Bass & Avolio, 1993). Transformational leaders inspire individuals within an organisation to work harder and to strive for the highest levels of performance (Bass, 1985). While Bass, Burns and Avolio support the applicability of transformational leadership to all forms of organisation, which includes the largest public companies, other investigators find transformational leadership is not universally applicable to organisations (Inkson, Kerr and Moss, 1993). To exacerbate the situation, there is no evidence to say emotional intelligence is the moderating factor to transformational leadership towards improving organisational performance.

Background of the Study

An understanding of the interplay between transformational leadership and organisational performance is an important factor for developing effective organisations. Finding ways to optimise the performance of people and hence, the organisation has been, and continues to be, a major concern for organisational leaders. Thus exploration on emotional intelligence capabilities of leaders is essential too. In today's service-based, knowledge economy, many companies are beginning to shift away from traditional models of management, originally developed for production oriented firms,

and now require a broader range of leadership skills and styles that are adaptive to diversity and to dramatic, often discontinuous changes in the work environment. As globalisation becomes more pronounced especially in automotive industry, the changes may become even more dramatic as firms struggle to meet competition that only a few decades ago did not even exist. Some of the promising paradigms of leadership are including people in them and tend to describe people, which include managers, as the organisation's most important assets.

Statement of the Problem

The problem in this study is to determine the degree of relationship that exists between transformational leadership, emotional intelligence and organisational performance as measured by return of capital employed (ROCE) in the local automotive industry. The lack of current knowledge on this subject and between these variables hinders our ability to place a value on transformational leadership and emotional intelligence capabilities and their importance in organisational performance. By knowing such knowledge, it would help the managers to employ effective transformational leadership effectively in the organisation, rather than transactional leadership which is primarily task-focused.

Purpose of the Study

The purpose of this quantitative descriptive correlational study was to determine the relationship of transformational leadership to organisational performance in local automotive industry. The study will utilise the Multi-factor Leadership Questionnaire developed by Bass and Avolio in 1995 (MLQ-

5X) and Emotional Competence Inventory (ECI) widely used by Boyatzis et al., 1999 in emotional intelligence research, to measure the level of transformational leadership and emotional intelligence capabilities respectively in the domestic automotive industry. The overall strategy was to quantify the level of transformational leadership and emotional intelligence capabilities using scores on the MLQ and ECI respectively, and then correlate these with the organisation's performance measured objectively by the organisation's ROCE during the same period under these leaders. The focus of correlational research is to describe the relationships among variables rather than determine a cause-and-effect relationship.. In the current study, the variables of emotional intelligence and transformational leadership were believed to influence the organisational performance.

Significance of the Study

This research project yielded new information regarding the importance of transformational leadership style in the domestic automotive industry. For the organisations performing well, this information presented the opportunity to understand the importance of leader and follower development to continue performing well, and for those not performing to a similar level, the data can be used as an opportunity for improving development policies or changing leadership styles. Of equally important significance of this study is that the results of this study will be made available to all companies that participated. This study is a small start in the right direction for companies that need leaders to continue to attract the right people for sustainable performance. Bass and Avolio (1992) have concluded that transformational

leadership is important and that leadership training of managers at all levels should become an integral component of organisational education. A final component of this study is its potential impact on the selection and hiring of managers. Managers typically have an enormous impact on their organisations, constituents, and communities. Therefore, the compounded costs of making a mistake in the selection, hiring, or promotion of managers can be financially and operationally staggering. If transformational leadership is the correct and upcoming style for automotive manufacturing companies in Malaysia, then the selection teams could begin to narrow the focus and save time, money, and maybe companies by selecting the most effective leaders to lead their companies. In addition, since there are relationships between the variables, additional predictors of manager success can now be developed and shared with other organisations in Malaysia, thereby aiding in industry development and expansion and possibly enhancing Malaysia's competitive position.

Figure 1. 1: Detailed framework with study variables and contributing factors

Table 1. 1 identifies the major research questions in the study that were translated into hypotheses since the study is a quantitative one. It identifies the independent and dependent variables, as well as the statistical tests chosen to appropriately analyse the potential relationship between the dependent, independent and moderating variables. As outlined below, there were three research questions that were translated into three hypotheses (Hypothesis 1, Hypothesis 2 and Hypothesis 3), the independent variable (transformational leadership score), the dependent variable (ROCE), the moderating variable

(level of emotional intelligence) and the applicable statistical tests. Figure 1. 1: Research Questions, Hypotheses, Variables, and Statistical Tests

Question

Hypotheses

Independent /Moderator Variable

Independent/ Dependent Variable

Statistical Test

What is the relationship between TL and ROCE performance? H1: There is no statistically significant relationship between transformational leadership and organisational performance TL score on MLQ measured by questionnaires (Independent variable) ROCE performance (Dependent variable) Homogeneity of Variance test, ANOVA analysis, Pearson's correlation coefficient, What is the relationship between TL and EI? H2: There is no statistically relationship between transformational leadership and emotional intelligence EI score on ECI measured by questionnaires (Section B) (Moderator variable) TL score on MLQ-5X measured by questionnaires (Section A) (Independent variable) Homogeneity of Variance test, ANOVA analysis, Pearson's correlation coefficient Figure 1. 1: (Continued)

Question

Hypotheses

Independent /Moderator Variable

Independent/ Dependent Variable

Statistical Test

What is the relationship between TL, EI and ROCE performance? H3: There is no statistically significant relationship between transformational leadership with emotional intelligence and organisational performance TL score on MLQ-5X measured by questionnaires (Section A) (Independent variable) EI score on ECI measured by questionnaires (Section B) (Moderator variable) ROCE performance (Dependent variable) Partial correlation, Pearson correlation coefficient, and multiple regression analysis