

Emotional intelligence and leaderships



This essay discusses how emotional intelligence can affect leadership, through the fundamental function of decision making process, and lead to organisational effectiveness. For this purpose, Goleman's, Boyatzis et al.'s (2002) four key elements of emotional intelligence are employed, which are classified into twenty self and social focused competencies. A number of practical applications are described, explaining how emotional skills can affect leader's ability to achieve the desired outcome during the decision making process. We concluded that organisational effectiveness can benefit from the application of emotional intelligence on leadership skills, through the decision making process. Finally, we note some limitations such as the level of emotional intelligence and its accurate measurement.

Keywords

Emotional intelligence, leadership, decision making process

Introduction

Emotional intelligence was first introduced in the late 1980's (Mayer, Roberts, & Barsade, 2008). Yet, one of the most controversial issues is how emotional intelligence as the new form of intelligence that concerns the interaction of thinking and feeling, can be employed on leadership and subsequently on organisational effectiveness (Goleman, 1998).

There are several definitions and conceptions about leadership and its effectiveness. Until the 1980s, leadership effectiveness was measured by leaders' cognitive ability to apply and develop effective strategies for complicated problem solving (Woods & West, 2010). However, the last three decades leadership effectiveness due to its apparent social aspect is

measured by leaders' capability to influence, inspire and motivate followers. (Woods & West, 2010). After further research, emotional intelligence evolved into a popular and useful tool for enhancing leadership effectiveness (Kerr, Garvin, Heaton, & Boyle, 2006).

In our essay we discuss how emotional intelligence through the application of individual and social skills on decision making process, can affect leadership efficiency and lead to organisational effectiveness (Hess & Bacigalupo, 2011). Given the fact that the leader's decisions play a central role in the organisational viability (Woods & West, 2010), we consider that the implementation of emotional intelligence resources to the decision making process can contribute notably to the increase of organisational efficacy.

Emotional intelligence

The term of emotional intelligence was first formally introduced into academic literature in the decade of 1990 by Salovey and Mayer (Kerr, Garvin, Heaton, & Boyle, 2006). Emotional intelligence is considered to be a dual dimensional theory that is focused on people's self and social skills. That means that emotional intelligence concerns the human's ability of having an effective command of expressing, evaluating, managing emotions, communicating feelings and generating thought applied on individual and relationship based level (Salovey & Mayer, 1990).

It can be classified in two broad models: the ability based model and the mixed model. The ability model involves the abilities of conceiving and recognising the emotions, facilitating thoughts, understanding complex

emotions and managing them (Mayer, Salovey, & Caruso, 2000). Emotional intelligence links emotions and intelligence to someone's perception for understanding the social environment (Grewal & Salovey, 2005). Specifically:

“ Emotional intelligence 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 understand emotions to promote emotional and intellectual growth” (Mayer & Salovey, 1997).

The four branch model as mentioned above, links hierarchically the basic process of conceiving emotions to the advanced level of understanding them and is measured by MSCEIT [Mayer Salovey Caruso Emotional intelligence Test; (Mayer, Caruso, Salovey, & Sitarenios, 2003)].

Goleman (1995) introduced the mixed model of emotional intelligence that involves non innate talents but learnt competencies that significantly affect job performance (Hess & Bacigalupo, 2011). This kind of model mainly addresses leader's performance and provides dynamic outlines for becoming an effective leader. According to Goleman (2001) and Boyatzis et al (2000) the basic elements of the mixed model of emotional intelligence consist of self - focused and social - focused competencies. These are: self awareness, self management, social awareness and relationship management (Hess & Bacigalupo, 2011).

Self awareness involves emotional self awareness, accurate self assessment and self confidence. The emotional self awareness is referred to the fact that someone is fully aware of his/her feelings and realise their impact. The

accurate self assessment involves the knowledge of strengths and weaknesses and how they can be eliminated through gradual improvement. A highly self confident person is aware of his/her abilities, expressing strong confidence and being able to deal with difficult tasks (Goleman, Boyatzis, & McKee, 2002).

Moreover, the group of self - focused competencies includes self management capabilities that concern emotional self - control, transparency, adaptability, achievement, initiative and optimism. The emotional self - control is referred to one's ability to setting impulsive emotions under control, while the transparency is associated with integrity and honesty. The adaptability entails flexibility and the ability to easily adjust to spontaneous changes, whereas achievement concerns the fulfillment of goals and targets. The initiative concerns one's ability to act alone holding responsibility for the consequences of his/her actions; the optimism entails seeing the positive aspect of the events and the future facts that might take place (Goleman, Boyatzis, & McKee, 2002).

The social - focused competencies i. e. social awareness and relationship management determine the manner of managing followers. The social awareness includes empathy which means understanding one's concerns and emotional situation, organisational effectiveness which is referred to the efficiency of meeting organisational goals and service which has to do with the comprehension of followers' requirements. The relationship management involves inspiration (generating motivations to the followers), influence, developing others (improving one's capabilities), change catalyst (leading an entirely new and innovative modification), conflict management (how to

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manage disagreements), building bonds (the ability of socialising and developing a network of new relationships) and teamwork (effective collaboration and co - existence within the group) (Goleman, Boyatzis, & McKee, 2002).

Leadership and Emotional intelligence

According to House et al (1999):" Leadership is the ability of an individual to influence, motivate and enable others to contribute towards the effectiveness and success of the organization..." (Yukl, 2006).

Some theorists argue that leadership is adjusted according to organisational environment and aims. Hersey and Blanchard (1982) claim, different situations require different kinds of leadership (Situational Theory of Leadership). On the other hand, Fiedler's Contingency Theory (1967) suggests that leadership effectiveness depends on the place, the time, the task and the situation (Arnold, Randal, & al, 2010).

In any case leadership through its dynamic dimension provides guidelines that can promote organisational effectiveness. By this term, it is meant profitability in financial terms, or organisation's ability to equip employees with those skills necessary for performing business fully engaged with the organisational culture (Woods & West, 2010).

A leader's effectiveness depends on the manner of developing and enhancing followers' skills and abilities. " Personality characteristics in themselves do not make leaders inherently effective. What matters is how those characteristics are expressed to leaders' behavior, and how that behavior is understood by others" (Woods & West, 2010).

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The Center for Creative Leadership (CCL), the worldwide known Work and Organisational Psychology Organisation, conducts research on what is effective leadership by highlighting the factors that lead to failure (“derailing”). Its study showed that even though there are common traits between those who succeeded and those who failed, certain characteristics seemed similar for their imminent failure. For example, managers’ promotion from lower levels of the organisation to upper ones, might lead to over-confident behavior (Woods & West, 2010).

At the organisational level, leadership is considered to be a mixture of behaviors, administrative abilities, traits and interactions that are driven by the circumstances and the organisational culture; the link among various departments in an organisation managed by the leader (Woods & West, 2010). Considerable evidences in recent years note that social skills are vital for leadership performance (Prati, Ceasar, Ferris, Ammeter, & Buckley, 2003). An efficiently oriented leader takes advantage of emotional skills and resources in terms of interaction, in order to achieve the optimal performance outcome (Wong & Law, 2002). The emotional skills concern the social aspect of emotional intelligence during the interaction process (Riggio & Reichard, 2008). Under these circumstances, leadership’s outcome is considerably affected by a leader’s ability to recognise and manage followers’ emotions in social interaction (George, 2000). This argument is supported by Goleman, Boyatzis and McKee (2002) who claim that emotional intelligence is fundamental for leadership effectiveness and specifically when it is applied on teams. Antonakis et al (2009) claim that leadership effectiveness is strongly linked to emotional intelligence when concerns the

relationship development between the followers and the leader (Antonakis, Ashkanasy, & Dasborough, 2009).

Since leadership is considered an emotional process, the level of emotional intelligence in a leader plays a significant role in the effectiveness of social interaction with others. George J. M. (2000) in her article “ Emotions and leadership: The role of Emotional intelligence” underlines that there are five basic elements of leadership that are positively correlated with the level of emotional intelligence. The five key elements of effective leadership as presented by the authors Conger & Kanungo (1998), Lock (1991), Yukl (1998) are the following:

Development of collective goals and objectives.

Instilling in others a sense of appreciation and importance of work.

Generating and maintaining enthusiasm, confidence, optimism, cooperation, and trust.

Encouragement of decision making and change.

Establishing and maintaining meaningful identity for the organisation.

(George, 2000)

“ Emotional intelligence is the spark that ignites a company’s performance creating a bonfire of success or a landscape of ashes.” (Goleman, Boyatzis, & McKee, 2002).

There has been research on the correlation between the level of emotional intelligence and the leadership effectiveness; results showed that one's level of emotional intelligence might play an important role to the leadership effectiveness (Kerr, Garvin, Heaton, & Boyle, 2006). However, it is doubtful whether the ability to understand emotions and the ability to act effectively are inextricably linked or not (Kerr, Garvin, Heaton, & Boyle, 2006).

According to Rosete and Ciarrochi (2005), the higher level of emotional intelligence, the higher leadership effectiveness (Kerr, Garvin, Heaton, & Boyle, 2006). Leaders with high level of emotional intelligence inspire, generate motivation to the followers and state greater job satisfaction (Scott-Ladd & Chan, 2004).

Emotional intelligence and decision making process

It is common knowledge that organisations consist of several departments that interact in order to perform business. Koop (1995) claims that this interaction is managed by the decision makers (leaders) (Scott-Ladd & Chan, 2004). Under these circumstances, we realise the importance of the decision making process and the impact of their outcomes on organisational effectiveness.

The decision making process is classified in the following stages according to Simon (1986) Langley (1989):

Rational economic model

Definition of the issue.

Identification of limiting factors (external and internal).

Plan and development of potential alternatives.

Evaluation of each alternative in terms of practicality and cost.

Selection of the best alternative.

Implementation of decision.

(Huczynski & Buchanan, 2007)

The decision making process involves the decision maker and those that are affected by the decision. The decision maker is essential to take into account the people affected by the decision and determine an effective manner of interpreting it (Hess & Bacigalupo, 2011). Subsequently, the decision maker is required to make use of rationality and logic as well as of emotions.

However, a controversial issue has been raised by some researchers. This is due to the fact that they consider that the best decisions are made in the absence of emotions. According to Stanovich and West (2000), the shift from emotional thinking to rationality can entail better decisions. They suggested that emotional functions may be substituted and replaced by logic in the aim of enhancing the quality of decisions. By contrast, others claim that the ability to have a good command of one's emotions is an advantage for the decision maker (Hess & Bacigalupo, 2011).

Actually, there is no wrong perception of the key factors of the decision making process. What matters most, is to take into consideration the possible impact that emotions might have on the decision making process and the quality of decisions (Hess & Bacigalupo, 2011).

Research on emotional intelligence and decision making process

Sevdalis et al (2007) in the article “ Trait emotional intelligence and decision related emotions” explain that emotions are evident during the decision making process (Hess & Bacigalupo, 2011). They suggest that differences in trait emotional self-efficacy can affect the way the individuals experience the impact of the decision (Sevdalis, Petrides, & Harvey, 2007). Also, Mellers et al (1999) concluded that the emotions people experience from the impact of a decision, can affect their future attitude and behavior (Hess & Bacigalupo, 2011). Winter and Kuiper (1997) underlined that every person has a different perception of the emotions experienced whereas, Jordan and Troth (2004) noted that there is a significant difference on the effectiveness of emotional intelligence when the decision making process concerns individual or team tasks accordingly (Hess & Bacigalupo, 2011). They concluded that individuals with high level of emotional intelligence as members of a team are more likely to come up with better solutions, without the fear of making mistakes (Frye, Bennett, & Caldwell, 2006). Studies in PDM (participation in decision making process) have shown that emotionally intelligent employees who are involved in the decision making process contribute to organisation’s effective response to continuous changes. But, organizations are supposed to clarify to the employees the reason, the way and the degree of their participation in the decision making process resulting in greater commitment and benefits for both employee and employers. Nevertheless, the clear definition of boundaries in the participation of decision making process improves the quality of decision outcomes which depends either on the purpose for

implementing PDM or on how efficiently it is implemented (Scott-Ladd & Chan, 2004).

The contribution and application of emotional competencies to leaders as decision makers

Since the decision making process involves stages that are addressed both to brain and emotional function, it is necessary to understand the impact of the application of emotional intelligence on decision makers and the potential outcome. According to Hess & Bacigalupo, (2011) no considerable research has been conducted for the practical interaction between behavior and emotional intelligence during the decision making process on both individual and group basis. In their paper, they develop a methodology based on a number of practical applications of emotional intelligence skills on the decision making process that could be useful and beneficial for individuals' and organizations' development. For this purpose, the model of Goleman (2001) and Boyatzis et al (2000) is applied, as it concerns individual and interpersonal skills, which are both crucial and determinative for the decision making process (Hess & Bacigalupo, 2011). The group of the skills mentioned, involves self awareness, self management, social awareness and relationship management (Goleman, Boyatzis, & McKee, 2002).

In the organisational environment, the leader plays the role of the decision maker. Taking advantage of the competencies of emotional intelligence, the possibilities for making an effective decision are increased. The individuals' skills i. e. self awareness and self management enable the leader (decision maker) to acknowledge his/her weaknesses, recognise the possible influence that can have on the followers and boost his/her confidence. Why is this so

important? Because, it helps the leader to foresee the different aspects of followers' vision as well as their reactions and communicate effectively the decision (Goleman, Boyatzis, & McKee, 2002). Tannenbaum and Schmidt (1958) claimed that leaders and followers share control during the decision making process that is based on the assumptions they have formed for the amount of control they possess (Hess & Bacigalupo, 2011). A strongly efficient leader is supposed to achieve balance during the decision making process; he/she should guide the discussion appropriately, act as a consultant encouraging the information exchange and the increase of comprehension as well. At this stage, emotional intelligence competencies can be applied, so that the leader can regulate the allocation of control among the parties creating a climate of cohesion. Though, emotional intelligence application is as important as in the case of sharing responsibility for inappropriate decisions. An emotional intelligent leader not only welcomes the commendations of good decisions but also holds responsible for bad decisions (Hess & Bacigalupo, 2011). This reinforces leader's integrity and reliability, necessary elements for establishing a climate of trust and honesty in an organisation. Moreover, through the self control the leader can develop the skill of controlling emotions and impulses i. e. stress tolerance, which derive from time pressure and unexpected changes in the organisational environment. The ability to manage time pressure and suppress negative emotions is considered of utmost importance, as it enables leaders to establish the appropriate climate for making decisions and avoid misjudgments that can have an adverse impact on organisational effectiveness (Hess & Bacigalupo, 2011; Goleman, Boyatzis et al, 2002).

Likewise, emotional social – focused skills i. e. empathy, organisational awareness, conflict management, change catalyst, teamwork and others, are highly important when they are implemented by the leader in an attempt to achieve effective consensus of team decision making. On the grounds that most times the decision is addressed on employees, with different values and beliefs, the leader should be able to manage diversity through the skills of empathy and conflict management. Furthermore, organisational awareness enables a leader as a decision maker, to make decisions that comply with the organisational status and determine the appropriate processes. On the basis of service orientation, decisions that are related to the customers' needs and satisfaction are highly appreciated within the organisational environment and add value (profitability) to the image of the organisation. Last but not least, the decision making process involves active participation and constant interaction among members; emotionally intelligent leaders taking advantage of this fact can not only enhance the quality of teamwork and promote relationship development, but also ignite and stimulate followers' initiative, motivation and commitment (Hess & Bacigalupo, 2011; Goleman, Boyatzis et al, 2002).

Conclusion

In conclusion, the leader through the application of emotional intelligence can empower followers and establish cohesion among them during the decision making process. This allows to the leader to improve the quality of decision making process increasing the organisation's potential for effectiveness (Hess & Bacigalupo, 2011).

However, we should not overlook a range of factors that can limit emotional intelligence efficiency on organisational basis; queries such as “ Can emotional intelligence affect negatively the organisational effectiveness if it is excessively high?” or “ Could it be accurately measured?” (Fiori & Antonakis, 2011) are considered to be crucial and part of future further research on emotional intelligence.