

Impact of Strategic Emotional Intelligence to Transformational Leadership of Managers: A Case Study

L. N. A. C. Jayawardena, Ales Gregar

Abstract—Emotional Intelligence (EI) has been identified as an important factor for corporate success. However, there are few empirical findings on the impact of Strategic EI per se. The overall objective of the study was to empirically examine the relationship between the Strategic EI and Transformational Leadership style of managers. Sixty four managers were selected from the banking industry in Czech Republic. Genos EI Inventory, and the Multifactor Leadership Questionnaire – Form 5X-Short were employed as the major research instruments of the study. Descriptive and inferential analyses of survey data were conducted using SPSS software. Variations were observed among the components of Strategic EI between males, and females. Study concludes positive a relationship between Strategic EI of Czech managers and their transformational leadership style. Improving awareness and usage of EI, will contribute to facilitate career success through enhanced levels of transformational leadership of managers.

Keywords—Strategic Emotional Intelligence, Transformational leadership, Socio-demographic factors.

I. INTRODUCTION

THE developments in the late 1990's have resulted in Emotional Intelligence (EI) capturing a remarkable interest among scholars and practitioners alike. The excitement surrounding the identification of a new intelligence i.e. EI, prompted many enthusiasts to use this term.

A. Emotional Intelligence

EI has become a sine qua non for executive development and leadership programmes in corporate sector with significant capital investments. EI has been viewed using two main approaches viz. ability and trait approaches. Mayer and Salovey have defined EI as the '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' [1, p.3]. The mixed models approach encompasses broader definitions of EI incorporating 'non-cognitive capability, competency, or skill' [2], [3]. Mixed models approach also accommodates behaviours that are seen 'emotionally and socially intelligent' as components [4].

L N A C Jayawardena is attached to the Faculty of Management and Economics, Tomas Bata University in Zlin and to the Department of Agric Extension of Peradeniya University, Sri Lanka (e-mail: chandanacj@gmail.com).

Ales Gregar is attached to the Faculty of Management and Economics of Tomas Bata University in Zlin, Czech Republic (e-mail: gregar@fame.utb.cz).

Personality, coping, and EI seem to be conceptually intertwined when individuals manage stress. EI encompasses four interrelated abilities in the process. These abilities are found to be vital in social interaction. Emotions serve as communicative and social functions, conveying information about people's thoughts and intentions. Further, regulation of emotions is vital for social interaction as it directly influences emotional expression and behaviour. Goleman indicates four characteristics of emotionally intelligent leaders, viz. a.) Articulate and arouse enthusiasm for a shared vision and mission, b.) Step forward to lead as needed, regardless of position, c.) Guide the performance of others while holding them accountable, and d.) Lead by example [4]. EI contributes to the 'soft skills', which are found to be vital irrespective of whether individuals seek employment in public or private sector organizations or chose to start their own business [5]. A recent study found a positive relationship between the emotional self-control and academic performance of high school boys [6]. Managing Emotions is considered as the most advanced component of the overall construct of EI [7]. Mayer and Salovey have identified the areas of Understanding Emotions and Managing Emotions as Strategic EI [1].

B. Transformational Leadership

Transformational leadership (TFL) improves followers' commitment by influencing their self-esteem. Bass and Avolio [8] classified TFL behaviours into four dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. Higher levels of performance, extra effort, and higher satisfaction, can be expected from subordinates when managers display TFL behaviour. Two kinds of relationships between TFL and self-efficacy are discussed in leadership literature and research. Researchers [9], [10] have asserted that transformational leaders influence their subordinates' self-efficacy. Schyns [11] found a positive relationship between TFL and occupational self-efficacy. Houses and Shamir [10] were of the opinion that leaders with TFL style increase the self-efficacy of followers by expressing their confidence towards them. Schyns [11] interpreted that transformational leadership 'might be asking too much of employees' in the case of low task demands. Research findings [12]-[14] suggest relationships between EI and TFL in managers and university students.

C. Scope of the Study

This study has specifically focussed on the impact of

Strategic EI to TFL style of bank managers. By conducting the study in Czech Republic, an attempt is made to extend the theory to a culture that is more collectivist in nature than that of the west. Major research question of the study is: "Does Strategic EI have a significant relationship with TFL style of managers?"

The conceptual framework of the study consists of three major groups of variables. Transformational leadership style of respondents is the dependent variable of this study. Strategic EI of respondents is the main independent variable in the study. Socio-demographic factors of the respondents act as the control variables to the independent variable. Socio-demographic factors consist of Age, Gender, Educational level, and Career experience of respondents.

Based on the above the main proposition of the study is as follows. Research Proposition: There is a positive relationship between the Strategic EI and Transformational Leadership style of managers

Overall objective of the study was to empirically examine the relationship between the Strategic EI and Transformational Leadership style of managers. Specific objectives were to assess the Transformational leadership style, level of strategic EI, and to analyze the impacts of socio-demographic factors, and Strategic EI to the Transformational leadership style of managers. Age, Gender, Educational level, and career experience of respondents were considered as the socio-demographic factors (control variables) in this study.

II. METHODOLOGY

The epistemological approach for this research study was positivism. Accordingly the underline methodological aim was exposure. Research design consisted of a survey among 64 Czech bank managers.

A. Operationalization of the Study

Sixty four managers were selected for the study from the Banking and Finance industry in Czech Republic. They were selected based on multi-stage stratified (gender, organization, specialization etc.) random sampling. Bass and Avolio's leadership questionnaire (5X) and Genos EI Inventory (Genos EI) were employed to compile the questionnaire. Questionnaire was translated into Czech language, and was pre-tested to improve the clarity and applicability. Respondents were briefed about the purpose of research, and confidentiality of their responses was assured. Questionnaires were administered in groups for self-responses on the basis of anonymity. SPSS computer software was used for data analysis. Relationship among study variables was tested through multivariate regression analysis.

B. Research Instruments

Genos EI Inventory (Genos EI): Genos EI concise version was used to measure the EI of respondents.

TABLE I
DOMAINS OF EI DESCRIPTION [15]

Name of the Factor (Sub Construct)	Description
1. Emotional Self-Awareness (ESA) (4 items and a maximum score of 20)	The skill of perceiving and understanding one's own emotions.
2. Emotional Expression (EE) (5 items and a maximum score of 25)	The skill of effectively expressing one's own emotions.
3. Emotional Awareness of Others (EAO) (4 items and a max score of 20)	The skill of perceiving and understanding others' emotions.
4. Emotional Reasoning (ER)(5 items and a maximum score of 25)	The skill of using emotional information in decision-making.
5. Emotional Self-Management (ESM) (5 items and a maximum score of 25)	The skill of managing one's own emotions.
6. Emotional Management of Others (EMO) (4 items & a max score of 20)	The skill of positively influencing the emotions of others.
7. Emotional Self-Control (ESC) (4 items and a maximum score of 20)	The skill of effectively controlling one's own strong emotions.
Emotional Intelligence (31 items)	A combination of seven skills/areas

Genos EI test uses a self-report measure, designed with items of minimal personality saturation [15]. Genos EI focuses upon the EI ability dimensions, and measures them from a typical performance perspective. Genos EI self-report inventory (concise version) consists of 31 items designed to measure the frequency with which an individual displays emotionally intelligent behaviours across seven dimensions. It is applicable for individuals of age 18 to 76 years. Each sub construct is assessed using 4 or 5 items, which are scored on a five-point Likert scale (i.e. 1 = Almost never, to 5 = Almost always). The areas of Emotional Self-Management (ESM), Emotional Management of Others (EMO), and Emotional Self-Control (ESC) were mapped onto measure the Strategic EI of respondents (refer Table I).

Transformational Leadership Style: The Multifactor Leadership Questionnaire – Form 5X-Short of Bass, and Avolio [8] measures the leadership on twelve sub constructs related to the respondent's leadership styles. Twenty

statements included in the five leadership style sub constructs pertaining to the TFL were employed in unison for the survey. They were: Idealized Influence (Attributed), Idealized Influence (Behaviour), Inspirational Motivation, Intellectual Stimulation, and Individualized consideration. Sub constructs 1 & 2. Idealized Influence (Attributed & Behaviour): indicate the extent to which a person holds subordinates' trust, maintain their faith and respect, show dedication to them, appeal to their hopes and dreams, and act as their role model. Sub construct 3. Inspirational motivation: measure the degree to which a vision is provided, using appropriate symbols and images to help others focus on work, and try to make others feel their work is significant. Sub construct 4. Intellectual stimulation: indicate the degree to which others are encouraged to be creative in looking at problems in new ways, create an environment that is tolerant of seemingly extreme positions, and nurture people to question their own values and beliefs and those of the organization. Sub construct 5.

Individualized consideration: indicate the degree to which interest is shown in others' well-being, assign projects individually, and pay attention to those who seem less involved in the group. Above five sub constructs form the composite index of the TFL style of respondents. Each of the twenty statements is measured through the Likert scale ranging from 'Not at all = 0' to 'Always = 4'.

Socio-demographic/Control variables: Respondents' demographic and human capital information was collected with single item questions for gender, age, career experience. Above factors other than gender, were assessed as continuous variables. Gender was identified as a dichotomous variable with 0 for females and 1 for males. Educational level of a respondent was measured using four categories as 1= High School completed, 2 = High school and certificate, 3= Degree,

4= Post-graduate studies completed.

III. FINDINGS

There were 64 managers, whose age varied from 24.84 to 68.16 years, with a mean of 42.00 (years), and a standard deviation (SD) of 8.60. There were 35 males and 29 females from the six organizations selected for the study. They were managers (senior level, middle level, and junior level) employed in Czech banking industry. Respondents had a mean value of 18.98 years as career experience with a SD of 8.43. Women had a higher career experience with a mean value of 19.57 years and a maximum value of 49 years (refer Table II).

TABLE II
CHARACTERISTICS OF RESPONDENTS

Description	Age (in Years)	Overall career experience (Years)	Men's career experience (Yrs)	Women's career experience (Yrs)
Mean	42.00	18.98	18.49	19.57
Standard deviation	8.60	8.43	6.97	10.01
Maximum	68.16	49.00	35.17	49.00
Minimum	24.84	4.67	6.00	4.67

Source: Authors' Survey data, Czech Republic, 2014.

A. Scores for the Domains of EI

The construct of Strategic EI was mapped onto the three domains (sub constructs) of ESM, EMO, and ESC as mentioned above. Strategic EI of respondents recorded an overall value of 50.53, with a SD of 5.97. Both genders indicated similar values with men recording a mean value of 50.63 and women recording 50.41 as depicted in Table III. Above EI scores are quite similar to the normative Strategic EI M score of 50.20 [16]. Internal reliability (Cronbach's Alpha score of 0.75) was acceptable.

Emotional Self-Management: Measures the relative frequency with which individuals manages their emotions at work. ESM scores of 18.90 (females) and 19.34 (males) were slightly above norm, especially among males.

Emotional Management of others: Measures the relative frequency of managing colleagues' emotions. Focus on creating emotionally positive work environments, and helping colleagues to resolve issues at work. Strategic EI of respondents, 16.38 (females) indicated a higher efficiency, and 15.66 (males) indicated moderate efficiency, in managing their colleagues emotions.

Emotional Self-Control: ESC measures the relative frequency of controlling strong emotions appropriately at work. The capacity to remain focused when anxious or disappointed at work, and also the ability not to lose temper was assessed. Strategic EI of 15.14 (females) was slightly lower, and 15.63 (males) indicated better control of themselves in strong emotional encounters.

TABLE III
RESPONDENTS' STRATEGIC EI THROUGH GENOS EI

Factors of EI Inventory	Overall	Women	Men
Emotional Self-Management	19.14 (2.56)	18.90 (2.85)	19.34 (2.30)
Emotional Mgt of others	15.98 (2.42)	16.38 (2.55)	15.66 (2.29)
Emotional Self-Control	15.41 (2.08)	15.14 (2.05)	15.63 (2.10)
Strategic EI Construct	50.53 (5.97)	50.41 (6.46)	50.63 (5.63)

Note: Standard deviations are shown in parenthesis

Source: Authors' Survey data, Czech Republic, 2014.

B. Transformational Leadership of Respondents

TABLE IV
TRANSFORMATIONAL LEADERSHIP OF RESPONDENTS

Description	Transformational Leadership	Transformational Leadership of men	Transformational Leadership of women
Mean	59.72	59.51	59.97
Standard deviation	10.14	7.86	12.50
Maximum	80.00	80.00	80.00
Minimum	30.00	46.00	30.00

Source: Authors' Survey data Czech Republic, 2014.

Twenty statements included in form 5X-Short [8] the five leadership style sub constructs pertaining to the Transformational leadership were employed in unison for the survey. Respondents' scores for Transformational Leadership varied from 30 to 80, with a mean score of 59.72 and a SD of 10.14. Males and females had similar levels of TFL style as

depicted in Table IV. Overall construct recorded a sound internal reliability with a Cronbach's Alpha value of 0.81.

The educational level of respondents had a mean value of 3.19 indicating that majority of the respondents have obtained a higher qualification than a degree. Having a master's level qualification was considered a norm among the managers.

TABLE V
BIVARIATE CORRELATIONAL MATRIX OF KEY VARIABLES

Variables	1	2	3
1. Age			
2. Career experience	0.938**		
3. TFL Leadership	-0.159	-0.137	
4. Strategic EI	-0.001	0.015	0.513**

Note: * $p < 0.05$; ** $p < 0.01$; $n = 64$; coded 0=female, 1= male

Source: Authors' Survey data Czech Republic, 2014.

There was a significant correlation between Strategic EI and Transformational leadership of respondents. The above relationship between Strategic EI and TFL was positive with a large effect as depicted in Table V.

C. Significant Associations

Relationship between the Strategic Emotional Intelligence and TFL style of managers was analyzed through hypothesis testing.

Hypothesis H1: There is a significant relationship between the Strategic EI and Transformational leadership of managers

A two-step multivariate regression analysis was conducted to examine the impact of respondents Strategic EI to their

transformational leadership style. Data supported the alternative hypothesis. There was a positive relationship between Strategic EI and Transformational leadership of managers. Strategic EI with the presence of socio-demographic factors has explained 29% of the variation of TFL style of managers. Further, with each increase of Strategic EI by a single SD, TFL style of Czech managers has increased by 0.51 SDs. Relationship of TFL of managers with individual variables is depicted in Table VI. Socio-demographic factors, viz. age, gender, career experience, and educational level did not indicate any relationship with TFL style of managers.

TABLE VI
RELATIONSHIP BETWEEN STRATEGIC EI AND TRANSFORMATIONAL LEADERSHIP

Variables	Unstandardized B	Standard Error	(Standardized) Beta (β)
Step 1			
Constant	15.692	9.417	
Strategic EI	.871	.185	.513**
Step 2			
Constant	25.015	13.861	
Strategic EI	.870	.189	.512**
Gender	-.616	2.277	-.030
Age	-.187	.390	-.158
Career Experience	.006	.394	.005
Higher level of education	-1.270	4.355	-.037
Very high level of education	-1.602	2.686	-.076

Note: $R^2 = 0.26$ for Step1, $R^2 = 0.29$ for Step 2, ** $p < 0.01$, Step 1, $F(1, 62) = 22.16$, $p < 0.01$, Step 2, $F(6, 57) = 3.96$, $p < 0.01$, coded 0=female, 1= male, $N =$

64

Source: Authors' Survey data, Czech Republic, 2014

IV. CONCLUSIONS

A. Major Findings

Strategic EI of Czech managers has a positive impact on their transformational leadership style. Strategic EI has predicted nearly one third of the transformational leadership style of managers in the presence of socio-demographic factors, viz. age, gender, career experience, and educational level. Strategic EI of Czech bank managers were on par with the normative scales; with males and females recording similar values. Possessing higher levels of Strategic EI will enhance the managerial effectiveness through enhanced levels

of transformational leadership among managers. Socio-demographic factors did not indicate a significant relationship to the transformational leadership style of the managers.

B. Recommendations and Further Research

Increased awareness of EI will facilitate higher levels of transformational leadership among managers. Further research among higher number of practicing managers across cultures will further knowledge and practice as well. A longitudinal study among respondents will further examine the impact of the study variables.

ACKNOWLEDGEMENTS

Authors are thankful to Internal Grant Agency of FaME TBU No. IGA/FaME/2014/Enhancing employability and career success of professionals for financial support.

REFERENCES

- [1] Mayer, J. D. & Salovey, P. (1997). 'What is emotional intelligence?'. In Salovey, P. Shuyter, D. (Eds.). *Emotional development and emotional intelligence: Educational Implications*, 3-31, NY: Basic Books.
- [2] Bar-On R. (1997). *Bar-On Emotional Quotient Inventory: Technical manual*. Toronto, Canada: Multi-Health Systems
- [3] Bar-On R. (2004). The Bar-On Emotional Quotient Inventory (EQ-i): Rationale, description and summary of psychometric properties. In Geher, G. (Ed.). *Measuring emotional intelligence: Common ground and controversy*, 115-45. NY: Nova Science Publishers
- [4] Goleman, D. (2001). 'Emotional intelligence: Issues in paradigm building', In Cherniss, C. and Goleman, D. (Eds.), *The emotionally intelligent workplace*, 182-206, San Francisco: Jossey-Bass
- [5] Chamorro-Premuzic, T. Arteche, A. Bremner, A. J. Greven, C. and Furnham, A., 2010, 'Soft Skills in Higher Education: Importance and Improvement Ratings as a Function of Individual Differences and Academic Performance', *Educational Psychology*, 30 (2), 211-241
- [6] Jayawardena, L.N.A.C. & Gregar, A. (2013). Enhancing the Employability of High School Graduates: Impact of Emotional Intelligence, *Wseas Transactions on Business and Economics*, 10(2), 89-96
- [7] Matthews G, Roberts, R.D., & Zeidner M. (2004). Seven myths about emotional intelligence. *Psychological Inquiry* 15: 179-96
- [8] Bass, B. M. & Avolio, B. (1995). *MLQ Multifactor Leadership Questionnaire, (Form 5X- Short)*. Technical Report, 1-6, Redwood City CA.: Mind Garden.
- [9] Kirkpatrick, S. S. & Locke, E. A. (1996). Direct and indirect effects of three core charismatic leadership components on performance and attitudes. *Journal of Applied Psychology*, 81, 36-51.
- [10] Shamir, B., House, R. J., & Arthur, M. B. (1993). The Motivational Effects of Charismatic Leadership: A Self-Concept based Theory. *Organization Science*, 4, 577 - 594.
- [11] Schyns, B. (2001). Self-Monitoring and Occupational Self-Efficacy of Employees and their relation to perceived Transformational Leadership. *Current Research in Social Psychology*, 7, 30-42
- [12] Brown, F. W., & Moshavi, D. (2005). Transformational leadership and emotional intelligence: A potential pathway for an increased understanding of interpersonal influence. *Journal of Organizational Behavior*, 26, 867-871.
- [13] Jayawardena, L.N.A.C. (2012). Leadership Styles of Undergraduates: The impact of Emotional Intelligence, *Proceedings of the 8th European Conference on Management Leadership and Governance*, 505-513, Pafos, Cyprus.
- [14] Nye, C. (2008). *The powers to lead*. New York: Oxford University Press.
- [15] Gignac, G. E. (2010). *Genos Emotional Intelligence Inventory; Technical Manual*, 2nd Edition, Sydney, Waterloo, NSW
- [16] Palmer, B.R., Stough, C., Harmer, R., & Gignac, G. (2009). The Genos Emotional Intelligence Inventory: A Measure Designed Specifically for Workplace Applications. In Stough, C., Saklofske, D. H., & Parker, J.D.A. (Eds.), *Assessing Emotional Intelligence*, 103-116, NY: Springer