Examining the relationship between leadership and emotional intelligence in senior level managers

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Abstract
Investigates whether emotional intelligence measured by the Swinburne University Emotional Intelligence Test predicted transformational, transactional and *laissez-faire* leadership styles measured by the multifactor leadership questionnaire in 110 senior level managers. Effective leaders were identified as those who reported transformational rather than transactional behaviours. Emotional intelligence correlated highly with all components of transformational leadership, with the components of understanding of emotions (external) and emotional management the best predictors of this type of leadership style. The utility of emotional intelligence testing in leadership selection and development is discussed.

Emerald

Introduction

Research examining the utility of emotional intelligence in predicting effective leaders is gaining momentum in I/O psychology (Goleman, 1995, 1998a,b, 2000; Palmer et al., 2001; George, 2000; Barling et al., 2000; Sosick and Megerian, 1999; Watkin, 2000; Dulewicz, 2000; Miller, 1999). Emotionally intelligent leaders are thought to be happier and more committed to their organisation (Abraham, 2000), achieve greater success (Miller, 1999), perform better in the workplace (Goleman, 1998a,b; Watkin, 2000), take advantage of and use positive emotions to envision major improvements in organisational functioning (George, 2000), and use emotions to improve their decision making and instil a sense of enthusiasm, trust and co-operation in other employees through interpersonal relationships (George, 2000).

Despite these theoretical links there has been relatively little empirical research examining the relationship between emotional intelligence in the workplace and effective leadership. The complementary transformational/transactional leadership model (Bass, 1985; Bass and Avolio, 1990, 1994, 1995, 2000) has generally provided the framework for the limited examination of these relationships. Originally Burns (1978) distinguished between the transformational leader who raises the needs and motivations of followers and promotes dramatic change in individuals, groups and organisations and the transactional leader who addresses the current needs of subordinates by focusing attention on exchanges (reward for performance, mutual support and bilateral exchanges). Bass (1985) further developed this paradigm by integrating transformational and transactional leadership, suggesting that both styles may

be linked to the achievement of desired goals and objectives. Lowe and Kroeck (1996) suggest that any given leader may be both transformational and transactional. Bass defined the transformational leader as one who arouses awareness and interest in the group or organisation, increases the confidence of individuals or groups, and attempts to move the concerns of subordinates to achievement and growth rather than existence. These leaders seek new ways of working, new opportunities and prefer effectiveness to efficiency (Lowe and Kroeck, 1996). Transformational leaders orient their subordinates towards performance beyond established standards and goals – emphasising employee empowerment rather than dependence (Yammarino and Dubinsky, 1994; see also Bass and Avolio, 1994, 1995). Transactional leadership is described by Bass as one who prefers a leader-member exchange relationship, whereby the leader fulfils the needs of the followers in exchange for their performance meeting basic expectations. This leader has a preference for risk avoidance and is able to build confidence in subordinates to allow them to achieve goals (Yammarino et al., 1993). There is a third component to this model known as non-transactional or *laissez-faire* leadership (Yammarino et al., 1993). This is a "do nothing" style of leadership that creates a negative relationship between leadership and subordinate performance. These leaders are absent when needed, avoid accepting responsibility and fail to follow up on subordinates' requests for assistance (Bass, 1997). Generally in organisations, a transformational leadership style is considered to be more effective than a transactional style, as transformational leaders have been consistently found to

promote greater organisational performance (Lowe and Kroeck, 1996).

Before the conceptualisation of a workplace model of emotional intelligence, the relationship between emotions and leadership was studied by researchers in I/O psychology. Ashforth and Humphrey (1995) noted that transformational leadership appears to be dependent upon the evocation, framing and mobilisation of emotions, whereas transactional leadership appears to be more dependent upon subordinates' cognitions, and tends to follow a rational model of motivation (i.e. motivate employees to achieve basic goals with the reward of pay and security). House *et al.* (1988) suggest that the paradigm of transformational leadership is associated with higher levels of subordinate effort and performance and higher ratings of effectiveness from supervisors.

Recently a new paradigm of research has focused on the role of emotional intelligence in different styles of leadership. Emotional intelligence, as originally conceptualised by Salovey and Mayer (1990, p. 10), "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 regulate emotions to promote emotional and intellectual growth." Mayer and Salovey (1993) suggested that there are individual differences in emotional intelligence relating to differences in our ability to appraise our own emotions and those of others. They further suggested that individuals higher in emotional intelligence might be more open to internal experience and better able to label and communicate those experiences.

Since Salovey and Mayer's (1990) original conceptualisation of emotional intelligence, three alternative models of the construct have been proposed, ranging from ability models (i.e. Mayer and Salovey, 1997) to non-cognitive models (i.e. Bar-On, 1997) and competency-based models (i.e. Goleman, 2001). Mayer and Salovey's ability model defines emotional intelligence as "intelligence" in the traditional sense, that is, as a set of mental abilities to do with emotions and the processing of emotional information that are a part of, and contribute to, logical thought and intelligence in general. These abilities are arranged hierarchically from basic psychological processes to the more psychologically integrated and complex, and are thought to develop with age and experience in much the same way as crystallised abilities. Further, they are considered to be independent of

traits and talents and preferred ways of behaving (Mayer and Salovey, 1993).

Bar-On's (1997, p. 14) non-cognitive model defines emotional intelligence as "an array of non-cognitive capabilities, competencies and skills that influence one's ability to succeed in coping with environmental demands and pressures". While Bar-On (2000, p. 363) places this model under the banner of emotional intelligence, it is a somewhat broader construct to which he more generically refers as "... emotional and social intelligence". Bar-On has operationalised this model according to 15 conceptual components that pertain to five specific dimensions of emotional and social intelligence These are; intrapersonal emotional intelligence – representing abilities, capabilities, competencies and skills pertaining to the inner self; interpersonal emotional intelligence – representing interpersonal skills and functioning; adaptability emotional intelligence – representing how successfully one is able to cope with environmental demands by effectively sizing up and dealing with problematic situations; stress management emotional intelligence – concerning the ability to manage and cope effectively with stress; and general mood emotional intelligence – pertaining to the ability to enjoy life and to maintain a positive disposition. The 15 components of the model are described as non-cognitive variables that " ... resemble personality factors" (Bar-On, 1997, p. 6). Bar-On proposes that the components of this model develop over time, change throughout life, and can be improved through training and development programs, and that the model relates to the potential for performance rather than performance itself.

The competency-based model of emotional intelligence by Goleman (2001) has been designed specifically for workplace applications. It is described as an emotional intelligence-based theory of performance that involves 20 competencies ("a learned capability based on emotional intelligence that results in outstanding performance at work" (Goleman, 2001, p. 27) that distinguish individual differences in workplace performance. The competencies underlie four general abilities:

1 *Self-awareness* – the ability to understand feelings and accurate self-assessment.
2 *Self-management* – the ability to manage internal states, impulses and resources.
3 *Social awareness* – the ability to read people and groups accurately.
4 *Relationship management* – the ability to induce desirable responses in others.

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Goleman (2001, p. 27) proposes that the underlying abilities of the model are "… necessary, though not sufficient, to manifest competence in any one of the four EI domains" and that the emotional competencies are job skills that can be learned. Within this context, Goleman defines emotional intelligence as the ability to recognise and regulate emotions both within the self and others.

The limited theoretical and empirical studies of leadership and emotional intelligence have utilised one of the above models of emotional intelligence and have generally measured leadership based on the transformational/transactional model of Bass and Avolio (1995). As highlighted by George (2000), previous studies of leadership have examined what leaders are like, what they do and how they make their decisions. The majority of research has yet to identify the effect of leaders' emotions on their work and subordinates, and in general the role emotions play in leadership. George suggests that emotional intelligence plays an important role in leadership effectiveness and proposes that the ability to understand and manage moods and emotions in oneself and in others theoretically contributes to the effectiveness of leaders. George argues that emotional intelligence enhances leaders' ability to solve problems and to address issues and opportunities facing them and their organisation. Specifically George proposes that leaders high on emotional intelligence will be able to use positive emotions to envision major improvements to the functioning of an organization. She further suggests that a leader high in emotional intelligence is able to accurately appraise how their followers feel and use this information to influence their subordinates' emotions, so that they are receptive and supportive of the goals and objectives of the organisation. Leaders within this conceptualisation are able to improve decision making via their knowledge and management of emotions, and those who are able to accurately recognise emotions are more able to determine whether the emotion is linked to opportunities or problems and thus use those emotions in the process of decision making (Schwartz, 1990).

Caruso *et al.* (in press) have also discussed theoretical relationships between emotional intelligence and effective leadership and have hypothesised specifically how emotional intelligence facilitates the functioning of an effective leader. These hypothesised relationships are derived from Mayer and Salovey's (1997) four-branch model of emotional intelligence (identifying emotions, using emotions, understanding emotions, and managing emotions). Within this model Caruso *et al.* (in press) propose that greater self-awareness influences performance, and therefore the ability to identify emotion allows the leader to be aware of their own emotions and the emotions of subordinates, assisting them to differentiate between honest and false emotions in others. Caruso *et al.* argue that leaders who are able to use emotions to guide decision making are able to motivate subordinates by engaging in activities facilitated by emotions, and are able to encourage open-minded idea generation, decision making and planning, because they can consider multiple points of view. Understanding emotion is also considered to be important to effective leadership, because it provides the leader with the ability to understand their own and other people's point of view (Caruso *et al.*, in press). Finally these authors also suggest that the ability to successfully manage emotions allows the leader to handle the stress of the job, the frustrations, disappointments and joys.

Deriving from the increasing number of theoretical papers assessing relationships between emotional intelligence and effective leadership are two recent empirical studies: Barling *et al.* (2000) and Palmer *et al.* (2001). An exploratory study by Barling *et al.* examined the relationship between the transformational/transactional leadership paradigm (Bass, 1985; Bass and Avolio, 1995) and emotional intelligence. These authors suggested that emotional intelligence predisposes leaders to use transformational behaviours. The theoretical justification of Barling *et al.* is primarily based on the models of Salovey and Mayer (1990), Mayer and Salovey (1997) and Goleman (1995, 1998a,b). The authors propose that, consistent with the conceptualisation of idealised influence (a component of transformational leadership), leaders who are able to understand and manage their emotions and display self-control act as role models for followers, enhancing the followers' trust and respect for the leader. Second, the authors suggest that leaders high in the emotional intelligence component of understanding emotions are more likely to accurately perceive the extent to which followers' expectations can be raised, and this is related to the transformational sub-component of inspirational motivation. The ability to manage emotions and relationships permits the emotionally intelligent leader to understand followers' needs and to react accordingly (related to the component of individualised consideration). In examining

non-transformational leadership styles Barling *et al.* suggest that two components of transactional leadership (management-by-exception active and management-by-exception passive) and the non-transactional component (*laissez-faire*) do not require self-insight or empathy towards others, but suggest instead that they reflect basic reactive behaviours (and in the case of *laissez-faire* an unwillingness to take any action). Therefore the authors suggest that these leadership styles are not related to emotional intelligence.

Examining leadership styles and emotional intelligence of 49 managers, Barling *et al.* (2000) concluded that emotional intelligence is positively related to three components of transformational leadership (idealised influence, inspirational motivation, and individualised consideration) and contingent reward (a component of transactional leadership). *Laissez-faire* leadership and active and passive management-by-exception were unrelated to emotional intelligence. They reported the highest correlations between emotional intelligence and inspirational motivation, indicating that the emotional intelligence dimension of understanding emotions is particularly important in leadership effectiveness. The authors measured emotional intelligence using the EQ-i (Bar-On, 1997), reporting only a total emotional intelligence score. Given the dimensions of emotional intelligence that the authors sought to correlate with leadership, it was somewhat surprising that they employed the EQ-i, rather than a measure specifically assessing perception, appraisal and expression of emotion; emotional facilitation of thinking; understanding and analysing emotions and emotional management. The EQ-i yields a total emotional intelligence score as well as scores on the sub-scales of intrapersonal; interpersonal; adaptability; stress management; and general mood emotional intelligence (although Barling *et al.* only report the total emotional intelligence score). It is therefore difficult to interpret the results of this study in terms of the four underlying dimensions of emotional intelligence (identifying emotions, using emotions, understanding emotions, and managing emotions (Mayer *et al.*, 1999)). Despite this limitation this study does provide justification for the utility of further studies examining emotional intelligence and leadership and has established a foundation indicating the potential utility of EI in leadership research and applications.

A second examination of the relationship between emotional intelligence and effective leadership has been recently reported by Palmer *et al.* (2001). The authors predicated that, because transformational leadership is considered to be more emotion based (involving heightened emotional levels) than transactional leadership (Yammarino and Dubinsky, 1994) there should be a stronger relationship between emotional intelligence and transformational leadership than with transactional leadership. Palmer *et al.* correlated the sub-scales of a modified version of the Trait Meta Mood Scale (Salovey *et al.*, 1995; see Palmer *et al.* for a description of the modification), which measures the attention, clarity and mood repair dimensions derived from the Salovey and Mayer (1990) model, with the sub-scales of the multifactor leadership questionnaire (Bass and Avolio, 1995) which measures leadership style.

Several significant correlations between transformational leadership and emotional intelligence were observed (Palmer *et al.*, 2001), for instance; the ability to monitor and the ability to manage emotions in oneself and others were both significantly correlated with the inspirational motivation and individualised consideration components of transformational leadership. Second, the ability to monitor emotions within oneself and others correlated significantly with the transformational leadership components of idealised attributes and idealised behaviours (combined, these components reflect "charisma"). The authors suggest that two underlying competencies of effective leadership are the ability to monitor emotions in oneself and others and the ability to manage emotions.

Theoretically the area of emotional intelligence appears to have great validity in predicting effective leaders; however, empirical evidence is very limited. Both Barling *et al.* (2000) and Palmer *et al.* (2001) provide empirical justification for the relationship between emotional intelligence and effective leadership; however, both studies tested small samples (49 and 43 participants respectively) and are limited methodologically in that neither used a measure of emotional intelligence specifically designed for use in the workplace.

The current study examines relationships between emotional intelligence and leadership using a recently developed measure of workplace emotional intelligence. The Swinburne University Emotional Intelligence Test (SUEIT) (Palmer and Stough, 2001) provides a total emotional intelligence score as well as scores on five factors:

1 *emotional recognition and expression (in oneself)* – the ability to identify one's own feelings and emotional states, and the ability to express those inner feelings to others;
2 *emotions direct cognition* – the extent to which emotions and emotional knowledge are incorporated in decision making and/or problem solving;
3 *understanding of emotions external* – the ability to identify and understand the emotions of others and those that manifest in external stimuli;
4 *emotional management* – the ability to manage positive and negative emotions within both oneself and others; and
5 *emotional control* – how effectively emotional states experienced at work, such as anger, stress, anxiety and frustration, are controlled.

The SUEIT is a uni-dimensional model (the factors represent a set of related abilities concerning how effectively emotions are dealt with in the workplace) that assesses the way people typically think, feel and act with emotions at work. As opposed to the Bar-On EQ-i, the SUEIT possesses discriminant validity from neuroticism, extroversion and openness (Palmer and Stough, 2001), which suggests that scores on the SUEIT may account for variance above and beyond that explained by other psychological constructs such as personality.

Based upon some of the theoretical links discussed earlier it is possible to make some tentative hypotheses relating the dimensions of the SUEIT to leadership. These hypotheses are tentative, because this is the first study of its type to correlate leadership with the SUEIT dimensions. Despite this, it is hypothesised that there will be a positive relationship between transformational leadership and overall emotional intelligence and that there will be no relationship between transactional and *laissez-faire* leadership and emotional intelligence. Specifically it is expected that the emotional intelligence components of emotional recognition and expression, understanding emotions and emotional management will be most likely to correlate positively with idealised attributes, idealised behaviours, inspirational motivation, intellectual stimulation and individualised consideration. Both Palmer *et al.* (2001) and Barling *et al.* (2000) reported positive relationships between the transactional component of contingent rewards and overall emotional intelligence, and similar findings are expected in the current study. An exploration into the outcomes of leadership

(extra effort, effectiveness and satisfaction) and emotional intelligence will also be examined. Exploratory regression analysis will be undertaken to determine the best predictors of effective leadership using the SUEIT.

Method

Participants and procedure
Questionnaires were sent to 250 high level managers. A total of 110 participants responded to the questionnaire (44 percent response rate). A total of 76 respondents were male and 30 female (four subjects did not specify gender). The average age of participants was 42.7 years, with 45 percent having earned a postgraduate degree; 69 respondents were senior level managers or above.

Measures

Emotional intelligence
Emotional intelligence was measured by the SUEIT (Palmer and Stough, 2001). The SUEIT is a self-report instrument specifically designed for use in the workplace, which indexes individuals' perceptions of the way they feel, think and act at work, with emotions, and on the basis of emotional information. The SUEIT was developed from a large factor-analytic study involving the factors from six other emotional intelligence scales. Five factors accounted for 58 percent of the variance and thus provide the framework for the SUEIT; emotional recognition and expression (in oneself), emotions direct cognition, understanding of emotions external, emotional management and emotional control. Items were phrased to give the workplace SUEIT depth of scope, that is, to enable the SUEIT to assess how individuals generally think, feel and act with emotions at work and how they think, feel and act with specific emotions, and in more specific emotion-laden situations at work.

The SUEIT comprises 65 items and is measured on a five-point Likert-type scale (1 = never, 5 = always). Respondents are instructed to indicate the extent to which each statement is true of the way they typically think, feel and act at work. The SUEIT has both general norms and executive norms. The average emotional intelligence level in general, as measured by the SUEIT, is 226.75 (α = 0.88), and in executives is 234.6 (α = 0.91). The average executive scores for each factor in the SUEIT are:
- *Emotional recognition and expression*: M = 39.72, α = 0.91.

- *Emotions direct cognition*: M = 38.34, α = 0.70.
- *Understanding of emotions external*: M = 78.80, α = 0.89.
- *Emotional management*: M = 44.00, α = 0.83.
- *Emotional control*: M = 33.75, α = 0.77.

Leadership

Different styles of leadership were assessed using the Multifactor Leadership Questionnaire (MLQ Form 5X) (Bass and Avolio, 2000). The MLQ is a self-report questionnaire consisting of 45 items relating to the frequency with which the participant displays a range of leader behaviours, and is measured on a five-point Likert-type scale (0 = not at all, 4 = frequently, if not always). Five sub-scales assess transformational leadership behaviour (idealised attributes, idealised behaviours, inspirational motivation, intellectual stimulation and individual consideration), while three assess transactional leadership behaviour (contingent rewards, management by exception (active), and management by exception (passive)). The MLQ also measures non-transactional leadership or *laissez-faire* behaviour as well as three outcomes of leadership (extra effort, effectiveness, and satisfaction). Reliabilities for the total items (transformational, transactional, *laissez-faire* and outcomes) and for each subscale range from α = 0.74 to 0.94 (for a comprehensive breakdown see Bass and Avolio, 2000).

Results

The means and standard deviations (SD) calculated for the SUEIT and the MLQ are presented in Table I. The means for each component of the MLQ were slightly higher (with the exception of *laissez-faire* leadership, which was slightly lower) than reported in previous research (Bass and Avolio, 2000) and the means for the components of the SUEIT were in line with previous research (Palmer and Stough, 2001). Inter-correlations amongst the variables included in the study are presented in Table II.

It was predicted that there would be a positive relationship between transformational leadership and total emotional intelligence and that no relationship would be found between total emotional intelligence and transactional or *laissez-faire* leadership. This hypothesis was only partially supported. A strong positive relationship was found between transformational leadership and total emotional intelligence scores (r = 0.675, p < 0.01). However, contrary to our hypothesis that there would be no relationship between transactional leadership and emotional intelligence, a significant negative correlation was found between *laissez-faire* leadership and total emotional intelligence score (r = –0.464, p < 0.01). As hypothesised, no relationship was found between transactional leadership and total emotional intelligence measured by the SUEIT.

It was further expected that the five components of emotional intelligence would positively correlate with idealised attributes, idealised behaviours, inspirational motivation, intellectual stimulation and individual consideration (the components of transformational leadership). This hypothesis was supported with all of the components of transformational leadership correlating in a positively moderate to strong direction and magnitude with the components of emotional intelligence (Table II). The strongest correlation was found between individual consideration and understanding of emotions external (r = 0.585, p < 0.01).

There were some unexpected findings; significant negative correlations between management-by-exception (passive) and total emotional intelligence (r = –0.348, p < 0.01), emotional expression and recognition (r = –0.242, p < 0.05), understanding of emotion (r = –0.303, p < 0.01), emotional management (r = –0.333, p < 0.01) and emotional control (r = –0.325, p < 0.01).

A positive relationship between contingent rewards (a component of transactional leadership) and emotional intelligence was also predicted. This hypothesis was supported with contingent rewards correlating moderately with total emotional intelligence as well as the five components of emotional intelligence (Table II). Contingent rewards correlated most highly with the understanding of emotions (external) component of emotional intelligence (r = 0.557, p < 0.01).

An exploration into the outcomes of leadership (extra effort, effectiveness and satisfaction) and emotional intelligence revealed that each outcome of leadership correlated significantly with the five components of emotional intelligence. Outcomes of leadership as a whole produced a strong positive correlation with total emotional intelligence (r = 0.572, p < 0.01). The understanding of emotions external component of emotional intelligence produced the highest correlation of all of the emotional intelligence sub-tests with each

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facet of outcomes of leadership (understanding emotion with extra effort: $r = 0.506$, $p < 0.01$; with effectiveness: $r = 0.509$, $p < 0.01$; and with satisfaction: $r = 0.574$, $p < 0.01$).

Stepwise regression analyses were also calculated using each component of leadership as the dependent variable (with the exception of transactional leadership whole and management-by-exception active because they did not correlate significantly with any of the SUEIT variables) and the five components of emotional intelligence measured by the SUEIT as the predictors (Table III).

Understanding of emotions external emerged as the strongest predictor of transformational leadership ($\beta = 0.554$, $p < 0.01$), idealised attributes ($\beta = 0.552$, $p < 0.01$), idealised behaviours ($\beta = 0.359$, $p < 0.01$), individual consideration ($\beta = 0.585$, $p < 0.01$), contingent rewards ($\beta = 0.468$, $p < 0.01$), *laissez-faire* leadership ($\beta = -0.372$, $p < 0.01$), outcomes of leadership ($\beta = 0.596$, $p < 0.01$), extra effort ($\beta = 0.506$, $p < 0.01$), effectiveness ($\beta = 0.509$, $p < 0.01$) and satisfaction ($\beta = 0.480$, $p < 0.01$).

Emotional management emerged as the strongest predictor of inspirational motivation ($\beta = 0.323$, $p < 0.01$), intellectual stimulation ($\beta = 0.317$, $p < 0.01$) and management-by-exception passive ($\beta = -0.333$, $p < 0.01$). Details of secondary predictors of leadership are also presented in Table III.

Discussion

The results supported the existence of a strong relationship between transformational leadership and overall emotional intelligence. Leaders who use transformational behaviours motivate their employees to do more than is expected (Yammarino *et al.*, 1993), arouse heightened awareness in the group or organisation

Table I
Means and standard deviations for variables included in the study

	M	SD
Total emotional intelligence	237.29	28.77
Emotional recognition and expression	39.67	5.10
Emotions direct cognition	38.52	6.21
Understanding of emotions external	79.02	9.08
Emotional management	45.25	5.77
Emotional control	34.83	4.18
Transformational leadership	3.34	0.43
Idealised attributes	3.23	0.52
Idealised behaviours	3.19	0.53
Inspirational motivation	3.47	0.49
Intellectual stimulation	3.35	0.55
Individual consideration	3.45	0.50
Transactional leadership	2.05	0.35
Contingent rewards	3.44	0.48
Management by exception, active	1.78	0.78
Management by exception, passive	0.95	0.65
Laissez-faire leadership	0.39	0.45
Outcomes of leadership	3.40	0.45
Extra effort	3.21	0.58
Effectiveness	3.50	0.43
Satisfaction	3.49	0.49

Note: $N = 110$

Table II
Intercorrelations for emotional intelligence and leadership

	Total EI	Emotional recognition and expression	Emotions direct cognition	Understanding of emotions external	Emotional management	Emotional control
Transformational leadership	0.675	0.432	0.425	0.639	0.570	0.507
Idealised attributes	0.564	0.316	0.345	0.552	0.481	0.446
Idealised behaviours	0.537	0.414	0.420	0.467	0.409	0.345
Inspirational motivation	0.575	0.343	0.322	0.534	0.541	0.467
Intellectual stimulation	0.586	0.384	0.392	0.512	0.522	0.450
Individual consideration	0.535	0.331	0.274	0.585	0.409	0.395
Transactional leadership	ns	ns	ns	ns	ns	ns
Contingent rewards	0.561	0.410	0.320	0.557	0.411	0.435
MBE (active)	ns	ns	ns	ns	ns	ns
MBE (passive)	–0.348	–0.242*	ns	–0.303	–0.333	–0.325
Laissez-faire leadership	–0.464	–0.360	ns	–0.456	–0.418	–0.372
Outcomes of leadership	0.572	0.283	0.350	0.596	0.470	0.445
Extra effort	0.467	0.229*	0.245	0.506	0.399	0.364
Effectiveness	0.502	0.259	0.300	0.509	0.428	0.398
Satisfaction	0.562	0.264	0.429	0.574	0.408	0.425

Notes: MBE = management by exception; ns = not significant; $N = 110$, $p < 0.01$; $*p < 0.05$

Table III
Regression analysis – significant predictors (β) for each leadership component

	Emotional recognition/ expression	Emotions direct cognition	Understanding of emotions external	Emotional management	Emotional control
Transformational leadership	0.212	*	0.554	*	*
Idealised attributes	*	*	0.552	*	*
Idealised behaviours	0.272	*	0.359	*	*
Inspirational motivation	*	*	0.300	0.323	*
Intellectual stimulation	*	*	0.282**	0.317	*
Individual consideration	*	*	0.585	*	*
Contingent rewards	0.224	*	0.468	*	*
Management-by-exception (passive)	*	*	*	–0.333	*
Laissez-faire leadership	–0.212	*	–0.372	*	*
Outcomes of leadership	*	*	0.596	*	*
Extra effort	*	*	0.506	*	*
Effectiveness	*	*	0.509	*	*
Satisfaction	*	0.188**	0.480	*	*

Notes: * = not a significant predictor; n = 110, $p < 0.01$; **$p < 0.05$

(Yammarino and Dubinsky, 1994), and de-emphasise narrow self-interest and rationality (Ashforth and Humphrey, 1995). These processes are thought to be largely dependent upon the evocation, framing and mobilisation of emotions (Ashforth and Humphrey, 1995). Leaders who considered themselves as more transformational than transactional reported that they could identify their own feelings and emotional states and express those feelings to others; that they utilise emotional knowledge when solving problems; that they are able to understand the emotions of others in their workplace; that they could manage positive and negative emotions in themselves and others; and that they could effectively control their emotional states.

Unexpectedly, a negative relationship was found between *laissez-faire* leadership and emotional intelligence. Thus those leaders who considered themselves as avoiding accepting responsibility, who are absent when required, who fail to follow up on requests for assistance and resist expressing their opinion on important issues (all components of *laissez-faire* leadership (Bass, 1997)) were more likely to be unable to identify their own feelings and emotional states, be unable to understand the emotions of others in the workplace, be unable to manage their own positive and negative emotions, and be unable to effectively control emotional states experienced at work. These results represent a potentially useful area of new research into *laissez-faire* leadership behaviours, based upon the hypothesis that leaders showing such behaviours show deficits in emotional intelligence.

A similar unexpected finding was the negative relationship between management-by-exception (passive) and the emotional intelligence components of emotional recognition and expression (in oneself), understanding of emotion, emotional management, emotional control, as well as emotional intelligence as a whole. Passive management-by-exception can be reflected in an "if it ain't broke, don't fix it" type of attitude (Yammarino *et al.*, 1993). These leaders fail to intervene in problems until they become serious and generally will not take action until mistakes are brought to their attention (Bass, 1997). Leaders who considered themselves as passive are likely to be unable to identify their own feelings and emotions, be unable to understand the emotions of others in the workplace, be unable to manage emotions, and be unable to effectively control emotions experienced at work.

Laissez-faire leadership and management-by-exception (passive) are both similar in that they are forms of non-leadership; thus it could be inferred that individuals with particularly low levels of emotional intelligence (i.e. those who cannot recognise and express emotions, those who do not use emotional information to assist problem solving, those who do not understand emotions of others, those who do not manage their own emotions and do not control their emotions in the workplace) would not make effective leaders.

In line with previous research, a positive relationship between contingent rewards (a component of transactional leadership) and emotional intelligence was found. Contingent

reward leaders engage in a process of reward for performance, they clarify expectations of subordinates, exchange assistance for effort, and provide commendations for successful subordinate performance (Bass, 1997). Both Barling *et al.* (2000) and Palmer *et al.* (2001) reported that leaders who engage in contingent reward behaviours scored high on emotional intelligence. However, in these studies (as well as the current one) contingent reward correlates highly with all components of transformational leadership, suggesting that it represents another sub-component of transformational leadership. As noted by Barling *et al.* (2000), the behaviours that are involved in the sub-component contingent reward, such as setting goals, providing feedback and rewarding, are all task-oriented, positive, discretionary behaviours; as is each of the sub-components of transformational leadership (idealised attributes, idealised behaviours, inspirational motivation, intellectual stimulation and individual consideration). Somewhat similar findings have also been reported in other studies (Druskat, 1994; Carless, 1998), indicating potential psychometric problems with the MLQ.

The outcomes of leadership (extra effort, effectiveness and satisfaction) were all found to correlate significantly with the components of emotional intelligence as well as with total emotional intelligence. Each outcome of leadership correlated the strongest with the dimension of understanding of emotion external. According to Bass (1997), extra effort is considered being able to get others to do more than they expected, to try harder and to desire success; effectiveness occurs when job-related needs are met and the individual is leading an effective group; and finally satisfaction is achieved when the individual is working with other team members in a satisfying way. Thus we may hypothesise that the ability of a leader to be able to identify and understand the emotions of others in the workplace, to be able to manage their own and others' positive and negative emotions, to be able to control emotions states in the workplace effectively, to utilise emotional information when problem solving, and to be able to express their feelings to others, is integral to the leader being effective, putting in extra effort, and being satisfied.

Regression analyses revealed that the ability to identify and understand the emotions of others was the best predictor of transformational leadership, idealised attributes and behaviours, individual consideration, contingent rewards, *laissez-faire* leadership and the three outcomes of leadership. From a selection perspective, if one wants a leader who will display conviction, emphasise the importance of commitment, generate pride, loyalty and confidence, consider the individual followers' needs, abilities and aspirations, engage in constructive reward for performance, and desires success, then an important ability is to accurately identify and understand the emotions of others. Emotional intelligence testing may improve an organisation's ability to predict who will be an effective leader, who will manage a productive group and who will be satisfied in their own job but who will not avoid responsibility or be absent when needed.

Successful leaders who are able to manage positive and negative emotions within themselves and within others are able to articulate a vision for the future, talk optimistically, provide encouragement and meaning, stimulate in others new ways of doing things, encourage the expression of new ideas and intervene in problems before they become serious. Emotional management may underlie the ability of the leader to be inspirationally motivating and intellectually stimulating.

Further research examining relationships between emotional intelligence and leadership in lower and middle level managers is also warranted. Although the results of this study provide an important platform further to examine relationships between different leadership styles and emotional intelligence, the relationship between actual performance indicators and emotional intelligence in these managers should also be examined. There is also a need for a 360-degree measure of workplace emotional intelligence to complement the self-report measures of workplace emotional intelligence.

The findings of the current study provide strong evidence for the utility of emotional intelligence, measured by the SUEIT, in identifying effective leaders. In particular this study indicates that the SUEIT dimensions measuring the ability to identify and understand the emotions of others and the ability to manage positive and negative emotions within both oneself and others underlie effective leadership styles. It is further suggested that those leaders who are identified as having high levels of emotional intelligence are more likely to desire success, lead an effective team and be more satisfied working with others.

Although a fuller understanding of the relationship between the SUEIT dimensions and workplace behaviours may be achieved

following future empirical research in different cases of organisational culture, climate and performance, it is possible to raise a number of hypothetical relationships between the SUEIT dimensions and workplace performance for leaders. The ability to recognise emotions within oneself and to express those feelings to others is important for leaders in enabling them to take advantage of and use their positive emotions to facilitate organisational performance and also to evaluate the relevance of their own emotions in workplace settings. The extent to which leaders use emotions in order to direct cognition is important in the workplace, with leaders making decisions based on emotional information being more able to effectively and efficiently make decisions. In this context different emotions can serve as important information to use in prioritising demands and solving problems. The ability to identify and understand the emotions of others in the workplace is important for leaders, so that they can influence the feelings of subordinates to maintain enthusiasm and productivity. Leaders need to be able to accurately identify subordinates' emotions in order to distinguish between the emotions they are experiencing and those they are expressing. Emotional management is useful for leaders to be able to manage positive and negative emotions in themselves and subordinates. Leaders need to be able to manage both the highs and the lows of their team to maintain organisational effectiveness. Finally, the ability to control emotions experienced at work is integral to effective leadership. A leader needs to maintain a positive appearance to subordinates in order to instil feelings of security, trust and satisfaction and thus to maintain an effective team.

The selection and development of leaders should progress on the basis of empirical research and sound psychometric instruments. The current study provides preliminary evidence for the efficacy of the workplace SUEIT as a tool for the selection of leaders, with the SUEIT assessing five competencies of emotional intelligence that appear integral to effective leadership. The SUEIT may also be used as a developmental tool for current leaders through the understanding and training of the emotional intelligence competencies of emotional recognition, expression, understanding, management and control.

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