

Role of Emotional Intelligence in Leadership Effectiveness in Service Sector

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ABSTRACT

Leadership is always being an area to probe since ages. Leadership perspectives are found different continuously not only with ages but also with different category and type of organizations, leaderships has been a study with humungous dynamism. The way environment and organizations are changing, the challenges of leadership have also changed and new perspectives have taken place in industry related to leadership concept. This study is focused on understanding the influence through emotional-intelligence on leadership effectiveness in today's time. The paper helps in understanding the role of emotional intelligence on leadership effectiveness. The study is conducted in service organization of Pune and Mumbai. Only banks, education, retail and IT service leaders are considered for collection of data. The data is analysed by using correlation and regression analysis. The study found that emotional intelligence is highly correlated with leadership effectiveness and it is essential for any organization of service sector to have leaders with emotional intelligence for effective performance of organization.

KEYWORDS: Leadership effectiveness, Emotional intelligence, Service Sector and Performance

INTRODUCTION

Huge impact of leadership was continuously being felt and realized by the organization for both internal and external aspects of the organizations. Berlew (1974) as the competition was increasing variety of activities were being performed by the organization to impact and maintain external as well as internal environment of the organization. It has been realized alone changes in external environment does not require leadership but internal factors of organization also require proper efficiency in them therefore leadership fit for the organization has become the important factor for the businesses and organizational growth. The dilemma was the need of leadership at few level or all levels of the organization. Organization which has effective leadership at top level is sufficient to make organization effective or there is need of leadership at every level. Study found that leadership at different levels of the organization plays different role and having mix of transforming or transacting pattern of leadership is helpful for the organization. Transformational leadership proves to be successful in variety of organization at top management level and being supported by middle and lower level transactional leadership, Bass (1999). Elkins and Keller (2003) probe the leadership pattern in research and development organization. The study support the view that transformational leaders who encourage teams with enthusiastic vision and provide high quality leader-member exchange connection, are able to provide success to the project team involved into. Therefore excessive involvement of objective sharing and high intellectual relationship leads to success of research organization team. Turner and Muller (2005) on the contrary delineate that success factors of

project team is not because of leadership style rather other elements are being associated with the success of the project like resource availability, role clarity, technology and methodology to be used but does not emphasize the role of leadership or project manager. There are many research findings which suggest the factors which help in evaluating leadership effectiveness, what is crucial here is the manner implemented by a leader ensures that people adapt the systems of the organization and bring collaboration to deliver effective performance from people. To this view the response of evaluation pattern of the leadership effectiveness Hazy (2006) suggested four factors which help organization to evaluate the performance of leadership effectiveness. These factors include- role and objective clarity, committed employee, right and timely decision making and suitable executive norms. Now here the role of leader becomes very significant to ensure the role clarity to his people. Even employee commitment include one of the factor as relation with superior here the leader's influence on the people make them committed for the organization. Mayer and Caruso (2002) the accepted fact is any officer can handle people with better emotional understanding, can manage people more efficiently. It has always been accepted in various research that EI is always connected to humans because the process of emotionally receiving information from people and evaluating it is subconscious thought of every human mind. Therefore one cannot escape from this element and it is an integral part of mankind. The study has supported this view with people in the organisation and one of the common relationships in the organisation is of superior and subordinate. Kannaiah & Shanthi (2015),

How to cite this paper: Swati John "Role of Emotional Intelligence in Leadership Effectiveness in Service Sector" Published in International Journal of Trend in Scientific Research and Development (ijtsrd), ISSN: 2456-6470, Volume-4 | Issue-3, April 2020, pp.521-524, URL: www.ijtsrd.com/papers/ijtsrd30573.pdf



IJTSRD30573

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present in their research that emotional-intelligence is one of the variables which impacts the thought process and the behaviour of people. With the help of certain emotional capabilities organisation can bring novelty in the performance of employees. Neil et al. (2016), delineates that the combined effect of leadership-style, EI, solidarity on performance of department in the organisation. Researcher has emphasized the role of specific behaviour and incorporation of EI by a senior change its effect on performance of group of subordinates. The result shows that if a continuous effort is put in by the leader to focus and guide the performance of his subordinates then his style of dealing with people can influence the performance of the group. Author also described that having certain perspective with a leader is very positive for organisation especially when faced with uncertainty in business. Alabdulbaqi et al. (2019) generally the kind of culture which is needed in today's organisation demands the employee who could work in a team. But there are certain profiles which require an individual to perform effectively without the support of others. Thus the leadership of individual is very essential for certain roles and responsibility.

Thus, if one tries to evaluation the contribution of emotional-intelligence on the leadership then it can be seen in different phases. It has been reflected from the above research that EI has been interpreted and analyzed in different ways and impacts. The studies have continuously emphasized the involvement of emotional-intelligence with the effectiveness of leadership. Emotional-intelligence has become the inevitable part for the leaders in the organization, because it provides enhancement and success to the organization.

Objective of the study

To study the impact of emotional intelligence on leadership effectiveness in service sector.

Literature Review

Leadership Effectiveness

Charan (2006), for improved business results the organization must realize the required changes to bring in an organization. Implementing such changes within and outside the organization is a realization of leaders of the organization. Leader is the one who looks to changes and enable the workforce, with whose support it will result better to organization. Leadership does good judgment that people should inter-mingle each other and making decisive pronouncement in significantly different ways. The success and failure of an organization is entirely dependent on the leader and therefore they need to be effective. A leader should able to influence the people but what is more important is leader able to get desired behavior through that influence. (Ghoshal et al, 2000) determined that leader's in current scenario requires contributing towards the development of their people so that each individual becomes best in their area and work. (Hendrickson, 2016) further emphasize that disregards to the culture will have to be paid by the organization especially when there are intercultural and cross culture elements are part of an organization. He suggests that a leader who can understand the culture well and behave in accordance to it brings effectiveness. This clearly denotes the variety of aspects impacting the effectiveness of leadership continuously. Leadership effectiveness is always strongly connected to the success of the organization (Wilson and Mujtaba, 2011). This study

defines leadership effectiveness as- process of communicating; guiding, encouraging followers to understand the importance of actions decided and implement those actions with each other's coordination to achieve organization goals in favorable, moderate and unfavorable environment of business.

Emotional Intelligence

The concept is defined by Mayer, Salovey and Caruso (2008) as "the ability to engage in sophisticated information processing about one's own and others' emotions and the ability to utilize this data. That is individual's with greater level of emotional intelligence pay attention to utilize, know and manage emotions and these aspects helps person and people around him". (Goleman, 2000) indicates that leader's job is to get result and therefore offers the advice that leader should know that how to manage situation emotionally. Exerting anger with right person, in right extent and right time is very crucial and important to be managed by a leader. Doing such is possible with the mastery of emotional intelligence.

The research by (Stephane et al. 2006) determined a model which reflects that general intelligence is essential for effective performance, further the study focuses that general intelligence includes emotional and cognitive intelligence. Emotional intelligence enhances the citizenship behavior of the employee which leads to enhance the performance of the team and cognitive intelligence enhances the judgment of the individual which is attained through experience and comes with experience. Therefore the cognitive and emotional intelligence are important for performance. (Singh, 2003) gives some detailed perspective to EI, he defines EI as the skill of a person to respond efficiently to various emotional spur drawn out from inner thoughts and environment the person is into. Researcher provides three measurements for emotional intelligence which includes-emotional competency, emotional sensitivity and emotional maturity which help individual to be familiar with the right emotions and understand efficiently and manage discreetly the behavior of human. (Sternberg, 2012), research indicates that the intelligence of a person is also indicated by the volume of brain, if it is bigger than the intelligence will be greater. But it is equally essential that an individual is utilizing the brain at the same time otherwise the volume does not have any such effect on the intelligence individually. Study also mentions that the psychological perspective of the intelligence is the new and emerging aspect of intelligence in current time. The independent marks attained by the person is the core element to test the intelligence is the fact of previous researches and recent aspects includes psychological perspective as essential elements for the measurement of intelligence and such perspective has a growing acceptance today.

Leadership Effectiveness and Emotional Intelligence

The leadership has emerged greatly from past till present. In past leadership was more about establishing control mechanism with staff organisation. Recently immense changes have been seen in this approach of leading. People concern has become one of the important aspects of leadership now. This paper highlights the impact of people concern by a leader and enhancing the performance of staff. The outcome shows that the superiors who believe that they are responsible to generate willingness and encouragement

to their staff members to accomplish the objectives practice better people conserve by managing the feeling of staff as well as self. Antonakis (2003) research related to connection between emotional-intelligence and leadership-effectiveness. Empirically the finding presents the facts about greater impact of emotional perspective and its role in the effectiveness of leader management. Further suggests that it will be strongly beneficial for an organisation to evaluate the emotional stability aspect before recruiting and selecting a superior for an organisation and a continuous process of improvement through training of already existing superiors related to their emotional stability should be provided from the end of organisation. Shipley, Jackson and Segrest (2010) highlights the essential need for emotional-intelligence (EI) and its continuous impact on performance of organisation and better ability of a superior. It also indicates that with higher degree of EI an individual attain success. Mfikwe and Pelser (2017) found a strong correlation between emotional intelligence and style of leader in top management. It tries to identify if there is any difference in this perspective because of change in gender. On the basis of this factor the result shows that there is not much difference in the outcome of male and female and it is connected to both the variables. Drigas and Papoutsis (2019) with the increase in development and acceptance of the concept of emotional-intelligence the recent development shows that emotional intelligence is one of the important strengths for HR department of any organisation. The study shows that when people are working in a group its efficiency increases when the group members provide more help, support and coordination among each other.

It was an accepted fact that the way the organisations human resource policies are developing impact the overall culture of the organisation which decides the comfort factor of the employees who are part of that organisation. This element helps in interpretation of employee whether the

organisation can understand their concerns or not and along with that it can provide growth in career. Therefore how HR human resources manuals are attractive and address the concerns of the employee has become one of the most important criteria for employee satisfaction. This has a huge impact on turnover of the employee. One of the major reasons for employees leaving the organisation stated is discomfort of an employee with his immediate superior or a reporting officer.

Research Methodology

Sampling Frame –

- Geographical Area – Pune and Mumbai, Maharashtra, India
- Research design – Descriptive research design
- Target group – Leaders with minimum 20 subordinates or follower from IT, Banks, Education and Retail sector.

Technique incorporated for data gathering and analysis–

- Data gathering (collection) – Primary method as well as secondary methods.
- Systematic and structured development of questionnaire to gather the primary data.
- Sample size –

Location	Size of sample
Pune and Mumbai	680

- Sampling method: Simple random sampling as part of probability design of sampling with objective categorization to circumvent biasness.
- Techniques incorporated for data analysis – Correlation and regression analysis is done to understand the impact of emotional intelligence and leadership effectiveness.

Analysis and Result

Correlation for sub-variables of Emotional Intelligence and sub-variables of Leadership effectiveness–

	Understanding self-emotions	Understanding Other's emotions	Managing emotions	Managing response
Visionary	.78	.77	.82	.86
Managing Uncertainty	.92	.83	.80	.88
Communication Skills	.81	.76	.78	.90
Support to Subordinates	.91	.90	.84	.82
Provide desired outcomes	.91	.82	.92	.89

Interpretation–

Observation in correlations analysis provided by shows overall strong affirmative correspondence between both the factors (EI and LE). Through researches it has been accepted that if the range of correlation (r) if is between 0.75 to 0.95 is interpreted to be strong positive relations. In the given table 'visionary and understanding self-emotion' ($r=0.78$); 'visionary and understanding other's emotions' ($r=0.77$); 'Communication skills and understanding other's emotions' ($r=0.76$); communication skills and managing emotions ($r=0.78$) are being moderately high and statistically significant. The all other sub-variables are having value of ' r ' more than 0.80, which further shows strong correlation. A strong positive correlation is clearly seen between 'managing uncertainty and understanding self emotion' ($r=0.92$); communication skills and managing response ($r=0.90$); support to subordinate and understanding self-emotions ($r=0.91$); support to subordinate and understanding other's emotions ($r=0.90$); provide desired outcomes and understanding self-emotions ($r=0.91$); and provide desired outcomes and managing emotions ($r=0.92$). Thus the elucidation suggests that effectiveness of leadership is matching with the intelligence of emotions.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.892 ^a	.886	.877	.76325
a. Predictors: (Constant), EI				

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	1.752	.159	23.620	.000
	EI	.106	.038	.105	.006

a. Dependent Variable: LE

Interpretation

The above analysis demonstrate the R square value to be 0.886 which is approximately 89 percent which indicates the regression model the independent variables EI impact 89 percent on the independent variable LE. Further the overall regression model is significant because p value is 0.006 which is below alpha 0.05. In the above table the adjusted R square value is 0.877, which indicates the percentage of the variance in the dependent variable explained by the independent variable. In this case we can construe that close to 89 percent of variance of leadership effectiveness can be elucidated by emotional intelligence.

Findings and Conclusion

The study tries to understand what type of leadership pattern could be best fit for service sector organisation as it is found that leadership is important in the industry in today's time. Ability to analyze feeling and behave accordingly is required by leader and it adds impact to the inspirational aspect of a leader. Based on the study and the perspective shown through examiner provide input that well-built emotional quotient makes a leader stronger, impactful and successful. The reason to which are - leader are responsible to provide motivation, be effective in communication, able to take decision in a right manner, having strong interpersonal relationships and able to cope up with dynamics and changes of the organisation. There is a strong correlation between emotional intelligence and leadership effectiveness. Further in service sector it is key essential that leaders have better emotional intelligence for effective and committed workforce. This way a leader can generate effective performing team and which is most essential in any service organization.

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