

How the Leaders' Emotional Intelligence Influences their Effectiveness and the Assessment of their Performance?

© András GÖNDÖR

Budapest Business School College of Finance and
Accountancy

gondorandras@ideacom.hu

This study examines how the leaders' emotional intelligence influence the assessment of their performance (N=81). We compare the assessment of leaders in three relations and examine how some factors and facets of the leaders' Trait Emotional Intelligence influence their assessments in the different relations.

Keywords: TRAIT Emotional Intelligence, leadership effectiveness, performance assessment

Several studies have examined the leaders' emotional intelligence (EI), finding it significantly higher than non-leaders' EI (Kömlösi & Göndör, 2011a; Siegling et al., 2014). It is relevant to find out how the leaders' EI influence their performance. Studies differently interpret the concepts of 'leader' and 'leader performance'. Leader performance is often used as a synonym for leader effectiveness in studies.

In studies where leader effectiveness is a dependent variable, it is inevitable to measure leader performance. The methods of measuring performance, however, are not well defined. It seems that there as many types of performance assessments as the number of examined organizations. It is highly challenging to study the relationship between EI and performance since, in some cases, leaders' performance cannot be compared even *inside* a single organization. One solution can be that researchers measure the leaders' behaviour or characteristics (which are conditions for performance), instead of actual performance. The difficulty of measuring performance is an important reason why studies on the influence of EI on performance (especially on leaders' performance) is scarce, and mostly restricted to a single organization. Our study aims to bridge these problems and broaden the scope of the research.

Ever since the 1990's, 360 degree assessments have growing role in measuring performance. Handy et al. (1996:13) emphasize that "different groups of employees together hold a unique mirror that enables an individual to see oneself". Such reflections can be useful both for the assessed person, and the researcher, allowing to obtain a more realistic judgment about performance. *"The role of 360° feedback... is designed to objectify, make known and measure*

performance" (Morgan et al., 2005:664) in every key position of the organization.

Multi-source feedback and its role in management and leadership practice has been the subject of several studies, and debate. (Drew, 2009; Prowse & Prowse, 2009; Lepsinger & Anntoinette, 2009) 360 degree assessments prove especially important in leaders' assessment.

As Drew concludes, "*good practice, in fact, for sensitive 360-degree instruments would belie conducting such a process without a satisfactory framework, making deliberate comparison difficult*" (Drew, 2009:582). Therefore, we had to develop a framework (a model) for the assessment questionnaire allowing the comparison of the assessed leaders. The rank order resulting from the model was used as a dependent variable. The model was based on the following well-established resources:

- ⇒ The comparative management-leadership model by Kotter (1990) served as a basis for the question categories,
- ⇒ the content of the actual questions was influenced on several studies focusing on contextual performance (Motowidlo et al., 1994; Borman & Motowidlo, 1993).

„Task performance behaviors are associated with the use of technical skills and job-specific knowledge. Contextual performance behaviors are associated with interactions with coworkers, supervisors, or customers, as well as with behaviors that demonstrate self-discipline, persistence, and willingness to exert effort.” (Motowidlo et al., 1994:527) The questions in our questionnaire describe behaviours, and the responders have to decide how frequent each behaviour is in the assessed leader. This frequency is considered, further on, as the basis of performance. The method can be used for questions about task performance and also contextual performance.

In 360 degree assessments a distorting phenomenon might occur. Drew found that "*managers' self-rating on key interpersonal behaviours decreased over the two successive measurement points. Perhaps, ratees' self-scores in subsequent surveys decreased as they became more mindful of their interpersonal behaviours and the impact of these on others.*" (Drew, 2009:582-583). In our study, the 360 degree assessment was introduced for the first time in both organizations, therefore, it seemed reasonable to omit self-rating to avoid the distorting effect on the results.

Our study examines the following hypotheses:

Hypothesis 1. The leaders' EI influence the assessment of their performance

Hypothesis 2. During the 360 degree assessment, different factors and facets of the leaders' Trait EI influence the assessing groups in different ways.

Hypothesis 3. The assessment is influenced by the position (status) of the assessing group, in other words, their structural relation to the assessed leader.

Method

Participants and procedure

The study involved 81 leaders of two producing and service companies (Company A, Company B) in Hungary. Leaders worked in different fields (production, service, sales, administration) and on different levels (first line managers, middle managers, top managers). The research was conducted in May 2013 in Company A (N=27), and in July 2014 in Company B (N=54). *Table 1.* shows the number of participating leaders, bosses, subordinates and peers (direct and indirect participants).

Table 1. Number of direct and indirect participants

COMPANY	NUMBER OF			
	Direct participants	Indirect participants		
	PARTICIPANTS (LEADERS)	BOSESSES	SUBORDINATES	PEERS
A	27	27	136	43
B	54	61	403	131
SUM (A+B)	81	88	539	174

Measures

Trait EI

To measure EI, we used the full Trait Emotional Intelligence Questionnaire (TEIQue 1.50; Petrides, 2009) translated into Hungarian (by Komlósi and Göndör, 2011b). Petrides and his colleagues emphasize that „*the construct of trait emotional intelligence (trait EI or trait emotional self-efficacy) provides a comprehensive operationalization of emotion-related self-perceptions and dispositions*” (Petrides et al., 2007:273).

Leadership performance

We developed a measurement called the Comparative Leadership Effectiveness Measurement (CLEM) Model and Questionnaire. The questionnaire consists of 22 questions inquiring about the leader. The boss(es), subordinates and peers use the same questionnaire anonymously, without knowing each other's assessment. They rate each question on an 11 point scale, ranging from ALMOST NEVER (point 1) to ALMOST ALWAYS (point 11). The scores can be converted into percentage, where ALMOST NEVER=0,00%, and ALMOST ALWAYS=100,00% of the performance.

Table 2. The CLEM Model and Questionnaire
 * Expressions cited from *Kotter* (1990:6)

CLEM (Comparative Leadership Effectiveness Measurement Model and Questionnaire)					
The model		Questions of the questionnaire			
Planning	“Establishing direction”*	How often does the leader have to modify the plans when planning an activity?	Are the written (or orally presented) plans of the leader understandable?	Can the written (or orally presented) plans of the leader properly be realized?	Is the leader's performance high in general?
Tuning Up	Preparing team or group	Does the leader delegate tasks to the most suitable persons?	Does the leader properly select his/her colleagues?	Does the leader properly prepare his/her colleagues for the tasks?	
Organizing	“Aligning people”*	Are the activities organized by the leader carried out in time (does the leader keep the deadlines)?	Do the activities organized by the leader properly fit the aims?	Are <i>all</i> the activities planned by the leader realized?	
Motivating	“Motivating and inspiring”*	Does the leader support the development of his/her subordinates?	Does the leader accept and realize good suggestions?	Does the leader motivate colleagues to make suggestions?	
Changing	“Producing changes”	Does the leader correct mistakes promptly (in time)?	Does the leader fix problems based on previous (positive and negative) experience?	Does the leader handle unexpected situations flexibly?	
Supervising	Measuring results and taking actions for desired goal	Does the leader ensure supervision?	Does the leader delegate supervision for the right persons?	Does the leader handle unexpected situations decidedly?	
Caring Quality	Continuous operations for quality	Does the leader make professionally convincing decisions?	Are others (clients, partners) satisfied with the professionalism of the leader's subordinates?	Are others (clients, partners) satisfied with the attitude of the leader's subordinates?	

Source: Google book:

https://books.google.hu/books?id=CN3XeWDVyWkC&printsec=frontcover&dq=kotter+a+force+for+change&hl=hu&sa=X&ei=bdGmVL_qE8emygP3moCgCw&ved=0CB4Q6AEwAA#v=onepage&q=kotter%20a%20force%20for%20change&f=false

The reliability of the CLEM Questionnaire was measured with the Cronbach's alpha coefficient.

Table 3. The reliability of the CLEM Questionnaire by relations

SUBORDINATES				BOSSSES				PEERS			
Case Processing Summary				Case Processing Summary				Case Processing Summary			
		N	%			N	%			N	%
Cases	Valid	539	100,0	Cases	Valid	88	100,0	Cases	Valid	174	100,0
	Excluded ^a	0	0,0		Excluded ^a	0	0,0		Excluded ^a	0	0,0
	Total	539	100,0		Total	88	100,0		Total	174	100,0
a. Listwise deletion based on all variables in the procedure. N= number of questionnaires filled by subordinates				a. Listwise deletion based on all variables in the procedure. N= number of questionnaires filled by boss's				a. Listwise deletion based on all variables in the procedure. N= number of questionnaires filled by peers			
Reliability Statistics				Reliability Statistics				Reliability Statistics			
Cronbach's Alpha		N of Items		Cronbach's Alpha		N of Items		Cronbach's Alpha		N of Items	
,971		22		,972		22		,974		22	
N of items=number of examined questions on questionnaires											

In each three questionnaires (of three relations) the Cronbach alpha coefficient is far beyond the minimum acceptable level which is 0,7.

We summarized the answers by relations (bosses, subordinates, peers), and defined the general performance index of each leader (participants). Scores vary between 1 to 11 (as a result of the 11 point scale), from which extracting 1 and multiplying by 10, we obtain the performance in percentage. H₁ and H₂ hypotheses involve that the values in the three assessment directions are different, and we expect that they will differ according to the position of the assessing person (H₃ hypothesis). Table 5. shows the assessment means arriving from the three relations are significantly different.

Table 4. Performance assessment means by assessment directions N=81

		BOSS'S MEAN	SUBORDINATE'S MEAN	PEAR'S MEAN	GENERAL PERFORMANCE INDEX MEAN*
N	Valid	78	75	75	81
	Missing	3	6	6	0
Mean		7,6791	8,8269	8,128	8,2111
Mean %		66,79%	78,27%	71,28%	72,11%
Std. Deviation		1,92721	1,18704	1,69585	1,11316
Variance		3,714	1,409	2,876	1,239

*GENERAL PERFORMANCE INDEX MEAN was calculated with the formula [(BOSS'S MEAN + SUBORDINATE'S MEAN + PEER'S MEAN)/3]. In the case of the lack of one assessment, the general mean was calculated from other two's.

Results

Trait EI

Table 2. shows the mean value of trait EI of the participating leaders. The EI of male and female leaders was practically the same, and there was no significant difference in the mean values from previous measures (Kömölösi-Göndör, 2011/1; Siegling et al, 2014).

Table 5. The Global Trait Emotional Intelligence means

Gender*	Mean	N	Std. Deviation	% of Total Sum
1	5,4400	62	,55022	76,5%
2	5,4442	19	,53733	23,5%
Total	5,4410	81	,54388	100,0%

*Male participants were coded 1, female participants were coded 2.

Leadership Performance

Performance categories

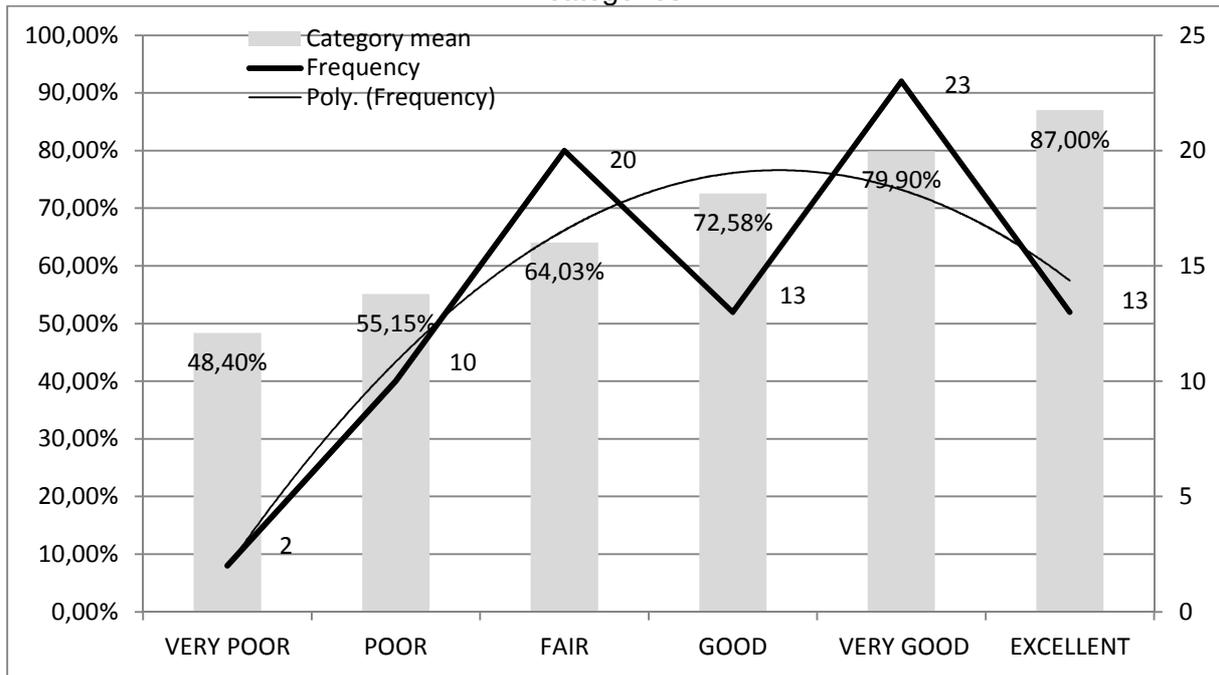
We formed six categories by clustering. Table 7. shows the minimum and maximum values of the individual performance categories.

Table 6. Minimum and maximum values of individual performance categories

	MIN	MAX
VERY POOR	0,00%	51,99%
POOR	52,00%	59,99%
FAIR	60,00%	67,99%
GOOD	68,00%	76,49%
VERY GOOD	76,50%	84,49%
EXCELLENT	84,50%	

Figure 2. shows the frequency of leaders in each category. Distribution of the frequencies is normal (as the trend-lines also demonstrate), suggesting that the multi-source assessment does not contain major distortions. This justifies our decision to omit leaders' self-assessment. the normal distribution of frequencies and the linear The leaders' mean performance (mean of General Performance Index) was 72,11%; the lowest value of GPI 46,70%, the highest 89,60%.

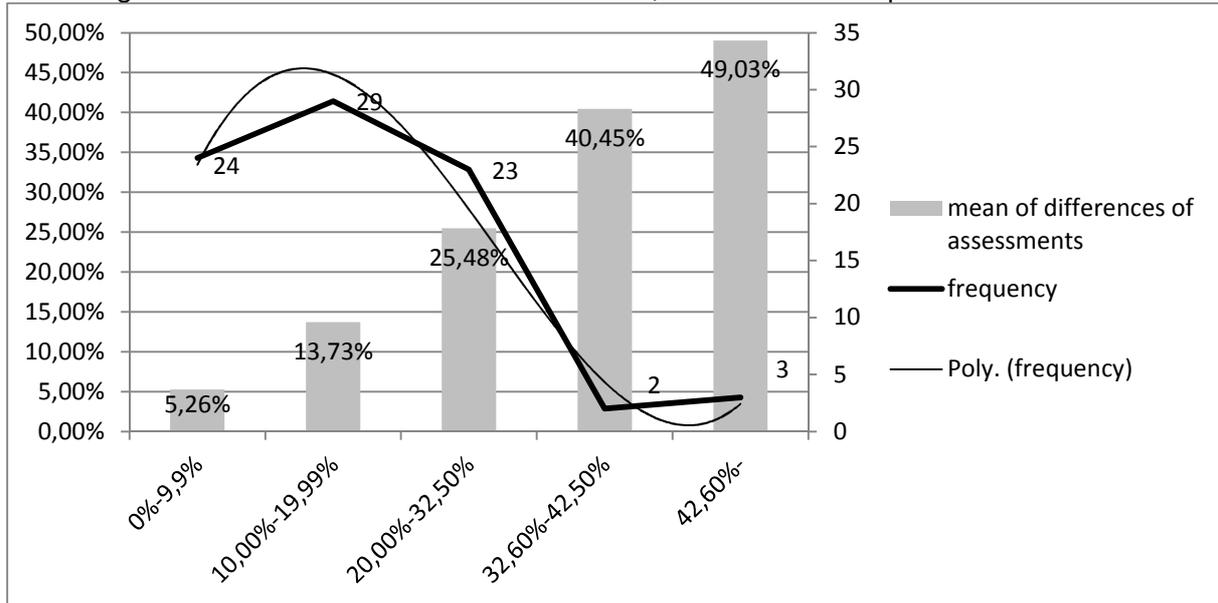
Figure 1. Means of leaders' performance and the frequency of leaders by performance categories



Differences of performance assessments by relations

We defined the difference between the assessment directions (relations) (Figure 1.). The minimum difference is 0,00%, the maximum is 79,1%. We formed 5 categories by clustering, and defined the mean value of differences by participants and the number of participants per category. The distribution of frequencies in the categories was normal. Based on the cumulated frequency, the mean value of assessment differences is 9,90% in case of 53 participants (first two categories, 65,4% of participants). In case of 76 participants (first three categories, 93,82% of participants), the mean value of differences is 14,61%.

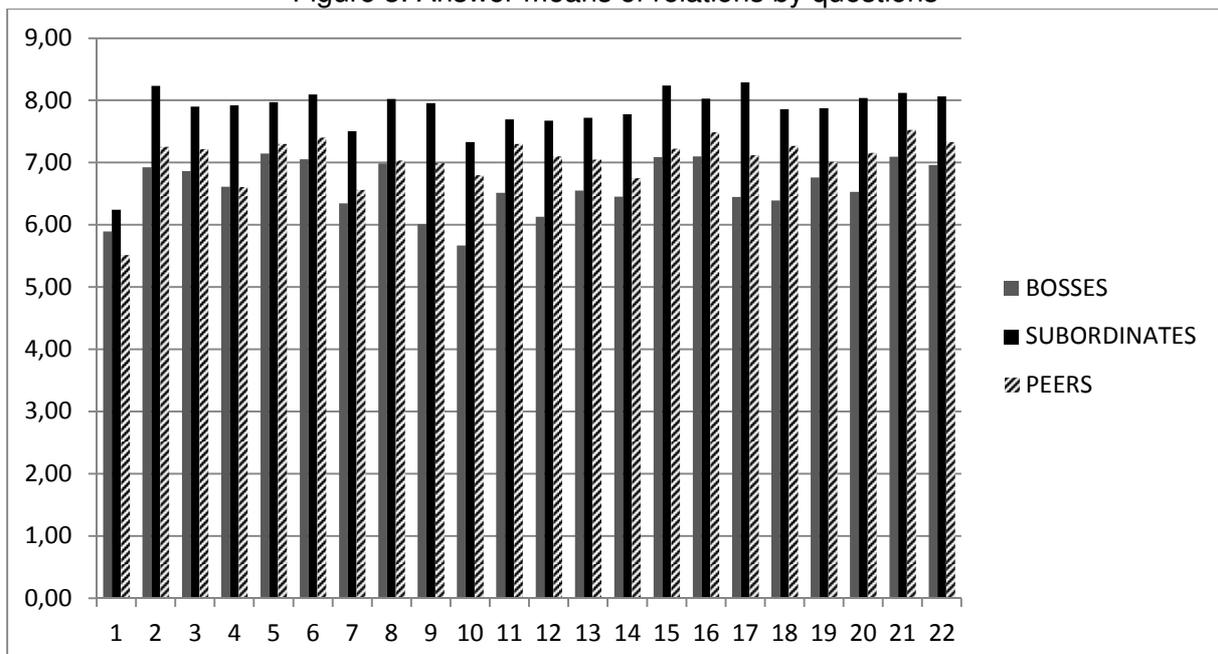
Figure 2. Distribution of differences in boss, subordinate and peer assessments*



*The difference of means was calculated with formula $(ABS(BOSSMEAN-SUBORDINATEMEAN)+ABS(SUBORDINATEMEAN-PEERMEAN)+ABS(BOSSMEAN-PEERMEAN))/3$

For H_3 hypothesis it is necessary to prove that the structural relation of the assessor to the assessed has an influence on the rank among other assessments. We analysed the variance of the answers to the 22 questions in the three relations. The results disprove the hypothesis that the expected values are the same in each relations (the significance level is 1%). Based on the mean values (Figure 3.) the expected level of subordinates is the highest in all the 22 questions, whereas the rank order of the other two relations (bosses, peers) varies in each question.

Figure 3. Answer means of relations by questions



The position (structural relation) of the assessor (boss, subordinate, peer) has an effect on the rank of the assessments of one leader. Therefore, the assessor's position influences the rank of the assessments.

The influence of Trait EI on performance assessments

We analyzed the correlation of the answer means in the three relations and General Performance Index with the facets and factors of Trait EI and Global EI to prove H1 and H2 hypotheses. The results in *Table 7*. demonstrate that the assessment of the subordinates shows a correlation significance level 95% and 99% with several facets and factors of Trait EI. There is correlation between the General Performance Index means and the 'Relationship skills' facet, and, on the other hand, boss assessment means and the 'Emotion management' facet. These two facets ('Relationship skills' and 'Emotion management') seem to have a direct influence on the assessments, but in different assessment relations.

Table 7. Correlation matrix of Trait Emotional Intelligence factors and facets, and the assessments of leaders efficiency

ASSESSMENTS MEANS		SELF ESTEEM	EMOTION EXPRESSION	SELF-MOTIVATION	EMOTION REGULATION	HAPPINESS	EMPATHY	SOCIAL COMPETENCE	IMPULSIVITY (LOW)	EMOTION PERCEPTION	STRESS MANAGEMENT	EMOTION MANAGEMENT	OPTIMISM	RELATIONSHIP SKILLS	ADAPTABILITY	ASSERTIVENESS	WELL BEING	SELF-CONTROL SKILLS	EMOTIONALITY	SOCIALITY	GLOBAL TRAIT EI
BOSS'S MEAN	Pearson Correlation	,041	,059	,080	,240*	,129	-,075	,066	,222	,091	,011	,000	,027	,129	,146	,125	,078	,199	,060	,072	,126
SUBORDINATE'S MEAN	Pearson Correlation	,229*	,213	,261*	-,275*	,117	,253*	,240*	-,030	,270*	-,037	,244*	,182	,309**	,017	,096	,202	-,150	,307**	,237*	,210
PEER'S MEAN	Pearson Correlation	-,002	,188	,071	-,108	,110	-,004	-,023	-,142	,017	,084	-,020	,059	,135	-,222	,005	,069	-,071	,108	-,016	,021
GENERAL PERFORMANCE INDEX MEAN**	Pearson Correlation	,120	,213	,123	,010	,187	,052	,141	-,003	,168	,032	,098	,111	,254*	-,028	,092	,163	,016	,208	,133	,160

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

***GENERAL PERFORMANCE INDEX MEAN was calculated with the formula $[(\text{BOSS'S MEAN} + \text{SUBORDINATE'S MEAN} + \text{PEER'S MEAN})/3]$. In the case of the lack of one assessment, the general mean was calculated from other two's.

Discussion

Measuring leader effectiveness and performance is a complex and difficult task. The measurement methods are often specific to the different organizations, therefore are not comparable. The main challenge is to measure the elements of contextual performance objectively. According to research, multi-source feedback is an accepted and reliable method to assess leader performance, especially contextual performance. The responds to our questionnaire show the expectable normal distribution.

Results support Hypothesis 1 and Hypothesis 2: the leader's Trait EI influences the assessments, and the different facets and factors of Trait EI have different effect, depending on the position of the assessor to the assessed person.

The 'Relationship skills' facet of the leader proved to be of utmost importance in the assessments. This skill had a major effect on the subordinate assessments mean values, and also influenced the General Performance Index. The relationship skills of the leader deeply influence the 360 degree assessment.

The 'Emotion management' facet shows negative correlation with the subordinate assessments mean values, but has a positive correlation with the boss assessments. The Emotion management scale “measures short-, medium-, and long-term control of one’s own feelings and emotional states” (Petrides, 2009). The different effect of Emotion management on these two relations (subordinates and bosses) needs further study.

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Assessments Means
Self Esteem
Emotion Expression
Self-Motivation
Emotion Regulation
Happiness
Empathy
Social Competence
Impulsivity (Low)
Emotion Perception
Stress Management
Emotion Management
Optimism
Relationship Skills
Adaptability
Assertiveness
Well Being
Self-Control Skills
Emotionality
Sociability
Global Trait Ei

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