

# Emotional Intelligence and Effective Leadership

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**ABSTRACT:** Currently, with the profound managerial changes that companies are experiencing, the leader plays a major role in the effectiveness of the organization. This explains why many recent researches are interested in the factors influencing leadership effectiveness. As such, emotional intelligence (IE) is considered as an important element in the development of the company's creative capabilities and explains the Effective Leadership (EL). This proposal is concerned with the case of the ENIE company, which is the Algerian largest electronic company. Our questionnaire was administered to a representative sample of 112 managers exercising supervisory functions. The results demonstrate that emotional intelligence has a significant and positive effect on effective leadership.

**KEYWORDS:** Emotional Intelligence (EI), Effective Leadership (EL), Emotional Quotient, Leadership Behaviour Inventory (LBI), Algerian ENIE Company

## Introduction

We are living the transition from an industry-based economy to a knowledge-based economy. The great challenge of today and tomorrow is to make the work based knowledge profitable, because the creation of added value in companies of the 3rd millennium is based more and more on intangible capital. From now, the creation of added value requires conflict resolution, effective communication, group-minded development, managing change, a good ability to influence and mobilize employees and a good emotional climate. Therefore, the cognitive and emotional skills of the coaching staff play a key role in this new managerial era. Soft skills have been mainly theorized through the concept of Emotional Intelligence (EI), which is also known by the emotional revolution. This explains why a lot of recent research is looking at the factors that influence effective leadership (EL). EI is seen as an important element in the development of the company's creative capabilities and explains as such the effectiveness of leaders, because analytical intelligence is no longer enough to distinguish between an effective leader and a less effective one.

EI is important to the point that a brilliant person with prestigious background can completely miss his career, even his life (Kets de Vries 2007). Effectively, emotional intelligence describes a subjective ability to identify, evaluate and manage one's emotions and emotions of others at work. Therefore, managing through emotional intelligence increases the potential for influence and mobilization in order to make leadership more effective. More and more researches are emphasizing the link between emotional intelligence and effective leadership. This researches show that leaders with a similar level of cognitive intelligence can make wrong decision attributed to the difference in their emotional potential such as consciousness, self-assertion, empathy and impulse control (Bar-On et al. 2003).

After presenting, in the first part, all the concepts on which our contribution is based namely: emotional intelligence, leadership effectiveness and the links that connect them, we go into a second part, presenting the results of a study conducted at ENIE, Algeria's largest public electronic production company. Our questionnaire was administered to a representative sample of 112 supervisors. The objective of the study is to verify the existence of statistically significant relationship between the emotional intelligence of the supervisors considered in our sample and their results in terms of effective leadership. This study will allow us to provide some answers and draw some conclusions about the issues and strengths of emotional intelligence in the Algerian workplace. A workplace characterized by its own cultural specificities. In this respect, the Algerian employee prefers to live in a space open to all, where everyone can meet him at any time, rather than in a

reserved space. This cultural dimension completely distinguishes Algerian society from Western countries (Mercure & al. 1997).

## 1. Literature Review

### 1.1. Emotional Intelligence

The notion of emotional intelligence is relatively recent. In 1990, Salovey and Mayer gave the very first definition of the concept by considering emotional intelligence as a subset of social intelligence. These authors define emotional intelligence as: "a series of skills used to accurately assess and express one's own emotions and those of others; These skills allow you to adjust effectively to your own emotions and those of others; in addition, this sensitivity can be used to motivate, plan and complete one's life" (Mayer and Salovey 1997).

As such, emotional intelligence includes personality traits, such as the ability to control one's feelings to direct one's thinking towards more effective decisions. Another definition, widely used in the literature given by Bar-On (2005), consider emotional intelligence as a set of interacting personal, emotional and social traits that determine the effectiveness with which a person, in our case the supervisor, understands and expresses himself, understands his collaborators and acts with them, and faces the daily demands of decision-making. This design not only allows the leader to feel and express optimistic and positive emotions, but also to project them towards his collaborators in order to create bonds of trust and mobilization.

As for Goleman (1998), emotional intelligence is an individual's ability to recognize his feelings and those of others, and to motivate and manage his own emotions and relationships. Goleman places particular emphasis on emotional skills related to interpersonal relationships, such as empathy and how a leader treats and interacts with employees' emotions (Kotzé and Venter 2011). The subject matter experts distinguish: (1) models of mental ability, which focuses on the ability to process emotional information, and (2) mixed models that conceptualize EI as constructed including aspects of personality, motivation as well as the ability to perceive, assimilate, understand, and manage one's emotions and emotions of others.

In general, emotional intelligence can be considered to include certain components: an intrapersonal skills, which reflects the leader's ability to perceive and understand his own emotions, regulate them and self-manage them. Interpersonal skills related to empathy and the ability to understand the feelings felt by employees. Also, a skills related to the leader's ability to deal with his own problems and the problems of others at work. These problems are only the effect of the requirements of situational change and the regulatory potential that the leader is supposed to have. Another and final skills, on which the most recent studies emphasize, is the ability of the leader to inspire others by developing a vision about work and project it, Benabou (2017).

Now we will present the Bar-On (2000) model, which has been internationally valid in seven different countries by more than 22,000 subjects. This model is called the Emotional Quotient Inventory (EQ-I®) and consists of five components that form the five scales of measurements that we will adopt in the practical case and which are synthesized in Table 1, namely:

- the ability to be conscious and understand one's emotions, feelings and ideas;
- the ability to be conscious and understand the emotions and feelings of others;
- the ability to cope with stress;
- the ability to be flexible and change one's feelings in the face of new situations;
- and the ability to control one's emotions.

Table 1. Emotional Quotient Inventory Scales (EQ-I®)

EI Components	Component Definition
<b>1. Intrapersonal skills:</b>	
Ability to be conscious and understand one's emotions, feelings and ideas	
- Emotional awareness	Ability to recognize and understand one's own emotions
- Self-assertion	The ability to express one's feelings, beliefs and thoughts
- Self-esteem	Awareness and self-respect
- Self-actualization	Ability to implement one's potential and participate in activities that are appreciated
- Autonomy	Ability to autonomy and self-control of one's thoughts and actions
<b>2. Interpersonal skills:</b>	
Ability to be conscious and understand the emotions and feelings of others	
- Empathy	Ability to become aware about the feelings of others
- Interpersonal Relationships	Proximity Building Ability
- Social responsibility	Ability to cooperate and make constructive contribution to the group's well-being
<b>3. Adaptive skills:</b>	
Emotional flexibility in the face of new situations	
- Problem Solving	Ability to Deal with Personal and Social problems
- Reality test	Measuring the gap between perceptions and reality
- Flexibility	Ability to adapt feelings, thoughts and behaviors
<b>4. Stress management skills:</b>	
Ability to cope with stress and control of feelings	
- Stress Tolerance	Ability to handle bad events and stressful situations
- Pulse Control	Ability to manage and control pulses
<b>5. General mood skills:</b>	
Ability to be optimistic and express positive emotions	
- Happiness	Feeling of life satisfaction
- Optimism	Ability to stay positive in the face of hostile events

*Source: Adapted from Kotzé and Venter (2011)*

### ***1.2. Emotional intelligence and effective leadership***

Recently, much research has focused on EI's place in leadership effectiveness. It is established that emotional state influences the quality of decisions. These are generally better when taken in a positive emotional state Isen (2004). Emotional intelligence participates fully in the practical intelligence of the manager: it is a condition of the effectiveness of his action, which is not directly exerted on things, but necessarily going through others. The job of leader here is illuminated by a set of emotional skills, increasingly indispensable in decision-making. In this case, leadership is primarily about putting employees in a position to make a good contribution, by setting the conditions that will allow the work to be done productively (Haag and Laroche 2009).

Kouzes and Posner (2009) have developed a five-dimensional theory of good leadership practices. They argue that effective leadership is attributed to: (1) the way the leader designs the business management model, (2) the ability to inspire a shared vision to others, (3) the continuous development of processes, (4) the ease given to others to take the initiative, and (5) the encouragement of a management by "the heart". For their part, Anand and Udaya Suriyan (2010) have discovered that EI helps boost self-confidence among leaders and makes them more flexible to process a variety of requests and use the right approach at the right time.

Several models are proposed by the literature to evaluate the effectiveness of leadership. In this study we use the Leadership Behavior Inventory (LBI) developed by Kent (2004). This model is an inventor of all the behaviors of leaders that can be identified in the leadership literature. It takes into account five important elements in the leadership process: (a) Visualizing Greatness, (b) Empowering the "We", (c) Communicating for Meaning, (d) Managing One's Self, and (e) Care and Recognition.

**Visualizing Greatness**, is related to the leader's capacity of having a sense of establishing direction and a clear sense of the future, and continuously discussing that with collaborators in a way that tells them that the leader has such a vision to share.

**Empowering the We** seem intent on forming a sense of identity with a larger whole, a sense of "we" and instilling a personal feeling of value in that larger whole. Leaders appear to do this by getting collaborators involved in decisions, using words like "we" in place of "I," fostering collaboration on common goals, caring about others, celebrating the team's accomplishments, giving power away and enabling others to act.

**Communicating for Meaning**, is related to a quality of the leader's communicating style based on values and meaning of the work. Actually, it includes factors that reflect on the leaders ability to relate their ideas to others, to take the time necessary to communicate the underlying meaning of the message, and to discuss the ideas at a deeper level such as at the level of values, beliefs, and principles.

**Managing One's Self**. This fourth dimension is related to the ability of the leader to create a sense of purposefulness, consistency of focus and energy, and behavior that is reflective of one's underlying intent or purpose. In practice, it seems that the leader is able to establish and hold to a particular state of being that is discernible by respondents in his emotional consistency, persistence, focus and commitment to espoused values and principles.

**Care and Recognition**, is related to the sense of concern and caring that comes from the leader through the attention places on the team and individuals' successes and victories. This is an important component of leading to recognize the success and to make others speak about it.

## 2. Empirical study

### 2.1. Participants and measuring instruments

We will now report on the results of a study we conducted at ENIE, Algeria's largest public electronic production company. ENIE is a company with a share capital of 8.332 billion Algerian Dinars. ENIE is located in the west of Algeria and employs 1329 person. This company operates in a very hostile environment, given the strong presence of large private companies, such as Condor, Geant, Iris and of major international brands, such as Beko and Sumsung.

The study was conducted through a questionnaire during the month of June 2016. A total of 112 supervisors (63 males and 49 females) participated in the investigation. The participants' ages ranged from 24 to 62. The majority have at least a university diploma, while their experience in supervisory missions is at least 5 years. The goal is to self-assess both their emotional intelligence and effective leadership and to verify the existence of statistically significant relationship between the emotional intelligence of the supervisors considered in our sample and their results in terms of effective leadership (Dulewicz and Higgs 2005).

The questionnaire contains ten dimensions. EI was assessed using the Emotional Quotient Inventory Scale (EQ-I® developed by Bar-On and Parker (2000), consisting of five dimensions (from 1 to 5 in Table 2) and comprising 15 items (e.g., "I am able to know and understand other people's feelings at work").

For the EL, we used the Leadership Behavior Inventory (LBI) scale, developed by Kent (2004), with 29 items. The LBI was developed (Kent, et. al., 2001, Kent, 2004) to assess individuals engagement in transformational leadership behaviors. The LBI is composed of five dimensions (from 6 to 10 in Table 2) namely: Visualizing Greatness (for example: "I speak enthusiastically of my professional future"), Empowering the "We" (for example: "I share with my collaborators the values, interests and ambitions"), Communicating for Meaning (e.g., "I explain to others the principles of decision-making"), Managing One's Self (e.g., "I have perseverance and self-confidence") and Care and Recognition (e.g., "I want to celebrate the success of my collaborators"). All items are evaluated using an Likert scale ranging from 1 ("Totally disagree") to 5 ("Totally agree"). In this research, the questionnaire has a good internal consistency (Alpha Cronbach - 0.919 for the EI axes and 0.944 for the EL axes).

The basic hypothesis of our research is:

H<sub>1</sub>: EI is significantly and positively linked to the EL.

## 2.2. Results and discussion

Respondents in this study have a good score for their emotional intelligence potential (M=3.54, SD=0.62), in contrast to an average score for their leadership effectiveness (M=2.41, SD=0.579). Table 2 illustrates means, standard deviations, and Pearson correlations of the ten dimensions of the study. The highest average of EI is recorded by general mood dimension (M=3.63, SD=0.62), followed by adaptability (M=3.62, SD=0.69) and the lowest score is recorded by the interpersonal dimension (M=3.48, SD=0.47). These scores show that ENIE supervisors consider interpersonal skills to be less important in leadership effectiveness. This can be explained by the organization of ENIE which is very formalized and hierarchical, which discourages informal and interpersonal relationships. As for leadership effectiveness, we have noticed an average perception for all dimensions of this variable, hence the highest score is recorded by the perceiving of Managing One's Self (M=2.61, SD=0.73), followed by perceiving of care and recognition (M=2.58, SD=0.73), then by the perception of Empowering the "We" (M=2.47, SD=0.67), the perception of visualizing greatness comes in the fourth place (M=2.40, SD=0.62) and finally it comes the perception of communicating for meaning (M=2.34, SD=0.67).

As shown in the same table, we found that EL is positively and significantly correlated with all dimensions of EI, namely intrapersonal skills ( $r = 0.21, p < 0.05$ ), interpersonal skills ( $r = 0.32, p < 0.01$ ), adaptive capacity ( $r = 0.43, p < 0.01$ ), stress management ( $r = 0.42, p < 0.01$ ) and general mood ( $r = 0.36, p < 0.01$ ). This reveals that the emotional intelligence of supervisors can be an important variable related to the effectiveness of leadership within the ENIE company. We have noticed that adaptive skills and stress management are strongly correlated with effective leadership. Unlike intrapersonal and interpersonal abilities that do not have a great relationship with the EL, this goes in the same direction of the averages discussed above.

We also found that adaptive capacity is positively and strongly correlated with two dimensions of EL, namely Empowering the "We" ( $r = 0.43, p < 0.01$ ) and communicating for meaning ( $r = 0.42, p < 0.01$ ). Furthermore, stress management is positively correlated with Empowering the "We" ( $r = 0.45, p < 0.05$ ) and with communicating for meaning ( $r = 0.38, p < 0.01$ ). The highest correlation is recorded between general mood and communicating for meaning ( $r = 0.79, p < 0.01$ ). These correlations demonstrate, first of all, the importance of stress management as well as the adaptability in the EI potential of ENIE supervisors. Second, the importance of Empowering the "We" and communicating for meaning in EL practices. This findings are coherent with managerial literature where EI is used to manage leaders' stress, to control their impulse and develop their tolerance to stress (Bar-On, 2007). As well as to adapt to the circumstances of the internal and external environment.

Table 2. Pearson correlations between dimensions

Dimensions	1	2	3	4	5	6	7	8	9	10
<b>1. Intrapersonal Skills</b>	3.48 (0.476)									
<b>2. Interpersonal Skills</b>	0.652* *	3.488 (0.64)								
<b>3. Adaptive skills</b>	0.691* *	0.769*	3.623 (0.697)							
<b>4. Stress management skills</b>	0.678* *	0.769**	0.832**	3.506 (0.661)						
<b>5. General mood skills</b>	0.584* *	0.648**	0.683**	0.736**	3.639 (0.627)					
<b>6. Visualizing Greatness</b>	0.175	0.164	0.301**	0.263**	0.196*	2.403 (0.627)				
<b>7. Empowering the “We”</b>	0.234*	0.354*	0.431**	0.450*	0.385**	0.728**	2.476 (0.67)			
<b>8. Communicating for Meaning</b>	0.212*	0.284*	0.420**	0.380**	0.787**	0.536**	0.702**	2.348 (0.679)		
<b>9. Managing One's Self</b>	0.053	0.245**	0.325**	0.305**	0.262**	0.650**	0.752**	0.727**	2.616 (0.733)	
<b>10. Care and Recognition Leadership Effectiveness</b>	0.205*	0.279**	0.331**	0.324**	0.323**	0.325**	0.544**	0.583**	0.622**	2.584 (0.712)

\* The correlation is significant at 0.05 level (bilateral)

\*\* The correlation is significant at 0.01 level (bilateral)

Diagonal contains medium and (standard deviation)

To further investigate the results considered in Table 2, we conducted regression analysis to test EI's influence on EL. The simple regression model reveals that EI influence EL and explains as such, 41% of the recorded variations ( $\beta = 0.414$ ,  $p < 0.00$ ). This result confirms the hypothesis of this research. Indeed, EI not only has a significant relationship through its dimensions with EL but also plays a role in its activation. This result now joins the confirmations of several other studies on the major role EI plays in the effectiveness of leadership practices (Rosete and Ciarrochi 2005; Humphrey 2002; George 2000).

Since EI has a significant effect on EL, we will explore the influence of each dimension of EI on EL, using the multiple regression test.

Table 3. Multiple regression between EI dimensions and EL

Model	Non-standardized coefficients		Standardized coefficients	t	Sig
	A	Standarderror	Beta		
<i>(Constant)</i>	1.364	0.380		3.589	0.013
<b>1. Intrapersonal Skills</b>	-0.263	0.152	-0.216	-1.735	0.086
<b>2. Interpersonal Skills</b>	-0.071	0.133	-0.078	-0.533	0.595
<b>3. Adaptive skills</b>	0.312	0.142	0.375	2.197	0.030
<b>4. Stress management skills</b>	0.212	0.156	0.242	1.361	0.176
<b>5. General mood skills</b>	0.094	0.120	0.101	0.780	0.437

From reading Table 3, we find that EI has no effect on EL, through its intrapersonal, interpersonal, stress management and general mood dimensions. Furthermore, we find that adaptive capacity has a significant impact on EL. The  $\beta$  value indicates that perceiving adaptive skills emotions explains 37.5% of the variance in leadership effectiveness ( $\beta= 0.375$ ,  $p < 0.03$ ).

The results presented in Tables 2 and 3 clearly show that ENIE supervisors have the potential for emotional intelligence that seeks to make their leadership practices more effective. Accordingly, it appears that the results of this study are similar to those of other studies conducted in Western contexts. Now, this study has the merit of confirming the existence of a relationship between the dimensions of emotional intelligence and the effective leadership. The existence of a positive and significant effect of adaptive capacity on the effective leadership demonstrates the reality of the working climate within this company where supervisors had to deal with a changing environment. As such, ENIE is not only the subject of fierce competition, as a historical company, which for more than thirty years equipped Algerian homes; but also must adapt with new innovations and explore new niches, as it is doing with photovoltaics.

### **Conclusion**

As has already been pointed out, emotional intelligence is a major issue and no managerial policy can obscure this factor to the extent that it contributes to the effective leadership. It is from this perspective that our interest in this theme and specifically in the context of Algerian companies has taken place. Our study aimed to explore leadership practices as presented in the (LBI) and to know how much they are influenced by the potential of the emotional intelligence of leaders.

The results of the analysis we carried out on a sample of 112 supervisors within the electronic production company ENIE, show that there is a positive and significant effect of EI on EL. Contrary to the current literature, this study found that EL is not perceived through intrapersonal and interpersonal skills, but rather through adaptability. This reflects a dichotomy between the company management style and the ambient culture of its employees.

This dichotomy is the result of a long historical development. In fact, since the seventies, Algeria has relied on big companies, such as ENIE. A company that has developed according to a bureaucratic model. This model has found an environment conducive to its anchoring in the company, given the colonial heritage, also marked by Colbertism. The management model that has emerged is characterized by a great formalization of roles, a strong centralization of decisions and a communication system that privileges the written. This management model is the result of a construction that is not directly supported by the cultural foundations of employees, in particular, when it comes to a high sense of community with a high dependence on groups of belonging. The employees expect the supervisor to be open, attentive, inspiring, a guide, able to listen to them and also, able to provide them with protection. In short, they prefer a prescriptive-social leadership style (Mercure et al. 1997).

Clearly, the potential of EI demonstrated in this study should encourage ENIE managers to restructure the management style around the cultural values of the company's employees, namely: a high sense of community, a culture of orality, a strong need to avoid uncertainty and risk, a preference for an intermediate level of hierarchical distance and an average level of centralization. In our view, taking these cultural values into account in the Algerian workplace is more relevant for emotional intelligence to find its place in leadership practices in this company.

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