

# IMPACT OF EMOTIONAL INTELLIGENCE ON LEADER EFFECTIVENESS

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# IMPACT OF EMOTIONAL INTELLIGENCE ON LEADER EFFECTIVENESS

## ABSTRACT

All recent research proves that emotional intelligence is the forecast of achieving leader effectiveness. This study comprises research of respondents from private and public companies within ten existing cantons in the Federation of Bosnia and Herzegovina. Respondents graded emotional intelligence competencies of their leaders and their efficiency in leading a group of people in order to achieve organizational demands. We succeeded in confirming prior research through the regression model and proved that the existing questionnaires developed in the western context can be applied in the context of Bosnia and Herzegovina. After determining the internal consistency through Cronbach Alpha indicators ( $\alpha=.844$  and  $\alpha=.734$ ) in existing questionnaires with two regression models and R-square of .547 we succeeded in confirming the hypothesis of this research, according to which the leader's competence in emotional intelligence has a positive impact on his/her effectiveness in fulfilling organizational demands and on the ability to manage an efficient team.

**Keywords:** Emotional intelligence, effectiveness, leader, competencies, organizational demands

## 1. Introduction

The first researchers who presented the concept of emotional intelligence (EI) were Salovey and Mayer (1990). Only a few years later, the most influential book named *Emotional Intelligence* was published by Daniel Goleman (1995), giving to this construct global attention. In his work, Goleman pays a lot of

attention to emotional intelligence in the business context, bringing the construct in a positive relation with other relevant aspects of business. It seems that under his influence many causal relationships of EI with other constructs have been researched. Analysing this research domain, we were able to find papers which bring together the analysis of emotional intelligence and different leadership styles (Wagner,

2013; Wang and Law, 2002), communication skills (Petrovici and Dobrescu, 2014; Smith et al., 2008), stress (Yamani et al., 2014; Ciarrochi et al., 2002), motivation (Agnoli et al., 2015; Hoe-Chung et al., 2015) and many other variables.

Although literature emphasises the importance of emotional intelligence within the context of effectiveness, there is still a lack of empirical bodies dealing with it. Previous studies are mostly established within the students' population, the working-age category of people, hospitals, army, sales context, and among low level of management. Only a few studies have a focus on leaders, probably due to the fact that this population is not available. On the other hand, the main focus of this paper is to analyse the impact of emotional intelligence on leader effectiveness in fulfilling organizational demands and in managing an efficient. On a sample comprised of 134 middle level managers, Cavazotte et al. (2012) found a positive relationship of emotional intelligence and personality on transformational leadership and effectiveness. In addition, analysing the Web of Science databases, we found a paper by Wong and Low (2002) with the highest frequency of citations covering this research area. In their research, emotional intelligence has a significant and positive impact on satisfaction and extra-role behaviour of leader followers. Similar results could be identified in other papers like those offered by Shamsuddin and Rahman (2014), Boyle et al. (2011) and Lyons and Schneider (2005).

It follows that EI of leaders is an important predictor of different constructs that are considered as relevant in the business context. In this regard, this research reveals an impact of emotional intelligence on leader effectiveness. Additionally, the second impact that the research offers is between emotional intelligence and the leader's skill to manage an efficient team. Respondents in this research were the able-bodied category of people from Bosnia and Herzegovina, employed by private and public sector companies, who were questioned in the period December 2013 – January 2014 via a field survey. The research comprised 20 private and public companies from a total of ten cantons which exist in the Federation of Bosnia and Herzegovina. Employees of selected companies filled out the questionnaire in a way that they directly evaluated their superior (leader). Methods employed for this study encompass quantitative research methods using SPSS. We ran descriptive statistics in order to present

the main characteristics of our sample. In addition, through the internal consistency of Cronbach Alpha indicators we examined the validity of the questionnaire and its convenience for our sample, due to the fact that all the questionnaires were mainly developed in the western countries. Regression analysis was also employed in order to examine the impact of emotional intelligence on leader effectiveness in fulfilling organizational demands and in managing an efficient team.

## **2. Literature review**

### *2.1 Emotional intelligence*

Emotional intelligence, which represents the skill of recognizing own feelings and feelings of other people, self-motivation and good emotions-management, is the term that showed up in literature in the domain of psychology and came to be widely used later in other domains as well. Emotional intelligence determines the potential for learning skills grounded in four basic dimensions: self-awareness, self-management, social cognition and relationship management. Throughout these four dimensions twenty emotional competencies are extended, whose development varies with each individual, i.e. leader. It is about competencies and skills that can be learned, developed and exercised (Goleman, 2008).

Self-awareness is the process of getting to know self, inside-out and outside-in. It includes good mastery of own typical reactions triggered by certain events, challenges and people (Bradberry and Greaves, 2011). Managers succeed in building a resourceful and powerful identity based on their understanding, rather than the understanding of other people, of what is right and in that way the process of self-management and their transition from being a manager into being a leader begins (Badaracco, 1998). A successful leader knows that loss of self-management has negative impact on his/her self-respect, reputation and business achievements (Lennick and Kiel, 2008). It is important to emphasize within the context of self-management that innovative leaders have great energy and persistence and are often perceived as ambitious. They intend to direct followers to achieve challenging goals, which are rare and hard to accomplish (Draft, 2014). Apart from the innovative types, leaders who have strong initiative do not want to let the followers fully structure their work or to make all the decisions. They determine

not only what is to be done, but who will do it and how it will be done (Junarso, 2009).

Social cognition is the skill of precisely recognizing emotions of others and understanding their needs. Most important elements of social cognition are listening and observing (Bradberry and Greaves, 2011). Leaders are capable of achieving their vision exactly because they are focused on their followers and feel their pain, desires and needs (Bennis, 2009).

Relationship management comprises of self-awareness, self-management and empathy. A successful leader surrounds himself/herself with the best people and develops in them the best leaders, because only great leaders can produce other leaders. Those closest to the leader will determine the level of his/her success (Maxwell, 2009). No leader has ever suffered from being surrounded by strong and effective people (Drucker, 2013).

This paper attempts to determine the connection between emotional intelligence and leader effectiveness. The survey of literature reveals that the features of the leader are not to be neglected and that they represent one of the important components of success. Research allowed for the conclusion that emotional intelligence, i.e. emotional competencies, has important weight in determining the effectiveness of the leader which leaves the leader with an option to improve and advance through acquiring emotional competencies.

Most merit in development of this domain goes to Salovey and Mayer (1990), who first defined the term of emotional intelligence as a sort of social intelligence connected to the skill of personality to control own emotions and feelings as well as the emotions of others and is also connected with the

skill of personality to notice the difference between them and the capability of using this information in directing own thoughts and behaviour. It is important to mention the Reuven Bar-On model (2006), which describes emotional intelligence as the field of intermingled emotional and social competencies, skills and avant-garde, determining how successfully we can understand and express ourselves, understand others and our relationships with them and cope with the demands and pressures of everyday life. It is important within this context to emphasize Goleman's definition of emotional intelligence as the skill of recognizing our own feelings and feelings of other people, motivating self and good emotions management within and in relationships (2008).

Although no single test scales have been adopted in the measurement and assessment of emotional intelligence, two approaches are frequently mentioned: a) self-evaluation of own skills and b) examination of emotional intelligence by ability-based tests (Takšić et al., 2006). The questionnaire developed by Takšić et al. (2006) contains three sub-scales, with intention to estimate: the skill of noticing and understanding emotions, the skill of expressing and naming emotions, and the skill of managing emotions.

The following table shows a survey of the most frequently used measures of emotional intelligence. The first is EQ-I (emotional index of intelligence) developed as the report about self. The second column contains most of the competencies of the ECI multilateral tool for estimating emotional intelligence. The last column shows the MSCEIT model, which comprises evaluation based on skills.

**Table 1** Survey of three most popular EI measures

EQ-I	ECI	MSCEIT
<b>INTRA-PERSONAL</b>	<b>SELF-AWARENESS</b>	<b>PERCEIVING EMOTIONS</b>
Self-consideration	Emotional awareness	Faces
Precise self-estimate	Precise self-estimate	Images
Self-confidence	Self-confidence	<b>ENABLING OF EMOTIONS</b>
Independence	<b>SELF-MANAGEMENT</b>	Facilitation
Self-achievement	Self-control	Sensation

EQ-I	ECI	MSCEIT
<b>INTER-PERSONAL</b>	Authenticity	<b>UNDERSTANDING EMOTIONS</b>
Empathy	Conscientiousness	Changes
Social responsibility	Adaptability	Mixtures
Interpersonal relationships	<b>SOCIAL COGNITION</b>	<b>EMOTIONS MANAGEMENT</b>
<b>STRESS MANAGEMENT</b>	Empathy	Emotion management
Stress tolerance	Servant attitude	Emotional relationships
Impulse control	Organizational conscientiousness	
<b>ADAPTABILITY</b>	<b>RELATIONSHIP MANAGEMENT</b>	
Flexibility	Developing others	
Reality tests	Influence	
Problem solving	Communication	
<b>GENERAL MOOD</b>	Conflict management	
Optimism	Leadership	
Happiness	Inciting changes	
	Establishing bonds	
	Teamwork and collaboration	

Source: Bharwaney, G., Bar-On, R., MacKinlay, A. (2011), *EQ and the Bottom Line: Emotional Intelligence Increases Individual Occupational Performance, Leadership and Organizational Productivity*, pp.1-35.

Let us conclude that in measuring emotional intelligence, it is necessary first to determine how well the respondent knows own emotions, then the emotions of others and how he/she is coping with these emotions, challenges and pressures and finally, how he/she is managing these emotions. Each of the instruments assesses specific aspects of emotional intelligence grouped by similarities of skills and comprising features.

## 2.2 Leader effectiveness

Effectiveness is achieving expected results regardless of the percentage of input-usage while the efficiency is the relationship of the results (output) with the quantity of input resources (input). Effectiveness is usage of output resulting in maximum

profit. Efficiency is going to be at its highest in case when low input gets converted into 100% output. Drucker (1974) describes effectiveness as doing the right thing and efficiency as doing things the right way. Bennis (2009) emphasizes that leaders do right things while managers do it the right way. Although many think that efficiency is reserved for managers and effectiveness is the feature and skill developed by leaders, a successful leader should make a balance between efficiency and effectiveness considering the respect for each.

According to Bennis (2009) the basic dimensions of effective leaders' behaviour are the following:

1. Effective leaders focus attention using vision. Leaders transform existing opinions of followers by defining the image of desired future.

2. Effective leaders ensure significance by communication. Leaders define all that has been unspoken or assumed before. They are the ones to create organizational culture.
3. Effective leaders achieve and maintain trust by positioning. The task of positioning is to make clear and known positions, values and models.
4. Effective leaders develop their personality by respect. A leader recognizes strengths and eliminates weaknesses, has the ability to realize mistakes as a way of learning, recognizes skills needed for work and accepts people as they are.

High effectiveness of a leader begins with empathy and represents a view into the hearts and thoughts of those whom the leader attempts to reach (Junarso, 2009), effective leadership depends also on effective communication (Hackman and Johnson, 2008) and the level of development of emotional intelligence. Effectiveness of leadership is a complex term attempting to connect a myriad of components, which include many unpredictable situations in the organization and different personal and inter-personal behaviour, and could be defined as successful achievement of personal influence of one or two people, resulting in accomplishment of joint goals in a way of contentment of those personally involved. Many researches in the field of leadership effectiveness show that high employee satisfaction and low level of stress result in the high performance of an organization.

### *2.3 Relationship between emotional intelligence and effectiveness*

Research has advanced mostly in the impact of emotional intelligence on leader effectiveness. By using the Gross' emotion regulation model, authors Wong and Low (2002) have proven that emotional intelligence has a positive impact not only on leader efficiency but on the efficiency of followers. A similar attitude is proposed by many other researchers (Lyons and Schneider, 2005; Shamsuddin and Rahman, 2014; Cote and Miners, 2006; Kumar, 2014; Boyle et al., 2011; Shahhosseini et al., 2012).

Consequently, leadership effectiveness is the moving force within an organization by which the or-

ganization efficiently copes with demands, challenges, stress and opportunities met in the business environment. Organizational effectiveness is under the influence of individual members and their feeling for collective capacities, purpose of mission and feeling of resilience (Bohn, 2002). From this very concept stems the firm connection between emotional intelligence and leader effectiveness. Bohn further holds that the emotional intelligence (feeling for collective capacities, mission and purpose, feeling of resilience) is further connected with leadership and organizational effectiveness. The strongest connectedness of leadership is with collective capacities, which is understandable since the leader orchestrates the team, gives instructions, adds resources and provides support for achieving goals and the mission. It is important to emphasize that success and failure are not in symmetry. They are not two sides of the coin for the leader, because the leader cannot succeed by himself (Haskins, 2013). Strategy and effectiveness are the reflection of the powerful stakeholders of the organization, i.e. its leaders with the developed and noticeable emotional intelligence. According to Nielsen (2010) behavioural factors such as limited rationality, numerous and conflicting goals, different levels of inclination and belief, have an impact on the selection of strategy made by leaders, who in turn determine the performance and effectiveness of the organization.

Hambrick (2007) indicates in his research two moderators between leader and organizational effectiveness. One of them is the leader's freedom to decide. If the freedom to decide is higher, the traits of the leader will better predict the results of an organization. The second moderator, executive job demands, points to the level of challenge faced by the leader. The leader with a higher level of challenge has less time to think about decisions, seek mental shortcuts and relies more on his/her traits. This means that the relationship between the traits of the leader and the results of an organization is stronger if the challenge is bigger for the leader and vice-versa.

Factors which impact the leader's actions are the leader's values, cognitive skills, personality and positive self-evaluation. The leader is facing a multitude of ambiguous information and his/her personal orientation greatly influences what elements of that information he/she will use and interpret (Finkelstein et al., 2009), and finally whether the organization will be effective. Research by Roset and Ciarrochi (2005)

confirm this in stating that emotional intelligence has high correlation with the leader’s effectiveness.

**3. Research methodology**

The objective of this research was to examine the influence of the competencies of emotional intelligence on leader effectiveness and efficiency in leading a group of people in order to meet the organizational demands. Respondents in this research were the able-bodied category of people, employed by private and public sector companies, who were questioned in person within the period December 2013 – January 2014 via a field survey.

This research comprised 20 private and public companies from a total of ten cantons which exist in Bosnia and Herzegovina. Capital cities of each canton were selected as we intended the survey to comprise one private and one public company within each cantonal capital. We made contacts via field work with employees of 20 companies from the following cantons and their corresponding capitals: (Una-Sana Canton) (capital Bihać), (Posavina Canton) (capital Odžak), (Tuzla Canton) (capital Tuzla), (Zenica-Doboj Canton) (capital Zenica), (Bosnian Podrinje Canton) (capital Goražde), (Central Bosnia Canton) (capital Travnik), (Herzegovina-Neretva Canton) (capital Mostar), (West Herzegovina Canton) (capital Široki Brijeg), Canton Sarajevo (capital Sarajevo) and Canton 10 (capital Livno). Employees of selected companies filled in the questionnaire in a way that they directly evaluated their superiors. It took approximately seven to ten minutes per each respondent to fill in the questionnaire.

The questionnaire was organized in three parts. The first part assesses ten emotional competencies: emotional awareness, self-confidence, self-control, adaptability, optimism, empathy, inspirational leadership, improving other people, managing conflicts, teamwork and collaboration.

The second part of the questionnaire concerns leader effectiveness. The highly structured Multi-factor Leadership Questionnaire (MLQ) was used which has the scale for measuring effectiveness. The respondents were able to express how much they agree or disagree with offered statements on a five point Likert scale. The third part of the questionnaire relates to demographic data, where the respondents answered questions about gender, age, marital status and education.

This survey included the following criteria concerning the respondent, namely, that the person is employed, not on the top of the hierarchical structure in the employer’s organization (i.e. that he/she has a superior, since the respondents evaluated their superiors) and is between 25 and 65 years of age. A total of 300 print questionnaires were distributed out of which 261 questionnaires were filled out, but 255 questionnaires were taken into consideration. The remaining 6 questionnaires were discarded due to incomplete and inadequate answers.

**4. Results**

A total of 86 women and 48 men were questioned in companies where the government is the major stakeholder. In addition to 82 female respondents, 39 male respondents took part in this research in private companies. The total number of respondents from government-owned companies was 134 or 52.55% and 121 respondents or 47.45% came from private companies as displayed in Table 2.

Companies in which the respondents were employed are divided in classes broken down by the number of employees according to the relevant EU legislation: small companies (up to 49 employees), medium-sized companies (50 to 249 employees) and big companies (more than 250 employees), displayed in Table 3.

*Table 2 Gender frequency of respondents according to government or private employment*

	Women		Men		Total	
Ownership	Frequency	Per cent	Frequency	Per cent	Frequency	Per cent
Government	86	51.19%	48	55.17%	134	52.55%
Private	82	48.81%	39	44.83%	121	47.45%
<b>Total</b>	168	100.00%	87	100.00%	255	100.00%

Source: Authors’ calculation

**Table 3 Gender frequency of respondents broken down by the company size**

	Women		Men		Total	
<b>Up to 49 employees</b>	52	30.95%	31	35.63%	83	32.55%
<b>50 to 250 employees</b>	82	48.81%	34	39.08%	116	45.49%
<b>More than 250 employees</b>	34	20.24%	22	25.29%	56	21.96%
<b>Total</b>	168	100.00%	87	100.00%	255	100.00%

Source: Authors' calculation

As emphasized before, the questionnaire contains three parts that measure emotional competencies, success of the leader and respondents' demographic data. The part of the questionnaire relating to the estimate of emotional competencies contains ten scales: emotional awareness, self-confidence, self-control, adaptability, optimism, empathy, inspired leadership, improving other people, managing conflicts and teamwork and collaboration, with the respondents' answers displayed in Table 4. The respondents were able to express how much they agree or disagree with the offered statements on a five point Likert scale.

**Table 4 Assessment of emotional intelligence**

	Gender	N	Mean	Std. Deviation
<b>Emotional awareness</b>	female	168	2.21	.986
	male	87	2.14	1.036
<b>Self-confidence</b>	female	168	3.01	1.072
	male	87	2.71	1.099
<b>Self-control</b>	female	168	2.47	1.126
	male	87	2.31	1.134
<b>Adaptability</b>	female	168	3.09	1.043
	male	87	3.00	1.067
<b>Optimism</b>	female	168	2.69	1.121
	male	87	2.63	1.182
<b>Empathy</b>	female	168	2.71	.992
	male	87	2.68	1.166
<b>Inspired leadership</b>	female	168	2.93	1.092
	male	87	2.79	1.047
<b>Improving other people</b>	female	168	3.20	1.010
	male	86	3.16	1.115
<b>Conflict management</b>	female	168	2.96	1.115
	male	87	3.11	1.050
<b>Teamwork and collaboration</b>	female	168	2.92	1.075
	male	87	2.95	.975

Source: Authors' calculation

Table 4 shows that the respondents' answers are mostly balanced. There are no big differences between the answers given by women in comparison to answers given by men, only the mean values of female respondents' are slightly higher in comparison to those of the male respondents. Analysis of the results from Table 2 shows that the respondents consider that their direct superiors have the following competencies: adaptability, improving others, conflict management and teamwork. The mentioned competencies are partly related to self-management and the others belong to the relationship-management group. The most prominent competencies are those relating to relationship-management (improving and directing others, solving employee disagreements, creating and managing teams), which could indicate that leaders in the analysed companies pay most attention to the relationships between employees. Therefore, leaders should work on strengthening their self-awareness (emotional awareness, self-confidence and self-control) and social cognition (empathy).

Cronbach's Alpha analysis was used in order to test the reliability of the resulting data. Both parts of the questionnaire (emotional intelligence competencies and leader effectiveness) show good internal consistency. The emotional competencies scale, for example, has a coefficient of .844, which is considered more than acceptable to continue research, whereas the effectiveness scale coefficient was .734, which is somewhat lower than recommended but can be taken into consideration as well. The coefficient values are displayed in Tables 5 and 6.

**Table 5 Cronbach's Alpha coefficient for the emotional competencies scale**

Cronbach's Alpha	Number of scales
.844	10

Source: Authors' calculation



**Table 6 Cronbach's Alpha coefficient for the leader success scale**

Cronbach's Alpha	Number of scales
.734	2

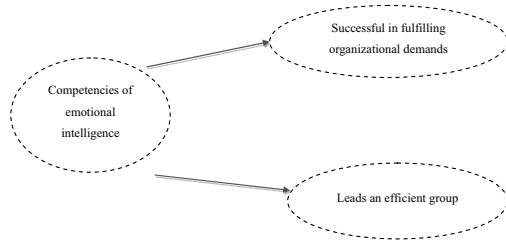
Source: Authors' calculation

In order to fulfil the objective of this research (examine the impact of emotional intelligence competencies on leader effectiveness), we created the research hypothesis:

**H1: Prominent emotional competencies of the leader have a positive impact on his/her effectiveness in fulfilling organizational demands and on the ability to manage an efficient team of people.**

The proposed hypothesis implies the analysis of relationship between the emotional intelligence and success of a leader in fulfilling organizational demands, indicating there are one independent and two dependent variables, which make up the model displayed in Figure 1.

**Figure 1 The research model**



Source: Authors' construction

**Table 8 Variance analysis for the first regression model**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	178.800	10	17.880	29.331	.000 <sup>b</sup>
	Residual	148.133	243	.610		
	Total	326.933	253			

Source: Authors' construction

The analysis was conducted on the first scale of the questionnaire called the emotional intelligence (independent variable containing the following scales: emotional awareness, self-confidence, self-control, adaptability, optimism, empathy, inspired leadership, improving other people, managing conflicts and teamwork and collaboration) and was put in relationship with the first dependent variable, which measures the effectiveness of the leader (success in achieving goals of organization). As presented before, Cronbach's Alpha reliability test displayed very good internal consistency ( $\alpha=.844$  and  $\alpha=.734$ ). In order to prove or reject the hypothesis, a regression model was used showing solid value of R Square of .547, meaning that validity of the model was accepted: the independent variable explains 54.7% of behaviour of the first dependent variable. This value is presented in Table 7.

**Table 7 The first regression model**

Model					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.740 <sup>a</sup>	.547	.528	.781	1.888

Source: Authors' calculation

The ANOVA test with the results (Sig.=.000) presented in Table 8 shows the significance of this model ( $p<0.05$ ).

The conclusion was reached by analysing the significance of each of the emotional intelligence competencies. Three out of ten existing scales make the regression model because their significance was less than  $p < 0.05$ . Values are displayed in Table 9.

**Table 9 Emotional competencies which make up the first regression model**

	B	Std. Error	Sig.
Self-confidence	.416	.055	.000
Self-control	.152	.056	.004
Optimism	.201	.058	.001

Source: Authors' calculation

The independent and other dependent variables were further analysed, where emotional intelligence competencies and the leader's ability to lead a group of efficient people were put in relationship. The results of the model show the same value of R Square of .547 as in the former case displayed in Table 10.

**Table 10 The second regression model**

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.740 <sup>a</sup>	.547	.528	.756	1.778

Source: Authors' calculation

The ANOVA test results (Sig.=.000) show the significance of this model ( $p < 0.05$ ) as displayed in the following Table.

**Table 11 Variance analysis for the second regression model**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	167.839	10	16.784	29.333	.000b
	Residual	139.043	243	.572		
	Total	306.882	253			

Source: Authors' construction

In this case, three scales form the regression model as well, which can be observed from their significance which is less than  $p < 0.05$ . Other scales proved to be insignificant because  $p > 0.05$ . The values of this analysis are displayed in Table 12.

**Table 12 Emotional competencies which make up the second regression model**

	B	Std. Error	Sig.
Emotional awareness	.438	.060	.000
Adaptability	-.126	.055	.003
Optimism	.323	.056	.000

Source: Authors' calculation

The correlation between two dependent variables was also analysed (success in fulfilling organizational goals and leading an efficient team). The results show a positive correlation between two very important features of the leader. This means that leaders, who are more successful in carrying out organizational demands, are at the same time more efficient in leading their team.

## 5. Result analysis, conclusion, contribution and limitations of the research

In accordance with the set research objectives, used research methodology and set research hypothesis, respondents taking part in the research evaluated their superiors, i.e. persons in high management positions of the company where the respondents work. The obtained results provide answers to the set hypothesis and the research objective. Analysis of the relationship between emotional intelligence competencies

and leader effectiveness was carried out. After Cronbach's Alpha reliability test which showed very good internal consistency, the regression model was created, which proved the statement that emotional intelligence has a solid impact on success of a leader in fulfilling organizational demands. This is confirmed by R-square value of .547 meaning that one leader's emotional competencies (emotional awareness, self-confidence, self-control, adaptability, optimism, empathy, inspired leadership, improving other people, managing conflicts and teamwork and collaboration) explain 54.7% behaviour of the leader, who strives to fulfil organizational demands. The ANOVA test proved the significance of this model, which provides additional justification for accepting the mentioned hypothesis. Speaking of the regression model based on which we half-accepted the main hypothesis of this research, it is to be mentioned that three out of possible ten scales formed the model. That is why based on collected and processed data, the statement can be made that leaders who feature a higher degree of self-confidence, self-control and optimism are those leaders who are successful in fulfilling organizational demands.

In order to fully test the main hypothesis of the research, we tested the relationship between ten scales of emotional intelligence competencies and the scale which estimates if the leader leads an efficient team (efficiency scale). The reliability test between the scales of emotional intelligence displayed before the satisfactory internal consistence and the regression model of scale of emotional intelligence to the scale estimating the efficient leading of a group of people was established. The obtained results show the following: independent variable emotional intelligence (with ten scales) determines 54.7% (R Squared=.547) of behaviour of dependent variable, i.e. efficiency of the leader.

As in the case of the first regression model, the second regression model can be accepted with 55% safety. The statement can be made that leaders with marked emotional intelligence lead a group of people which is efficient. The ANOVA test confirmed the significance of the mentioned model in completely proving the defined hypothesis. Since only three out of ten sub-scales show the significant influence on leader efficiency ( $p < 0.05$ ), the following conclusion can be made out of this model: emotionally aware, adaptable and optimistic leaders lead a group that is efficient.

Based on the analysed data, the conclusion can be made that the leaders who were estimated as having

a higher degree of self-confidence, self-control and optimism show success in fulfilling organizational demands. Furthermore, the positive impact of emotional intelligence competencies on the efficiency of the group was proven through the second regression model. According to this model, competencies needed by the leader to lead an efficient group are emotional awareness, adaptability and optimism. By results of both regression models we can confirm the main hypothesis according to which prominent ***emotional competencies of the leader have a positive impact on his/her effectiveness in fulfilling organizational demands and on the ability to manage an efficient team of people.***

Confirming the main hypothesis is the first contribution of this paper, meaning that the applied questionnaires (mostly developed in other cultures) can be taken into consideration for the geographical area of Bosnia and Herzegovina. Similar research and attitudes of prior researchers mostly comprise the Western context, while this research comprises the context of Bosnia and Herzegovina, which is the second contribution of this paper. By searching the databases (EBSCO, ProQuest, ScienceDirect, Hrčak), we could not find similar research, which gives special credibility to this paper.

Another contribution of this paper relates to confirming the attitudes of various researchers stated in the theoretical part of the paper. For example, the presented views of Bohn (2002), Haskins (2013) and other researchers, which were the basis for our research, were justified through this paper.

The fourth contribution of the paper is that the results of the research indicate that leaders who fulfil organizational demands and lead an efficient group possess the competencies of self-confidence, self-control, optimism, emotional awareness and adaptability. From the mentioned five competencies stems the conclusion and perhaps the major contribution of this research: the observed sample of leaders in Bosnia and Herzegovina from the viewpoint of their employees is deficient in the following five competencies: managing conflicts, empathy, teamwork and collaboration and improving other people. This deficiency leads to the conclusion that the questioned population developed exclusively those competencies that dwell within themselves (self-confidence, self-control, optimism, emotional awareness and adaptability) whereas the competencies relating to the influence on the external environment were completely undeveloped. The results show in this context that the leaders should de-

velop competencies related to influencing a group of people: managing conflicts, empathy, teamwork and collaboration and improving other people.

This paper had a few limitations. The first limitation is the time dimension. Data collection lasted two months, in which only 255 questionnaires were collected. Considering the fact that all capitals of ten cantons in Bosnia and Herzegovina were included, a longer time-period would have probably given better results. Nevertheless, it is certain that such an approach would require much more time and assets, but more respondents would provide more valid results.

Another limitation of this study can be defined as the unwillingness of respondents to take part in the research. As mentioned, each respondent took 7-10 minutes to fill out the questionnaire. However, contacting employees of all companies primarily required explanation of the purpose and goals of the survey, which took another ten minutes of time per each respondent.

Another limitation of this study can be stated as the type of respondents. In order to make the results more credible, we might have prepared the questionnaires for the leaders evaluated by the respondents. How-

ever, their unavailability hindered such a way of surveying, which could result in a comparison between the respondents' evaluation and the leader's opinion about himself (or herself).

Upcoming studies could have several considerations. The first one implies that a sample of the research should be larger than in this paper. In this way, the statistical analysis will be more reliable. Future studies should include the leaders as a main sample of the survey. However, we should take into consideration their lack of time during the working day, and be prepared for longer duration of the research. As a third recommendation we can emphasise the way of collecting data. We believe that a combination of a field survey with an online type of survey could have better results in the quantitative sense. It can automatically give a better response rate and reliability of collected data. Since there are many approaches to measuring emotional intelligence, other research instruments should be included in future studies, which can be identified as another recommendation arising from this study.

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## **UTJECAJ EMOCIONALNE INTELIGENCIJE NA LIDERSKU EFEKTIVNOST**

### **SAŽETAK**

Sva novija istraživanja dokazuju da je emocionalna inteligencija pokazatelj ostvarivanja učinkovitosti vođe. Ova je studija istraživanjem obuhvatila ispitanike iz privatnih i javnih poduzeća unutar postojećih deset kantona u BiH. Ispitanici su ocjenjivali kompetencije emocionalne inteligencije svojih vođa i njihovu učinkovitost u vođenju skupine ljudi, s ciljem ostvarivanja organizacijskih zahtjeva. Kroz regresijski model, uspjeli smo potvrditi rezultate dosadašnjih istraživanja te dokazati da postojeći upitnici, razvijeni unutar zapadnoga konteksta, mogu biti namjenski i unutar konteksta BiH. Nakon utvrđivanja interne dosljednosti kroz Cronbach Alpha koeficijente ( $\alpha=.844$  i  $\alpha=.734$ ) za korištene upitnike, pomoću dva regresijska modela i R Squareom od .547, uspjeli smo potvrditi istraživačku hipotezu ovoga istraživanja, prema kojoj izražene kompetencije emocionalne inteligencije vođe pozitivno utječu na njegovu/njezinu učinkovitosti u ispunjavanju organizacijskih zahtjeva te na sposobnost da upravlja timom ljudi koji je učinkovit.

**Ključne riječi:** emocionalna inteligencija, učinkovitost, vođa, kompetencije, organizacijski zahtjevi