

**MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE,
TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN
HIGH EMOTIONAL LABOUR JOBS**

Jayant Meshram

Ph.D Student

Tata Institute of Social Sciences

Mumbai-88

E mail ID: jmeshram@rediffmail.com

&

Prof. Sasmita Palo

Centre for Human Resources Management

Tata Institute of Social Sciences

Mumbai-88

E mail ID: spalo@tiss.edu

MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

Abstract

This explanatory study tested a model within team context the relationships among emotional intelligence of team leaders, transformational leadership behaviour and team performance. A total of 657 respondents i.e. 219 managers and 438 team members from the direct sales function of an Indian consumer durable company participated in this study. The model was tested using structural equation modeling; an acceptable level of model fit was found. Results indicate a significant positive relations among all the constructs at ($p < .000$). Transformational leadership behaviour is found to play partially mediating role between emotional intelligence of leaders and team performance of sales staff. Practical implications, limitations and future directions of the study are discussed.

Keywords: transformational leadership, emotional intelligence, team performance

Introduction

In the larger body of literature in leadership domain, transformational leadership perhaps has attracted maximum empirical scrutiny (Bass, 1985:1998), exploring its nature or consequences. Transformational leadership is the process in by which “a stream of evolving interrelationships in which leaders are continuously evoking motivational responses from followers and modifying their behavior as they meet responsiveness or resistance, in a ceaseless process of flow and counter-flow” (Burns, 1978). These transformational leaders “seek to raise the consciousness of followers by appealing to higher ideals and moral values such as liberty, justice, equality, peace, not to baser emotions such as fear, greed, jealousy, or hatred” (Yukl & VanFleet, 1992).

MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

Theories of transformational leadership suggest that tomorrow's leaders must emotionally engage with their followers to collectively perform beyond organisational expectations (Bass & Avolio, 1994; Conger, 1989; Covey, 1990). As per Lopez-Zafra et al. (2008) "transformational leaders generally use emotional support and are able to spread their emotions concerning their own expectations of their followers.... they are also able to profit from their followers' emotional commitment" (p.38). Hence emotional intelligence is of greater significance for leaders than for other members of an organisation (Goleman, 1998; Higgs and Dulewicz, 1999).

Emotional Intelligence refers to *the ability to perceive emotion, integrate emotion to facilitate thought, understand emotions, and to regulate emotions to promote personal growth* (Mayer & Salovey, 1997). Research on emotional intelligence and its impact on transformational leadership show strong positive connections between theory of emotional intelligence and transformational leadership (Kerr et.al., 2006; Palmer et.al., 2001; Polychroniou, 2009; Rosete & Ciarrochi, 2005; Riggio & Reichard, 2008; Duckett & Macfarlane, 2003).

A meta-analytical study by Harms and Credé (2010) revealed that there is a significant relationship between transformational leadership behaviour and emotional intelligence of the leaders. Second meta-analytic study by Joseph and Newman (2010) on emotional intelligence and job performance, showed that various measures of emotional intelligence, which were developed based on ability and mixed model of emotional intelligence, showed different results pertaining to job performance which itself varies with the context of research setting. They reported that an ability based performance measure of emotional intelligence shows more promise in predicting job performance in high emotional labour jobs. But the relationship between transformational leadership and performance-based ability measure of emotional intelligence in the context of high emotional labour jobs has so far not being fully explored. High emotional labour jobs are those

MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

where the person needs to monitor and regulate his/her emotions to achieve organisational goals. The professions like sales, nursing, telemarketing, customer care, etc. are considered as high emotional job professions.

Accordingly, the purpose of the present study was to examine the relationships among emotional intelligence of leaders, employees' perception of transformational leadership behaviors of their managers, and their impact on team performance.

Proposed Research Model and Hypotheses

Past studies suggest that emotions play a crucial role in the perception of leaders and their emergence in groups (Pescosolido, 2002). Dasborough & Ashkanasy (2002) explained that emotions play a functional role in the leadership process. Transformational leaders use emotions for the following four purposes (Bass, 1978):

1. Emotionally arouse followers to collective action, thereby developing followers into self-leaders,
2. Promote emotional tension in followers to persuade them into championing innovation and change,
3. Employ emotions to foster emotional attachment among follower and commitment to the leader, and
4. Utilise empathy to understand follower needs and values.

Thus, transformational leaders may purposely manipulate emotions to initiate important motivational, persuasive, relational and consideration effects on followers. According to Sosik & Mergerian (1999), emotionally intelligent people feel more secure in their ability to control and influence life events and, as a result, provide individual focus on others as well as intellectually stimulate and motivate followers. These behavioural outcomes are consistent with three major facets of transformational leadership— individual consideration, intellectual stimulation, and inspirational motivation.

The relevance of emotions in the workplace can also be linked to the growing body of

MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

research on transformational leadership (Maddock & Fulton, 1998). Recent research on EI and leadership has indicated that leaders exhibiting transformational leadership behaviours also possess higher levels of EI (Gardner & Stough, 2001; Palmer et al., 2001; Cooper, 1997; Goleman, 1995; Megerian & Sosik, 1996). Several theorists proposed that this relationship is due in part to the strong emotional relationship between leader and follower.

A leader who possesses high levels of emotional management has been shown to consider the needs of others over his or her personal needs (Goleman, 1995). The relationship that emerges between transformational leaders and their followers is, in fact, very emotional. For instance, transformational leaders generally use emotional support and are able to spread their emotions concerning their own expectations of their followers (Avolio & Bass, 2002; Bass, 1996; Lopez-Zafra et al., 2008). They are also able to profit from their followers' emotional commitment (Dionne, Yammarino, Atwater & Spangler, 2004). Various studies have shown that there are strong positive connections between theory of emotional intelligence and transformational leadership (Kerr et al., 2006; Palmer et al., 2001; Polychroniou, 2009; Rosete & Ciarrochi, 2005; Riggio & Reichard, 2008; Duckett & Macfarlane, 2003). Accordingly, it can be hypothesised that:

Ha: Emotional intelligence of sales managers will predict their transformational leadership behaviour

High emotional labour jobs require leaders to put in high levels of emotional labour. This is a major contributor to stress and burnout (Bono & Vey, 2005; Brotheridge & Grandey, 2002). Humphrey et al. (2008) theoretically examined how leaders use emotional labour. They found that leaders can use emotional labour strategies to help them manage their own moods and motivations. Leaders in high emotional labour jobs are more frequently exposed to range of

MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

stressful situations — like their team members — in sales function.

Emotional labour strategies such as deep acting and regulation of emotions may help leaders in high emotional labour jobs to maintain a positive attitude. The leaders may use emotional labour strategies to improve the mood, morale, and motivation of their team members. Research on transformational leadership suggests that it is a form of leadership especially suited to fostering organisational change, such as the performance reforms (Yukl, 2008). Empirical research has also shown the existence of transformational leadership behaviour as a phenomenon and its relationship with team members' satisfaction and performance (Bass & Riggio, 2006; Bass et al., 2003; Trottier, Van Wart & Wang, 2008). Based on a study of top management (CEO-level), Peterson et al. (2009) reported that transformational leadership had a stronger, more positive effect on firm performance. Thus, it is hypothesised that:

Hb: In high emotional labour jobs, transformational leadership behaviours of sales managers will predict team performance

Leadership is “the process of influencing individuals or groups so as to achieve group goals” (Hoyt & Blascovich, 2003). Team performance refers to the extent to which a team meets established objectives for quality, cost, and time (Hoegl & Gemuenden, 2001). The conceptualization of team performance as a multidimensional construct is acknowledged in the literature (Burke, Sims, Lazzara, & Salas, 2007; Jung & Avolio, 2000). Jung and Avolio (2000) identified three dimensions of team performance: quantity, quality, and satisfaction. They found that transformational leadership affects team performance through value congruence and trust. Burke et al. (2007) suggested that team performance is the distal outcome variable of trust in leadership. Under transformational leadership, team's cognitive trust and collective efficacy may evolve during the team development and serve as process variables that explain the distal team

MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

performance. Hoyt & Blascovich's study in 2003 has found that transformational leadership is positively associated with trust in the team leader, collective efficacy. It in turn enhances team performance (e.g., Hoyt & Blascovich, 2003; Jung & Avolio, 2000). According to Bass (1985), transformational leaders exert influence on subordinates by broadening and elevating followers' goals and providing them with the confidence to go beyond specified, minimally acceptable expectations. The literature (e.g., Avolio & Bass, 1995; Podsakoff, MacKenzie, Moorman, & Fetter, 1990) has confirmed that trust in the leader is a consequence of transformational leadership because transformational leaders empower and encourage followers to make decisions, thus gaining their followers' trust. Jung and Avolio (2000) confirmed that trust in the team leader helps to explain the impact of transformational leadership on performance. Based on the above mentioned literature it is hypothesized that:

Hc: In high emotional labour jobs, transformational leadership will predict team performance

Emotional regulation, a facet of emotional intelligence, is responsible for maintaining a positive state of mind which ultimately influences the behaviour of person at workplace (George, 1991). Affective positive state of mind enhances behavioural flexibility and increases attention span (Fredricksons, 2001). There is significant relationship found between positive state of mind (moods) and task performance (Tsai et al. 2007; Eisenberger et al., 2001; Erez & Isen, 2002; Hirt et al., 1996; Totterdell, 2000). In high emotional labour jobs —as in sales— it is required for a leader to be highly motivated in order to influence team members to strive to achieve sales revenue targets. Emotional intelligence of leaders induces and sustains a positive affective state of mind by regulating his/her emotions. This positive state of mind promotes motivation and affects job performance. In addition, transformational leaders who possess EQ are likely to exhibit behaviours associated with increasing effectiveness and handling conflict with subordinates for positive outcomes on teamwork (Rahim et al. , 2002, 2006). Hence, it is

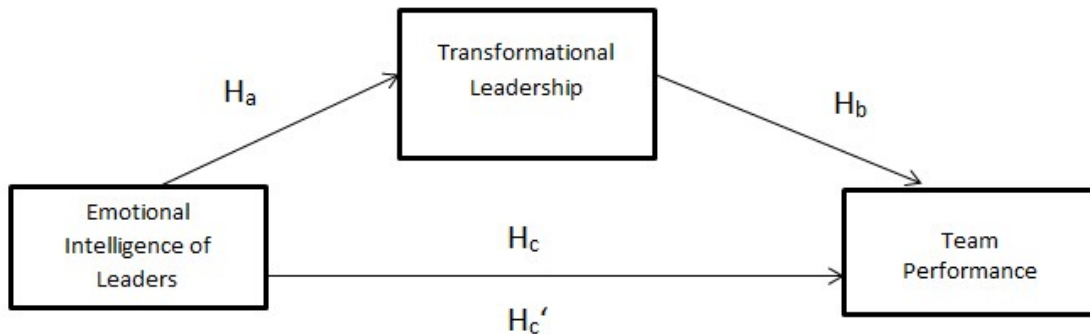
MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

hypothesised that:

Hc': In high emotional labour jobs, transformational leadership will mediate the relationship between emotional intelligence of leaders and team performance

Thus based on the discussion presented above using various arguments and findings from previous studies , various theoretical bivariate relationships among the constructs were proposed (in form of hypotheses). These hypothesised bivariate relationships were then combined as an integrated conceptual model which is diagrammatically presented in Figure 1. This study was an effort to corroborate the model.

Figure 1. Hypothesized Model of EI of Leaders and Team Performance: Mediating Role of Transformational Leadership Behaviour



Methodology

Samples

According to Joseph & Newman (2010), functions like sales, telemarketing, nursing and customer care are considered to be high emotional labour jobs, where a person needs to regulate

MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

his/her emotions to achieve organisational objectives. For this study, managers working in sales function and their sales staff, who are the front-line personnel, were selected. The personnel selected were working in direct sales stream of consumer durables division of an Indian organization. Direct sales require the sale of products and services to the end users.

There were 219 managers employed in the direct sales division of the organisation. All the 219 managers were selected as leaders. On an average, 7 to 8 sales persons were reporting to each Sales Manager in the company. Keeping in view the team size, the desired sample size from each team led by a Sales Manager was kept 2. We employed simple randomisation process for selection of two team members so that there is no preferential treatment in selection which may introduce selectivity bias. Thus total 438 team members participated in this study. Team members were selected for assessing transformational leadership behaviour of their respective managers. They were selected from all 18 branches of the direct sales division of the selected organisation. Thus, a total of 657 —219 managers and 438 team members —participated in this study. The tenure served by each participant ranged from a minimum of 18 months to a maximum 38 months and average tenure 26 months. There was no female participant in the study.

Measuring Scales

Following standards scales were used for measurement in the current research.

- i. Mayer, Salovey, and Caruso Emotional Intelligence Test (MSCEIT) version V2 by Mayer, Salovey, and Caruso (2002)
- ii. Transformational Leadership Questionnaire (TLQ) by Singh and Krishnan (2007)

The Mayer, Salovey, and Caruso Emotional Intelligence Test was used to measure emotional intelligence of 219 sales managers participated in the study. MSCEIT is a performance

MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

based ability measure of emotional intelligence. MSCEIT is recommended for use on participants who are 17 years of age or older. The test has 141 items and assessment measures the four branches of the EI model developed by Mayer et al. (2000). The four branches of this model are as below:

- i. *Perceiving emotions*: This is measured by making participants view faces and pictures and asked to identify the emotions depicted in them.
- ii. *Using emotions*: The participants are challenged to compare emotions to different tactile and sensory stimuli, and then asked to identify the emotions that fit best with this type of thinking.
- iii. *Understanding emotions*: This tests the participants' ability to increase or decrease emotional intensity depending on different stimuli, and then examines how the the emotions changes from one situation to the next.
- iv. *Managing emotions*: This is the most complex branch. In this section of the test, participants are given different hypothetical scenarios and asked what type of emotional response would be exhibited. They would also be asked how they manage the feelings of others so their desired outcome was achieved.

MSCEIT is conducted by MHS Inc. Canada (www.mhs.com) as an on-line test through the internet or as a written (paper and pencil) test. For this study, the researcher chose the written test with 141 items. The test was conducted on the participants and the raw data was sent to MHS, who then evaluated the data and returned the composite scores to the researcher. The reliability for the full-scale MSCEIT ($N=2112$), using the general consensus scoring, was reported as 0.93 (Caruso et al. 2002). The four branch score reliabilities ranged from 0.79 to 0.91. Additionally, three-week test-retest reliability ($N=62$) for the full-scale MSCEIT was reported as

MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

$r=0.86$ (Caruso et al., 2002). Specifically, branch four (managing emotions) had a reliability of 0.83 (Brackett & Mayer, 2001).

Transformational Leadership Questionnaire (TLQ) by Singh & Krishnan (2007) was used to measure transformational leadership behaviour of the managers who participated in this research. TLQ scale has 30 items with six items for each of the five factors:

- i. *Idealised influence attributed (heroism)*, – is the degree to which the leader displays conviction, takes stands, and appeals to followers on an emotional level.
- ii. *Idealised influence behaviour (ideology)* – is the degree to which the leader behaves in admirable ways that cause followers to identify with the leader.
- iii. *Inspirational motivation* – is the degree to which the leader articulates a vision that is appealing and inspiring to followers. Leaders with inspirational motivation challenge followers with high standards, communicate optimism about attainment of future goals, and provide meaning for the task at hand.
- iv. *Intellectual stimulation* – is the degree to which the leader challenges assumptions, takes risks, and solicits followers' ideas. Leaders with this trait stimulate and encourage creativity in their followers.
- v. *Individualised consideration* – is the degree to which the leader attends to each follower's needs, acts as a mentor or coach to the follower, and listens to the follower's concerns and needs.

Respondents need to rate how frequently their leaders display the behaviour described in the questionnaire using a five-point scale (0=Not at all; 1=Once in a while; 2=Sometimes; 3=Fairly often; 4=Frequently, and 5=always). The standardised Cronbach's Alpha coefficient reported by Singh and Krishnan (2007) for the five factors of TLQ were 0.88, 0.86, 0.88, 0.78,

MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

and 0.87 respectively. The correlations between the five factors varied from 0.69 to 0.85 ($p < 0.001$ for all correlations).

Team performance concerns the accomplishment of activities and tasks required of the team. In this study, team performance refers to the team performance measured in terms of percentage of sales achieved against the targets set for each team. Data in this regard was directly collected from the HR department. The budgeted sales target includes both revenues as expressed in Indian Rupees and volumes of the various products in the product mix.

Data Analysis

Cronbach's Alpha, Guttman Split-Half coefficient, validity measure KMO and Bartlett's Test were calculated using SPSS. To test the hypothesised relationship and predictive power of independent variables, structural equation modeling (SEM) technique was adopted. SEM allows the researcher to test multiple inter-relationships between latent variables in a model. Thus it is possible to test models where one latent variable that is an independent variable to another variable itself becomes a dependent variable to other variables. AMOS 18 was used as SEM software.

Results

For the measures used in the study, Table 1, shows the mean and standard deviation values calculated for the 219 sample participants. Descriptive statistics of data in the table show that mean value varies between variables from 66.09 to 88.07 and standard deviation varies from 18.02 to 23.61.

MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

Table 1 Descriptive Statistics for Measures

Name of Measure	Mean	Std. Error of Mean	SD
MSCEIT	88.07	1.60	23.61
TLQ	66.09	1.22	18.02

The internal reliability of the measures (subcomponents) employed were checked by calculating their alpha reliability coefficients (Table 2). Most measures have acceptable reliability, with their alphas close to or above 0.70 (Vogt,1999). Table 2, indicates that moderate to high internal reliability coefficients were observed for all the scales used. The alpha value scores ranged from 0.701 (self emotional appraisal) to 0.980 (total score transformational leadership behaviour), which are acceptable in social sciences research.

Table 2 Cronbach's Alpha Reliability of Measures

Variables	N of Items	Cronbach's Alpha
Total EI Score - MSCEIT	141	0.971
Perceiving Emotions (MSCEIT)	50	0.92
Using Emotions (MSCEIT)	30	0.872
Understanding Emotions (MSCEIT)	32	0.919
Managing Emotions (MSCEIT)	29	0.856
Transformational Leadership Behaviour – Total Score	30	0.98
Transformational Leadership Behaviour – idealise influence attributes	6	0.941
Transformational Leadership Behaviour – idealise influence behavior	6	0.968
Transformational Leadership Behaviour –inspirational motivation	6	0.878
Transformational Leadership Behaviour – intellectual stimulation	6	0.894

MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

Result of Structural Equation Modeling

Hypothesised relationships are tested by adopting structural modeling technique using AMOS 18. The results of structural equation modeling for hypothesised relationship are presented in Figure 2. It gives Standardised Regression Weights of estimate and squared multiple correlations of the hypothesised model. Standardised estimated regression weight for relationship between performance based measure of emotional intelligence (MSCEIT) and transformational leadership behaviours (0.82) is highest compare to other two hypothesized relationships.

Squared multiple correlations for transformational leadership behaviour is 0.68. This indicates that performance based measure of emotional intelligence significantly predict transformational leadership behaviour in high emotional labour jobs of direct sales. Descriptive measured of model fit is presented in Table 3. The fit measures indicate that the model is accepted with good model fit measures.

Table 3 Descriptive Measures of Model Fit

Fit Index	Acceptable Model Fit	Research Model
Normed Chi-Square (χ^2 /df)	< 5	1.608
Comparative Fit Index (CFI)	> 0.90	0.995
Standardised Root Mean Sq Residual (SRMR)	< 0.08	0.0147
Root Mean Sq Error Approx (RMSEA)	< 0.06	0.053
Goodness-of-Fit Index (GFI)	> 0.90	0.968
Adj. Goodness-of-Fit Index (AGFI)	> 0.90	0.923
Normed Fit Index (NFI)	> 0.90	0.988
Incremental fit Index (IFI)	> 0.90	0.995
Tucker Lewis Index (TLI)	> 0.90	0.991

MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

In structural equation modeling, a notable condition in testing the fit of the measurement model is an assessment of its convergent and divergent validities. Table 4 presents the results of convergent and discriminant validity of the variables studied.

Table 4 Convergent and Discriminant Validity of Variables in Research Model

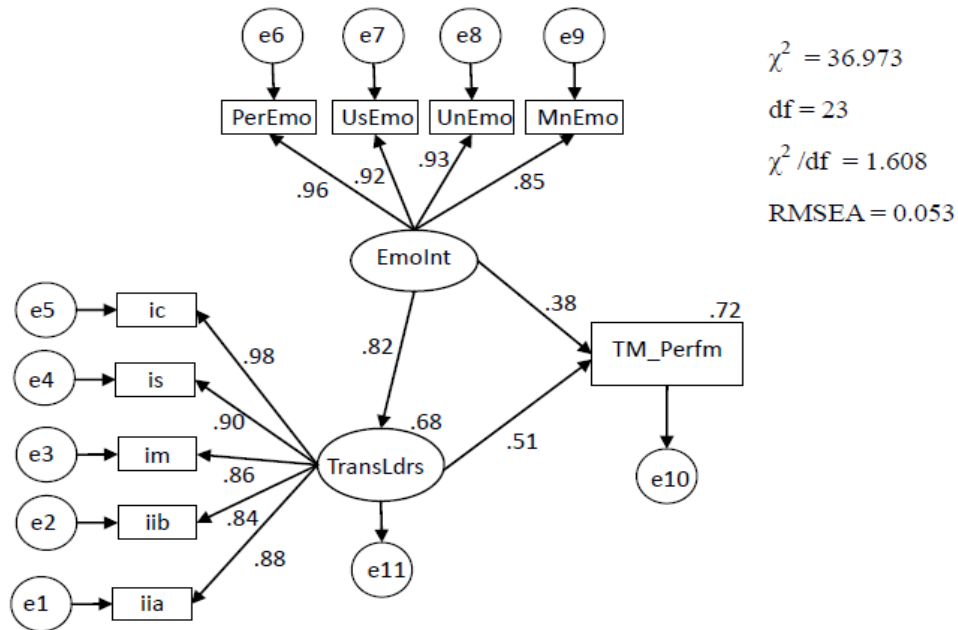
Variables	CR	AVE	MSV	ASV
Emotional Intelligence (MSCEIT)	0.850	0.838	0.075	0.026
Transformational Leadership Behaviour	0.817	0.799	0.084	0.040
CR - Composite Reliability; AVE - Average Variance Extracted; MSV - Maximum Shared Squared Variance; ASV - Average Shared Square Variance				

In this model, the composite reliability (CR) is greater than 0.6 and also Average Variance Extracted (AVE) greater than 0.5 for convergent validity. This implies that each item loaded on expected constructs. The fact that each construct is distinct from another, that is, divergent validity is indicated by the fact that both the MSV and ASV are lesser than the AVE.

Figure 2 shows results of the structural equation modeling.

MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

Figure 2 Structural Equation Model for Hypothesized Relationships



Abbreviations

- e1 to e11 Error terms of respective directly observed variables
- i) ic ii) is iii) im iv) iib and v) iia Standardized Score – Average of Two Team Members feedback on Transformational Leadership Questionnaire sub-scale score – i) ‘Individual Consideration’, ii) ‘Intellectual Stimulation’, iii) ‘Inspirational Motivation’, iv) ‘Idealized Influence- Behavior ’ and v) ‘Idealized Influence- Attributes ’
- TransLdrs Transformational Leadership – Latent Variable through AMOS
- EmoInt Emotional Intelligence (MSCEIT) - Latent Variable through AMOS
- ZKRA_Rating Standardized Score – Objective Team Performance – Percentage of sales revenue achieved against budgeted sales target on per annum basis.

MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

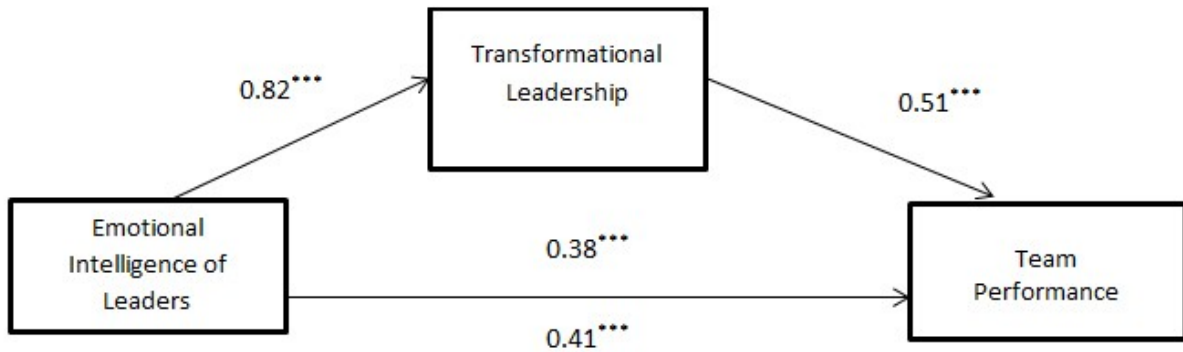
I) PerEmo ,ii) UsEmo, Standardized Score – MSCEIT Questionnaire sub-scales – i)
iii) UnEmo and iv) Perceiving Emotions, ii)Using Emotions iii)Understanding
MnEmo Emotions and iv)Managing Emotions

Figure 3 shows the relevant paths between the variables. Table 5 indicates the presence of a significant correlation between total scores of emotional intelligence of sales managers and team performance ($p < .000$). This support the hypothesis Hc. Similarly, hypotheses Ha and Hb are also supported by this study.

The two values in the path indicate the relationship between emotional intelligence of leaders and team performance without mediating effect and in the presence of the mediator. The value above the path (0.378 (0.000)) is the effect without the presence of mediator and the one below (.418 (0.000)) indicates the relationship when the mediator is introduced. It can be seen that the path is significant at 0.000 level in the presence of transformational leadership as a mediator. This shows a picture where leaders having high degree of emotional intelligence display a higher degree of transformational leadership behaviour and which in turn enhances team performance of followers. Thus the results show that transformational leadership partially mediates the relationship between EI of leaders and team performance of the staff .

MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

Figure 3 Mediation- EI of Leaders and Team Performance of Sales Staff by Transformational Leadership Behaviour



Note: *** indicates $p < .001$

Discussion

The results support H_a . Therefore, it may be concluded that, in high emotional labour jobs transformational leadership behaviour can be accurately predicted by the emotional intelligence of leaders. A study by Weinberger(2009) of 138 North American managers of manufacturing organisation found that there exists no relationship between a manager's performance- based ability measure of emotional intelligence (MSCEIT) and leadership style by MLQ5x, or the leader's perceived effectiveness. Similarly, meta-analytic study by Harms and Credé (2010) reported that there is no significant relationship of ability-based measure of emotional intelligence (MSCEIT) with transformational leadership when they used multi-source rating. Results of both these studies were not clearly specific to the emotional labour content — high or low — of the jobs. However, this finding in the context of a high emotional labour job is

MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

supported a study by Newman, Joseph and MacCann (2010) in which they reported the vital role of context in the relationship between performance-based ability measure of emotional intelligence and job performance. They showed stronger validity of performance-based ability measures of emotional intelligence for high emotional labour jobs.

This study resolves some of the ambiguities of earlier research that the effect of emotional intelligence on transformational leadership becomes insignificant in the context of personality and ability (Flavia, Valter and Matius, 2012). In our study, even after controlling for an ability based measure of emotional intelligence, its effect on transformational leadership was found to be significant. Flavia, Valter and Matius (2012) in their study reported that the effect of emotional intelligence on performance is only indirect, i.e. its effect on performance is only through transformational leadership. According to our study, transformational leadership is only a partial mediator between emotional intelligence and performance. Therefore, emotional intelligence does not only have an indirect effect on performance through transformational leadership, it also has a direct effect.

According to a recent meta-analytic study by Derue et al. (2011), transformational leadership behaviour is positively related to the overall effectiveness of the leaders and account for 22.8% of total variance in overall effectiveness of the leaders. However the study by Derue et al. (2011) was not specific to any context like high or low emotional labour jobs; but it presented the important finding that transformational leadership behaviour impacts overall effectiveness of the leaders. In the context of high emotional labour jobs — as in the current study — high physical and emotional demands of the job; the team members (sales persons) are greatly, influenced by their leaders (sales managers) as the leaders are responsible for recruitment, selection, on-the-job training and development of their team members. As discussed earlier, the promotion and advancement of the leaders in direct sales function of the organisation was

MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

determined by growth of their team members in the organisation's hierarchy. Thus, one important responsibility of the leaders is to groom and develop their team members. Hence, the leaders are required to manifest transformational leadership behaviours which help their team member to maintain a high level of motivation.

In the selected research setting of a direct-sales function, the requirement of both physical and emotional labour is very high as compared to other streams of sales management. Here, as the leaders' performance is considered to be the collective performance of the team members, the findings of this study also confirm that transformational leadership behaviours help team members to achieve their monthly sales revenue targets. Because of the huge physical and emotional demands (which adversely impact job satisfaction) made on the frontline staff by the nature of work, they are able to achieve their targets. This may be due to the normative and affective commitment of the frontline sales staff that may have been brought about by the transformational leadership behaviour of the sales managers (Ramachandran & Krishnan, 2009). Hence, this finding confirms the impact of transformational leadership behaviour on team performance in a high emotional labour job like that of direct-sales (Hb).

The results supported hypothesis Hc. It indicates that there is direct impact of emotional intelligence of leaders on team performance. This is in line with the meta-analytic study by Joseph and Newman (2010) where they reported that, in high emotional labour jobs, performance-based ability measure of emotional intelligence significantly predicts job performance.

Limitations and Future Directions

There are several limitations to this model. First and foremost, since this is an attempt at understanding how intermediate outcomes of transformational leadership may impact team

MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

performance, we considered only one composite team performance factor i.e. collective performance of the sales team against the budgeted sales target. The budgeted sales target included both revenues as expressed in Indian Rupees and volumes of the various products in the product mix. Obviously budgeted sales target is not a sole measure of team performance. There are several other critical dimensions that our model does not include. Secondly the study was restricted to a single manufacturing plant only. Hence recognizability of the findings is in question.

Conclusion

In today's competitive business environment transformational leadership gives organisations significant competitive advantage. It was shown that transformational leadership had a stronger and more positive effect on organisational performance, retention of staff, as well as imbuing an achievement orientation culture in the organisation and job satisfaction of followers (Peterson et al., 2009; Krishnan, 2008; Xenikou & Simosi, 2006; Felfe & Schyns, 2004). The meta-analytic study by Harms and Credé (2010) and Joseph and Newman (2010) revealed that the relationship between transformational leadership and emotional intelligence and their impact on performance are influenced by research context and the measure of emotional intelligence which is applied. In this connection, the present study offers important and relevant insights for high emotional labour jobs like direct sales. It can be concluded that the findings and results are reliable for the following reasons:

1. There was little scope for augmentation effect (transactional leadership is the foundation for transformational leadership behaviour) in the research setting.
2. Research setting chosen was also such that it encouraged and was conducive to the demonstration of transformational leadership behaviours.

MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

3. Team performance criteria was objective in nature (percentage of achievement of given sales target) and not subjective (eg. ratings based on the perception of superiors, peers or other team members).
4. The study used three independent sources of data for emotional intelligence, transformational leadership behaviour and team performance to avoid stereotypical responses.

The primary findings of the study support the notion that emotional intelligence of leaders in high emotional labour jobs has a significant and positive correlation with their transformational leadership behaviour. On account of the large sample size, the results may be generalised to a certain degree for high emotional labour jobs as in sales. It was also seen that team performance in high emotional labour jobs as in sales can be predicted on the basis of transformational leadership behaviour scores. In the light of these results, it can be argued that a clear understanding of the importance of leaders' emotional intelligence in high emotional labour jobs may help organizations to improve the performance of front-line staff by enhancing emotional intelligence abilities of their leaders. Precise understanding of EI of leaders in high emotional labour jobs by means of the performance-based ability measure can guide human resource managers in making better decisions on recruitment of leaders, training, transfers, promotions and retention

References

- Avolio, B. J., & Bass, B. M. (1995). Individual consideration viewed at multiple levels of analysis: A multi-level framework for examining the diffusion of transformational leadership. *Leadership Quarterly*, 6, 199-218.
- Avolio, B. J. & Bass B. M. (2002). (Eds.). *Developing Potential Across a Full Range of Leadership*. New Jersey: Mahwah, Lawrence Erlbaum Associates.

MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

- Bass, B. M., & Riggio, R. E. (2006). *Transformational Leadership* (2nd edition.). New Jersey: Mahwah, Lawrence Erlbaum Associates Inc.
- Bass, B. M., Avolio, B. J., Jung, D. I., & Berson, Y. (2003). Predicting Unit Performance by Assessing Transformational and Transactional Leadership. *Journal of Applied Psychology*, 88, 207–218.
- Bass, B.M. (1985). *Leadership and Performance Beyond Expectations*. New York: Free Press.
- Bass, B.M. (1996). *A New Paradigm of Leadership: An Inquiry into Transformational Leadership*. Alexandria, Virginia: US Army Research Institute for the Behavioral and Social Sciences.
- Bass, B.M. (1998). *Transformational Leadership: Industrial, Military and Educational Impact*. New Jersey: Mahwah, Lawrence Erlbaum Associates Inc.
- Bass, B.M.&Avolio, B.J. (1994). *Improving Organizational Effectiveness Through Transformational Leadership*. California : Sage Publications.
- Bono, J. E., & Vey, M. A. (2005). Toward Understanding Emotional Management at Work: A Quantitative Review of Emotional Labor Research In N. Ashkanasy and C. Hartel (Eds.): *Emotions in Organizational Behavior* (213–233). New Jersey: Mahwah, Lawrence Erlbaum Associates Inc.
- Brackett, M. & Mayer, J. D.(2001). Comparing Measures of Emotional Intelligence. Paper presented at the *Third Positive Psychology Summit*, Washington, DC.
- Brotheridge, C. M. & Grandey, A. A.(2002). Emotional Labor and Burnout: Comparing Two Perspectives of “People Work”. *Journal of Vocational Behavior*, 60, 17-39.
- Burke, C. S., Sims, D. E., Lazzara, E. H., & Salas, E. (2007). Trust in leadership: A multi-level review and integration. *Leadership Quarterly*, 18, 606-632.
- Burns, J. M. (1978). *Leadership*. New York: Harper and Row.
- Caruso, D.R., Mayer, J.D. & Salovey, P. (2002). Emotional intelligence and emotional leadership.In Riggio, R.E. and Murphy, S. (Eds). *Multiple Intelligences and Leadership*, (pp 55-74). New Jersey: Mahwah, Lawrence Erlbaum Associates Inc.
- Conger, J. (1989). *The Charismatic Leader*. San Francisco: Jossey-Bass.

MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

- Cooper, R.K. (1997). Applying Emotional Intelligence in The Workplace. *Training and Development*, 51, 31-8.
- Covey, S. R. (1990). *Principle-Centered Leadership*. New York: Simon and Schuster.
- Dasborough, M. T. & Ashkanasy, N. M. (2002). Emotion and Attribution of Intentionality in Leader-Member Relationships. *The Leadership Quarterly*, 13, 615–634.
- Derue, S. D., Nahrgang, J.D., Wellman, N. & Humphrey, S.E. (2011). Trait and Behavioral Theories of Leadership: An Integration and Meta-Analytic Test of Their Relative Validity. *Personnel Psychology*, 64, 7-52.
- Dionne, S.D., Yammarino, F.J., Atwater, L.E. & Spangler, W.D. (2004). Transformational Leadership and Team Training and Performance, *Journal of Organizational Change Management*, 17, 177-193.
- Duckett, H. & Macfarlane, E. (2003). Emotional Intelligence and Transformational Leadership in Retailing. *Leadership and Organization Development Journal*, 24, 309-317.
- Eisenberger, R., Huntington, R., Hutchison, S., & Sowa, D. (1986). Perceived Organizational Support. *Journal of Applied Psychology*, 71, 500–507.
- Erez, A., & Isen, A. M. (2002). The Influence of Positive Affect on The Components of Expectancy Motivation. *Journal of Applied Psychology*, 87, 1055–1067.
- Felfe, J. & Schyns, B. (2004). Is Similarity in Leadership Related to Organizational Outcomes? The Case of Transformational Leadership. *Journal of Leadership and Organizational Studies*, 10. 92 – 102.
- Flavia, C., Valter, M., and Mateus, H. (2012). Effects of leader intelligence, personality and emotional intelligence on transformational leadership and managerial performance. *Leadership Quarterly*, 23(3), 443-55.
- Fredrickson, B. L.(2001). The Role of Positive Emotions in Positive Psychology: The Broaden-and-Build Theory of Positive Emotion. *American Psychologist*, 56, 218-226.
- Gardner, L. & Stough, C. (2001). Examining the Relationship between Leadership and Emotional Intelligence in Senior Level Managers. *Leadership and Oreganizational Development Journal*, 23, 68-78.

MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

- George, J.M. (1991). State or Trait: Effects of Positive Mood on Pro-Social Behaviors at Work. *Journal of Applied Psychology*, 76, 299–307.
- Goleman, D. (1995). *Emotional Intelligence: Why It Can Matter More Than IQ*. New York: Bantam Books.
- Goleman, D. (1998). *Working with Emotional Intelligence*. London: Bloomsbury.
- Harms, P.D. & Credé, M. (2010). Emotional Intelligence and Transformational and Transactional Leadership: A Meta-Analysis. , *Journal of Leadership and Organizational Studies*, 17, 5–17.
- Higgs, M.J. & Dulewicz, S.V. (1999). *Making Sense of Emotional Intelligence*. Windsor : NFER-Nelson
- Hirt, E. R., Melton, R. J., McDonald, H. E., & Harackiewicz, J. M. (1996). Processing Goals, Task Interest, and the Mood-Performance Relationship: A Mediation Analysis. *Journal of Personality and Social Psychology*, 71, 245–261.
- Hoegl, M., & Gemuenden, H. G. (2001). Teamwork quality and the success of innovative projects: A theoretical concept and empirical evidence. *Organization Science*, 12, 435-449.
- Hoyt, C. L., & Blascovich, J. (2003). Transformational and transactional leadership in virtual and physical Environments. *Small Group Research*, 34, 678-715.
- Humphrey, R. H., Pollack, J. M., & Hawver, T. (2008). Leading with Emotional Labor, *Journal of Managerial Psychology*, 23, 151–168.
- Joseph, D. L. & Newman, D.A. (2010). Emotional Intelligence: An Integrative Meta-Analysis and Cascading Model, *Journal of Applied Psychology*. 95, 54–78.
- Jung, D. I., & Avolio, B. J. (2000). Opening the black box: An experimental investigation of the mediating effects of trust and value congruence on transformational and transactional leadership. *Journal of Organizational Behavior*, 21, 949-964.
- Kerr, R., Garvin, J., Heaton, N. & Boyle, E. (2006). Emotional Intelligence and Leadership Effectiveness. *Leadership and Organization Development Journal* , 27, 265-279.
- Krishnan, Venkat R. (2008). The Impact of Transformational Leadership on Followers' Duty Orientation and Spirituality. *Journal of Human Values*, 14, 11-22.

MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

- Lopez-Zafra, E., Garcia-Retamero, R. & Jose, M. (2008). The Role Of Transformational Leadership, Emotional Intelligence, And Group Cohesiveness On Leadership Emergence, *Journal of Leadership Studies*, 2, 34-49.
- Maddock, R & Fulton, R. (1998). *Motivation, Emotions, and Leadership: The Silent Side of Management*. Westport, CT: Quorum Books .
- Mayer, J. D., Salovey, P., & Caruso, D. R. (2000). Models of Emotional Intelligence. In R. J. Sternberg (Ed.), *Handbook of Intelligence* (pp 396–420). Cambridge: Cambridge University Press.
- Megerian, L.E. & Sosik, J.J. (1996). An Affair of the Heart: Emotional Intelligence and Transformational Leadership, *Journal of Leadership Studies*, 3, 31-48.
- Newman, Daniel A., Joseph, Dana L. & MacCann, C. (2010). Emotional Intelligence and Job Performance: The Importance of Emotion Regulation and Emotional Labor Context. *Industrial and Organizational Psychology: Perspectives on Science and Practice*, 3, 159-164.
- Palmer, B., Medissa, W., Burgess, Z. & Stough C. (2001). Emotional Intelligence and Effective Leadership. *Leadership and Organizational Development Journal*, 22, 5-10.
- Pescosolido, A. T. (2002). Emergent Leaders as Managers of Group Emotion. *Leadership Quarterly*, 13, 583-599.
- Peterson, S.J., Walumbwa F.O., Byron K. & Myrowitz J. (2009). CEO Positive Psychological Traits, Transformational Leadership, and Firm Performance in High-Technology Start-up and Established Firms, *Journal of Management*, 35,348-368.
- Podsakoff, P. M., MacKenzie, S. B., Moorman, R., & Fetter, R. (1990). Transformational leader behaviors and their effects on followers' trust in leader, satisfaction, and organizational citizenship behaviors. *Leadership Quarterly*, 1, 107-142.
- Polychroniou, P.V. (2009). Relationship between Emotional Intelligence and Transformational Leadership of Supervisors: The impact on Team Effectiveness. *Team Performance Management*, 15, 343-356.

MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

- Rahim, M.A., Psenicka, C., Polychroniou, P., Oh, S.-Y., Ferdausy, S. & Dias, J.F. (2006). Emotional Intelligence and Transformational Leadership: A Group Level Analysis in Five Countries. *Current Topics in Management, 11*, 223-36.
- Rahim, M.A., Psenicka, C., Zhao, J.H., Yu, C.S., Polychroniou, P., Chan, K.A., Yee, K.W., Alves, M.G., Lee, C.W., Rahman, M.S., Ferdausy, S. & Wyk, R.V. (2002). A Model of Emotional Intelligence and Conflict Management Strategies: A Study in Seven Countries. *International Journal of Organizational Analysis, 10*, 402-27.
- Ramachandran, S. & Krishnan, V. R. (2009). Effect of Transformational Leadership on Followers' Affective and Normative Commitment: Culture as Moderator. *Great Lakes Herald, 3*, 23-38.
- Riggio, R. E. & Reichard, R. J. (2008). The Emotional and Social Intelligences of Effective Leadership: An Emotional and Social Skill Approach. *Journal of Managerial Psychology, 23*, 169-185.
- Rosete, D. & Ciarrochi, J. (2005). Emotional Intelligence and Its Relationship to Workplace Performance Outcomes of Leadership Effectiveness. *Leadership and Organization Development Journal, 26*, 388-399.
- Singh, N., & Krishnan, V. R. (2007). Transformational Leadership in India: Developing and Validating a New Scale Using Grounded Theory Approach. *International Journal of Cross - Cultural Management, 7*, 219-236.
- Sosik, J. J., & Megerian, L. (1999). Understanding Leader Emotional Intelligence and Performance: The role of Self-Other Agreement on Transformational Leadership Perceptions. *Group and Organization Management, 24*, 367-390.
- Totterdell, P. (2000). Catching Moods and Hitting Runs: Mood Linkage and Subjective Performance in Professional Sports Teams.. *Journal of Applied Psychology, 85*, 848-859.
- Trottier, T., van-Wart, M. & Wang, X. (2008). Examining the Nature and Significance of Leadership in Government Organizations, *Public Administration Review, 68*, 319-333.

MODELING THE RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE, TRANSFORMATIONAL LEADERSHIP BEHAVIOUR AND TEAM PERFORMANCE IN HIGH EMOTIONAL LABOUR JOBS

- Tsai, J. L., Miao, F. F., Seppala, E., Fung, H.H., & Yeung, D. (2007). Influence and Adjustment goals: Sources of Cultural Differences and Ideal Affect. *Journal of Personality and Social Psychology*, 92, 1102 -1117.
- Vogt, W.P. (1999). *Dictionary of Statistics and Methodology*. Thousand Oaks, CA: Sage Publication.
- Weinberger, L. A. (2009). Emotional Intelligence, Leadership Style, and Perceived Leadership Effectiveness. *Advances in Developing Human Resources*, 11, 747–772.
- Xenikou, A. & Simosi, M. (2006). Organizational Culture and Transformational Leadership as Predictors of Business Unit Performance. *Journal of Managerial Psychology*, 21, 566-579.
- Yukl, G. (2008). How Leaders Influence Organizational Effectiveness, *Leadership Quarterly*, 19, 708-722.
- Yukl, G., & VanFleet, D.D. (1992). 'Theory and Research on Leadership in Organizations'. In M.D. Dunnette and I.M. Hough (Eds.), *Handbook of Industrial and Organizational Psychology* (pp 14-197). Palo Alto, CA: Consulting Psychologists.