# Transformational leadership and emotional intelligence: an exploratory study

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**Keywords**
Leadership, Intelligence, Motivation

**Abstract**
Investigated whether emotional intelligence (EQ) is associated with the use of transformational leadership in 49 managers. Managers completed questionnaires assessing their own emotional intelligence and attributional style; their subordinates ($n = 187$) provided ratings of their transformational leadership. Controlling for attributional style, multivariate analyses of covariance showed that three aspects of transformational leadership (i.e. idealized influence, inspirational motivation, and individualized consideration) and constructive transactions differed according to level of emotional intelligence. In contrast, no multivariate effects emerged for transactional leadership (i.e. laissez faire or management-by-exception). Some suggestions for future research are offered.

**Received/Accepted: January 2000**

**Portions of this research were submitted by Frank Slater in partial fulfilment of the requirements of the Executive MBA degree to the School of Business at Queen's University. The authors express their appreciation to Nick Turner for his comments on an earlier version of this manuscript.**

Leadership & Organization Development Journal
21/3 [2000] 157–161


[ISSN 0143-7739]

Within the large literature on leadership, transformational leadership has probably attracted more empirical scrutiny than any other current theory (Bass, 1985, 1998), focusing either on its nature or effects. The theory suggests that transformational leadership can be distinguished from transactional leadership. Transformational leadership comprises idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. In contrast, transactional leadership consists of contingent reward (also referred to as constructive transactions), management-by-exception, and laissez faire management.

Perhaps the reason that research on transformational leadership has become somewhat self-sustaining is that positive results continue to emerge on the effects of transformational leadership. We now know, for example, that transformational leadership enhances subordinates' satisfaction (Hater and Bass, 1988) and trust (Barling *et al.,* 2000; Pillai *et al.*, 1999; Podsakoff *et al.*, 1996) in leadership, as well as employees' affective commitment (Barling *et al.*, 1996). In addition, transformational is associated with business unit performance (Barling *et al.*, 1996; Geyer and Steyrer, 1998; Howell and Avolio, 1993).

Given the usefulness of transformational leadership, attention has turned to other issues such as how it develops (Avolio and Gibbons, 1988; Zacharatos *et al.,* in press), and associated factors such as moral development that may predispose individuals to use transformational leadership (Turner and Barling, 2000). In the present study, we focus on another factor that might predispose leaders to use transformational behaviors, namely emotional intelligence (EQ).



Notwithstanding its conceptual origins (Salovey and Mayer, 1990), but consistent with its early stage of empirical development, there is currently no consensus about the exact nature of emotional intelligence. Different authors postulate differing numbers of factors that should be included in emotional intelligence (e.g. Bar-on, 1997; Goleman, 1995; Salovey and Mayer, 1990; Weisinger, 1998). In the present study, we use the classification initially enunciated by Salovey and Mayer (1990) and Goleman (1995). Thus, emotional intelligence comprises five characteristics, namely:

1 understanding one's emotions;
2 knowing how to manage them;
3 emotional self-control, which includes the ability to delay gratification;
4 understanding others' emotions, or empathy; and
5 managing relationships.

Goleman, (1998a, 1998b) argues strongly that emotional intelligence is a prerequisite for successful leadership, and we assert that there are several reasons why individuals high in emotional intelligence would be more likely to use transformational behaviors. First, leaders who know and can manage their own emotions, and who display self-control and delay of gratification, could serve as role model for their followers, thereby enhancing followers' trust in and respect for their leaders. This would be consistent with the essence of idealized influence. Second, with its emphasis on understanding others' emotions, leaders high in emotional intelligence would be ideally placed to realize the extent to which followers' expectations could be raised, a hallmark of inspirational motivation. Third, a major component of individualized consideration is the ability to understand followers' needs and interact accordingly. With its emphasis on empathy and the ability to manage relationships positively, leaders manifesting emotional intelligence would be likely to manifest individualized consideration.

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In investigating the relationship between emotional intelligence and transformational leadership, we deviate from Bass' (1985, 1998) conceptualization in one respect. Specifically, we conceptualize contingent reward (or constructive transactions) together with the four transformational behaviors rather than transactional leadership for two reasons. First, while the behaviors involved in contingent reward (providing feedback, setting goals, rewarding behaviors) are all task-oriented, the common factors across contingent reward and the four aspects of transformational leadership are that the behaviors involved are positive and discretionary. In this respect, we view contingent reward as more similar to transformational leadership than it is to management-by-exception or laissez faire management. Second, confirmatory factor analyses empirically show that contingent reward loads more appropriately with transformational leadership than it does with transactional leadership (Bycio *et al.*, 1995; Carless, 1998). We hypothesize further, that leaders who manifest emotional intelligence characteristics of high empathy and have the ability to manage relationships will also be adept at contingent reward.

In contrast to transformational leadership and contingent reward, no relationship is expected between emotional intelligence and either active or passive management-by-exception, or laissez faire management. First, neither management-by-exception nor contingent reward require insight or empathy. Instead, they reflect the more basic, reactive and routine behaviors involved in management. Second, laissez faire reflects an unwillingness to take any action at all, and thus should share no relationship with emotional intelligence.

Lastly, in testing for an association between emotional intelligence and transformational leadership, we controlled statistically for leaders' attributional style. While optimism does not differentiate between success and failure in leaders, being low in pessimism does (Wunderley *et al.,* 1998). This is consistent with Gardner's (1997) observation that what differentiates successful and unsuccessful leaders is how they handle failures, perhaps because failure experiences are demotivating and decrease persistence. Consistent with this idea, attributional style predicted both turnover and productivity in a group of insurance salespeople (Seligman and Schulman, 1986). Salespeople with internal attributions for failure were more likely to leave the organization within the first two years, and manifested lower sales performance.

## Method

### Participants and procedure

A total of 60 managers (e.g. vice presidents, general managers, middle managers and supervisors) of a large pulp and paper organization were approached individually and asked whether they would be willing to participate in this study. They were then sent the three questionnaires, with appropriate instructions (i.e. complete the emotional intelligence questionnaire and the Seligman Attributional Style Questionnaire themselves, and distribute copies of the MLQ to eight subordinates). The Emotional Intelligence Inventory was mailed to Multi Health Systems in Toronto for scoring, while the other two questionnaires were mailed to the senior author, all in stamped, self-addressed envelopes.

For the data to be included, the manager was required to complete both questionnaires, and 57 managers did so. In addition, at least three subordinate reports for each manager were required, and seven managers had fewer than three subordinates respond, resulting in 49 sets of data, i.e. a manager and at least three subordinates ($M$ = 3.9 subordinate respondents per manager). No data on age or gender were collected to maintain the anonymity of managers and their subordinates.

Descriptive statistics and intercorrelations for all variables are presented in Table I.

### Measuring instruments

The four components of transformational leadership were assessed using Bass and Avolio's (1995) Multifactor Leadership Questionnaire (MLQ 5X-Short). Each of the four components was assessed with four items on a five-point rating Likert scale (where 0 = not at all, and 4 = almost always). Contingent reward, management-by-exception active and management-by-exception passive, and laissez faire management were measured in the same way.

We used Bar-On's (1997) self-report Emotional Intelligence Inventory. All 133 items are rated on a five-point scale. From these items, five subscales are generated (intrapersonal, interpersonal, adaptability, stress management and mood). Each subscale score is transformed to a standard score, and the total emotional intelligence score is derived by averaging scores across the five subscales.

Attributions were assessed with the Seligman Attributional Style Questionnaire (Seligman, 1984). A total of 12 events (six positive and six negative) are presented (e.g. "You get a raise") in which respondents are

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asked to attribute a cause for the event. The respondent is then asked to rate, on a seven-point scale, each event in terms of internality, stability and globality. Scores are summed and averaged across these three indices for all 12 vents.

## Results

Based on the total emotional intelligence score, three groups were generated based on scores below the 33rd percentile (*M* EQ = 89.69, SD = 6.47, min. = 76, max. = 97), between the 34th and 65th percentile (*M* EQ = 103.88, SD = 3.61, min. = 98, max. = 109), and above the 66th percentile (*M* EQ = 120.41, SD = 6.07, min. = 111, max. = 130). The difference in EQ scores between these three groups was significant ($F(2,47) = 128.77$, $p < .01$).

We computed two separate multivariate analyses of covariance. In both, three groups of leaders were constructed based on their overall emotional intelligence scores. Transformational and transactional leadership scores of the 49 managers were contrasted across the three EQ groups, and managers' self-reported attributional style served as the covariate in all analyses. In the first analysis, the four transformational leadership characteristics, namely idealized influence, inspirational motivation, intellectual stimulation and individualized consideration, together with contingent reward, served as the dependent variables. A multivariate analysis of covariance revealed a significant main effect, Pillai's Trace $F(5,40) = 2.13$, $p < .05$, justifying an analysis of the five separate variables. As can be seen from Table II, idealized influence, inspirational motivation, individualized consideration, and contingent reward all yielded significant univariate effects; intellectual stimulation did not.

For the second analysis, active and passive management-by-exception, and laissez-faire, served as the dependent variables. The multivariate main effect was not significant, Pillai's $F(3,42) = 1.52$, $p > .05$, and no univariate analyses were undertaken.

## Discussion

The results of the present study show that emotional intelligence is associated with three aspects of transformational leadership (namely idealized influence, inspirational motivation and individualized consideration), and contingent reward. In contrast, active and passive management-by-exception, and laissez faire management, were not associated with emotional intelligence. Though these findings must be considered exploratory, they do suggest that further research is certainly warranted. In each case, the current findings suggest that individuals higher in emotional intelligence are seen by their subordinates as displaying more leadership behaviors. The strength of these findings is enhanced because they emerge after controlling for attributional style and across sources (e.g. leaders' self-rated emotional intelligence, subordinate rating of leadership), thereby reducing the likelihood that the findings are a function of mono-source bias.

The absence of a relationship between emotional intelligence and intellectual stimulation also bears further investigation. Previous research has supported the role of intellectual stimulation as a predictor of subordinate attitudes and performance (Barling *et al.*, 1996) making it a central concept in transformational leadership theory. It is possible that the nature of intellectual stimulation (i.e. presenting an intellectual challenge, getting people to think about old problems in new ways) is more cognitive than the other three components, and does not rely on an individual's emotional intelligence in the same way that

**Table I**
Descriptive statistics and intercorrelations of all study variables[a]

| | *M* | SD | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **1 Idealized influence** | 2.67 | 0.54 | | | | | | | | | |
| **2 Inspirational motivation** | 3.02 | 0.47 | 0.53 | | | | | | | | |
| **3 Intellectual stimulation** | 2.71 | 0.29 | 0.32* | 0.56 | | | | | | | |
| **4 Individualized consideration** | 2.72 | 0.41 | 0.39 | 0.62 | 0.61 | | | | | | |
| **5 Contingent reward** | 2.81 | 0.41 | 0.34 | 0.70 | 0.60 | 0.75 | | | | | |
| **6 MBE: Active** | 1.93 | 0.52 | –0.41 | –0.25 | –0.05 | –0.23 | 0.02 | | | | |
| **7 MBE: Passive** | 1.11 | 0.49 | –0.06 | –0.30* | –0.29* | –0.21 | –0.31* | 0.20 | | | |
| **8 Laissez faire** | 0.70 | 0.47 | –0.05 | –0.31* | –0.22 | –0.18 | –0.32* | 0.14 | 0.73 | | |
| **9 Emotional intelligence** | 104.96 | 13.73 | 0.12 | 0.56 | 0.35 | 0.49 | 0.44 | –0.01 | –0.18 | –0.27 | |
| **10 Attributional style** | 4.42 | 2.69 | 0.01 | –0.02 | –0.01 | 0.11 | 0.01 | –0.02 | 0.20 | 0.03 | 0.20 |

**Notes:** [a] With $N = 49$, $r > 0.34$; $p < 0.01$; * $p < 0.05$

**Table II**
Differences between the three EQ groups on transformational leadership

| | Low EQ | | Medium EQ | | High EQ | | Univariate | |
|---|---|---|---|---|---|---|---|---|
| | *M* | SD | *M* | SD | *M* | SD | *F*(2,44) | *p* |
| **Idealized influence** | 2.46 | 0.39 | 2.87 | 0.29 | 2.89 | 0.38 | 7.60 | < 0.01 |
| **Inspirational motivation** | 2.72 | 0.49 | 3.06 | 0.36 | 3.31 | 0.41 | 8.05 | < 0.01 |
| **Intellectual stimulation** | 2.58 | 0.31 | 2.74 | 0.27 | 2.80 | 0.31 | 2.52 | < 0.05 |
| **Individualized consideration** | 2.50 | 0.36 | 2.74 | 0.28 | 2.89 | 0.51 | 3.69 | < 0.05 |
| **Constructive transactions** | 2.54 | 0.37 | 2.90 | 0.31 | 2.92 | 0.45 | 5.20 | < 0.01 |

individualized consideration, idealized influence and inspirational motivation do. While subject to empirical replication, this leads to the possibility that emotional intelligence may predispose individuals to different leadership behaviors.

Being the first study in a particular area has certain advantages, and the results of this study suggest that future research aimed at understanding the link between transformational leadership and emotional intelligence is certainly warranted. Nonetheless, like all initial research in a given area, this study draws attention to certain methodological issues. Perhaps the first issue that requires attention is the measure of emotional intelligence. We used Bar-On's (1997) questionnaire in this study, which includes some components (e.g. mood, stress management) that are not necessarily part of the construct initially illuminated by Salovey and Mayer (1990) and Goleman (1995). Thus, because the usefulness of any research on emotional intelligence will be based on the reliability and validity of the measure, research might focus first on developing and validating such a scale.

Second, because of the cross-sectional nature of the data, causal inferences are premature. While it might be tempting to assume that emotional intelligence leads to higher levels of transformational leadership, the possibility that being a transformational leader raises one's emotional intelligence cannot be excluded, and research should focus on this issue in the future.

The sample size used in this study also deserves some comment. In any future research in this area, it would obviously be important to obtain larger samples. However, it should be noted that small samples affect research findings in two ways, namely in terms of the generalizability of the findings (the representative nature of the sample) and statistical conclusion validity. Future research should certainly replicate the current findings on different samples to ensure the generalizability of the current findings. While the sample size was relatively small, however, we argue that this has no negative effects in terms of showing a link between emotional intelligence and transformational leadership (i.e. statistical conclusion validity), because if anything, small samples would bias the findings in a conservative manner.

In addition to those mentioned previously, the current findings have implications for future research and practice. In particular, although the exploratory nature of the current study makes replication of these findings mandatory, such replication would have substantial implications for both the selection and training of organizational leaders. From a selection standpoint, it may be that emotional intelligence provides an initial indication of leadership potential, and would provide organizations with a means for selecting organizational leaders. If emotional intelligence does indeed develop early on in life (Goleman, 1995), it may predict the ability to use transformational leadership behaviors.

Current research supports the idea that managers can be trained to use transformational leadership (e.g. Barling *et al.*, 1996). If the association between transformational leadership and emotional intelligence is replicated, research should focus on whether emotional intelligence can also be developed through training. If this is indeed possible, as Goleman (1995) suggests, considerable benefits could accrue to individual leaders and to organizations. For example, such training could be made available to all employees, not just those currently holding leadership positions, thereby expanding the pool of potential leadership candidates in the organization.

To conclude, while exploratory, the strength of our findings is enhanced by the application of statistical controls for attributional style and our use of multi-source data, which decreases the likelihood of mono-source bias. Future research would be profitably directed to exploring the causal nature of these associations and, in particular, the question of whether current research on emotional intelligence can be used to enhance leadership performance within organizations.

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