Emotional intelligence and leader effectiveness: an analysis of the banking sector in Kenya

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Date: 2012

Abstract:
Researchers have long attempted to understand the determinants of effective leadership. Research findings tend to indicate that emotionally intelligent leaders are effective leaders. The central notion underlying this research is that the relationship between emotional intelligence and leader effectiveness is moderated by organizational culture, leadership skills, adherence to ethical norms and demographic factors of age and gender. No known study had examined the association between the six concepts. The link between leader effectiveness and emotional intelligence had been examined independently in previous studies. The objectives that guided this study were (1) to establish whether male and female leaders differed in emotional intelligence competencies; (2) to establish the relationship between a leader's emotional intelligence and leader effectiveness; (3) to determine the moderating effect of leadership skills, organizational culture, adherence to ethical norms and demographic factors of age and gender on the relationship between emotional intelligence and leader effectiveness. The study was cross sectional in design and was conducted among top executives in the banking sector, drawn from the commercial banks in Kenya. Descriptive statistics comprising of means and standard deviations were used to show the average self-ratings. All ratings were made on point type Likert scale. Data was analyzed using the Statistical Package for Social Sciences (SPSS). The study had 6 hypotheses that were tested using statistical tests such as Pearson Product Moment Correlation Coefficient (PPCC) and hierarchical regression. The findings of the study revealed that gender differences in emotional intelligence are on specific competencies. Female executive leaders scored higher in certain competencies than male respondents. Women executive leaders scored higher in ability to bolster other peoples' talents and abilities, ability to be confident and sure of own capabilities, recognize and meet customer needs, ability to show empathy, understand other peoples' needs, feelings and emotions and conscientious. Male executive leaders scored higher in ability to have a positive view to life and issues, display honesty and integrity, solve problems, initiate and manage change and persuade others into desired change. A positive and significant relationship existed between emotional intelligence and leader effectiveness. Each of the four clusters of emotional intelligence (Self Awareness, Self-Management, Social Awareness and Relationship Management) was significantly correlated to leader effectiveness. The results of this study are in congruence with past studies that EI and leader effectiveness are significantly related. The findings of the study revealed that demographic variables of age and gender and leadership skills did not significantly moderate the relationship between emotional intelligence and leader effectiveness. However, organizational culture and adherence to ethical norms positively and significantly moderated the relationship between emotional intelligence and leader effectiveness. The study concludes with implications for theory and practice and recommendations for further study.