

The Emotional Intelligence of Leaders as Antecedent to Leader-Member Exchanges: A Field Study

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Abstract

Eighty elected leaders and 388 followers were sampled to test the relationships between leaders' emotional intelligence and the quality of leader-member exchange. Results of the field study found a significant relationship between leaders' emotional intelligence (total) and leader-member exchange quality. Specific subscales of emotional intelligence were also predictive of leader-member exchange theory. Leaders' empathetic response and interpersonal skills each correlated with leader-member exchange. Implications and directions for research are discussed.

Introduction

Antecedents of leader-member exchange (LMX) behavior have been studied extensively during the past thirty years. Many variables have been analyzed with LMX including relationship among subordinates within work units (e.g., Graen & Schiemann, 1987), role of leader emotional expression (Sherony, 2004), and transformational leadership behaviors (Basu, 1991); however, no research has addressed a direct linkage between a leader's emotional intelligence and LMX relationships. A literature search of research databases including PsychINFO, Academic Source and Business Source Elite yielded only two published articles connecting leader-member exchange loosely with emotional intelligence and emotional expression (Ashkanasy, 2002; Sherony, 2004) along with a handful of

unpublished dissertations.

The opportunity to tie emotional intelligence (behavior-based) with leader-member exchanges provides great potential for advancing the leadership field. With both the emotional intelligence and leader member exchange sub-fields continuing to grow, it is necessary to test the potential correlates between the two constructs. Like most leadership theories, the antecedents (or predictors) of LMX are largely untapped and require extensive research. This study contributes to the LMX literature by testing emotional intelligence as an antecedent.

Literature Review

Leader-Member Exchange Theory

Leader-member exchange (LMX) theory conceptualizes leadership as process that is understood by the quality of interactions and opportunities surrounding the dyadic relationships between leaders and their members (Dansereau, Graen, & Haga, 1975). While most leadership research focused on identifying best practices for optimizing organizational outcomes (e.g., satisfaction, motivation, goal attainment) LMX research describes the leadership dynamics that take place implicitly and explicitly in organizations.

Leaders develop different exchange relationships with each employee, leading to an in-group and out-group phenomenon (Graen, 1976). Members of the in-group have preferred access to information and opportunities to expand their knowledge and experience-base with increased responsibilities and autonomy. In-group members are more highly involved and more communicative than out-group members (Dansereau, et al., 1975). Members of the out-group typically have functional or transactional relationships with leaders, with less autonomy or opportunities for job enrichment (Graen, Dansereau, & Minami, 1972). Over time, members of the in-group have been found to have higher morale and higher job satisfaction (Graen, Novak, & Sommerkamp, 1982). Researchers have also found that LMX quality is positively related to less employee turnover (Liden, Wayne, & Stilwell, 1993), high frequency of promotions, greater organizational commitment (Nystrom, 1990), more desirable work assignments, better job attitudes, more attention and support from the leader, greater participation, and faster career progress (Graen & Uhl-Bien, 1995). Taken together, developing a high LMX leads to many positive outcomes.

The antecedents of LMX have been tested using such variables as similarity-differences between leader and member (e.g., personality, attitude, education) and follower-based variables (education, ingratiating behavior, impression management) (Liden, et al., 1993; Gerstner & Day, 1997). Goertzen and Fritz

(2004) reviewed gender differences in the LMX literature and reported no consistent differences. Gerstner and Day (1997) reviewed the entire LMX field by conducting a meta-analysis, summarizing over 164 studies testing LMX, to generalize validity of the construct. Despite hundreds of studies testing LMX, its impacts and its antecedents, the role of emotional intelligence has not been tested.

Emotional Intelligence

Salovey and Mayer (1990) introduced the concept of emotional intelligence in their work which combines affect with cognition, emotion and intelligence. Their concept proposed that emotional intelligence was the ability to use emotions to assist in solving problems and live a more effective life. Emotional intelligence gained wide attention following the success of best-selling books (Goleman, 1995, 1998). Caruso, Mayer and Salovey (2002) proposed that emotional intelligence can enhance workplace performance.

Carson, Carson, and Birkenmeier (2000) developed a measure of emotional intelligence based on Goleman's five behavior-based factors – (a) *empathetic response* - the ability to understand the emotional frame of other people, (b) *mood regulation* - the ability to regulate and manage one's moods and impulses, (c) *interpersonal skill* - the ability to manage relationships and build positive networks, (d) *internal motivation* – the ability to influence the environment and pursue goals for the greater good while delaying immediate gratification, and (e) *self-awareness* – the ability to self-monitor moods, emotions and drives and their effects on others.

Studies have not tested the relationships between emotional intelligence and LMX, but two have tested leaders' emotional expression (operationalized as emotional feedback) and LMX (Ashkanasy, 2002; Sherony, 2004). Both utilized a measure of LMX, but neither tested emotional intelligence. Since both studies found that emotionally-driven affect were related to LMX, it is expected that emotional intelligence, which involves emotionally-driven aptitude, will relate positively to the quality of LMX.

Barbuto and Burbach (2006) reported a positive significant relationship between emotional intelligence and transformational leadership. Some scholars have characterized high LMX with transformational leadership, which leads to some belief that antecedents of transformational leadership should also be antecedents for high leader member exchanges (Basu, 1991; Gerstner & Day, 1997).

Stedman and Andenoro (2007) studied emotional intelligence aptitude to test critical thinking disposition and found significant relationships amongst undergraduate students. While these speak to the importance of emotional intelligence in young adults and in educational settings – its impact on leader

member exchange is not inferred. Antonakis, Ashkanasy, and Dasborough (2009) reviewed the literature and concluded that while promising there is still little known about emotional intelligence and its role in leadership.

This study is the first in the leadership field linking emotional intelligence to LMX – which makes it exploratory by nature. However, given the results of prior studies testing similar constructs we expect:

Hypothesis

Leaders' emotional intelligence will be positively related to follower's ratings of the quality of Leader-Member Exchanges (LMX).

Methods

Procedures

Data were collected from an intact group of elected officials as part of a full-day leadership-training seminar for members of an association that sponsors annual professional development programs for its members. Leaders were asked to fill out the emotional intelligence measure and return it directly to the first author in a postage paid envelope – approximately 4 weeks prior to the workshop. Each leader was asked to solicit four to six followers to complete the rater version of the LMX-7 – also approximately 4 weeks prior to the workshop. Instruments were coded to protect the identities of raters; however, leaders' names were kept on a separate coding sheet for interpretation and feedback. All instruments were returned directly to the first author via United States mail service. Participants and their raters were provided a letter detailing their participation and rights, which included the right to withdraw at any time during the research process. None of the participants asked to be removed from the study. Because elected officials had pre-registered for the conference, the response rate is less relevant; however, 80 of the eligible 88 elected officials participated in the study. This high participation rate indicates that participants were keenly interested in the information.

Participants

Participants were 80 elected community leaders and 388 raters working with them in the Midwest United States. Leaders attended a leadership development workshop for elected officials and were members of a statewide professional organization, which sponsored the event. The average age of subjects was 51 years. Fifty percent had earned a bachelors degree and 20% had earned an advanced degree. Sixty-five percent were women. Raters were direct employees of the leaders and reported an average age of 46 years. Forty-two percent of raters

had earned a bachelors degree, with less than 10% had earned an advanced degree. Fifty-three percent were women.

Measures

Emotional Intelligence. Emotional intelligence was measured with the instrument developed by Carson, et al. (2000). This instrument contains 30 self-report items rated on a five point Likert-type scale. Each of the five subscales (empathetic response, mood regulation, interpersonal skills, internal motivation, and self-awareness) consisted of six items. Two representative items from the Emotional Intelligence scale are (a) I am keenly aware of the feelings of other people and (b) I can regulate my moods so that they do not overwhelm me. Because the measure is relatively new, we also calculated a single factor subscale, consisting of all 30 items, which we labeled, *emotional intelligence*. It demonstrated internal consistency, as evidenced by acceptable coefficient alphas ranging from .75 to .91 (see Table 1).

Leader-Member Exchange. The dyadic relationship of LMX was measured using the LMX-7 (Scandura & Graen, 1984). The LMX-7 was recently recognized in a meta-analysis as the gold standard for measuring leader-member exchange (Gerstner & Day, 1997). The measure consists of seven items assessed on a Likert-type scale with a five point response scale. Two representative items from the LMX-7 are (a) regardless of how much formal authority he/she has built into his/her position, what are the chances that your immediate supervisor would use his/her power to help you solve problems in your work and (b) how would you characterize your working relationship with your immediate supervisor. In this study the LMX-7 achieved a coefficient alpha of .89, indicating strong internal reliability.

Findings

Simple statistics and correlations were calculated for all variables of interest in the study (see Table 1). There was a significant positive relationship between emotional intelligence (total) and follower LMX ($r = .15$; $p < .01$). A significant positive relationship also was found between follower LMX and emotional intelligence behavior-based factors empathetic response ($r = .16$; $p < .01$) and interpersonal skills ($r = .13$; $p < .05$). These relationships were small, but achieved the recommended power level ($p < .05$, two tailed test, $n = 388$) (Cohen & Cohen, 1983). The relationship therefore is deemed significant, albeit with a small effect.

Table 1
Simple Statistics and Correlations for Emotional Intelligence and LMX

	<i>M</i>	<i>S.D.</i>	1	2	3	4	5	6	7
1. Emotional Intelligence	78.64	7.72	.91						
2. Empathetic Response	16.13	3.31	.54**	.90					
3. Mood Regulation	11.52	3.56	.52**	-.09	.76				
4. Interpersonal Skills	14.30	1.78	.53**	.48**	.10	.81			
5. Internal Motivation	25.32	4.40	.60**	.07	-.02	.08	.86		
6. Self Awareness	11.35	2.29	.34**	-.13**	.25**	.11*	.03	.75	
7. LMX	3.15	0.69	.15**	.16**	.02	.13*	.08	-.02	.89

**p < .01. *p < .05. Coefficient alphas presented on diagonals.

Conclusions/Recommendations/Implications

The purpose of this study was to examine the relationships between leaders' emotional intelligence and leader-member exchange. Using a field study of 80 elected officials and 388 of their colleagues we found several significant relationships. A significant relationship between leader's emotional intelligence and LMX in-group ranking was found. This indicates that the more emotional intelligence that leaders have, the stronger the quality of relationships they formed with followers. Leaders that have and use higher degrees of emotional intelligence are therefore more likely to develop better relationships with their followers. Similarly, Long and Schultz (1973) found that leaders' empathetic response led to greater depth of self-exploration in followers. Haddad and Smarneh (1999) reported that leaders' supportive interpersonal orientations increased member positive perceptions, feelings and job satisfaction. Taken together, the results of this study may have been foretold by past studies testing similar, but not the same constructs.

A significant relationship was found between emotional intelligence and the leader-member exchange for followers. This indicates that leaders with high emotional intelligence will also be strong in developing relationships that promote greater flow of information, sharing of influence, increased confidence and concern for followers, and achieve more highly involved and more communicative followers. In turn, leaders with high emotional intelligence and high levels of LMX will produce work units with less employee turnover, more positive performance evaluations, high frequency of promotions, greater organizational commitment, better job assignments, better attitude towards job, more attention and support from the leader, greater participation, and faster career progress (Gerstner & Day, 1997; Graen & Uhl-Bien, 1995).

Research Implications

This study has focused on the relationships between emotional intelligence and leader-member exchange. While the impacts of leader-member exchange are frequently reported, empirical investigations of the relationship between leaders' emotional intelligence and LMX requires additional study. As emotional intelligence continues to evolve as a viable construct in the field, the empirical testing of its impact on individuals, groups, organizations, and communities will offer direction for discovery of its determinants. Testing the impacts of emotional intelligence alongside a long tested construct like LMX has led to identifying the need for more research testing other potential leadership behaviors or styles. Additionally, other antecedents of leader-member exchange need to continue to be studied. The results of this study demonstrate a significant, albeit small relationship. Other variables such as liking, ingratiation, and conscientiousness better correlate with LMX than emotional intelligence has in this study (Gerstner & Day, 1997).

Emotional intelligence requires more research to establish its impact on organizational behaviors and outcomes. A recent review of the research on emotional intelligence in leadership concluded that caution must be taken – because few studies have validated behavioral frameworks using emotional intelligence (Anotakis, Ashkanasy, & Dasborough, 2009). Future studies may test emotional intelligence with such leadership styles as servant leadership, transformational leadership, and authentic leadership. The role that emotional intelligence plays in other contexts – groups, formal and non-formal education settings, and in interpersonal influence needs extensive attention in the leadership and organizational behavior realm. The antecedents of emotional intelligence are also open for frameworks and research designs – and necessary to establish the extent to which it is innate or learned.

Practical Implications

Research indicates that the quality of leader-member exchange relates to many positive performance related outcomes for followers including lower turnover (Liden, et al., 1993), higher overall satisfaction (Graen, et al., 1982), greater satisfaction with supervisors (e.g., Duchon, Green, & Taber, 1986), and strong organizational commitment (Nystrom, 1990). One practical implication of this result is that recruiting and selecting activities may include emotional aptitudes, such as emotional intelligence, in the screening process. Identifying leaders high in emotional intelligence will increase the likelihood of selecting leaders more likely to develop strong LMX.

Recruiting managers are cautioned not to overestimate the relationship between emotional intelligence and leader-member exchange. While the relationship was

significant in this study, it explained less than 5% of the total variance in leader-member exchange. This means that 95% of the explanation comes from other factors. Continued efforts to study antecedents of leader-member exchange (LMX) are salient for advancing the field and informing practice for effective recruiting, selecting, and developing of effective leadership. Emotional intelligence may have great potential as a screening or developmental tool, but its applications should be limited until more is known about what positive outcomes and behaviors it can predict in organizations.

Final Thoughts

There is a small relationship between leaders' emotional intelligence and the quality of relationships they develop with their followers. Leaders' self-awareness of their and others emotions appears to matter when it comes to predicting leader-follower relationships. Continued research is necessary before recommending formal or non-formal curriculum changes as the antecedents and leadership impacts of emotional intelligence are largely unknown still. Efforts to study emotional intelligence across a wide range of leadership constructs and behavioral frameworks are encouraged. Further research in multiple contexts such as educational, business, not-for-profit, or public is also encouraged so that emotional intelligence frameworks may be generalized and validated.

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