How Emotional Intelligence Is Related to Team Effectiveness? 
The Mediating Role of Transformational Leadership Style

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Abstract: Managers’ emotional intelligence and leadership styles play an important role in the success of an organization. The current research investigates the mediating role of transformational leadership on the relationship between emotional intelligence and organizational outcome (i.e. team effectiveness). Data has been collected from employees of private service sector organizations in Pakistan. Statistical Procedure for social science (SPSS) has been used to test the proposed hypotheses in the conceptual model. Total sample size for this study is N=329. The value for Cronbach Alpha is =0.907. The results provide an evidence for the mediating effect of transformational leadership style on the relationship between emotional intelligence and team effectiveness. The paper concludes with the discussion on results and implications for the academicians and manager.

Key words: Emotional intelligence • Leadership styles • Team effectiveness

INTRODUCTION

Dynamic business environment is making organizations to be adaptive to change rendering them to a competitive edge. Adopting new management approaches has therefore become an imperative for the organizations to meet the demands of customers and competitive environment. Emotional intelligence is a construct that distinguishes a transformational leader from an average leader. Emotional intelligence has now become a popular area of interest for scholars and practitioners. Literature reports positive relationship between Emotional intelligence and transformational leadership [1, 2].

There exists a well evident gap in literature with respect to an appropriate framework that links transformational leadership with organizational outcome. This study attempts to fill this gap by developing a framework that associates transformational leadership with emotional intelligence on one hand and on the other hand it links transformational leadership with organizational outcome (i.e. Team effectiveness). The purpose of this study is twofold. First, to set out process through which transformational leadership is predicted by emotional intelligence. Second, to identify the effect of transformational leadership on team effectiveness. Path model will be constructing to show the relationship between variables. Statistical procedure for social science (SPSS) is used to interpret the result of this study.

Emotional Intelligence and Transformational Leadership: Emotional intelligence is a mental recognition process that refers to managing and understanding emotions of other’s and own that help out in problem solving and control emotional state [3]. From past two decades a significant body of research has found that emotional intelligence linked with leadership [4, 5], workgroup effectiveness [6] and team effectiveness [7]. In numerous studies it has found that all dimensions of emotional intelligence is intrinsically linked with transformational leadership [1, 4, 8, 9] It is found that behavior of transformational leadership is highly
dependable on elements of emotional intelligence [10]. This study suggests direct association between emotional intelligence (EI) and transformational leadership (TL).

Conceptual Model: On the basis of above literature review we developed a conceptual model. In this model emotional intelligence areposited to influence transformational leadership which in turn affects organizational outcomes (i.e. team effectiveness).

Methodology: The study focuses on private service sector of Pakistan. The data were collected from employees of multiple private service sector organizations in Lahore, Pakistan. Researchers distributed 550 questionnaires, 345 filled questionnaire were returned with a response rate of 63%. Further 16 questionnaires were discarded in the preliminary screening of the data and 329 were used for the final analysis. Total 23 service sector organizations are taken. To measure emotional intelligence 16 item WLEIS [21] scale is used and is assessed on 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Transformational leadership have been measured using N=20 and 4 items each adapted from Multifactor Leadership Questionnaire (MLQ) by [22]. All items of Transformational leadership are rated on a 5-point scale, ranging from 1 (not at all) to 5 (frequently, if not always). To measure team effectiveness eight items have been used that were adapted from [23-25]. These items were scored on a 5-point scale, ranging from 1 (strongly disagree) to 5 (strongly agree).

RESULTS AND DISCUSSION

Table 1 shows values for descriptive statistics for this study. In Table 1 this study shows the values for mean, standard deviation, correlation and reliability analysis of variables. We see that mean value for education is 3.56 which show that most of team members are well educated and they can understand the organizational matters easily. In this study males are 61% and females are 31%. Correlation values show the relationship between factors. This study shows that all values for correlation are significant at level p<0.01. Table 1 shows all factors have relationship with each other. The value of correlation is high for emotional intelligence and transformational leadership; it shows strong relationship with each other. While value for relationship between emotional intelligence and team effectiveness is not too much strong but still its significant for this study. For reliability of this study we conduct reliability analysis, Table 1 shows value of
Moreover, the indirect effect of emotional intelligence on team effectiveness through transformational leadership style is also significant. Hence we can conclude that the relationship between emotional intelligence and team effectiveness is mediated by transformational leadership style. This proves H4. The result of this study shows that all of our hypotheses H1, H2, H3 and H4 are supported. Transformational leadership have impact on emotional intelligence and team effectiveness relationship which proves mediation. It shows that both direct and indirect paths are significant in this study. This study focuses on emotional intelligence that directly linked with transformational leadership. Understanding specifically how emotional intelligence linked with effective leadership and team effectiveness has managerial and practical implications, particularly in the areas of management development and selection of leader. Current study supports this idea that organizations should focus on those people who have high level of emotional intelligence shows transformational leadership. There are certain limitations in his study that should be take care of while interpreting the results. First, this study only focused on Pakistani organizations. Second, according to previous studies, all factors did not support our study. Therefore, the factors associated to cultural issues can also be considered. Third, the demographic profiles also effect on overall research. Fourth, the research conducted in Pakistan may differ from different countries with different cultural environment. There are many facets of measuring emotional intelligence but this study consider few of them.

**REFERENCES**


### Table 1: Mean, Standard Deviation, Correlation and reliability analysis

<table>
<thead>
<tr>
<th></th>
<th>M</th>
<th>SD</th>
<th>EI</th>
<th>TL</th>
<th>TE</th>
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<td>Education a</td>
<td>3.56</td>
<td>0.52</td>
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<td>Emotional intelligence</td>
<td>3.83</td>
<td>0.41</td>
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<tr>
<td>Transformational Leadership</td>
<td>3.51</td>
<td>0.53</td>
<td>0.49**</td>
<td>0.863</td>
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<tr>
<td>Team effectiveness</td>
<td>3.93</td>
<td>0.61</td>
<td>0.293**</td>
<td>0.358**</td>
<td>0.778</td>
</tr>
</tbody>
</table>

** a N=329. Internal consistency reliabilities are in parentheses along the diagonal. The correlations were measured for factors.

b The levels of education of team were coded: 1 = matric and above, 2=intermediate, 3=Bachelors, 4=Master & above.

<table>
<thead>
<tr>
<th>EI</th>
<th>TL</th>
<th>TE</th>
<th>M</th>
<th>SD</th>
<th>Coefficients</th>
<th>Std Error</th>
<th>T</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.6256</td>
<td>0.0615</td>
<td>10.170</td>
<td>0.000</td>
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<td>0.2288</td>
<td>0.087</td>
<td>2.643</td>
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<td>0.3261</td>
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### Table 2: Regression analysis results

<table>
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<th>Coefficients</th>
<th>Std Error</th>
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<th>P</th>
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</thead>
<tbody>
<tr>
<td>EI - TL</td>
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<td>0.0615</td>
<td>10.170</td>
</tr>
<tr>
<td>TL - TE</td>
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<tr>
<td>EI - TE</td>
<td>0.2288</td>
<td>0.087</td>
<td>2.643</td>
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**BCCI : Bias corrected confidence interval**

Cronbach’s Alpha for this study is excellent i.e. \( \alpha=0.907 \). Similarly value for Cronbach’s alpha for emotional intelligence, transformational leadership and team effectiveness are \( \alpha=0.773 \), \( \alpha=0.863 \) and \( \alpha=0.778 \) respectively in Table 1 and they meeting the standard for reliability.

**Hypothesis Testing:** In order to test the proposed hypotheses in the conceptual model Preacher and Hayes (2008) SPSS Macro has been used. The results of regression analysis are presented in Table 2. In this study transformational leadership play role as mediator. While emotional intelligence directly impact on transformational leadership and indirectly effects on team effectiveness. In order to prove the indirect relation this study used regression analysis. From table 2 it is clear that all the direct effects (from emotional intelligence to transformation leadership style, from transformational leadership style to team effectiveness and from emotional intelligence to team effectiveness) are significant at \( p<0.001 \) so is total effect of emotional intelligence to team effectiveness; this H1, H2 and H3 are supported.