Chapter 7

Conclusion

The competitive advantage of an organisation depends on its employees who serve additionally as repositories of its knowledge. Strategy formation and implementation therefore also depend on the presence of highly qualified and highly motivated employees. Consequently, successful administration and coordination of employees is necessitated for an organization to be effective while staying ahead of the competition.

Today’s challenging and competitive business environment requires new styles of management, both of business and of people. Consequently, organizations have been seeking cleverer means to lead and influence their employees. These include Emotional Intelligence (EI), Transformational Leadership (TL) and Empowerment (Emp).

The objective of the current study was to determine whether Emotional Intelligence as an individual capability develops the quality of Transformational Leadership, and hence a manager’s need to empower both himself/herself and others.

An empirical approach was used to pursue these objectives. In particular, a combined exploratory and descriptive research methodology was utilised to acquire knowledge of the three concepts (Emotional Intelligence, Transformational Leadership and Empowerment) by precisely illustrating the features of each.

The research questions sought to be answered by the study were:

- Would Emotional Intelligence (EI), Transformational Leadership (TL) & Empowerment (Emp) help leaders better manage the workplace challenges of today?
- Does high emotional intelligence influence a leader to use a transformational leadership style?
• Does high emotional intelligence influence a leader to feel empowered and create an empowering environment in their teams?

• Would the nature of industry, gender, age, education, and experience affect Emotional intelligence, Leadership style and Empowerment?

The purpose of the current chapter is to summarize the various findings from the study and to consider the resulting implications. Accordingly, the chapter contains a summary of the main findings and status of the hypotheses formulated by the study. Recommendations for stakeholders are provided and an overview is offered of the limitations of the study. Areas for further research are also offered.

7.1. Summary of findings

The key findings of the study are summarised for ease of reference.

7.1.1. Demographics

• Most of the respondents were from IT services, followed by Financial Services and Retail. Other respondents were from Hospitality, Educational services, Health Services, and NGOs.

• The majority of the respondents were at Senior Levels, followed by the Mid-Level and Junior Levels respectively.

• The People team contributed the largest number of respondents followed by Accounts.

• The number of male respondents was greater than the number of female respondents.

• More married respondents participated in the study.

• Most of the respondents were from the age group of 26-35 years, followed by 36-45 years and least were found in the age group of >45 years.

• Most of the respondents had work experience ranging from 6 to 15 years, followed by respondents with 16-25 years of experience and >25 years of experience. It must be noted that although the previous two findings appear to contradict the finding that the majority of the respondents were from Senior levels, this cannot be deemed contradictory since the majority of the respondents are from the IT
services industry where career progression is rapid and does not depend on age or experience.

• The highest qualification of most respondents was Postgraduate, followed by Graduate, Diploma, and Others.

• The largest team managed by the most of the respondents contained <10 members. This was followed by respondents who managed teams of >20 members and respondents who managed teams of 11-20 members. Again, this finding can be explained by the fact that the greatest number of respondents were from the IT services industry. This industry does not align with other industries in terms of typical supervisor-to-staff ratios.

7.1.2. Emotional Intelligence

• For all EI dimensions, it is an above average mean score which implies that largely people are tuned into the concept of Emotional Intelligence.

• The dimensions of Intrinsic Motivation achieved the highest mean score, followed by Empathy, Identifying Emotions, Understanding emotions, and Managing Emotions (which had the lowest mean score).

• Internal motivation scored the highest meaning that when people find meaning and purpose in what they are doing they are more committed and strong willed to achieving it.

• In this study, empathy has been reported as the second most important component of emotional intelligence which mean they are observant of others body language and are sensitive to others emotions especially when they are in trouble.

7.1.3. Transformational Leadership

• This study focuses on Creating a Shared Vision, Inspiring to go Beyond, Integrity Demonstration and Building Effective Relationships as TL factors. For all TL dimensions, it is an above average mean score, which shows that most leaders agree that it is necessary to develop meaningful relationships with the team and thereby encourage the team to to look beyond their own interests, towards the interests that will benefit the larger group/organization.
• Inspiring to go beyond and Building Effective Relationships were the dimensions of Transformational Leadership that achieved the highest mean scores. The lowest mean score were achieved by Integrity Demonstration and Creating a shared Vision.

• Inspiring to go beyond and Building effective relationships has scored the highest which shows that it is important for leaders to encourage the team to seek responsibilities which is beyond their job description and achieve better than the last time by communicating high expectations and the value that each one brings to the table. A leader should realize the importance of building a strong network of people by treating them with respect, trusting them; guiding them and genuinely listening to them Transformational leaders have an extended relationship with the followers. Hence, it can be reasoned that transformational leaders are the motivators who motivate their followers to think beyond (Sivanathan and Cynthia Fekken 2002).

7.1.4. Empowerment

• In this study, four contextual factors have been identified as components of empowerment, which are Autonomy, Opportunities for learning application, Open Communication, and Support for innovation.

• For all Emp dimensions it is an above average mean score which shows that it is important to allow people to take initiative and the freedom to make decisions within their scope of work

• Support for innovation was the dimension of Empowerment that achieved the highest mean score, followed by Opportunities for learning application and Open Communication. The lowest mean score was achieved by Autonomy.

• The high score for Support for innovation also imply that empowered people get greater opportunity to express their ideas, which are appreciated and supported if executed. The lowest mean score was achieved by Autonomy, which also implies that comparatively the freedom to take initiative and make decisions in their work is restricted to some extent.
7.2. **ANOVA**

- The study found that the perceptions of the respondents with regard to Emotional Intelligence, Transformational Leadership and Empowerment, were not significantly influenced by their gender and level. Irrespective of whether the leaders/managers were male or female they seemed to have the same opinion regarding the 3 constructs and the dimensions within each construct.

- The services in which the respondents were employed were found to significantly influence their perceptions with regard to Emotional Intelligence, Transformational Leadership, and Empowerment. Educational services were able to give its employees more opportunities to use EI, TL and Emp than all other industries. Retail industrial vertical scored the least with respect to EI, TL and Emp. When we merge Education, Health, NGO and Hospitality as one industry vertical (Public Services) because all of them have less than 100 respondents individually and which totals to 239, this sector scored highest in all the constructs of EI, TL and Emp and all dimensions under each of the constructs.

- Marital status was found to significantly influence respondents’ perceptions of Emotional Intelligence but not Transformational Leadership and Empowerment. The reason EI becomes critical in married people is because the essence of relationship is in understanding and managing emotions in self and other. Empathy is a key component of successful marriage. Increased self-awareness, managing and harnessing emotions, and developing skills such as listening make a person more effective while interacting with others.

- In general, age significantly influenced respondents’ perceptions of EI, TL and Empowerment, though one element each in Transformational Leadership (Inspiring to go beyond) and Empowerment (Opportunities for learning application), were not found to be significantly influenced. Higher the age, greater is the influence of EI, TL and Emp. The score of emotional intelligence increased from 45 years and above.

- Experience levels significantly influenced perceptions of Emotional Intelligence, but not Transformational Leadership. However, except for Autonomy, experience levels were not found to significantly influence perceptions of Empowerment.
Experience may indirectly affect the behavioral outcomes like setting goal, organizational commitment, and judgment.

- The results of this study report no significant difference in the perception of EI, TL and Empowerment with respect to their position, i.e., junior, middle or senior levels. Though not significant the senior level is slightly higher in their perception of EI, TL, Emp. Significant difference was found only in the dimension of Inspiring to go beyond. And there was no significant difference found between any of the other dimensions.

- Education significantly influenced the respondents’ perceptions of Emotional Intelligence, and Transformational Leadership. With regard to Empowerment however, two out of the four components were significantly influenced whereas the other two components, namely Opportunities for learning application and Open Communication, were not significantly influenced. Higher the education greater is the response for these factors

- The number of team members did not significantly influence the perceptions of respondents on Transformational Leadership and Empowerment. However, apart from Managing Emotions, the respondents’ perceptions did not significantly influence all other components of Emotional Intelligence.

7.3. Results of Pearson’s Correlation Test

- The correlation of Emotional Intelligence to Transformational Leadership found that the dimensions of both were positively and significantly correlated. The highest correlation between EI and TL was seen in the senior levels

- This study showed a significant positive correlation between Emotional Intelligence and Transformational Leadership. This indicates that when a leader is emotionally intelligent, his style of leadership is likely to be transformational where the leader is seen as inspirational, charismatic, ethical, visionary and a networker who values people and relationships.

- The correlation of Emotional Intelligence to Empowerment found that the dimensions of both were positively and significantly correlated. The highest correlation between EI and Emp was seen in the senior levels
This correlation implies that when a leader is able to manage emotions and recognize emotions in others and is self motivated, there is high probability that the team environment is empowering for all. Team members are given the freedom to take initiative and decisions around their work, freedom to innovate and communicate ideas and suggestions, are given opportunities to step up their knowledge through training, and experiment their learning in the real work scenario.

7.4. **Results of Regression analysis**

- The results of the simple linear regression analysis conducted on the effect of Emotional Intelligence on Transformational Leadership revealed that Emotional Intelligence has a significant and positive influence on Transformational Leadership. EI has a very strong relationship with TL, 41% of variation in TL can be explained by EI (1 unit increase in EI, leads to .846 unit increase in TL).

- The results of the simple linear regression analysis conducted on the effect of Emotional Intelligence on Empowerment revealed that Emotional Intelligence has a significant and positive influence on Empowerment. EI has a very strong relationship with Empowerment and 43% of variation in Emp can be explained by EI (1 unit increase in EI, leads to .848 unit increase in Empowerment).

7.5. **SEM Model**

- An analysis of the regression weights of the SEM model representing Emotional Intelligence, Transformational Leadership and Empowerment, revealed that positive significant relationships existed between all the factors. The results showed that in both, good and poor indexes, the model fits the data; hence the outcome of the model is statistically plausible. The regression weights in SEM model representing EI, TL and Empowerment shows positive significant relationships exist between all 3 factors. The magnitude of relation for each path EI to TL is .67 (67 %) and EI to Empowerment is .689 (69%)
7.6. Hypotheses status

A total of five hypotheses were tested in the study. Based on the findings, the five alternate hypotheses were accepted while the five null hypotheses were rejected. Thus, the study found that

- Emotional intelligence influences a Transformational leadership style.
- Emotionally intelligent leaders empower themselves and their team members.
- Demographic data such as industry, age, education, experience and marital status did influence the perceptions of EI
- Demographic data such as industry, age, education, experience and marital status did influence the perceptions of TL
- Demographic data such as industry, age, education, experience and marital status did influence the perceptions of Empowerment

7.7. Implications of the study

This study has added value to research with regard to the influence of Emotional Intelligence on the Transformational Leadership style of leaders and the leader’s need for empowering self and others as it is the first empirical study of this kind. Furthermore, the study established that Emotional Intelligence, Transformational Leadership and Empowerment contribute to favourable Organizational Outcomes such as enhanced commitment and competence. The findings of the study have essential implications for stakeholders involved in leadership and employee development in organizations of different sizes across industry sectors.

Some implications with regard to the associations between Emotional Intelligence, Transformational Leadership and Empowerment as understood from the opinions of the study’s participants, are:

- Emotional Intelligence, Transformational Leadership, and Empowerment are key factors that influence Organizational outcomes such as commitment, competence, innovation etc.
ii) Organizations must identify the critical competencies associated with emotional intelligence that are appropriate for the organization and develop those competencies among the employees. This will lead to enhanced organizational effectiveness. Similar initiatives can be carried out for Transformational Leadership.

iii) Organizational leadership must provide support to the employees and managers in their organizations from the perspective of nurturing their Emotional Intelligence and Transformational Leadership capabilities.

iv) Organizations must actively seek opportunities to empower their employees. Empowered managers lead to empowered employees. Empowered employees have been found to take quick decisions and respond rapidly to the needs of stakeholders.

v) Organizational training programmes can be reviewed and revamped to target the different dimensions of Emotional Intelligence, Transformational Leadership, Empowerment, and Organizational Outcome.

vi) Academia: Add to the body of knowledge, which can be used for teaching, learning and further research.

vii) Human Resources: If EI scores predict TL, EI measures is a valuable tool in hiring, training, promoting and developing leaders.

7.8. Limitations of the study

The study was conducted across seven different kinds of organizations located in Bangalore, Karnataka. The number of respondents across the organizations was not proportionate, with a higher number of respondents coming from IT services, Finance Services, and Retail. Consequently, the findings from the study may be skewed due to the uneven distribution of respondents. Furthermore, organizational activities caused some unexpected interruptions in the process of data collection, such as employee turnover, appraisals and/or reviews, project deliveries, etc.
Owing to the large sample size (944 final respondents), the process of data collection was lengthy and was achieved over a period of six to eight months. Moreover, due to the differing nature of the participants’ jobs, some sections of the questionnaire were filled in at different intervals.

7.9. **Areas for future research**

A similar empirical study can be performed taking a specific industry sector into consideration. For instance, across IT services or Financial services companies in Bangalore. Another area for consideration could be exploring if cultural aspects play a role in the development of Emotional Intelligence as an individual capability and the subsequent effects on Transformational Leadership and Empowerment. This could be achieved by extending the region of the study to cover different states in north and south India. A different perspective that could be studied is the comparison of governmental (public) and non-governmental (private) sectors or national and multinational organizations, with respect to Emotional Intelligence, Transformational Leadership and Empowerment.

A different direction of study could also be employed by future researchers to determine the method(s) used by transformational leaders to influence their followers. Understanding the mechanisms used by transformational leadership to shape individual attitudes will facilitate a deeper understanding of transformational leadership and hence offer some insights on how this facilitates greater productivity and performance in an organization.

7.10. **Chapter summary**

The present study used an empirical approach to explore the associations among the dimensions of Emotional intelligence, Transformational leadership and Empowerment. Therefore, the study enhances the field of organizational research with regard to Emotional intelligence, Transformational leadership and Empowerment. The findings from the study indicated that transformational leadership results in favourable organizational outcomes. Similarly, managers who are empowered lead to empowered
team members, which in turn results in favourable organizational outcomes. Moreover, the study found that favourable organizational outcomes are influenced by leaders’ emotional intelligence. Emotional Intelligence was found to influence Transformational leadership and Empowerment. That is, Emotional intelligence influences Transformational leadership style and emotionally intelligent leaders empower themselves and their team members.

In summary, the current study fulfilled its objectives which was to determine whether Emotional Intelligence as an individual capability develops the quality of Transformational Leadership, and hence a manager’s need to empower both himself/herself and others.

The current chapter summarized the various findings from the study and considered the resulting implications. Accordingly, the chapter contained a summary of the main findings and status of the hypotheses formulated by the study. Recommendations for stakeholders were provided and an overview was offered of the limitations of the study. Areas for further research were also offered.