5. SUMMARY AND CONCLUSIONS

This chapter provides an overview of research methods, a summary of the research findings, and links between this study and related literature. Also, considered in this chapter are the limitations of the current study along with recommendations for future research.

5.1. SUMMARY

Top performance increasingly demands excellence in all areas, including leadership, productivity, and adaptation to change, process improvement, and capability enhancement (knowledge, skills, abilities, and competencies). The internal environment of an organization includes a social setting that requires continued and substantial interpersonal interaction among the employees and it is here that emotions form a core ingredient. It is therefore assumed that an individual’s ability to accurately perceive his/her emotions, being able to effectively control and regulate such emotions and interact effectively with others, will, to a large extent, influence the individual’s workplace effectiveness (Bosman, 2003). EI competencies influence organizational effectiveness in areas such as employee recruitment and retention, development of talent, employee commitment, morale, and health (Bar-On, 1997). The same assumption applies to leadership in organizations in which the volatility, spiraling change and diverse organizational environment require leaders to effectively interact with their subordinates and followers.

Most organizational theorists agree that effective leadership is one of the most important contributors to overall organizational success. Many leadership theorists have found that ineffective leadership in any organization seems to be the major cause of diminishing the organization's productivity and downward positioning of corporations on the
international scale (Yukl, 1994). Research has shown that managers with high emotional intelligence obtain results from employees that are beyond expectations, developing and using talent crucial for organizational effectiveness. Effective leaders manage and steer their own feelings, acknowledge subordinates’ feelings about their work situation, and intervene effectively to enhance morale (Cherniss, 2001). According to Goleman (2001), the higher the position in an organization, the more EI matters. He emphasizes the importance of the link between EI strengths in a leader and the organizational climate and effectiveness for EI theory. He believes that emotional intelligence may be the long-sought missing link that will unite the ability and motivational or dispositional determinants of job performance for the effectiveness and overall success of the organization.

Current study was designed to examine the proponents of leadership based organizational effectiveness model which proposes that; emotionally intelligent leaders are intrinsically motivated, which further influences leader’s ability to motivate their team members to collectively achieve the organizational goals and objectives which fosters overall organizational effectiveness and success. The aim of the study necessitated testing the multiple mediation effects of leader’s motivation (self-motivation and motivating-others) on the relationship between leader’s EI and OE.

The sample of the study included 500 leaders and their 1500 direct reports belonging to eight IT/ITES and 14 manufacturing organizations located in the vicinity of Mysore and Bangalore. The data from the leaders was collected using the self-version of the research tools namely ESCI, LSMAQ and OEST and the rater’s perception was obtained from the three direct reports of the respondent leaders using the other’s version of ESCI, LTMAQ and OEST questionnaires. The data obtained from the respondents and their rater’s
was scored and the data sets were analyzed using bootstrapping method - one of the most valid and powerful methods for testing intervening variable effects (Mackinnon et al., 2004; Williams & Mackinnon, 2008). Using PROCESS for SPSS (Hayes, 2013) macro, the total, direct and indirect effect of overall leader’s EI, motivation and overall OE was captured in a single statistical test. The paths were further analyzed using multiple regression analysis of SPSS 20 (Baron & Kenny, 1986), since it is not possible to get a single estimate or test of the total indirect effect across k IVs and k DVs in PROCESS.

The primary hypotheses of the study were tested using multiple mediation model by adopting bootstrapping approach (PROCESS). The results revealed significant mediation effects of leader’s motivation on the relationship between leader’s EI and OE; while, causal steps approach using multiple regression analysis found the significant unidimensional and multidimensional links between leader’s EI, leader’s self-motivation, leaders motivating others and OE. Similarly, the demographic variables proved to significantly influence leader’s EI, leader’s self-motivation and leaders motivating-others; and, leader’s motivation differed significantly based on their age, gender, marital status, work experience, job level, team size and annual income. Finally, the differences in organizational effectiveness was tested using leadership EI and motivation of IT/ITES and Manufacturing organization using conditional process model or moderated mediation model of PROCESS for SPSS, and found that, industry sector or the type of the organization significantly moderates the leader’s motivation (specially leaders motivating-others) which in-turn influences the relationship between leader’ EI and OE.

The findings of the study are consistent with Goleman’s (1998; 2002) claims, that motivation is a sub-component of EI however, the study failed to establish any sort of links
with achievement orientation. Further, in line with the previous research, the findings of the study supported the extant links between the three research constructs namely leadership emotional intelligence, leadership motivation and organizational effectiveness and endorsed the significance of leadership based organizational effectiveness measurement approach adopted in the study. Consistent with the previous research findings, the demographic factors of the sample significantly influenced the research constructs. Cultures prevailing in IT/ITES and manufacturing sectors influenced the leadership effectiveness on EI and motivation. Lastly, the ESCI, LMAT and OEST adopted in the study aptly measured the research constructs as the findings are consistent with the previous research. Comparison between self-others ratings proved that, direct reports ratings are an accurate and better predictor of leadership effectiveness.

5.2. MAJOR RESEARCH FINDINGS

Leader’s self-motivation and leaders’ motivating others significantly mediates the relationship between Leader’s Emotional Intelligence (EI) and Organizational Effectiveness (OE). Leader’s self-motivation doesn’t mediate the relationship between leader’s EI and OE when leaders’ motivating others is controlled. However, leaders’ motivating others significantly mediates the relationship between leader’s EI and OE. On the whole, Leader’s EI accounts for 49% variance in OE; of which, indirect effect accounts for 32% variance - majority of which is from the IV→MV1→MV2→DV path as against only 17% for the direct effect which is relatively small. Hence, we can claim that, leader’s EI when coupled with leader’s self-motivation, their ability to motivate others increases resulting in organizational effectiveness.
Significant relationship exists between emotional intelligence competencies of leaders and leader’s self-motivation. Self & others ratings of leaders EI are positively correlated with self-report measure of leader’s self-motivation. Self-ratings of leaders EI predict 30% increase in self-motivation of leaders as against 4% increase in others-ratings of leader’s EI. On the whole, moderate and lower levels of correlations are found between leader’s EI and self-motivation for self-others ratings of leaders EI. Leaders and their direct reports perceive Emotional self-control and Coach and mentor competencies increase self-motivation among leaders. Direct reports feel Organizational awareness and Inspirational leadership competencies of EI negatively influence leader’s self-motivation. Finally, Achievement orientation competency is not a significant predictor of leader’s self-motivation.

Significant relationship exists between leader’s emotional intelligence competencies and motivating others. Self-others ratings of leaders EI are positively related to leaders motivating others. Others ratings are highly correlated with leaders motivating others. Others ratings predict 54% increase in leaders motivation while it is 12% for self-ratings. Direct reports perceive the Influence, Coach and mentor and Team work competencies positively influence leaders motivating others. Both leaders and their direct reports agree on the positive influence of Coach and mentor competency. Similar to that of self-motivation, direct reports perceive the Inspirational leadership and Organizational awareness competencies negatively influence leaders ability to motivate others. Both leaders and direct reports perceive Achievement orientation competency a non-significant predictor of team motivation or leaders motivating others.
Emotional intelligence competencies of leaders significantly influence organizational effectiveness. Organizational effectiveness can be increased by developing the niche EI competencies among leaders that are essential for the type of organization/industry sector. Leaders EI influences Capability and ownership (C&O) at a higher level while Trust and motivation (T&M) at a lower level. EI competencies such as Coach and mentor (only for C&O), Conflict management, Influence and Teamwork positively increase overall OE of IT/ITES and Manufacturing organizations; while, Organizational awareness and Inspirational leadership (C&O and T&M), Empathy (C&O), and Emotional Self-awareness (OpE) are the areas of organizational concern as they negatively influence the Organizational effectiveness.

Leader’s motivation (self-motivation and motivating others) is a significant predictor of overall organizational effectiveness. Direct reports ratings and the average leader-direct reports ratings of OEST predict accurate results than self-ratings. Leader’s motivation predicts 24-26% increase in OE subscales. Leaders motivating others is the highly influencing factor for increasing overall Organizational effectiveness while, leader’s self-motivation seems to be effective only when coupled with leader’s motivating others.

Leader’s EI, self-motivation and team motivation positively increases organizational effectiveness. Leader’s EI and motivation positively influences all the factors of OE moderately, however, their impact is high in the area of Capability and ownership (38%) and lower in the areas of Trust and motivation; and, Strategy and leadership (27%). The EI competencies such as Conflict management and Teamwork; and leaders motivating others are the significant positive predictors of OE. However, Organizational awareness competency of EI negatively influences all the factors of OE, while Emotional self-
awareness, Inspirational leadership and Empathy competencies negatively influence Operational effectiveness and Capability and Ownership factors.

Leader’s Emotional Intelligence is a developing ability. EI of leaders (as perceived by self and others) consistently increases with age (from 24 to 45 years) and work experience (upto 20 years) but after reaching its peak at 45 years it declines in the fifth and sixth decade of life due to the decline in the Self-awareness competencies among older leader’s. Women leaders are more emotionally intelligent than their male leaders. Middle management leaders are more emotionally intelligent than the senior management leaders. The agreement in self-others ratings proved to be a better predictor of rater accuracy in evaluating leader’s EI on ESCI across the demographic factors of leaders.

Leader’s self-motivation increases with leader’s age and work experience. Female and married leaders are higher in their self-motivation. Leaders with higher levels of job or position and leading bigger than 50 members’ teams are found to be highly self-motivated than their counterparts. Money measured in terms of annual income is not a significant predictor of leader’s self-motivation.

Jointly IT/ITES and Manufacturing industry sectors doesn’t moderate the indirect and direct effects of leader’s EI and OE through leader’s self-motivation and leaders motivating-others. However, independently IT/ITES and Manufacturing sectors significantly moderate the mediation path between EI→motivating others→OE; while only manufacturing sector moderated the mediation path between EI→self-motivation→OE. Conditional direct effect of EI→OE at the values of IT/ITES and Manufacturing sector is not significant. Path analysis reveals that moderation effects of industry sector cause slight increase in the relationship strength of EI→self-motivation while, industry sector decrease the strength of relationship
between EI motivating others that relationship between leaders EI and the ability of leaders to motivate their teams differ from one industry sector to another.

5.3. LIMITATIONS

The study was conducted across eight IT/ITES organizations and 14 manufacturing organizations located in the vicinity of Mysore and Bangalore, urban areas of Karnataka, a southern state in India. Though all the organizations where the data for the research was collected were the top players in their respective area of business, their market rankings were not studied as supporting factors for organizational effectiveness as the approach of the study was based purely on the leadership factors of organization and was not linked to the financial aspect of the organization.

The researcher had to encounter some unexpected organizational activities in the course of data collection such as, organizational change, untimely appraisals, reviews, strikes, union negotiations and so on. The aftermath of these activities might have had some effect on the responses.

Keeping in mind the number of variables to be controlled, no limitations were drawn to the demographic variables such as age, gender, length of time the leader has handled the leadership role etc. However, the influence of demographic variables on the independent, mediator and the dependent variables were studied.

Due to non-feasibility, it wasn’t possible to administer the test in a controlled set-up for all the groups. Questionnaires were completed independently of the researcher, often in 'the privacy of one's own home', 'at one's own leisure', and anonymously - such that recipients often needed some incentive to participate, and there was very little or no opportunity for explaining questions and control against misunderstanding though the
questionnaire items were simple and self-explanatory. The chances of respondents filling the questionnaires in bits and pieces (i.e. in different intervals) couldn’t be controlled.

Raters fearing retribution may tend to be less than candid in their responses or not respond at all (Chappehtw, 1998). Even after assuring total confidentiality of data, it was not possible to control the feelings of lack of trust and insecurity in the respondent’s minds. This resulted in lot of incomplete responses (e.g., don’t know).

Due to the large sample size, the time lapsed in collecting the data was six to seven months. Even after having good rapport with the organizations and rigorous follow-up’s, the questionnaire return rate was just 70% among leaders and 50% among the raters (i.e. on an average only 1.5 completed questionnaires were received per leader). This resulted in re-administering the other’s version of the ESCI, LMAT and OEST questionnaire to the fresh direct reports (raters) in order to meet the sample inclusion criteria of having three raters per leader.

On the whole, this study is first of the kind and has much scope for further research. A similar study can be conducted by working on the methodological and practical limitations presented in this study to validate the outcome of this research.

5.4. IMPLICATIONS

How well a business firm performs is the outcome of an effective organizational effectiveness model. As the results of the study uncovered, to create organizational effectiveness and ensure sustainability, business leaders need to focus their attention on aligning their people, the systems, the structure and roles with the organization’s strategy, while engaging their employees with their jobs and with the organization. Many organizations fail because the business leaders struggle to align and engage employees with
the company’s strategy – a fundamental element in a successful model. The major findings of the study revealed that, the leaders of the effective organizations selectively used key emotional intelligence competencies suitable for their organizational business and people systems to successfully motivate oneself and more specifically to motivate their team members. The study claims that, leadership is the single success mantra for attaining organizational effectiveness and success. By identifying the key emotional intelligence competencies suitable for the organization and developing those competencies among leadership, the organizations can achieve overall organizational effectiveness by successfully handling the major concerns or difficulties of any organization namely, building capability and ownership, strategy and leadership, trust and motivation and operational effectiveness.

A number of approaches exist to evaluate organizational effectiveness; however, there is no single approach that is universally applicable. The major implication of the study in the area of organizational practice is evaluating organizational effectiveness based on leadership effectiveness. The approach of evaluating or measuring organizational effectiveness can be a solution to this issue as ‘leadership’ is the phenomenon which cannot be separated from organization. There can be no organization without a leader or leadership. The beauty of the ‘leadership based organizational effectiveness’ approach is its flexibility and universal applicability to all sorts of organizations be it profit or non-profit. It can be applied everywhere wherever there is a leader and leadership. A plethora of research on leadership has proved the critical importance of emotional intelligence competencies for effective leadership and growing trend in organizations implying EI at workplace for personal and organizational effectiveness and success cannot be ignored. Current study also proves the extant links between leadership effectiveness, emotional intelligence and
motivation and their impact on organizational effectiveness among the leaders of two large revenue generating industrial sectors of India namely IT/ITES and Manufacturing sector.

Based on the major findings of the study ‘Leadership based Organizational Effectiveness Model’ has been designed which is illustrated in Figure 11. The organizations can use the model for improving their organizational effectiveness through EI based leadership development initiatives for identifying and developing key EI competencies among leaders for successfully creating a highly self-motivated leadership team as well as highly motivated employees; the two key determinants of organizational success.

**Figure 11: Leadership based organizational effectiveness model**

As leadership is taking a transition from the transactional to transformational approach to create a necessary socio-emotional nearness with people around, the trait of emotional intelligence becomes a reality. The resultant strengthening of bonds between the leadership and their subordinates help both parties to establish trust and mutuality based on
common interests, goals, and a sense of mission, creating the necessary conditions for achievement of personal and organizational goals. Essentially, in order to connect the leaders have to bring into play certain personal, social and organizational competencies in mutually acceptable combinations for achieving organizational excellence. Thus, emotionally intelligent behaviour addresses the basic issues for bringing workplace effectiveness and helps to attain higher levels of organizational growth and excellence. This essentially aids in the process of developing congenial work environment in the organization leading to efficiency at the workplace and development and enhancement of human capital.

5.5. CONCLUSIONS

Effective leadership is one of the most elusive keys to organizational success. While, a number of organizations have successfully cracked the code, leveraging stellar leadership into outstanding performance, many continue to struggle. Adding to the confusion is the changing nature of leadership. Today’s flatter, faster, more flexible organizations, facing intense competition in a global market, require more dynamic leadership. Organizational research shows that, the organizations that are most successful in developing their executives and senior managers carefully assess the performance and capabilities of these leaders and potential leaders, provide them extensive development and coaching, measure their progress, and then reward them. They also focus on enhancing the self-awareness, self-management, social awareness, and social skills of their leaders—what we refer to as emotional intelligence to motivate the organizational teams to achieve higher levels of organizational effectiveness, performance and success.

The current study is a welcoming addition to the field of existing organizational research on leadership effectiveness, emotional intelligence, motivation and organizational
effectiveness. The study yielded great positive results while testing the leadership EI and motivation imbibed organizational effectiveness approach for evaluating Organizational Effectiveness. The findings indicate that, the implication of EI and Motivation based leadership effectiveness approach among organizations can contribute greatly towards building highly effective, motivated high-performing teams for achieving excellence in their respective organizational business and can become change agents in the industry through incorporating EI at all levels of leadership.

5.6. SUGGESTIONS FOR FURTHER RESEARCH

The current study in its effort to identify the constituents of organizational effectiveness, presented obvious theoretical and empirical evidences for its direct relatedness with leadership, emotional intelligence and motivation, and introduced a novel approach of evaluating OE based on leadership effectiveness. Though the findings supported the critical importance of EI and motivation based leadership effectiveness for achieving organizational effectiveness, more research in this area is imperative to validate the efficacy of the ‘leadership based organizational effectiveness model’.

Decades of research in EI that has focused on testing importance of EI capabilities in various leadership and organizational outcomes using quantitative research methods have established positive links with EI and the related outcomes. Though, almost all the EI theorists universally agree upon the developing ability of EI with sustained effort and attention, there is very little research that has gone on testing the developing ability of EI. Hence, the future research can focus on the quantitative methods of measuring EI of leaders using various techniques such as developmental feedback, training, EI education for developing EI competencies lacking among leaders to improve leadership and organizational
outcomes. Similarly, in the context of the current study, the ability of the organizations to improve the identified areas of organizational concern or difficulty with the development of EI competencies among leaders is yet to be tested and validated. Future research focusing on testing the ‘Leadership based Organizational Effectiveness Model’ using qualitative research techniques applying pre and post EI intervention can contribute greatly to advance the contributions of this study.

The findings of the current study revealed that, Achievement orientation competency was not related to leader’s self-motivation as well as leaders motivating others. Despite, no relationships among achievement orientation and leader’s motivation (self & others), four of the EI competencies co-varied with motivation. On the other hand, higher levels of inter-correlations among the emotional and social competencies of ESCI were observed. These findings are contradictory to the claims of Mayer and Salovey (1997) and Goleman (1998; 2002) on achievement and motivation. However, the current study supports Goleman’s (1998; 2002) claims of motivation as a sub-component of EI, further in depth research in this area is imperative to generalize the subsumption of motivation in self-management cluster.

The current study used upward feedback method to evaluate leadership effectiveness based on EI and motivation for organizational effectiveness on ESCI, LMAT and OEST research measures. Though the research design was sound and yielded great results in line with the previous research studies, testing the objectives of this study using different research method (e.g., 360-degree approach), sample and measures (e.g., Multifactor Leadership Questionnaire (Avolio, 2000) or other sound tools of motivation and organizational effectiveness) can contribute greatly to the existing field of literature.