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# Effective Leadership- Leading with Emotional Intelligence



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**Effective leadership - leading with Emotional  
Intelligence**

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*To my parents;my mum Mira and my  
father Cedo-for everything you ARE and  
for everything you gave me.*

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## **Abstract**

The main topic of this Thesis is to determine what makes a leader in organizations/institutions, how do we define and evaluate characteristics of an effective leader and what is the relevance of Emotional Intelligence competencies for a leader to be effective. Furthermore, it also investigates importance of Emotional Intelligence competencies in work-performance in general, as well as in everyday living.

The aim is to prove that Emotional Intelligence is the key component of Effective Leadership, it is largely relevant for workers and team players to accomplish high work-results and there are strong connection between Emotional Intelligence, effective leadership and successful organizational performance in general. Furthermore, implementing EI competencies in everyday living helps improving people's life-quality in general.

Research in the Thesis is made of looking and comparing some of the case studies already performed by excellent scholars in the field of leadership and management communications (Katherine Miller, Frederic Taylor, Elton Mayo, B.M. Bass, Joseph Nye.Jr.etc.) and the field of Emotional Intelligence (Salovey & Mayer, Daniel Goleman, Reuven Bar-On etc.) with major reliance on the research and theories of Daniel Goleman because I found his work is the most relevant for my research. Second part of my research is made of conducting interviews with leaders of different organizations and companies from Europe and USA, in order to confirm theoretical premises and hypothesis I have set.

The conclusion implies there is a strong connection between Emotional Intelligence, Effective Leadership and organizational performance and having high level of Emotional Intelligence competencies is necessary for a leader to be effective.

To conclude my Thesis even further, recommendations are made for leaders on how to gain or improve their leadership skills and effectiveness by implementing EI competencies in their communications in work surrounding as well as in everyday living.

# Résumé

## Introduction

*«L'imagination est plus importante que le savoir. Car le savoir est limité, et concerne tout ce qui existe, tandis que l'imagination concerne tout ce qui existera.» - Albert Einstein*

La révolution des informations, la mondialisation et la démocratisation, en tant que caractéristiques principales de la société du XXI<sup>e</sup> siècle, ont causé de nombreux changements dans le contexte des organisations modernes et contemporaines. Ces changements révolutionnaires incluant le progrès des savoirs, la mobilité, la communication et la capacité productrice de l'humanité ont transformé la nature des organisations modernes et contemporaines et par conséquent le savoir et les compétences requises par ceux qui les gèrent<sup>1</sup>.

Dans la période des décennies récentes, de nombreuses recherches ont été menées dans le but d'identifier les comportements, ce qui a donné la réponse à la question *qu'est-ce qui fait un leader et comment peut-t-on définir et évaluer les caractéristiques déterminant un leadership efficace?*<sup>2</sup>

Les théories et recherches différentes ont abouti à des réponses différentes concernant les caractéristiques d'un leader efficace. Daniel Goleman, un auteur américain, psychologue, et journaliste scientifique qui recherchait le leadership efficace et qui a écrit plus de dix livres sur la psychologie, éducation, science, crise écologique et leadership, a découvert que les caractéristiques traditionnellement associées aux leaders efficaces et requises pour assurer la réussite étaient : **l'intelligence, la fermeté, la détermination, et la vision.**<sup>3</sup> Cependant, d'après Goleman, elles sont insuffisantes:

*«Les leaders véritablement efficaces sont dotés d'un haut degré d'intelligence émotionnelle, qui inclut la conscience de soi, l'autoréglementation, la motivation, l'empathie et la compétence sociale.»<sup>4</sup>*

Par ailleurs, la majorité disent qu'il n'y a pas une seule bonne méthode de déterminer *l'efficacité du leadership*—qu'il dépend de la situation, de la culture organisationnelle, et

<sup>1</sup> <http://web.ebscohost.com/www.baser.dk/ehost/pdf?vid=11&hid=108&sid=68e1ce8d-453c-447e-8d0d-4e4844ffe8f8%40sessionmgr104,10/11/2012>

<sup>2</sup> McKenna, E (2000),p.352-355

<sup>3</sup> Goleman,D.(1998)

<sup>4</sup> Ibid,p.2

même des visions, missions ou objectifs du groupe. Adam Dinnebeil, propriétaire du *HVAC Performance Contracting Project Development à New York*, a défini l'efficacité comme « Le haut degré de satisfaction du client avec le service – il doit toujours veiller au produit final ».<sup>5</sup> Madlena Zepter, propriétaire du théâtre Madlenianum et d'une maison de vente aux enchères l'a définie comme « La capacité de décomposer le travail en étapes et de l'effectuer en temps utile. ».<sup>6</sup>

L'efficacité dans le travail comprend l'accomplissement de meilleurs résultats possibles tout en maintenant les clients et les employés contents en utilisant son propre mélange de compétences du leader. L'efficacité peut encore requérir la capacité d'utiliser (ou la menace d'utiliser) les mesures coercitives dépendant du contexte du leadership. L'efficacité est aussi l'indicateur le plus pertinent du leader efficace (leadership). Il n'existe pas de définition générale comment les théoriciens définissaient un leader efficace. Pourtant, selon la riche littérature traitant les définitions du leadership et sur la base des recherches fondées sur des interviews relatifs à cette thèse, j'ai compris que les leaders efficaces géraient les gens et les organisations de manière à innover et mener les gens et les organisations vers de nouveaux objectifs et idées. Ils ont la capacité de motiver et influencer les gens dans leurs visions et objectifs, de montrer l'intégrité, de communiquer et motiver en utilisant l'intelligence émotionnelle, d'innover et implémenter une vision stratégique. Il paraît que les leaders efficaces sont ceux qui sont habilités à utiliser le *smart power* – une combinaison des stratégies de puissance douce *soft power (incitation)* et puissance coercitive *hard power (contraintes, ordres, punitions, menaces)* où l'intelligence émotionnelle joue un rôle très important.<sup>7</sup>

Le leadership même peut être défini comme : «*Le procès lors duquel le leader et les suiveurs interagissent de sorte que le leader influence les actions des suiveurs de la manière non coercitive, vers l'accomplissement de certains buts et objectifs.*»<sup>8</sup>

Le leadership est un territoire qui appartient à la fois aux leaders et à leurs suiveurs. Cependant, sur ce territoire, les leaders sont ceux qui ont la responsabilité d'agir et de réagir, ceux qui créent les perspectives et les images du territoire. Pour être efficace, un leader doit aussi avoir a) l'intégrité, b) la vision c) la compétence d) la confiance e) l'Intelligence contextuelle f) l'Intelligence émotionnelle. Avoir de l'*intégrité*, ça veut dire faire confiance, tenir les promesses et montrer aux suiveurs que l'on est la personne idéale. Avoir la *vision* ça

<sup>5</sup> Une interview avec Adam Dinnbeil du 21 janvier 2013

<sup>6</sup> Madlena Zepter, notre interview du 03 avril 2013 à Monte Carlo

<sup>7</sup> Joseph Nye, Jr. interview du 22 mai 2013

<sup>8</sup> Ibid

veut dire connaître où l'on va et pourquoi. La *compétence* est un don, et l'intelligence nécessaire pour comprendre les challenges auxquels sont affrontés les suiveurs et pour savoir comment les gérer. Avoir de la *confiance* veut dire que le leader peut prendre les décisions sous toute sorte de circonstances et qu'il a du courage de persister. <sup>9</sup>« L'intelligence contextuelle», en tant que terme, est devenue connue grâce aux travaux du professeur américain d'Harvard Joseph Nye Jr. pendant ses recherches relatives à la politique des Etats-Unis envers la Chine, où il a montré trois types de puissance notamment; soft power, hard power et smart power. Plus tard, ce terme a été lié au leadership en général. L'intelligence contextuelle est une compétence diagnostique liée à l'intuition qui aide les leaders à aligner leurs tactiques avec leurs objectifs, afin d'avoir les stratégies les plus intelligentes et les plus efficaces dans des situations différentes.<sup>10</sup>

Le leadership et le leadership **efficace** sont deux termes différents qui ne s'appliquent pas toujours à la même chose. Chaque leader est toujours leader, mais tout leader ne peut pas être efficace.

«Il y a une différence entre le leadership et le leadership réussi. Cette différence repose sur la manière... Le leadership comprend la gestion et l'organisation du travail dans un système, tandis que le leadership réussi comprend également les résultats desdits: les effets de la réussite dans les affaires et dans les finances, ainsi que la communication réussie avec les gens.» <sup>11</sup>

Chaque situation où il y a des rapports, un processus d'interaction entre les deux parties, dont un en est le leader et l'autre les suiveurs peut être nommée le leadership. Néanmoins, si une personne motive efficacement les gens, interagit avec les membres de la communauté en utilisant son intelligence émotionnelle ou assure la clarté directionnelle envers la vision partagée, les constituants sont susceptibles de devenir intérieurement motivés de se dépasser et de s'engager au groupe ou à l'organisation. Et à ce moment-là, nous pouvons parler du leadership efficace.

En effectuant mes recherches, j'ai aussi compris qu'il n'y avait pas un seul style parfait du leadership. Les styles différents sont préconisés dans les situations différentes, parce que tout dépend du contexte de la situation.

De nos jours, dans les organisations contemporaines du XXI<sup>e</sup> siècle, selon Daniel Goleman, Richard Boyatzis et Annie McKee, nous pouvons remarquer six principaux styles de

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<sup>9</sup> Philip Zepter, notre interview du avril, 2013

<sup>10</sup> Joseph Nye, Jr. interview du 22 mai 2013

<sup>11</sup> Madlena Zepter, pendant notre interview

leadership <sup>12</sup>:

- **Le style directif**
  - **le style visionnaire**
  - **le style collaboratif**
  - **le style participatif**
  - **le style chef de file**
  - **et le style «coach» du leadership.**
- 
- *Le leader directif* attend une exécution immédiate.
  - *Le leader visionnaire* fédère autour d'une vision.
  - *Le leader collaboratif* renforce l'interaction et l'harmonie.
  - *Le leader participatif* cherche le consensus par la voie démocratique.
  - *Le leader chef de file* attend l'excellence et l'auto direction.
  - *Le leader «coach»* vise le long terme et développe ainsi le personnel <sup>13</sup>

Les recherches de Goleman montrent que plus de styles maîtrisés, plus d'efficacité aura le leader. Plus particulièrement, si le leader est capable de combiner et de changer parmi les styles directif, visionnaire, collaboratif, participatif, chef de file et «coach», selon les circonstances, il créera le meilleur possible climat organisationnel et optimisera les performances dans les affaires. <sup>14</sup>

Les meilleurs leaders ne connaissent pas un seul style de leadership— ils en maîtrisent plusieurs et sont capables d'en changer en fonction des circonstances. Les recherches de Goleman montrent également que chacun desdits styles fait appel à des composantes clés de l'intelligence émotionnelle en combinaisons différentes. Ses conclusions ont fait ressortir l'importance de l'intelligence émotionnelle en tant que composante clé d'un leadership efficace.

L'intelligence émotionnelle (IE) peut généralement être définie comme l'ensemble de compétences non cognitives qui sont liées à l'efficacité interpersonnelle ou «qualités interpersonnelles» au travail. <sup>15</sup> En outre, l'intelligence émotionnelle est la manière de reconnaître, de comprendre et de choisir comment nous pensons, sentons et agissons. Elle

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<sup>12</sup> Goleman D, Boyatzis R, McKee A (2004)

<sup>13</sup> Goleman D, Boyatzis R, McKee A (2004)

<sup>14</sup> Goleman D (2000) ,p.2-3

<sup>15</sup> Daniel Goleman; *Emotional Intelligence* (2005)

modèle nos interactions avec les autres et notre compréhension de nous-mêmes. Elle définit ce que nous apprenons et les manières de cet apprentissage, elle nous permet de définir nos priorités, elle détermine la majorité de nos activités quotidiennes. Les recherches suggèrent qu'elle détermine jusqu'à 80% de la « réussite » dans nos vies. <sup>16</sup>

Elle implique aussi l'attention particulière que nous prêtons à l'humeur des autres et à l'autodiscipline qui empêche les besoins personnels psychologiques de régner. C'est aussi l'habilité de contrôler et régler les émotions, nos propres et celles des autres. <sup>17</sup>

Au XXI<sup>e</sup> siècle, grâce aux recherches de Daniel Goleman, les recherches dans le cadre de l'intelligence émotionnelle relative à l'efficacité du leadership sont devenues extrêmement populaires. Ceci s'est produit parce que l'implémentation des principes de l'intelligence émotionnelle avait prouvé l'efficacité dans la communication du leadership, une augmentation des performances au travail et la création du style communicatif ouvert et réussi au sein de l'organisation. <sup>18</sup> Plusieurs études effectuées par David McClelland <sup>19</sup> avaient montré des liaisons surprenantes avec l'intelligence émotionnelle, forte performance et les bénéfices financières.

Par conséquent, lorsque les gens adoptent les principes fondamentaux de l'intelligence émotionnelle: *la conscience de soi, l'autogestion, la conscience sociale et la gestion des relations* et les appliquent à la communication du leadership au sein d'une organisation, ils peuvent améliorer la communication et ainsi distinguer clairement les attributs qui font un leader efficace et ceux qui ne le font pas. <sup>20</sup>

Lorsque nous parlons des caractéristiques d'un leader efficace, nous devons considérer l'impact qu'un leader a sur le climat de travail. «Le climat» est le terme défini pour la première fois par les psychologues George Litwin et Richard Stringer et plus tard précisé par McClelland et ses collègues. Il se réfère à six facteurs clés qui influencent un environnement du travail dans une organisation: sa *flexibilité*—c'est-à-dire, les employés se sentent libres d'innover sans contrainte; leur sens de *responsabilité* envers l'organisation; *l'éthique*, c'est-à-dire le niveau de qualité que les gens imposent; *l'incitation* – c'est-à-dire la relation justifiée entre le feedback du rendement et la bonification, le degré de précision qui existe dans la communication des valeurs, *la clarté* que les gens ont dans la mission de l'entreprise, et enfin,

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<sup>16</sup> Dr.Regula Rapp, Recteur de HFM Stuttgart, pendant notre interview

<sup>17</sup> Joseph Nye Jr., scientifique politique américain et ex-doyen de l'école John F. Kennedy School of gouvernement à l'Université Harvard, pendant notre interview

<sup>18</sup> Goleman, D. (2000),p.78(2),

<sup>19</sup> McClelland, D. (1973), p.28

<sup>20</sup> Ibid

***l'engagement*** à l'égard de l'entreprise et de sa mission. <sup>21</sup>

Les recherches sur l'intelligence émotionnelle dans les organisations, conçues par Rutgers University's Graduate School of Applied Psychology in Piscataway, New Jersey et menées par Daniel Goleman ont confirmé qu'il existait un grand impact du climat sur le résultat financier – tel que le rendement des ventes, la croissance des chiffres d'affaires, l'efficacité et la rentabilité — ils ont prouvé la corrélation directe entre les deux.

Par conséquent, cet article examinera l'hypothèse suivante:

- 1.. La réussite, le climat d'affaires et la performance au travail au sein d'une entreprise/organisation sont en corrélation directe avec le style de leadership, où les leaders ayant maîtrisé quatre ou plus de style de «coaching» peuvent être perçus/marqués comme leaders efficaces.*

## **Enoncé du problème**

En vue des changements perpétuels et des défis que les organisations affrontent dans l'environnement turbulent de nos jours et en vue de l'effet que ceux-ci produisent sur le savoir et les compétences requises pour les leaders, il est devenu nécessaire d'inclure des émotions dans la routine quotidienne d'une organisation. Par conséquent, en menant des recherches dans le domaine de l'intelligence émotionnelle rendant les leaders efficaces et en examinant les petites et les grandes études de cas sur l'intelligence émotionnelle et le leadership, je me focaliserai aussi sur l'étude des hypothèses suivantes:

- 2. **L'Intelligence émotionnelle** est la composante clé **du leadership efficace**.*
- 3. Le concept de **l'intelligence émotionnelle** renforce le sentiment de soi et des autres d'un leader ce qui contribue à l'amélioration de la **communication** au niveau de la direction d'une organisation développant et amplifiant ainsi **la performance au travail et le climat de travail** pour eux-mêmes et pour ceux qu'ils ont sous leurs ordres.*

L'intelligence émotionnelle comprend la conscience de soi, l'autoréglementation, la motivation, l'empathie et la compétence sociale. Au travail, ceci ne se manifeste pas uniquement par la capacité de contrôler son humeur ou de s'entendre bien avec les autres, mais aussi par la bonne connaissance de son propre maquillage émotionnel et de celui de son collègue de sorte que les gens sont guidés dans la bonne direction pour accomplir les objectifs de la compagnie.

Depuis des décennies, les gens débattent si les leaders sont nés ou formés. C'est la raison

<sup>21</sup> Litwin G.H, Stringer R.A.(1968)

pour laquelle la problématique suivante est soulevée; *l'intelligence émotionnelle, peut-on l'apprendre?*

Afin que l'on puisse considérer et répondre à l'énoncé du problème, il est indispensable d'étudier l'hypothèse suivante:

4. *L'intelligence émotionnelle est une compétence apprenable qui requiert un certain pourcentage des prédispositions innées en tant que base, mais elle change et se développe à travers l'expérience et le processus d'apprentissage.*

## **Cadre théorique**

L'objectif principal de ma recherche et de ma thèse est la réponse à la question *qu'est-ce qui fait un leader efficace et combien le concept de l'intelligence émotionnelle influence le leadership efficace.*

Dans le but de justifier et prouver que l'intelligence émotionnelle est importante et pertinente dans le domaine du leadership efficace, mes stratégies de recherche comprendront le suivant :

- L'analyse et la comparaison des recherches et des études de cas effectuées déjà par les savants excellents du domaine du management de communications (B.M.Bass, "Handbook of leadership: A Survey of Theory and Research"; F.E.A.Fiedler, Theory of Leadership Effectiveness; Contemporary theories of Organizational Behavior by Katherine Miller (2000); The "I" of Leadership by Nigel Nicholson (2013); Daniel Goleman, Richard Boyatzis and Annie McKee, *Primal Leadership* (2004) et autres. Toutes les études mentionnées ont une chose en commun : elles définissent le leadership efficace lorsque la composante clé est l'intelligence émotionnelle.

Il y a trois théories des modèles de l'intelligence émotionnelle : Salovey et Mayor en ont présenté le premier en 1997 en tant que *modèle d'habiletés*.<sup>22</sup> Le deuxième a été présenté en 1998 par Daniel Goleman et intitulé en tant que modèle mixte. Plus tard, en 2002, ce dernier a été ajusté.<sup>23</sup> Soviétique-né, le psychologue britannique Konstantin Vasily Petrides («K. V. Petrides») a introduit le troisième modèle de l'intelligence émotionnelle en tant que *Modèle de base Trait*, où l'intelligence émotionnelle est considérée comme un trait de personnalité et se mesure dans le cadre de la personnalité.<sup>24</sup> Faut de nombre de pages permises, et vu que le modèle mixte de Goleman est le plus pertinent pour ma recherche parce qu'il souligne

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<sup>22</sup> Salovey, P. and Meyer, J.D. (1997), p. 3-31.

<sup>23</sup> Goleman D, (2004) Working with Emotional Intelligence, p.38

<sup>24</sup> Carr A.( 2013), p.152

*davantage* l'importance de l'intelligence émotionnelle dans les organisations et le leadership, dans ma thèse j'accentuerai le modèle mixte de l'intelligence émotionnelle de Goleman. En effectuant une recherche qualitative et en utilisant l'interview comme outil principal dans les échanges avec les leaders et employés dans les organisations, institutions et compagnies en Europe et aux Etats-Unis. Pour les besoins de mes recherches, j'ai effectué des interviews avec de nombreux leaders exceptionnels (approximativement 35 leaders), cependant, pour les besoins de ma thèse, j'ai opté pour les interviews avec des personnes suivantes, parce que je croyais que leurs réponses étaient les plus intéressantes pour ma recherche :

Leader A; **Catherine Le Bris**; CEO de la Société de gestion des artistes (Artist Management Company ) et PDG de l'Association internationale des gestionnaires des artistes ( International Artist Managers' Association Limited), Paris/New York

Leader B: **Drasko Markovic**; Directeur exécutif des ressources humaines chez Telecom, Belgrade, Serbie.

Leader C :**Madlena Zepter** ;CEO, fondatrice et propriétaire de l'Opéra et Théâtre Madlenianum, de la Fondation Madlena Zepter ,de la Galerie Zepter, Zepter Book World, Madl'Art, de la Donation de la Famille Zepter Family, de la Collection du Musée d'art moderne, Patronage – Sponsor général de la plume de femme (Žensko Pero); Monaco/Paris/Belgrade

Leader D ;**Robert Benmosche** l'ex CEO de “Metropolitan Life Insurance Company” , membre du conseil de «Credit Suisse AG» et CEO d'American International Group; Etats-Unis

Leader E; **Phillip Zepter**; Fondateur et propriétaire de la compagnie internationale Zepter International business company; Monaco/Paris/Belgrade

Leader F; **Miomir Zuzul**; ambassadeur de la République de Croatie aux Etats-Unis, fondateur et directeur de l'université internationale Dubrovnik, en Croatie, Etats-Unis, Croatie

Leader G; Dr.Regula **Rapp**: Recteur de l'Université de musique et arts appliqués à Stuttgart, Allemagne

Leader H; **Dragan Vucicevic**; PDG de Sava Centre, centre culturel et de conférences, Belgrade, Serbie

Leader I; **Joseph Nye Jr.** ; politologue américain et ex-doyen de l'école John F. Kennedy du Gouvernement de l'Université Harvard, co-fondateur de la théorie du néolibéralisme dans les relations internationales de l'Académie américaine des sciences et des arts et de l'Académie britannique, membre de l'Académie diplomatique américaine et président du Conseil national de renseignement. Il a été adjoint au secrétaire de la défense à l'époque de Bill Clinton. Il a

aussi écrit et donné des conférences sur l'idée de l'usage de la puissance douce, du smart power et du leadership; Etats-Unis

Leader J; **Zoran Hamovic**; journaliste, rédacteur et directeur de Clio publishing House; Belgrade, Serbie

Ce que tous ces leaders ont en commun ce sont leurs biographies extraordinaires et leur efficacité, qui peut se mesurer par le travail efficace et réussi des organisations – compagnies qu'ils géraient.

La motivation pour ma recherche est aussi de prouver que, en dépit de nombreuses critiques relatives à l'intelligence émotionnelle dans le domaine de la communication en leadership, le rôle des émotions dans le monde d'affaires d'aujourd'hui est crucial et incontournable. Mes recherches sont centrées sur les théories internes du management, corroborées et confirmées par les interviews avec des leaders efficaces dans des organisations de différents types qui sont divisées en quatre domaines prédominants d'analyse. J'ai commencé par un constat historique et présenté les théories et les études les plus significatives montrant comment le leadership et les comportements s'étaient développés pendant le temps (Les premières études du leadership, Hawthorne, Maslow, et Herzberg – La théorie de l'environnement et des besoins des employés, La théorie comportementale du leadership et de la communication - théorie de la situation et de la contingence – L'accent circonstanciel, Le leadership transactionnel – accent sur la performance, *Le leader transformationnel se focalise sur l'organisation, le leader serveur se focalise sur les suivants, concepts du leadership soft, hard et smart power*) et j'ai continué vers la détermination de l'efficacité du leadership par les théories contemporaines du leadership du domaine du comportement organisationnel et par les résultats des interviews. La première partie constitue le point de départ pour de futures recherches essentielles. La deuxième partie de la recherche inclut les implications de l'intelligence émotionnelle sur le leadership et la communication et les théories les plus fondamentales de l'intelligence émotionnelle, se basant principalement sur les recherches de Daniel Goleman co-auteur de Harvard Business Review et celles de Salovey et Mayor, qui ont été testées par des interviews. La troisième partie significative représente la réalité de l'intelligence émotionnelle et l'implication que celle-ci porte sur les performances organisationnelles et l'organisation dans son ensemble tout en analysant les hypothèses et effectuant plusieurs petites et grandes études de cas dans le but de justifier mes assertions. L'aspect final de ma recherche c'est de conclure dans la discussion et perspective, le parcours entier de ma recherche et de proposer des recommandations pour des organisations et des leaders en Serbie afin qu'ils introduisent de nouvelles pratiques dans leur fonctionnement

pour améliorer le climat de travail.

Toutes ces parties s'entremêlent et assurent une contribution et des justifications visant à répondre à l'énoncé du problème. Des exemples ont été inclus pour appuyer les théories et les hypothèses et pour renforcer la crédibilité de ma recherche.

## **Méthode et Structure**

Comme indiqué dans le cadre théorique, la thèse est structurée en quatre domaines prédominants d'analyse dont chacun est signifiant et vise à fournir des justifications relatives à l'intelligence émotionnelle dans le domaine du management et de la communication, répondant ainsi à l'énoncé du problème. L'article est structuré selon la déduction logique étant donné que la conclusion et le résultat de mes recherches proviennent logiquement des prémisses que j'avais proposées (de l'énoncé du problème). Plusieurs perspectives des chercheurs dans le domaine de la communication et du leadership seront élaborées davantage dans le but de déterminer les caractéristiques d'un leader efficace dans le monde d'affaires d'aujourd'hui. Ceci a été fait afin de fournir des informations de base sur le développement des communications et du leadership et de faire le point sur le chemin qu'il a entrepris et qu'il devrait suivre, ce qui nous mène vers le cœur de ma thèse – vers *l'intelligence émotionnelle*. Pour que mes recherches puissent franchir le pas suivant, l'intelligence émotionnelle est mise en perspective du leadership et de la communication et en perspective organisationnelle.

Une fois les résultats obtenus et combinés, il sera possible de déterminer la pertinence de l'intelligence émotionnelle dans le leadership – et de la communication et quels seront les résultats de l'implémentation des principes de l'intelligence émotionnelle dans cette dernière. Pour que les résultats de cette thèse soient encore plus stimulants, la thèse montrera comment l'intelligence émotionnelle, le leadership efficace et les performances organisationnelles interagissent et comment nous pouvons inclure les qualités de l'intelligence émotionnelle dans nos vies quotidiennes.

# 1.0. Summary

## 1.1 Introduction

*“Imagination is more important than knowledge. For knowledge is limited to all we now know and understand, while imagination embraces the entire world, and all there ever will be to know and understand.” - Albert Einstein*

Information revolution, globalization and democratization, as the main characteristics of the 21<sup>st</sup> century society, caused lots of changes in the context of modern contemporary organizations. These new revolutionary changes that include advances in knowledge, mobility, communications, and the productive capacity of humankind, have transformed the nature of contemporary organizations and subsequently the requisite knowledge and skills of those who manage them<sup>25</sup>.

During the last few decades numerous researches has been conducted with the purpose to identify the behaviors, which gives an answer to the questions of *what makes a leader, and how do we define and evaluate the characteristics that determine effective leadership?*<sup>26</sup>

Different theories and researches gave different answers regarding the characteristics of an effective leader. Daniel Goleman, an American author ( a two-time Pulitzer prize nominee) and science journalist who wrotte more than 10 books on psychology, education, science, ecological crisis, and leadership, found that the qualities traditionally associated with effective leaders and required for success are: **intelligence, toughness, determination, and vision.**<sup>27</sup> . However, according to Goleman they are insufficient:

*” Truly effective leaders are also distinguished by a high degree of emotional intelligence, which includes self-awareness, self-regulation, motivation, empathy, and social skill.”*<sup>28</sup>

Further, on, many say that there is no one best way to determine *leadership effectiveness*— that it depends upon the situation, the organizational culture, and even the vision, mission or goals of the group. Adam Dinnebeil, owner of *HVAC Performance Contracting Project Development in New York*, defined effectiveness as *“High customer (client) satisfaction with service-always has to keep an eye on final product”*.<sup>29</sup>

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<sup>25</sup> <http://web.ebscohost.com.www.baser.dk/ehost/pdf?vid=11&hid=108&sid=68e1ce8d-453c-447e-8d0d-4e4844ffe8f8%40sessionmgr104,10/11/2012>

<sup>26</sup> McKenna, E (2000) ,p.352-355

<sup>27</sup> Goleman,D.(1998).What Makes a Leader? *Harvard Business Review*

<sup>28</sup> Ibid , p.2

<sup>29</sup> An interview with Adam Dinnbeil was taken on 21 January 2013

It also can be defined as "*The ability to break down the work at hand in to steps and to execute in a timely way*".<sup>30</sup>

Effectiveness in work means accomplishing the highest results keeping clients and workers satisfied by using proper mix of leadership skills .Effectiveness might also require the ability to use (or the threat to use) coercive measures as well-depending on a context of leadership. Effectiveness is also the most relevant indicator of effective leaders (leadership).

There is no general definition how theorists defined effective leaders. However, according to the numbers of great literature that deals with leadership definition and based on the research using interviews for the purpose of this thesis I came to the findings that effective leaders manage people and organizations in a way to innovate and run people and organizations toward new effective ideas and goals. They have the ability to motivate and influence people in their own visions and goals to demonstrate integrity, to communicate and motivate by using emotional intelligence, to innovate and implement strategic vision. It seems that effective leaders are the ones who are skilled in proper using of *smart power* –a mix of *soft power (attraction)* and *hard power (compliance, giving orders, punishments and threats)* where Emotional Intelligence plays very important roll.<sup>31</sup>

Leadership itself can be defined as "*A process in which leader and follower interact in a way that enables the leader to influence the actions of the follower in a non-coercive way, towards the achievements of certain aims or objectives.*"<sup>32</sup>

Leadership is a territory, which belongs to leaders and its followers at the same time. However, within this territory leaders are the ones who have the responsibility for action and reaction, the ones who creates outlook and image of the territory. In order to be effective leader also must have a) integrity, b) vision c) competence d) confidence e) Contextual Intelligence f) Emotional Intelligence. To have *integrity* means to be trusted, to follow through on promises and show followers that you are the right person. To have a *vision* means that leader must know where he is going and why. *Competence* is a gift and intelligence necessary to understand the challenges facing its followers and knowing how to meet them. To have *confidence* means that leader can take decisions under all kind of circumstances and has the courage to stand by them.<sup>33</sup> "*Contextual intelligence*" ,as a term, become well known by the work of American Harvard University professor Joseph Nye Jr. during his research on

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<sup>30</sup> Mrs.Madlena Zepter during our interview on 03.04.2013 in Monte Carlo

<sup>31</sup>Mr. Joseph Nye,Jr. on interview which we took on 22.05.2013

<sup>32</sup> Ibid

<sup>33</sup> Mr. Philip Zepter,during our interview in April,2013

USA's foreign policy versus China, where he presented three ways of using powers; soft power, hard power and smart power. Later on, this term become related to the leadership in general. Contextual Intelligence is a diagnostic skill related with the intuition that helps leaders to align their tactics with their objectives, so that they get the smartest and most effective strategies in different situations.<sup>34</sup>

Leadership and **effective** leadership are different terms, which do not always apply for the completely same things. Every effective leader is always a leader, but not every leader can be the effective one:

*“There is a difference between leadership and successful leadership. It's in the way... Leadership involves management and organization of work in a system, successful leadership includes also results of it all: the effects of business and financial success and successful communication with people.”*<sup>35</sup>

Every situation where we have relationship, a process of interactions between two sides, where one side is a leader and other are followers can be called leadership. However, when one efficiently enables people, interacts with community members using emotional intelligence, or provides directional clarity toward a shared vision, constituents are much more likely to be internally motivated to excel and become committed to the group or organization. And here we can talk about effective leadership.

During my research, I also came to the findings that there is no just one perfect style of leadership. Different situations call for different styles of leadership, because it depends on a context of the situation.

Now-days, in contemporary 21<sup>st</sup> organizations, according to Daniel Goleman, Richard Boyatzis and Annie McKee, we observe six basic styles of leadership,<sup>36</sup>

- **The coercive style**
- **The authoritative style**
- **The affiliative style**
- **The democratic style**
- **The pacesetting style**
- **The coaching style**

*Coercive leaders* demand immediate compliance. *Authoritative leaders* mobilize people toward a vision. *Affiliative leaders* create emotional bonds and harmony. *Democratic leaders*

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<sup>34</sup> Joseph Nye, Jr. on interview which we took on 22.05.2013

<sup>35</sup> Madlena Zepter, durin our interview on 03/04/2013

<sup>36</sup> Goleman D, Boyatzis R, and McKee A (2004).

build consensus through participation. *Pacesetting leaders* expect excellence and self-direction, and *coaching leaders* develop people for the future.<sup>37</sup>

Goleman's research has shown that the more styles a leader has mastered- the better effectiveness leader achieves. In particular, being able to switch among the authoritative, affiliative, democratic, and coaching styles, as conditions dictate, creates the best organizational climate and optimizes business performance.<sup>38</sup>

The best leaders do not know just one style of leadership— they are skilled at several, and have the flexibility to switch between styles as the circumstances dictate. Goleman's research also discovered that each of these leaderships' styles makes use of the key components of emotional intelligence in different combinations. His findings highlighted the importance of Emotional Intelligence as the key component of effective leadership.

Emotional intelligence (EI) can generally be defined as a set of non-cognitive competencies that are linked to interpersonal effectiveness or "people skills" at work.<sup>39</sup> Furthermore, Emotional Intelligence is a way of recognizing, understanding, and choosing how we think, feel, and act. It shapes our interactions with others and our understanding of ourselves. It defines how and what we learn; it allows us to set priorities; it determines the majority of our daily actions. Research suggests it is responsible for as much as 80% of the "success" in our lives.<sup>40</sup>

It also means careful attention to other one's moods and exercising self-discipline that prevents personal psychological needs from taking over. It is the ability to control and regulate emotions of yourself and others.<sup>41</sup>

In 20<sup>th</sup> century, with the research of Daniel Goleman, research within the field of Emotional Intelligence in connection to Leadership Effectiveness has become extremely popular. That happened because implementing EI principles in leadership communications has shown effectiveness in leadership communication, an increase in workplace performance, and the creation of open and successful communication style within the organization.<sup>42</sup> Several studies performed by the late David McClelland show-surprising connections with emotional intelligence, strong performance and financial profits.

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<sup>37</sup> Goleman D, Boyatzis R, and McKee A (2004)

<sup>38</sup> Goleman, D. (2000),78(2),p.2-3

<sup>39</sup> Goleman, D. (1995)

<sup>40</sup> Dr. Regula Rapp, rector of Hochschule fuer Musik und darstellende Kunst,Stuttgart,an interview

<sup>41</sup> Dr. Joseph Nye Jr. interview

<sup>42</sup> Goleman, D. (2000),78(2)

Therefore, when people adapt the fundamental concepts of emotional intelligence; *self-awareness, self-management, social awareness and relationship management* to the leadership communication within an organization, they can improve communications and, hence, can clearly differentiate which attributes make an effective leader and which do not.<sup>43</sup>

## 1.2 Problem Statement

When we are talking about what makes an effective leader, we also need to take into account an impact that a leader has on work climate. “Climate” is a term first defined by psychologists George Litwin and Richard Stringer and later refined by McClelland and his colleagues. It refers to six key factors that influence an organization’s working environment: its *flexibility*—that is, how free employees feel to innovate unencumbered by red tape; their sense of *responsibility* to the organization; the level of *standards* that people set; the sense of accuracy about performance feedback and aptness of *rewards*; the clarity people have about mission and values; and finally, the level of *commitment* to a common purpose.<sup>44</sup>

Research on Emotional Intelligence in Organizations, researched by Rutgers University’s Graduate School of Applied Psychology in Piscataway, New Jersey and conducted by Daniel Goleman stated that there is a big impact of climate on financial results—such as return on sales, revenue growth, efficiency, and profitability—they found a direct correlation between the two.

Therefore, this paper will examine a hypothesis:

1.. *The success, business climate and the business performance of the company/organization is in the direct correlation with leadership style, where leaders who mastered four or more coaching styles can be perceived / marked as **an effective leaders**.*

Considering the continuous changes and challenges organizations face in today’s turbulent business environment, and the impact it has on the knowledge and skills required in those who lead, it has become necessary to include *emotions* in the daily operations of an organization. Hence, by conducting research within in the fields of the relevance of emotional intelligence for a

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<sup>43</sup> McClelland, D. (1973), p.28

<sup>44</sup> Litwin G.H, Stringer R.A.(1968)

leaders to be effective, and looking into smaller and larger case studies on emotional intelligence and leadership, my focus will be on investigating the other following hypothesis:

2. ***Emotional Intelligence*** is the key component of ***effective leadership***.

3. *The concept of **emotional intelligence** enhance a leader's sense of self and others, and thereby contribute into improving **communications** at the management level of organizations, and hence develop and amplify **workplace performance-work climate** in themselves, and those they lead.*

Emotional intelligence comprises self-awareness, self-regulation, motivation, empathy, and social skill. In the workplace, it is not just manifested as the ability to control your temper or get along with others, but it also means knowing your own and your colleagues' emotional makeup well enough to be able to guide people in the right directions for accomplishing company goals.

For decades, people have debated if leaders are born or made. As a result, the debate about emotional intelligence is raised; *can emotional intelligence be learned?*

In order to be able to consider and answer the problem statement, it is also necessary to investigate following hypothesis:

4. ***Emotional Intelligence*** is learnable competence, which requires certain percentage of inborn predispositions as a base, but it changes and develops through life experience and learning processes.

### **1.3 Theoretical Framework**

Main purpose of my research and my thesis is answering the question of what makes an effective leader, and how much is the concept of emotional intelligence relevant for the effective leadership.

In order to justify or prove that emotional intelligence is important and relevant in the field of effective leadership, my research strategy will be made of:

- Looking into and comparing some of the researches and case studies that are already performed by excellent scholars in the field of management communications (B.M.Bass, "Handbook of leadership: A Survey of Theory and Research; F.E.A.Fiedler, Theory of Leadership Effectiveness; The Hersey-Blanchard Situational Leadership Theory; Contemporary theories of Organizational Behavior by Katharine Miller (2000); The "I" of Leadership by Nigel Nicholson (2013); Daniel Goleman, Richard Boyatzis and Annie

McKee, *Primal Leadership* (2004) and others.

All included studies have one thing in common: they define effective leadership as a leadership where emotional intelligence represents key component.

There are three theories or models of emotional intelligence; Salovey and Mayor present the first one in 1997 as the *abilities model*.<sup>45</sup> The second one is presented by Daniel Goleman in 1998 and entitled as the *mixed model*. Later on, in 2002, it was adjusted.<sup>46</sup> The Soviet-born British psychologist Konstantin Vasily Petrides (“K. V. Petrides”) presented the third model of EI as the *Trait model*, where EI is considered as a personality trait and it s measured within personality framework.<sup>47</sup> Due to the page limitation and the fact, that Golemans’ mixed model is the most relevant to my research because it emphasizes *more* on how important emotional intelligence is for organizations and leadership, in my thesis the main accent will be on Goleman’s Mix Model of Emotional Intelligence and its relevance for effective leadership.

- Conducting a qualitative research using an interview as a tool with leaders and employees in the organizations, institutions and companies in Europe and USA. For the purpose of my research I conducted interviews with many great leaders (around 35 leaders), however for I choose to write in my Thesis an interview with following leaders, because their answers were the most interesting for my research:

Leader A; **Catherine Le Bris**; CEO and Artist Management Company and director of International Artist Managers' Association Limited, Paris/New York

Leader B: **Drasko Markovic**; Executive Director of human resources at Telecom Company, Belgrade, Serbia.

Leader C :**Madlena Zepter** ;CEO ,founder and owner of The Madlenianum Opera House and Theatre, The Madlena Zepter Fund ,The Zepter Gallery, Zepter Book World, Madl’ Art, Zepter Family Endowments, Museum Collection of Modern Art, Patronage – General sponsor of the Žensko Pero (Women’s Pen); Monaco/Paris/Belgrade

Leader D ;**Robert Benmosche** former CEO of “Metropolitan Life Insurance Company” a member of the board of “Credit Suisse AG” and CEO of American International Group; USA

Leader E; **Phillip Zepter**; founder and owner of Zepter International business company;

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<sup>45</sup>Salovey, P. and Meyer, J.D. (1997), p. 3-31.

<sup>46</sup> Goleman D, (2004), p.38

<sup>47</sup> Carr A.( 2013), p.152

Monaco/Paris/Belgrade

Leader F; **Miomir Zuzul**; Ambassador of the R.of Croatia at USA, founder, owner and director of Dubrovnik International University in Croatia; USA/Croatia

Leader G; **Dr.Regula Rapp**: Rector of the University of Music and Applied Arts in Stuttgart, Germany

Leader H; **Dragan Vucicevic**; general director of Sava Centre Cultural and Conference Hall, Belgrade, Serbia

Leader I; **Joseph Nye Jr.** ; American political scientist and former Dean of the John F. Kennedy School of Government at Harvard University, co-founder, of the international relations theory neoliberalism, fellow of the American Academy of Arts & Sciences and The British Academy. a member of the American Academy of Diplomacy and Chairman of the National Intelligence Council. He was also Assistant Secretary of Defense in Bill Clinton's administration. He has written and lectured extensively on the idea and usage of soft power, smart power and leadership; USA

Leader J; **Zoran Hamovic**; journalist, editor and director of Clio publishing House; Belgrade

All of these leaders have in common great biographies and effectiveness, which is measurable through effective and successful work of the organizations/companies they lead.

The motivation for my research is also to prove that, despite the many critiques of relevance of emotional intelligence in the field of leadership communications, the role of emotions in today's business environment is vital and much needed. Further, another motivation for this topic came from an observation of everyday living and working in Serbia. I noticed that Emotional Intelligence in Serbia is quite unfamiliar term-in theory and praxis, as well as a concept of *effective leadership*.

I concentrated my research on internal management theories, fulfilled and tested it with interviews with effective leaders in the different types of organizations, and overall divided it into four major areas of investigation. Starting out with a historical overview and looking into most significant theories and studies on how leadership- behavior and communication has developed over time (Early Leadership studies, Hawthorne, Maslow, and Hertzberg– Environment and Worker Needs theory, Behavioral Theory of Leadership Communication, Situational/Contingency Theory–The Circumstantial Focus , Transactional Leadership-Leader focus on Performance, *Transformational Leaders Focus on the Organization, The Servant Leader Focus on the Followers, concepts of soft, hard and smart power leadership* ),and

then moving on to how leadership effectiveness can be determined by using contemporary leadership theories from the field of Organizational Behavior and my research interview results. The first area constitutes the point of departure for the following major investigations. The second area of investigation includes the implications of emotional intelligence on leadership communications, and the most fundamental theories of emotional intelligence, mainly looking into the research of the Harvard Business Review co-author, Daniel Goleman and my own research-using interview with mentioned leaders. The third major area of investigation is the reality of emotional intelligence, and the implications it has on the organizational performance and the organization as a whole, with researching the hypothesis and running several smaller and larger case studies to justify my statements. The final aspect of my research is the concluding, with the discussion and perspective of the entire “journey” of my research and a set of recommendations for organizations and leaders in Serbia on how to involve some of these new practices in their functioning in order to improve their work climate.

All areas inter-relate with one another and provide input and justification in order to answer my problem statement. Examples are included to support theories and hypothesis and to provide credibility to my research.

## **1.4 Method and Structure**

As indicated in the theoretical framework, the thesis is structured into four major areas of investigation, each of significance and with the purpose of providing substantiation of the relevance of emotional intelligence in the field of management and leadership communications, and hence answering the problem statement. The paper is structured by deductive reasoning, as the conclusion or outcome of my investigations is a logical consequence of the premises I have set (problem statement). Several researchers’ perspectives in the field of leadership communications will be elaborated on in order to determine the characteristics of an effective leader in today’s business environment. This is done, to provide background information on the development of leadership communications, and to give an idea where it is today and where it should be going, which leads us to the heart of my thesis- *emotional intelligence*. To take my investigations to “the next level”, emotional intelligence is put into a leadership communication perspective, and into an organizational perspective.

When combining all the findings, it will then be possible to determine the relevance of

emotional intelligence in a leadership- and communication setting and what the outcomes of implanting EI competencies to this setting are. To challenge the findings even further, the thesis will cover how discoveries with emotional intelligence, *effective* leadership and organizational performance relate with one another, and how you can take the qualities of emotional intelligence competencies into other areas of your daily life.

## *Chapter 1*

### *The fundamentals of leadership*

#### **2.0 Historical Overview on Leadership Theory and Style**

*Before taking any journey, it's important to know where you've been, where you are, and which direction you're going" - unknown*

#### **2.1 Introduction**

Leadership has roots in the beginning of civilization. Egyptian rulers, Greek heroes, and biblical patriarchs all have one thing in common—leadership. There are numerous definitions and theories of leadership; however, there are enough similarities in the definitions to conclude that leadership is an effort of influence and the power to induce compliance.<sup>48</sup> Our work, work environment, the motivation to work, leaders, leadership, leadership style, and a myriad of other work-related variables have been studied for almost two centuries.

Like in all other fields of science, different theories and approaches have been developed concerning the evolvement of effective leadership. As an area of academic study, leadership and management are essentially products of the 20th century. However, the actual practice of leadership has been around for thousands of years.<sup>49</sup> After processing some of the literature, it seems the concept of determining effective leadership has shifted from a classical managerial view, which was entirely *task* oriented, into the human resource approach which combines both *task* and *people*, while adding *innovation* into the leadership communication style.<sup>50</sup> In the early 20th century, efficiency and increased productivity was in focus, this was the

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<sup>48</sup> Wren, T.J (1995), p.245-252

<sup>49</sup> Goleman D, (2004) , p.5-7

<sup>50</sup> Miller, K. (2006)

result of the classical managerial view at the time, which was solely task-oriented. Common for the classical theorists<sup>51</sup> is that all of them used the machine metaphor as a central guiding force in their theories. The characteristics of the machine were paralleled to those of an organization; *specialization, standardization, replaceability* and *predictability*.<sup>52</sup> It was Henry Fayol's belief that a leadership's job could be divided into five managerial functions, which were all essential to being a successful leader; *planning, organizing, command, control* and *coordination*. Bureaucracy and centralization are some of the key-words when taking a classical approach. As a result, the content, channel, and style of communication became work-related, written and formal, which leads to a top-down management, where authorities are highly respected and superior to subordinates.<sup>53</sup> The pros and cons for the classical theory are many. However, although this is one of the oldest approaches, it is still seen in some of today's organizations.<sup>54</sup> According to Miller (2006), the interpretation of effective leadership in classical management has influenced the way we practice and perceive leadership in today's business environment. A rather big development in the founding approaches is seen in the shift from classical to human relations theory. Similar to the classical, in human relations theory the focus is on the efficiency of production. However, the human relation studies are more an investigation of how changes in the work-environment impact on the productivity of the worker in order to maximize the organizational efficiency<sup>55</sup>. A great emphasis is placed on ways of motivating employees; *"The motivational effect of social needs and the importance of the social environment was recognized, and a link between satisfaction and productivity was advanced."*<sup>56</sup> Different from the classical and human approach, is the human resources approach, which is the most recent of the founding approaches. Whereas the two first approaches conceptualize workers within an organization, human resources approach focuses on the cognitive contributions that the individual employee makes with their thoughts and ideas.<sup>57</sup> The idea that employee behavior is a result of the style of management was advocated, and employees are valued and seen as assets who can contribute to organizational goals. Moreover, this resulted to a radical change in the communication style and direction flow.<sup>58</sup> According to Drucker (1990), leadership is about empowerment; he perceived employees as resources rather than simply costs, which are contrary to the classical leadership views. In

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<sup>51</sup> Henri Fayol, Max Weber and Frederick Taylor

<sup>52</sup> Morgan, G (2006) ,p.13

<sup>53</sup> Miller,K.(2006),p.p.16-17

<sup>54</sup> Miller,K.(2006),p.19

<sup>55</sup> Miller, K. (2006), p.26

<sup>56</sup> McKenna, A. (2000), p.11

<sup>57</sup> Miller, K. (2006),p.47

<sup>58</sup> Ibid

addition, in order to “understand and explain” organizational communication, three contemporary approaches also need briefly to be mentioned in this section. The contemporary approaches are system, cultural and critical, and they all exert substantial influence in the terms of how organizational communication is studied today.<sup>59</sup>

As we see a shift in management and leadership style since the classical management view was most dominant and perceived as most effective, the classical management style, as mentioned, is still visible and practiced effectively in many organizations in today’s corporate society. The shift is most evident in the way the employee is perceived and valued, and, also, how power is distributed within the organization.<sup>60</sup> History shows that every workplace is unique, every group of people is unique, and every manager has his or her work cut out for him or her in determining what works best for business improvement. Furthermore, researches conducted throughout the 20th century also helped prove the old maxim “*management seeks efficiency; workers seek motivation.*”<sup>61</sup> It is important to understand the evolution of management because management problems remain mostly the same over time. While value systems and perspectives may have changed, experts have gained a better understanding of what motivates employees, and creates thriving work environments<sup>62</sup>. Understanding some of the general approaches and theories on how leadership has evolved over time is necessary in order to be able to recognize where it stands today, and where it appears to be heading.

## 2.2. Early leadership studies

There are various and numerous definitions of what effective leadership is, and which attributes a successful, effective leader has or should encompass. Most of that definition has pro and contra arguments. One definition of leadership by Catherine Le Bris, a director of International Artist Managers' Association Limited, Paris/New York, is ; “*Leader is the one who has followers...*”<sup>63</sup> On the other hand, some researchers who have studied leadership in organized settings tend to state that people endowed with authority are leaders.

Therefore, supervisors and managers can be called leaders. Alternatively, as Mr. Drazen Siriscevic, director of Vatroslav Lisinski hall in Zagreb, suggests; “*Leadership is the art of getting someone to do something you want done because he wants to do it*”.<sup>64</sup> However, this

<sup>59</sup> Miller, K. (2006), p.69

<sup>60</sup> Ibid

<sup>61</sup> <http://web.ebscohost.com/www.baser.dk/ehost/pdfviewer/pdfviewer?vid=7&hid=101&sid=460d8bcc-da04-4f16-9440-3bdb63a94be9%40sessionmgr111>

<sup>62</sup> <http://web.ebscohost.com/www.baser.dk/ehost/pdfviewer/pdfviewer?vid=7&hid=101&sid=460d8bcc-da04-4f16-9440-3bdb63a94be9%40sessionmgr111>

<sup>63</sup> An interview with Catherine Le Bris was taken on May, 2013

<sup>64</sup> An interview with Mr. Siriscevic, taken in Zagreb in May, 2013

definition implies manipulation, which is not considered a positive attitude for leaders. The concept of leadership is about getting people to do things willingly, influencing, and inspiring others to follow you. Leadership in this sense can be defined as; *“A process in which leader and follower interact in a way that enables the leader to influence the actions of the follower in a non-coercive way, towards the achievements of certain aims or objectives”*.<sup>65</sup> It is important to mention that many theories of leadership are concerned with managerial influence, and the terms “leadership” and “management” are sometimes used interchangeably.<sup>66</sup> However, some academics can see differences between management and leadership. Kotter (1990) felt that; *“leadership and management are two distinctive and complementary systems, each having its own function and its own characteristic activities, but both are necessary for the management of complex organizations”*.<sup>67</sup> Management is about planning, controlling, and putting appropriate structures and systems in place, whereas leadership has more to do with anticipating change, coping with change, and adopting a visionary stance (ibid). In essence, leadership is an agency of change, and could entail inspiring others to do more than they would otherwise have done, or were doing. By contrast, management is a force more preoccupied with planning, coordinating, supervising, and controlling routine activity, which of course can be done in an inspired way. Effective leaders always bring changes and solution for the situations, they shape and influence surroundings in a way that improve their surroundings and followers. Managers in order to be effective do not have to do that. Their effectiveness can be seen in the fact how effective they fulfill their tasks regarding planning, coordinating and controlling routine activity of the organization. However, as mentioned, for some scholars, there is no difference between the two, while other theorists state the contrary. The essence is to keep in mind the different opinions on leadership and management, and the various definitions of leadership when looking into leadership theories.

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<sup>65</sup> Meyer, D. (2007)

<sup>66</sup> McKenna, A. (2000), p.353-354

<sup>67</sup> McKenna, A. (2000), p. 353

### 2.2.1. Weber's Theory of Bureaucracy

The Industrial Revolution<sup>68</sup> shifted world's economy from an agriculture base to an industrial one. Thereby, it ushered in a change in how leaders would treat their followers. The Industrial Revolution created a paradigm shift to a new theory of leadership in which "common" people gained power by virtue of their skills.<sup>69</sup> New technology, however, was accompanied and reinforced by mechanization of human thought and action, thus creating hierarchical bureaucracies.<sup>70</sup> Max Weber, a German sociologist observed the parallels between the mechanization of industry and the proliferation of bureaucratic forms of organization"<sup>71</sup> and with this study he gave a major contribution to this era of management and leadership theory.

By the Weber's theory of bureaucracy, organizations are designed and operated, as they were machines. What does it mean? That means that *bureaucratic form of organizations* have business managers or public administrators who tend to manage and design them as machines made up of interlocking parts that each play a clearly defined role in the functioning of the whole organization.<sup>72</sup> The fundamental characteristics of Weber's bureaucracy were: 1) The division of labor and authority and responsibility were clearly defined for each member and were legitimized as official duties. 2) Offices or positions were organized in a hierarchy of authority resulting in a chain of command or the scalar principle. 3) All organizational members were selected based on technical qualifications through formal examinations or by virtue of training or education. 4) Officials were appointed, not elected. (With the exception in some cases of the chief of the whole unit, for example, an elected public official). 5) Administrative officials worked for fixed salaries and were career officials. 6) Administrative officials were not owners of the units they administered. 7) Administrators were subject to strict rules, discipline, and controls regarding the conduct of their official duties.<sup>73</sup> These rules and control were impersonal and uniformly applied in all cases.<sup>74</sup>

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<sup>68</sup> The Industrial Revolution was the transition to new manufacturing processes that occurred in the period from about 1760 to sometime between 1820 and 1840, according to various historians. This transition included going from hand production methods to machines, new chemical manufacturing and iron production processes, improved efficiency of waterpower, the increasing use of steam power and development of machine tools. The transition also included the change from wood and other bio-fuels to coal. Some of these innovations were revolution mechanical while others were based on applications of science and experimentation. The Industrial began in Britain and within a few decades spread to Western Europe and the United States.

<sup>69</sup> Clawson, J.G (1999)

<sup>70</sup> Morgan, G. (1997)

<sup>71</sup> Ibid, p.17

<sup>72</sup> Weber, M. (1990)

<sup>73</sup> Wren, J.T. ((1994, 1961).

<sup>74</sup> Ibid

Within this bureaucratic form of organizations, the answer for the effective management is the one that is based on the management by the office or position, rather than by a person or patrimonial management.<sup>75</sup>

To Weber, bureaucracy was an ideal form of organizations that would be perfectly rational and would provide maximum efficiency of operation.<sup>76</sup>

Weber's theory of bureaucratic organizations had its followers. Perrow (1972) explained that these bureaucratic approaches to organization work well only under conditions where machines work well. These conditions are:

- 1) When there is a straightforward task to perform,
- 2) When the environment is stable enough to ensure that the products produced will be appropriate ones
- 3) When one wishes to produce exactly the same product repeatedly
- 4) When precision is at a premium
- 5) When the human machine parts are complaint and behave as they have been designed to do

<sup>77</sup>

Robbins (2003)<sup>78</sup> stated: *“bureaucracy is still alive and well and is still one of the most efficient ways to organize management activities under certain circumstances and environments”*. Robbins also gave an example of some organizations in the fast-food industry (for instance the McDonald's hamburger chain) which have had spectacular success using the bureaucratic model, because these conditions are all fulfilled. According to him, organizations where precision, safety, and clear accountability are at a premium (for example: finance offices, courier firms, surgical wards, manufacturing, service firms, hospitals, schools and colleges, the military, etc.) are also able to implement bureaucratic approach successfully, at least in certain aspects of their operations.<sup>79</sup>

On the other hand, various authors (Merton, 1940; Selznick, 1949; Gouldner, 1954; Thompson, 1961; Halal, 1996; Bennis, 1966; Pinchot, 1994; Kotter, 1996 etc.) highlighted that changing circumstances call for different kinds of action and response and bureaucratic organizations have great difficulty adapting to changing circumstances because they are designed to achieve in advance determined goals, they are not designed for innovation.

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<sup>75</sup> Weber, M (1947)

<sup>76</sup> Weber, M (1990), p.p.3-151

<sup>77</sup> Perrow, Ch. (1972), p.p.40-441

<sup>78</sup> Robbins, S.P. (2003)

<sup>79</sup> Robinson, S.P (2003), p.444

In addition, also one of the important set of problems relates to human aspects of the organizations. Bureaucratic approach tends to limit development of human capacities and to mold human beings to fit the requirements of bureaucratic organization, instead of using strengths and potentials of its human capacities for building the organization.<sup>80</sup>

So, in this arrangement both sides- employees and organizations- lose; employees lose opportunities for personal growth and neither value nor enjoy their work, while organizations lose the creative and intelligent contributions that most employees are capable to give if given the right opportunities.<sup>81</sup>

It is also important to notice that Weber himself was not a manager but a theorist and his model of ideal organization was hypothetical rather than a factual description of how an ideal organization should be structured. Weber attempted to describe one type of ideal organization for the purpose of theoretical analysis.

My personal opinion is although Webber's' theory of bureaucratic organizations in today's complex and intelligence-intensive world economy is becoming incompatible with high performance, it represents a good conceptual foundation from which further contemporary theories of leadership have grown.

### **2.2.2 Classical management theory and scientific management**

Weber's interest in bureaucracy affected theorists who set the stage for what is now known as "*classical management theory*" and "*scientific management*."

Inspired by Weber, *Henri Fayol*- classical theorist and a staunch advocate of bureaucratization, devoted his energy to identify methods through which this kind of organizational structure could be achieved.<sup>82</sup>

*Henri Fayol's classical management theory* complemented nicely the bureaucratic superstructure described by Weber. He focuses on the personal duties of management at a much more granular level than Weber did. While Weber set out principles for an ideal bureaucratic organization, Fayol's work was more concentrated at the management functions within the organization.

Fayol believed that management have five principle roles:

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<sup>80</sup> Mintzberg,H. (1993),p.p.176-182

<sup>81</sup> Ibid

<sup>82</sup> Bass,B.M (1990); Morgan,G. (1997)

- 1. Planning-** Examining the future and drawing up a plan of action. The Elements of strategy
- 2.Organizing-**development of the institution's material and human resources. Building up the structure, both material and human, of the undertaking
- 3.Commanding-** Maintaining the activity among the personnel
- 4.Coordinating-** alignment and harmonization of the groups' efforts
- 5.Controlling-**taking responsibility that all of the above mentioned activities were performed in accordance with appropriate rules and procedures, seeing that everything occurs in conformity with established rule and expressed command.<sup>83</sup>

Fayol also developed fourteen principles of administration (see Table 1) to go along with management's five primary roles.

These principles were intended to show managers how to carry out their functional duties.<sup>84</sup>

Fayol's elements and principles have withstood the test of time because of their widespread applicability. These functions can still be found in almost all management texts, as Carroll and Gillen put it:

*“The classical functions still represent the most useful way of conceptualizing the manager's job, especially for management education, and perhaps this is why it is still the most favored description of managerial work in current management textbooks. The classical functions provide clear and discrete methods of classifying the thousands of different activities that managers carry out and the techniques they use in terms of the functions they perform for the achievement of organizational goals.”<sup>85</sup>*

The final two principles, *initiative* and *esprit de corps*, show a difference between Fayol's and Weber's concept of an ideal organization. Weber described completely impersonal organization with little human level interaction between its members. Fayol believed that important part of an “ideal” organization is *personal effort* and *team dynamics*.<sup>86</sup>

Opposite to Weber, Fayol was not only primarily a theorist, but firstly a successful senior manager who wanted to bring order to his personal experiences. His five principle roles of management are still actively practiced today.

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<sup>83</sup> Fayol,H. (1949,1987)

<sup>84</sup> Kreitner,R. (2001)

<sup>85</sup> Carroll ,S.and Gillen ,J.D (1987), p. 48

<sup>86</sup> Fayol,H (1949,1987)

**Table 1. The 14 Management Principles from Henri Fayol (1841-1925)<sup>87</sup>**

1. <b>Division of Work.</b> Specialization allows the individual to build up experience, and to continuously improve his skills. Thereby he can be more productive.
2. <b>Authority.</b> The right to issue commands, along with which must go the balanced responsibility for its function.
3. <b>Discipline.</b> Employees must obey, but this is two-sided: employees will only obey orders if management plays their part by providing good leadership.
4. <b>Unity of Command.</b> Each worker should have only one boss with no other conflicting lines of command
5. <b>Unity of Direction.</b> People engaged in the same kind of activities must have the same objectives in a single plan. This is essential to ensure unity and coordination in the enterprise. Unity of command does not exist without unity of direction but does not necessarily flow from it.
6. <b>Subordination of individual interest</b> (to the general interest). Management must see that the goals of the firm are always paramount.
7. <b>Remuneration.</b> Payment is an important motivator although by analyzing a number of possibilities, Fayol points out that there is no such thing as a perfect system.
8. <b>Centralization</b> (or Decentralization). This is a matter of degree depending on the condition of the business and the quality of its personnel
9. <b>Scalar chain</b> (Line of Authority). A hierarchy is necessary for unity of direction. But lateral communication is also fundamental, as long as superiors know that such communication is taking place. Scalar chain refers to the number of levels in the hierarchy from the ultimate authority to the lowest level in the organization. It should not be over-stretched and consist of too-many levels.
10. <b>Order.</b> Both material order and social order are necessary. The former minimizes lost time and useless handling of materials. The latter is achieved through organization and selection.
11. <b>Equity.</b> In running a business, a ‘combination of kindness and justice’ is needed. Treating employees well is important to achieve equity.
12. <b>Stability of Tenure of Personnel.</b> Employees work better if job security and career progress are assured to them. An insecure tenure and a high rate of employee turnover will affect the organization adversely.
13. <b>Initiative.</b> Allowing all personnel to show their initiative in some way is a source of strength for the organization. Even though it may well involve a sacrifice of ‘personal vanity’ on the part of many managers.
14. <b>Esprit de Corps.</b> Management must foster the morale of its employees. Fayol further suggests that: “real talent is needed to coordinate effort, encourage keenness, use each person’s abilities, and reward each one’s merit without arousing possible jealousies and disturbing harmonious relations.”

*Frederick Taylor*, in the late nineteenth and early twentieth centuries, with his theories of **Scientific Management**, started the era of modern management.

Taylor was the epitome of the self-made man. In his early life, he had problems with his eyes, which prevented him from going to Harvard University so instead he went to work as a common laborer in a small machine shop. He later became a manufacturing manager and eventually became a consultant and taught other managers how to use his techniques.

It was Taylor’s believe that the production process would become more efficient if the amount

<sup>87</sup><http://mgmtfunda.com/principles-of-management/#>

of time and effort to produce a unit of output could be reduced by increasing job specialization.<sup>88</sup>

Based on his findings, in 1911, Taylor published his “The Principles of scientific management” where he described *four principles of scientific management*. Application of these scientific methods on the workers, according to Taylor, improves productivity of the organization by increasing efficiency and wages of the workers. These four principles are:

**1. Principle 1: *The development of a true science*:** Study the way workers perform their tasks, gather all the informal job knowledge that workers possess, and experiment with ways of improving how tasks are performed. Taylor studied and measured in great deal the way different workers went about performing their tasks to discover the best method of completing a task. One of the main tools he used was a time-and-motion study, which involves the careful timing and recording of the actions taken to perform particular tasks. Once Taylor understood the existing methods of performing a task, he made experiments in order to increase specialization.

**2. Principle 2 *The scientific selection of the worker and his progressive development*:** Codify the new methods of performing tasks into written rules and standard operating procedures. Once the best method of performing a task was determined, Taylor specified that it should be recorded so that the procedure could be taught to all workers performing the same task. By standardizing and simplifying jobs further, the efficiency would be increased throughout an organization.

**3. Principle 3 *The scientific education and development of the worker*:** Carefully select workers who possess skills and abilities that match the needs of the task, and train them to perform the task according to the established rules and procedures. Taylor believed that workers had to understand the tasks that were required of them in order to increase specialization. It was his believe that they needed to be trained to perform a task at an optimum level. Workers who could not be trained to this level were to be transferred to a job where they were able to reach the minimum required level.

**4. Principle 4 *Intimate and friendly cooperation between the management and the men*** Establish a fair or acceptable level of performance for a task, and then develop a pay system that provides a reward for performance above the acceptable level. To encourage workers to perform at a higher level of efficiency, Taylor wanted workers to benefit from any gains in

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<sup>88</sup> Meyer et al.(2007)

performance. He provided them with an incentive to reveal the most efficient techniques for performing a task. They should receive bonuses and some percentage of the performance gains achieved through the more efficient work process.<sup>89</sup>

The system of scientific management had, rapidly, become nationally known in the United States and was fully practiced. Among the many that followed Taylor's example, Frank and Lillian Gilbreth and Henry L. Gantt stand out. Frank and Lillian Gilbreth were really inspired by Taylor's time-and-motion studies. They turned motion studies into an exact science. In doing so, they pioneered the use of motion pictures for studying and streamlining work motions. Henry L. Gantt contributed to scientific management by refining production control and cost-control techniques. He also humanized Taylor's differential piece-rate system by combining a guaranteed day rate, or a minimum wage, with an above-standard bonus. Gantt was ahead of his time in emphasizing the importance of the human factor and in urging management to concentrate on service rather than profits.<sup>90</sup> Here is where the researchers first started to think of the importance of the human mind.

Basic difference between *classical management theory* and *scientific management theory* was that classical theorists focused on the design of the total organization while scientific managers focused on the systematic management of individual jobs.

Although the classical and scientific approaches were different, the goals were similar—organizations are rational systems and must operate in the most efficient manner possible to achieve the highest level of productivity.<sup>91</sup> Both theories relied on the machine metaphor with a heavy emphasis on mechanization of jobs, which undermined the human aspect of the organization and failed to recognize organizations as complex organisms.

### **2.2.3 Hawthorne, Maslow, and Herzberg—Environment and Worker Needs**

Many organizational researches during this era focused on investigating how to overcome the perceived shortcomings of the classical and scientific schools of management. From this researches and investigations new theories of organizations and leadership began to emerge, based on the idea that individuals operate most effectively when their needs are satisfied.

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<sup>89</sup> Taylor, F.W (1911, 2007)

<sup>90</sup> Kreitner, R (2001)

<sup>91</sup> Morgan, G (2007)

The following chapter will describe evolution of leadership and management communication, which was previously, as we can see in previous chapters, entirely organizationally and mechanically oriented with no human nor emotional aspect in its communication. George Elton Mayo's work (1880-1949) highlighted the importance of communication between management and workers and identified the now-accepted notion that work-satisfaction, and therefore productivity, lies in recognition, security, and a sense of belonging, rather than monetary rewards. His work also opened a door for the notion of Emotional Intelligence, as very important part of successful, contemporary leadership and management communication theories.

### **2.2.3.1 Elton Mayo and the Hawthorne Experiments**

George Elton Mayo, an Australian, was a lecturer at the University of Queensland. In 1923 he decided to move to the University of Pennsylvania in America and then to the Harvard Business School in 1926 where he became professor of industrial research. After his experimental work on employee motivation from 1927 to 1932, at the Western Electric Hawthorne Works in Cicero, Illinois (a suburb of Chicago) <sup>92</sup>, he became one of the best-known management theorists in the world.

His experiments took place at The Hawthorne Works of the Western Electric Company in Chicago and that is why they are often referred to as the Hawthorne experiments or Hawthorne studies <sup>93</sup>.

Over the course of five years, Mayo's team altered the female worker's working conditions and monitored how these change in their working conditions affected the workers morale and productivity. Throughout the series of experiments, one of Mayo's team members was in the same room with the girls as they worked, keeping them up-to-date with the experiment, asking for clarification, and listening to their views. Each time at the beginning of the experiment, Mayo's team member would carefully introduce controlled changes to female workers.

The changes in working conditions included changes in working hours, rest breaks, lighting, humidity, and temperature.

After analyzing the results from these experiments Mayo concluded that people are not motivated only by self-interest, they did not go to work only for money and a living. Work

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<sup>92</sup>[http://en.wikipedia.org/wiki/Elton\\_Mayo](http://en.wikipedia.org/wiki/Elton_Mayo)

<sup>93</sup>[http://www.accel-team.com/motivation/hawthorne\\_02.html](http://www.accel-team.com/motivation/hawthorne_02.html)

was much more.

He concluded that:

### **1. Work is a Group Activity**

Work is firstly a *group activity* in which other people and their behavior, they colleagues, managers or observers, affected how well people worked.

### **2. Recognize Workers**

People's morale and productivity were affected not so much by the conditions in which they worked but by the *recognition, they* received.

### **3. Interest in Workers**

The rises in productivity in the Relay Assembly Room were achieved under the *interested eye* of the observers not because the conditions made the workers feel good but because the workers felt valued.

### **4. Psychological Contract**

The worker perfectly understands without written contract with an employer what is expected from them. Mayo called this unwritten contract- *Psychological Contract*

### **5. Social Aspect of Work**

The social world of the adult is primarily patterned about work activity. The worker is a person whose attitudes and effectiveness are conditioned by social demands from both inside and outside the work plant.

### **6. Communication**

The communication between workers and management influences workers' morale and productivity. Workers are motivated through a good working relationship with management. The relationship between the worker and his supervisor and between members of a group was found to be more significant. This finding influenced many researchers to turn their attention to managerial behavior and leadership. If managers could be taught how to behave and how to motivate their employees then productivity could be increased.<sup>94</sup>

From this view emerged the human relations movement, which advocated that managers should be behaviorally trained to manage their employees in order to increase their co-operation and consequently, productivity would increase.

One of the main assumptions of the Hawthorne studies was that the behavior of leaders, managers and workers in the work place is as important in explaining the level of performance as the technical aspects of the task. It is very important for managers and leaders

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<sup>94</sup> Kreitner,R.(2001)

to understand how the informal organizations works, i.e. the system of behavioral rules and norms that emerges in a group when they try to change behavior in an organization. The Hawthorne studies demonstrated the importance of understanding how feelings, thoughts and behavior of group members and managers affected performance. With these studies, it was becoming clear to researchers that understanding behavior in organizations was critical so that performance could be increased.<sup>95</sup>

The increasing interest in the management style known as *organizational behavior* dates back to these early studies. *Organizational behavior* is a modern approach to management that attempts to determine the causes of human work behavior and translate the results into effective management and leadership techniques. It has had a significant impact on modern leadership thoughts by helping to explain why employees behave as they do. Above all else, this approach has made it clear that people are the key to productivity, that technology, work rules and standards do not guarantee good job performance; instead, success depends on motivated and skilled individuals who are committed to organizational goals.

### **2.2.3.2 Abraham Maslows' Hierarchy of Needs**

Following the new opened ideas and theories that deal and explore the relevance of human aspect of the organizations, Abraham Maslow (1908-1970), an American psychologist, PhD, born in New York, made research concerning the responsibility of employers to provide a workplace environment that encourages and enables employees to fulfill their own unique potential (self-actualization). His work was revealed in his book “Motivation and Personality”, published in 1954 (second edition 1970) where he introduced *the Hierarchy of Needs*. Further, Maslow extended his ideas in other work, notably his later book “Toward a Psychology of Being”, which represents a significant and relevant commentary work, revised in recent times by Richard Lowry, who is in his own right a leading academic in the field of motivational psychology.

According to Maslow, every human being is motivated by needs. Our most basic needs are inborn needs, which have evolved over tens of thousands of years.<sup>96</sup> .Abraham Maslow's Hierarchy of Needs helps to explain how these needs motivate us all. Maslow suggested that

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<sup>95</sup> Carey,A.(1967), p.p 403-416

<sup>96</sup> Maslow,A. (1943,1970)

there are five sets of goals, which may be called *basic needs*:<sup>97</sup>

- psychological
- safety
- social needs: belongings and need for love
- esteem
- self actualization or self-fulfillment

Man's basic needs are physiological, for example, hunger, thirst, sleep, need for air etc. When physiological needs are met, man's attention turns to safety and security needs in order to be free from the threat of physical and emotional harm. Safety and security needs might be fulfilled by living in a safe area, job security, medical insurance, financial reserves etc.

Once a person has met the lower level physiological and safety needs, higher level needs (social needs, esteem and self-actualization) become important, the first of which are social needs. Social needs are those related to interaction with other people and may include a need to give and receive love, need for friends, need for belonging etc.<sup>98</sup>

Once a person satisfied social needs, for example *need for belonging*, a higher need-need to feel important arises. Those higher, *esteem needs*, may be classified as internal or external. Internal esteem needs are those related to self-esteem such as self-respect and achievement. External esteem needs are those such as social status and recognition. Some esteem needs are self-respect, achievement, attention recognition and reputation. <sup>99</sup>

Later on, Maslow refined his model to include a level between esteem needs and self-actualization: the need for knowledge and aesthetics.

Self-actualization is the summit of Maslow's hierarchy of needs. It is the quest and the answer of reaching one's full potential as a person. Unlike lower level needs, this need is never fully satisfied; as one grows psychologically there are always new opportunities which enables person's grow to continue. Self-actualized people tend to have needs such as meaning, the truth, justice and wisdom. According to Maslow, only a small percentage of the population reaches the level of self-actualization.

With his theory, Maslow suggested some of the important implications for managers how to motivate employees through management style, job design, company events, and compensation packages. Some examples are:

- *Physiological needs*: Provide lunch breaks, rest breaks, and wages that are

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<sup>97</sup> Ibid

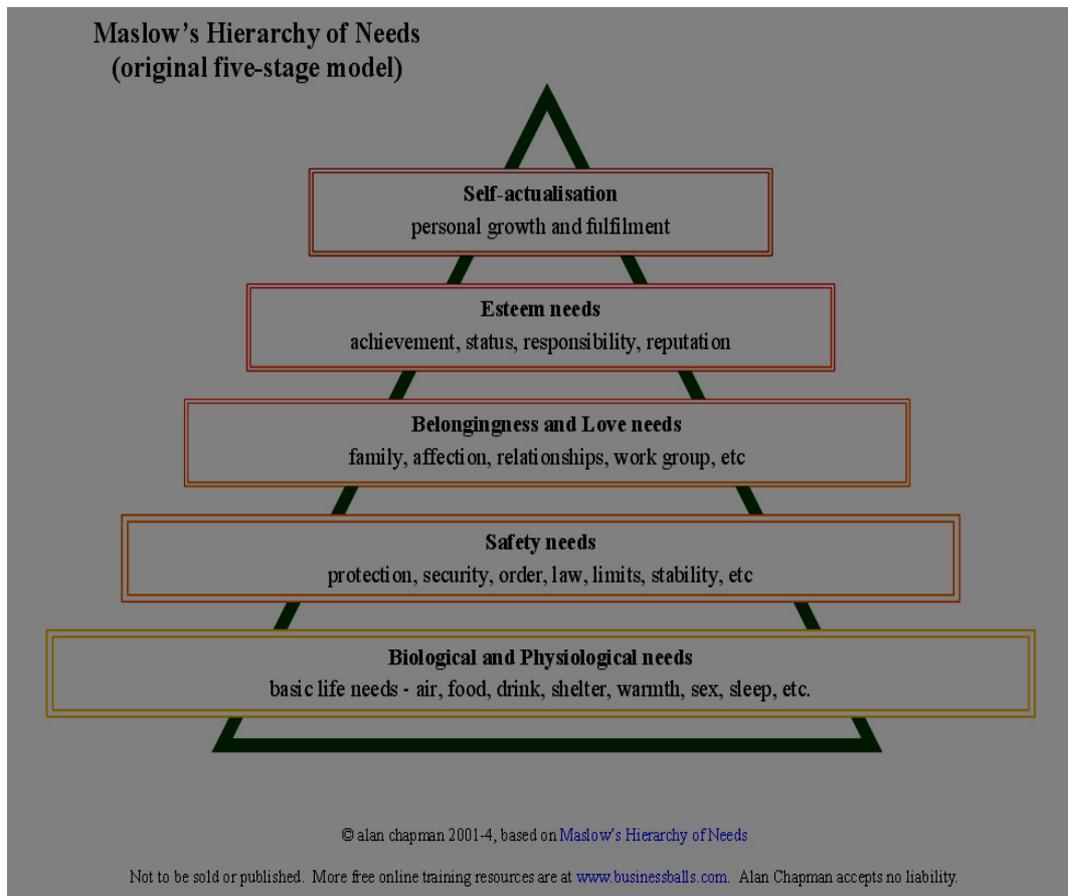
<sup>98</sup> Maslow,A.(1943)

<sup>99</sup> Ibid

sufficient to purchase the essentials of life.

- *Safety Needs*: Provide a safe working environment, retirement benefits, and job security.
- *Social Needs*: Create a sense of community via team-based projects and social events.
- *Esteem Needs*: Recognize achievements to make employees feel appreciated and valued.  
Offer job titles that convey the importance of the position.
- *Self-Actualization*: Provide employees a challenge and the opportunity to reach their full career potential.<sup>100</sup>

### Appendix 1: Maslow's Hierarchy of Needs <sup>101</sup>



It is also important to mention that not all the people are motivated by the same needs - at any time different people may be motivated by entirely different factors. Therefore, successful manager must be able to recognize the level of needs at which the employee is operating, and use those needs as levers of motivation.<sup>102</sup>

<sup>100</sup> Huizinga, G. (1970)

<sup>101</sup> <http://www.tuncalik.com/2009/09/improving-well-being-through-mind-manipulation-motorboats-versus-sailboats/>

<sup>102</sup> Huizinga, G. (1970)

Although Maslow's theory is well known and represents the first theory of motivation to which many people are exposed, there is little empirical evidence to support its hierarchical aspect. There is evidence that contradicts the order of needs specified by the model such as different cultures place needs within different order, putting, for example, social needs before any others. Maslow's hierarchy also has difficulty explaining cases such as the "starving artist" in which a person neglects lower needs in pursuit of higher ones. Finally, there is little evidence to suggest that people are motivated to satisfy only one need level at a time, except in situations where there is a conflict between needs.<sup>103</sup>

### 2.2.3.3 Frederic Herzberg and Motivation-Hygiene Theory

**Frederick Irving Herzberg** (April 18, 1923 – January 19, 2000) was an American psychologist who became one of the most influential names in business management. His *Motivation-Hygiene Theory*, also known as *The two-factor Theory* (1966) furthered the work of Maslow by providing insights into the goals and incentives that tend to satisfy a worker's needs.

In 1959, Herzberg published his analysis of the feelings of 200 engineers and accountants from over nine companies in the United States. These professionals were asked to describe experiences in which they felt either extremely bad or exceptionally good about their jobs and to rate their feelings on these experiences. Responses about good feelings are generally related to job content (motivators), whereas responses about bad feelings are associated with job context (hygiene factor). He concluded that such factors as *company policy, supervision, interpersonal relations, working conditions, and salary* are *hygiene factors* rather than *motivators*. According to the theory, the absence of *hygiene factors* can create job dissatisfaction, but their presence does not motivate or create satisfaction.<sup>104</sup> In contrast, he determined from the data that the *motivators* were elements that are related to a person's job; he found *five factors* in particular that were strong *determiners of job satisfaction: achievement, recognition, the work itself, responsibility, and advancement*. These motivators (satisfies) were associated with *long-term* positive effects in job performance, while the hygiene factors (dissatisfies) consistently produced only *short-term* changes in job attitudes and performance, which quickly fell back to its previous level. To be precise, *satisfiers* describe a worker's relationship with what she or he does, many related to the tasks being

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<sup>103</sup> <http://www.netmba.com/mgmt/ob/motivation/maslow/>

<sup>104</sup> Herzberg, F. (1966)

performed. *Dissatisfies*, on the other hand, have to do with a worker's *relationship to the context or environment* in which she or he performs the job. “*The satisfiers relate to what a worker does while the dissatisfies relate to the situation in which the person does what he or she does*”.<sup>105</sup>

Many other researchers, who showed very different results, tested the motivation-hygiene Theory. Some research has shown that some of the factors declared by Herzberg (1966) as hygiene factors are actually motivators. The results of Herzberg's theory also varied when the tests were conducted in different industries. The differences are due to the intensity of the labor requirement and the duration of employment.<sup>106</sup> However, despite all the criticism, Herzberg's *Motivation-Hygiene Theory* recognized that true motivation for workers comes from within the person and not from the external factors, which he named hygiene factors.

## **2.2.4 The Shift to Behavioral Factors**

Furthermore, focus of the management and leadership theorists and leaders had moved to investigating the relationship between a leader's actions and the follower's satisfaction and productivity. Theorists began to consider behavioral concepts in their analysis of organizational leadership. The theorists of this age claimed, “The real power centers within an organization were the interpersonal relationships that developed among working groups.”<sup>107</sup> These new theories of organizations and leadership were based on the idea that individuals operate most effectively when their needs are satisfied. Additionally, when this happens they are more likely to increase their productivity, which in turn influences the organization's bottom line.<sup>108</sup>

### **2.2.4.1 Douglas McGregor's Theory X and Theory Y**

Douglas Murray McGregor (1906 –1964) was a Management professor at the *MIT Sloan School of Management* and *president of Antioch College (1948 -1954)*.

In 1960, he published a book *The Human Side of Enterprise* where he identified an approach of how to create an environment within which employees are motivated via authoritative,

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<sup>105</sup>Gawel, Joseph E. (1997 )

<sup>106</sup> Nave J.H. (1968) p.96

<sup>107</sup> Hersey,P., Blanchard, K.H.& Johnson, D.E.(1996), p. 100

<sup>108</sup> Ibid

direction and control or integration and self-control. This approach is known as Theories of human motivation -Theory X and Theory Y (Douglas McGregor, *The human side of enterprise* article, 1957).

According to McGregor, the traditional organizations are based on certain assumptions about human nature and human motivation. He named these assumptions **Theory X** and **Theory Y**.

**Theory X** says that the average human being is lazy and self-centered, lacks ambition, indifferent to organizational needs, resistant to change and longs to be told what to do.

Accompanying the *Theory X* is the belief that people are motivated by money, fringe benefits, and the threat of punishment. Managers who espouse Theory X assumptions, attempt to structure, control, and closely supervise employees.<sup>109</sup> Although McGregor himself questioned whether Theory X was an accurate view of human nature, the assumptions persisted for a long time in leadership theory circles because it explained *some*, though not all, of human behavior within organizations.<sup>110</sup> Furthermore, McGregor (1960) believed that management needed practices based on a more accurate understanding of human nature and motivation. The result was *Theory Y*, which maintains that human beings are active rather than passive shapers of themselves and of their environment. They long to *grow and assume responsibility*. *The best way to manage them, then, is to manage as little as possible. Give them water and let them bloom*, say the Y-types, *therefore, an essential task of management is to unleash this potential*.<sup>111</sup>

With Theory X and Y as guides, management and leadership have a range of possibilities between these two extremes in accomplishing their tasks.

Theory X and Y are two extreme theories of human behavior. According to these theories as guide, there are two also extreme leadership and management approaches for directing human (workers) behavior. The first method can be “hard” or “strong.” This method involves coercion and threat (usually disguised), closes supervision and tight controls over behavior (ibid). At the other extreme, management can be “soft” or “weak.” This method for directing workers behavior involves being permissive, satisfying people’s demands, achieving harmony.<sup>112</sup>

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<sup>109</sup> McGregor, D. (1960)

<sup>110</sup> Pugh, D.J. & Hickson, D.J. (1993).

<sup>111</sup> McGregor, D. (1957), p.28

<sup>112</sup> McGregor, D. (1957)

**Table 2 Assumptions about Human Nature that Underlie McGregor’s Theory X and Theory Y<sup>113</sup>**

<b>THEORY X</b>	<b>THEORY Y</b>
1. Work is inherently distasteful to most people.	1. Work is as natural as play, if the conditions are favorable
2. Most people are not ambitious, have little desire for responsibility, and prefer to be directed.	2. Self-control is often indispensable in achieving organizational goals.
3. Most people have little capacity for creativity in solving organizational problems.	3. The capacity for creativity in solving organizational problems is widely distributed in the population
4. Motivation occurs only at the physiological and security levels.	4. Motivation occurs at the social, esteem, and self-actualization levels, as well as at the physiological and security levels.
5. Most people must be closely controlled and often coerced to achieve organizational objectives.	5. People can be self-directed and creative at work if properly motivated.

*Source: Hersey, Blanchard, & Johnson (1996)*

During the past half century many managers and leadership theorists have been exploring McGregor’s X and Y theories. They find several difficulties concerning both approaches. Concerning” hard” approach; when managers and leaders use force, they get counterforce in return: restriction of output, antagonism, militant unionism, subtle but effective sabotage of management objectives etc... This approach is considered especially difficult during times of full employment.<sup>114</sup>

There are also difficulties in the “soft” approach. It leads frequently to the indifferent work-performance. Workers take advantage of the soft approach because they continually expect more, but they give less and less.<sup>115</sup>

Despite their difficulties in practical management and leadership, McGregor’s theories were rediscovered from many successful managers. Some of them like Tom Peters, Rosabeth Moss Kanter, Charles Handy and specially Peter Drucker used McGregor’s theories for launching their own highly successful careers.<sup>116</sup>

McGregor’s work was closely linked to the works of the behavioral theorists and it provided a foundation for the future theories of transformational leadership.

<sup>113</sup> [http://www.regent.edu/acad/global/publications/sl\\_proceedings/2005/stone\\_history.pdf](http://www.regent.edu/acad/global/publications/sl_proceedings/2005/stone_history.pdf)

<sup>114</sup> McGregor,D (1960)

<sup>115</sup> McGregor,D (1957)

<sup>116</sup> [http://www.oxfordleadership.com/journal/vol1\\_issue3/stewart.pdf](http://www.oxfordleadership.com/journal/vol1_issue3/stewart.pdf)

## 2.2.5 Situational/ Contingency Theory- the Circumstantial Focus

Social changes in the world that happened in the mid-1960s to the mid-1980s shifted the focus of society from increasing economic wealth to ensuring social rights and equality. Along with this social change, technology was again preparing to jolt businesses. The advent of the computer age was shifting employee requirements from brawn to brains. Leadership became an intricate process of "multilateral brokerage" where leaders were forced to focus on constituencies within and without the organization to survive. The internal and external environments of organizations were changing. The transference of power from those doing the work to those possessing knowledge about how to organize work more closely leveled the playing field for leaders and followers. Society acknowledged that traditional methods of leadership were no longer effective.<sup>117</sup>

In 1960, *Dr Paul Hersey*, a professor and author of "The Situational Leader," and *Ken Blanchard*, author of the bestselling "The One-Minute Manager," created ***The Hersey-Blanchard Situational Leadership Theory***. The theory states that instead of using just one style, successful leaders should change their leadership styles based on the maturity of the people they are leading and the details of the task<sup>118</sup>

According to Hersey and Blanchard, there are four main leadership styles:

*Style 1—High task and low relationship.* This style is also known as the "telling" style.

Leaders tell their people exactly what to do, and how to do it. It is very directive because the leader produces a lot of input but a minimum amount of relationship behavior.

*Style 2—High task and high relationship.* This "selling" style is also very directive, but in a more persuasive, guiding manner. Leaders still provide information and direction, but there is more communication with followers. Leaders "sell" their message to get the team on board.

*Style 3—High relationship and low task.* In the "participating" leadership style, there is less direction and more collaboration between leader and group members.

The leader works with the team, and shares decision-making responsibilities. The consultative and consensus subtypes of participative leader generally fit into this quadrant.

*Style 4—Low relationship and low task.* In this "delegating" leadership style, leaders pass most of the responsibility onto the follower or group. The leaders still monitor progress, but they are less involved in decisions.<sup>119</sup>

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<sup>117</sup>McGregor,D (1957)

<sup>118</sup> Hersey,P., Blanchard, K.H.& Johnson, D.E.(1996)

<sup>119</sup> Ibid

The situational leadership model states that there is no one best way to influence group members. The most effective leadership style depends on the maturity of the person or group they are leading. The maturity, according to Hersey and Blanchard, has four different levels: *Level M1-Low maturity*- People at this level of maturity are unable, unwilling and insecure. They have lack of knowledge, skills, or confidence to work on their own, and they often need to be pushed to take the task on. At this maturity level, leader should emphasize task-oriented behavior and be very directive and autocratic, using a *telling* style.

*Level M2- Moderate maturity*-At this level members are unable but willing or confident. They might be willing to work on the task, but they still do not have the skills to do it successfully. At this level of maturity leader should focus on being more relationship-oriented, using a *selling* style.

*Level M3- Moderate- to high maturity*- followers are ready and willing to help with the task. They have more skills than the M2 group, but they are still not confident in their abilities. In this case, the leader needs to provide a high degree of relationship-oriented behavior, but a low degree of task behavior, thus engaging in a *participating* style.

*Level M4-High maturity*- these followers are able, willing, or confident, they are self-sufficient and competent. They have strong skills and they are committed to the task In this case, a leader can grant them certain autonomy using a *delegating* style.<sup>120</sup>

**The situational theory** represents a model of thinking about leadership behavior in relation to group members: competent people require less specific direction than less competent people do. The model is also useful because it provides other explanations of leadership that emphasize the role of task and relationship behaviors. As a result, it has proved to be useful as the basis for leadership training. Leaders and managers can also benefit from this model by attempting to diagnose the readiness of group members before choosing the right leadership style.<sup>121</sup>

In reality, leadership situations are less clear-cut than the four quadrants suggest. In addition, the prescriptions for leadership will work only some of the time. For example, many supervisors use a telling style with unable and unwilling or insecure team members (M1) and still achieve poor results. Research evidence for the situational model has been mixed. A major concern is that there are few leadership situations in which a high-task, high--relationship orientation does not produce the best results.<sup>122</sup>

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<sup>120</sup> Hersey,P., Blanchard, K.H.& Johnson, D.E.(1996

<sup>121</sup> Bernard M. Bass (1990), p. p. 490-493.

<sup>122</sup> Ibid

**The contingency theory** was developed in the 1960s by several researchers in both United Kingdom and the United States. This approach is an effort to determine, through research, which managerial practices and techniques are appropriate in specific situations. The crucial message of this theory is that there is *no one best way to organize*; managers choose the organizational structure and the control systems, which depend on characteristics of the external environment in which the organization operates.<sup>123</sup> Contingency has become synonymous with situational management. According to Shetty, a contingency theorist, the effectiveness of a given managerial pattern is contingent on numerous factors and how they interact in certain situations.<sup>124</sup> The appropriate use of a management concept or theory is thus contingent or dependent on a set of variables that allows the user to fit the theory to the situation and particular problems. It also allows management theory to be applied to an intercultural context where customs and culture must be taken into consideration.<sup>125</sup>

An important characteristic of the external environment, which affects an organization's ability to obtain resources, is the degree to which the environment is changing. These changes can be for example technological, entry of new competitors or unstable economic conditions. The more rapidly the environment changes the more important it is for managers to find new ways to respond to these changes. The contingency theory was an extension of the systems approach but it added directions that are more practical.

## 2.2.6 Transactional Leadership-Leaders' Focus on Performance

In the late 1970s, leadership theory research was persistent in a way to improve organizational performance by moving beyond focusing on various types of situational supervision.<sup>126</sup>

Research has shown that many leaders turned to a *transactional leadership theory*, the most prevalent method of leadership, still observed in today's organizations.<sup>127</sup>

*Transactional leadership*, also known as managerial leadership, focuses on the role of supervision, organization and group performance.

In his book *The Theory of Social and Economic Organization* (1947), Max Weber wrote about three types of leaders: bureaucratic, charismatic, and traditional. Weber was one of the first of the leadership theorists to recognize that leadership itself was situational in nature, and

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<sup>123</sup> Meyer, J. (2007)

<sup>124</sup> Shetty, Y.K. (1974), p.27

<sup>125</sup> Kreitner, R. (2001)

<sup>126</sup> Behling, O. & McFillen, J.M. (1996)

<sup>127</sup> Avolio, B. J., Walderman, D. A., & Yanimarina, F. J. (1991)

that true leaders needed to move dynamically from one type of leadership style to another to remain successful. Weber also believed that there were two basic paradigms within which leaders worked: *transactions* and *transformations*.

Weber believed that transactional leaders were those that worked within the existing systems or environment to achieve results. For example, he theorized that the *bureaucratic leader* was a *transactional* leader that was effective in using their knowledge, or legal authority, to achieve results.

*Charismatic leaders* were *transformational* leaders in Weber's model. These types of leaders were almost divine in nature, and were often compared to heroes.

A transformational leader was not afraid to approach things from an entirely different perspective, and in Weber's theory of leadership, they used personal charm or charisma to help them achieve their goals.

Max Weber's transactional leadership approach, as the name suggests, looks at leadership as a transaction between leaders and subordinates

Weber explained that a leader is able to use his or her position within an organizational structure in order to accomplish tasks and see results. In the 1980s researcher, Bernard Bass (1985) took transactional leadership even further to explain the concepts: contingent rewards and management-by-exception. First, Bass explained that contingent rewards are a form of negotiation between leader and subordinates. Here a leader might negotiate a raise if a certain amount of tasks or duties are accomplished. Similarly, if employees complete a job well, they might receive bonuses or extra days off for good work. Bass further explained a concept called management-by-exception with both passive and active attributes. Transactional leadership involves corrective criticism, negative feedback, and negative reinforcement.<sup>128</sup>

Weber's theory of Transactional Leadership further explored Bernard Bass.

According to Bass, basic assumptions of Transactional Leadership are:

- People perform their best when the chain of command is definite and clear.
- Workers are motivated by rewards and punishments.
- Obeying the instructions and commands of the leader is the primary goal of the followers.
- Subordinates need to be carefully monitored to ensure that expectations are met<sup>129</sup>

As we can see, Transactional Leadership theory focuses on the specific interactions between

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<sup>128</sup> Bass, B. M., & Avolio, B. J. (1994)

<sup>129</sup> Bass, B. M. (1990)

leaders and followers. These transactions are a method by which an individual gains influence and sustains it over time. The process is based on reciprocity. Leaders not only influence followers but are under their influence as well. A leader earns influence by adjusting to the expectations of followers. Transactional interactions comprise the bulk of relationships between leaders and followers.<sup>130</sup>

Although some elements of transactional leadership theory are very often used in business and today's organizations, for example: when employees are successful, they are rewarded; when they fail, they are reprimanded or punished, there were theorists who found certain weak-points of Bass's theory. Avolio, Waldman, and Yammarino (1991) suggest that transactional leadership focuses on ways to manage the status quo and maintain the day-to-day operations of a business, but does not focus on identifying directional focus of the organizations, how employees can work toward those goals, increase their productivity in alignment with these goals and thus increase organizational profitability. The idea of transactional leadership is nearsighted in that it does not take the entire situation, employee, or future of the organization into account when offering rewards.<sup>131</sup>

The managers most often use this style. It focuses on the basic management process of controlling, organizing, and short-term planning. The famous examples of leaders who have used transactional technique include McCarthy and de Gaulle.<sup>132</sup>

### **2.2.7 Transformational Leaders' Focus on the Organization**

The focus of effective leadership began to change. Leaders were no longer required to measure work and ensure that the most effective person did it in the most efficient manner—which did not always increase the organization's productivity and profitability anyway. Leaders now needed active involvement from the followers to achieve the organization's goals. Douglas McGregor, closely linked to the work of the behavioral theorists, within his research provided a basis for a new emerging theory of leadership—*transformational leadership*.

*J.V. Downton* in *Rebel Leadership* first coined the term transformational leadership

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<sup>130</sup> Burns, J. M. (1978)

<sup>131</sup> Crosby, P. B. (1996)

<sup>132</sup> Bass, B.M (1990)

(*Commitment and Charisma in a Revolutionary Process*, 1973), but it was James MacGregor Burns who introduced the concept of transformational leadership in his book *Leadership* (1978), during his study of political leadership. The term is now used in organizational psychology as well.

Burns described it not as a set of specific behaviors, but rather an ongoing process by which "*leaders and followers raise one another to higher levels of morality and motivation.*"<sup>133</sup> Transformational leaders offer a purpose that transcends short-term goals and focuses on higher order intrinsic needs.<sup>134</sup>

*Abraham Maslow's Theory of Human Needs* influenced Burns. According to this theory, people have a range of needs, and the extent to which they will perform effectively in the workplace will be affected by the extent to which these needs are satisfied. Transformational Leadership fits into the higher levels, as it requires a high level of self-esteem and self-actualization to successfully be an authentic Transformational leader. "*Essentially the leader's task is consciousness-raising on a wide plane. ...The leader's fundamental act is to induce people to be aware or conscious of what they feel -- to feel their true needs so strongly, to define their values so meaningfully, that they can be moved to purposeful action.*"<sup>135</sup>

Burns was one of the first scholars to assert that true leadership not only creates change and achieves goals within the environment, but changes the people involved in the necessary actions for the better as well: both followers and leaders are ennobled. Burns became famous among alternative leadership scholars because his model of transformational leadership included an ethical/moral dimension that, prior to 1978, had not been infused into any leadership theory.

*Bernard Bass*, a disciple of Burns, defined transformational leadership in terms of how the leader affects followers, who are intended to trust, admire and respect the transformational leader.

He identified three ways in which leaders transform followers:

- Increasing their awareness of task importance and value.
- Getting them to focus first on team or organizational goals, rather than their own interests.

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<sup>133</sup> Burns, J. M. (1978),p.20

<sup>134</sup> Ibid

<sup>135</sup> Burns, J. M. (1978),p.p. 43-44

- Activating their higher-order needs <sup>136</sup>

In contrast to Burns, who sees transformational leadership as being inextricably linked with higher order values, Bass sees it as amoral, and therefore questions the morality and ethical component of transformational leadership. <sup>137</sup>

Within Basses' three ways the leader transform his/her followers , we observe some components that will be later on characterized as basic components of Emotional Intelligence and developed by Daniel Goleman, American psychologist and researcher (components of self-awareness and social awareness). These mentioned competences represents understating one's own emotions,needs,the things that motivates us on the best way, as well as understanding the ones from other people as well. This is relevant, because, in order to increase workers' awareness of task importance and value, to get workers to focus first on team or organizational goals, rather than their own interests and to activate their higher-order needs, leader must be aware of how other people-workers are feeling ,to be capable to validate those feelings and to recognize relationships and structures within his/her organization or social network-which is the third component of Daniel Golemans' *Mixed Model of Emotional Intelligence* called *Social Awareness*. As a precondition for achieving level of *social awareness competency*, one must poses first of EI competency-*self-awareness*-to be aware of your owns feeling and needs. In Basses definition of transformational leadership, we can also find pioneer traces of something that will later-on become known as “Level 5 leader” ,a term constructed and developed by Jim Collins, American business consultant, author, and lecturer on the subject of company sustainability and growth. He constructed the term in his book; “*Good to Great*.”<sup>138</sup> Bass stated that one of the way leader transform followers is to get them to focus first on team or organizational goals, rather than their own interests. Being a Level 5 leader means, among other thing, to “*channel their ego away from themselves and into the larger goal of building a great and successful company*.”<sup>139</sup>

Models and competencies of Emotional Intelligence as well as *Level 5 leader* characteristics

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<sup>136</sup> Bass, B. M. (1985)

<sup>137</sup> Ibid

<sup>138</sup> Collins,Jim,C.(2001)

<sup>139</sup> Ibid,p.20

will be elaborated in Chapter 2- Emotional Intelligence and effective leadership.

Transformational Leadership is also defined as a process, which changes or makes transformation of individuals and/or organizations.<sup>140</sup> Transformational leader engages with people in a way that transforms their relationship; they become partners in reaching their common goal, instead the leader and the led in the authoritarian sense, where each of them make his/her appropriate contribution to achieving the goal and increasing their capacity to perform.<sup>141</sup> Transformational leaders exert their influence by broadening and elevating the goals of their followers, in the same time provide them with the confidence to perform beyond the expectations specified in their exchange agreement. These leaders exhibit charismatic behaviors, receive admiration, inspire, motivate, provide intellectual stimulation, and treat their followers with individualized consideration. Such behaviors transform their followers by inspiring them to reach their full potential and generate the highest levels of performance.

According to Avolio, Waldman, and Yammarino (1991) there are four components of transformational leadership:

1. Idealized influence (or charismatic influence),
2. Inspirational motivation,
3. Intellectual stimulation, and
4. Individualized consideration

*1. Idealized influence - charismatic leadership (II):* Transformational leaders behave in admirable ways that cause followers to identify with the leader. Charismatic leaders display convictions, take stands and appeal to followers on an emotional level. This is about the leader having a clear set of values and demonstrating them in every action, providing a role model for their followers. Genuine trust must be built between leaders and followers. Trust for both leader and follower is built on a solid moral and ethical foundation. Ultimately, transformational leaders can develop a very powerful influence over followers. Followers' respect and trust transformational leaders, so they conform their values to those of the leaders and yield power to them.

*2. Inspirational motivation (IM):* Transformational leaders motivate and inspire their followers by providing meaning and challenge to them and their work. Leaders with

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<sup>140</sup> Kent, T., Crotts, J., & Aziz, A. (2001).p. p.221-229.

<sup>141</sup>Nicholls, J. (1994),p.p. 8-15.

inspirational motivation challenge followers with high standards, communicate optimism about future goals, and provide meaning for the task at hand. Followers need to have a strong sense of purpose if they are to be motivated to act. It is also important that this visionary aspect of leadership be supported by communication skills that allow the leader to articulate his or her vision with precision and power in a compelling and persuasive way. Charismatic leadership and inspirational motivation usually form a combined single factor of charismatic-inspirational leadership

3. *Intellectual stimulation (IS)* transformational leaders stimulate efforts of their followers to be innovative and creative by questioning assumptions, re-framing problems, and approaching old situations in new ways. Leaders with this trait stimulate and encourage creativity in their followers. The leader's vision provides the framework for followers to see how they connect to the leader, the organization, each other, and the goal. Once they have this big picture view and are allowed freedom from convention, they can creatively overcome any obstacles in the way of the mission.

4. *Individualized consideration (IC)*: Transformational leaders pay special attention to each individual follower's needs for achievement and growth by acting as coaches or mentors. This also encompasses the need to respect and celebrate the individual contribution that each follower can make to the team (it is the diversity of the team that gives it its true strength). This approach not only educates the next generation of leaders, but also fulfills the individuals need for self-actualization, self-fulfillment, and self-worth. It also naturally propels followers to further achievement and growth.<sup>142</sup>

As we can see from the Appendix II .on the next page, the transformational leader articulates the vision in a clear and appealing manner, explains how to attain the vision, acts confidently and optimistically, expresses confidence in his followers, emphasizes values with symbolic actions, leads by example, and empowers followers to achieve the vision.

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<sup>142</sup> Bass, B. M., & Avolio, B. J. (1994)

**Appendix II. Transformational leadership process <sup>143</sup>**

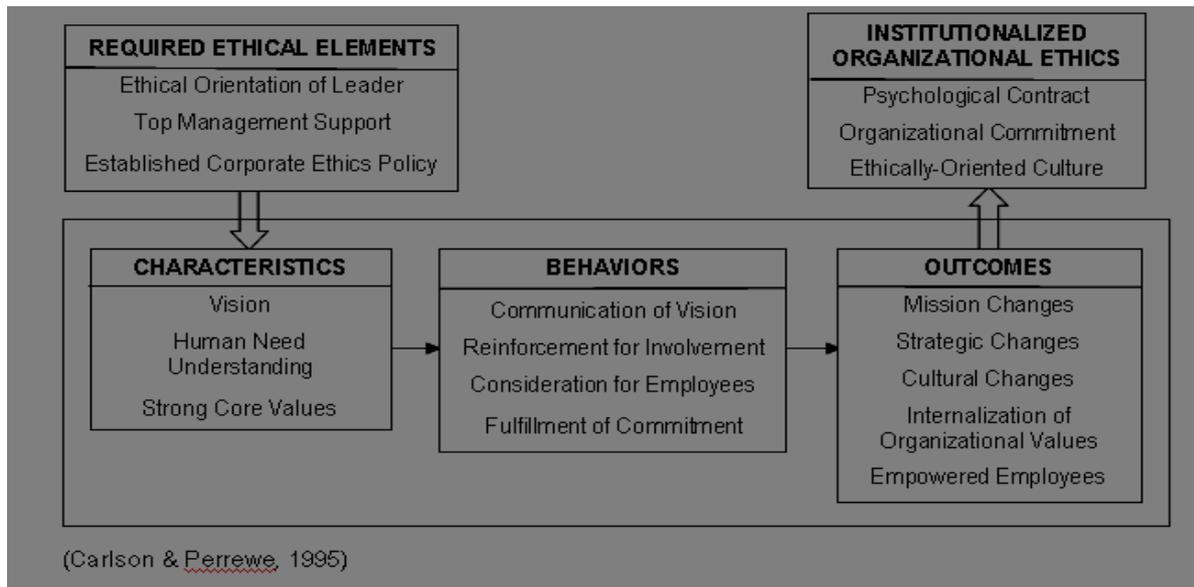


Table 3 summarizes the four primary or functional areas of transformational leadership and identifies the attributes that, according to the literature, accompany these primary characteristics.

**Table 3 Transformational leadership attributes**

<b>FUNCTIONAL ATTRIBUTES</b>	<b>ACCOMPANYING ATTRIBUTES</b>
1) Idealized Influence/Charisma	1) Vision
	2) Trust
	3) Respect
	4) Risk-Sharing
	5) Integrity
2) Inspirational Motivation	6) Modeling
	7) Commitment to Goals
	8) Communication
	9) Enthusiasm
3) Intellectual Stimulation	10) Rationality
4) Individualized Consideration	11) Problem-Solving
	12) Personal Attention
	13) Mentoring
	14) Listening
	15) Empowering

Keller (1995)<sup>144</sup> suggests that the transformational leader is able to help the employee achieve

<sup>143</sup> Perrewe & Dawn S. Carlson (1995)

<sup>144</sup> Keller, R. T. (1995, May/June), p.p. 41-48.

esteem and self-actualization needs. Consequently, the followers of transformational leaders are quicker to adapt to changing internal and external environments. Their ability to quickly adapt to change allows them to function well in an increasingly complex environment.

According to definitions and components of Transformational Leaders, it seems that truly transformational leadership qualities must be based in high levels of EI.

With the research of Daniel Goleman, Emotional Intelligence has become very popular as a means and a tool for identifying potentially effective leaders and for nurturing effective leadership skills. Research has shown that Emotional Intelligence, which is measured by a person's ability to monitor and manage emotions within one's self and in others, may be underlying competency of Transformational Leadership.<sup>145</sup> After analyzing the definitions and the components of Transformational Leadership (*Idealized influence (or charismatic influence)*, *Inspirational motivation* and *Individualized consideration*) I came to the findings that EI correlated highly with components of Transformational Leadership; In order to serve as role model for their followers, earning followers' trust and respect (*Idealized influence component*), leaders must be able to identify and manage their own emotions, display self-control and delay gratification, which are competences of EI. Therefore, the ability to monitor emotions within oneself and others correlated significantly with the component of *idealized influence*. Further, in order to be able to realize the extent to which they can raise followers' expectations, which is a sign of *inspirational motivation*, leaders must be able to understand other people's emotions, which is, on the other side, one of EI competences. As already stated, the major component of *individualized consideration* is the capability to understand the needs of the followers and to interact according to these understandings. Leaders having EI competence of empathy and the ability to manage relationships positively are more successful in manifesting *individualized consideration*. Therefore, in the long history of leadership development, Effective Transformational Leadership first becomes the most closely related with Emotional Intelligence competencies.

According to Burns, the difference between transformational and transactional leadership is what leaders and followers offer one another. Burns' view is that transformational leadership is more effective than transactional leadership, where the appeal is to concerns that are more selfish. An appeal to social values thus encourages people to collaborate, rather than working

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<sup>145</sup>Palmer, B., Walls, M., Burgess, Z. and Stough, C. (2001), p. p. 5 - 10.

as individuals (and potentially competitively with one another).

From “Leadership” Burns (1978)<sup>146</sup>:

· **Transactional leadership:**

“...occurs when one person takes the initiative in making contact with others for the purpose of an exchange of valued things. “  
(page 19)

· **Transformational leadership:**

“...occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality.” (page 20)

### 2.2.8 The Servant Leaders’ Focus on the Followers

Transformational leadership and servant leadership are both high-order evolutions in leadership paradigms. Both theoretical frameworks emphasize a high concern for people and for production. Servant leadership, however, involves a higher concern for people because the primary focus of the leader is upon his or her followers.

The term *Servant Leadership* was first formulated by Robert K. Greenleaf in the 1970s and has been discussed by different authors for the last 40 years.

Greenleaf said:

*The Servant-Leader is servant first. . . . It begins with the natural feeling that one wants to serve, to serve first. Then conscious choice brings one to aspire to lead. . . . The best test, and difficult to administer is this: Do those served grow as persons? Do they, while being served, become healthier, wiser, freer, more autonomous, and more likely themselves to become servants? And, what is the effect on the least privileged in society? Will they benefit, or at least not further be harmed? “<sup>147</sup>*

Basically, the Servant-leader is motivated by wanting to develop conditions within the organization to encourage followers to reach full potential.

They are appreciated by their followers because they are considered reliable and committed. Their leadership functions through persuasion and emulation. They are stewards, at the service of the organization as a whole. Followers will become servant leaders later on.<sup>148</sup>

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<sup>146</sup> Burns, J. M. (1978),p.p.19-20

<sup>147</sup>Greenleaf, R.K. (1977),p. 7

<sup>148</sup>Greenleaf, R.K. (1977)

Larry C Spears, a former director of the Greenleaf Center for Servant Leadership described servant-leadership “*as a way of being in relationship with others.*”<sup>149</sup> Further one ,he provided a one sentence summary of the basic stance of servant leadership: “*Servant-leadership seeks to involve others in decision making, is strongly based in ethical and caring behavior, and it enhances the personal growth of workers while improving the caring and quality of organizational life.*”<sup>150</sup>

In 1995 determined a list of 10 essential characteristics of a servant-leader:

1. Listening, emphasizing the importance of communication and seeking to identify the will of the people;
  2. Empathy, understanding others and accepting how and what they are;
  3. Healing, the ability to help make whole;
  4. Awareness, being awake;
  5. Persuasion, seeking to influence others relying on arguments not on positional power;
  6. Conceptualization, thinking beyond the present-day need and stretching it into a possible future;
  7. Foresight, foreseeing outcomes of situations and working with intuition;
  8. Stewardship, holding something in trust and serving the needs of others;
  9. Commitment to the growth of people, nurturing the personal, professional and spiritual growth of others;
  10. Building community, emphasizing those local communities are essential in a persons’ life.
- These have never reformulated as a model for empirical testing.

After having insight on Spears definition of Servant Leadership ,we can observe some strong mutual characteristics of effective Servant-leader and leader with high level of Emotional Intelligence: listening – effective communication is one of the characteristics of leader with high EI,empathy- social skill of EI,awareness and persuasion are closely connected with previously mentioned EI competency of social awareness and relationship management etc. Therefore, Effective Servant-leader of Larry C. Spears posses high level of Emotional Intelligence competencies.

Russell and Stone<sup>151</sup> described 20 characteristics that researchers in this field have identified as characteristics of servant-leaders and which can be observed through specific leader

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<sup>149</sup>Spears, L. (Ed.) (1995). .

<sup>150</sup> ibid

<sup>151</sup>Russell, R.F., & Stone, A.G. (2002), p.146

behaviors in the workplace:

- Vision
- Honesty
- Integrity
- Trust
- Service
- Modeling
- Pioneering
- Appreciation of others
- Empowerment

There are also characteristics, which are identified as accompanying attributes of servant leadership:

- Communication
- Credibility
- Competence
- Stewardship
- Visibility
- Influence
- Listening
- Encouragement
- Teaching

These accompanying attributes are not secondary in importance; instead, they are complementary and may even be prerequisites to effective servant leadership.<sup>152</sup>

There are also many parallels between the Servant Leaders traits of Russell and Stone (2002) and the characteristics of individuals with high EI identified by Daniel Goleman<sup>153</sup>: Servant-leaders demonstrate honesty and trust, while high EI individuals, according to Goleman, are described as trustworthy- both identify integrity as an important component. Servant-leaders demonstrate an appreciation of others, while those with high EI are described as having

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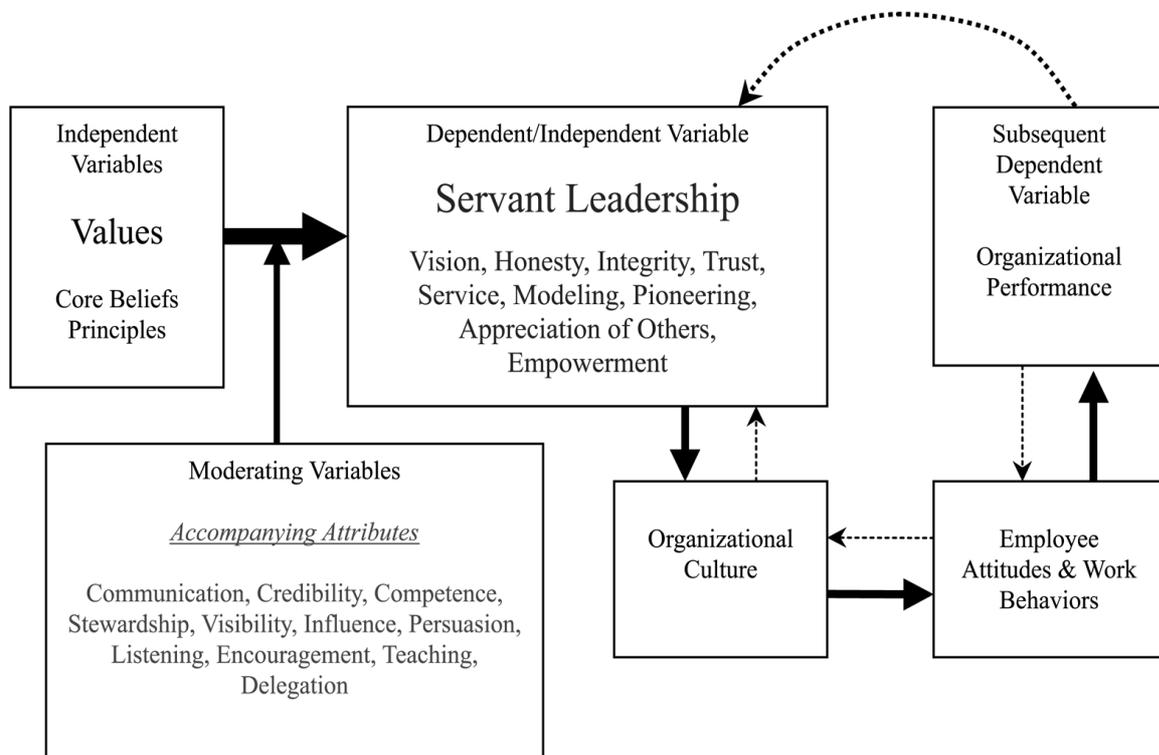
<sup>152</sup> Russell, R.F., & Stone, A.G. (2002), p.p.145-157.

<sup>153</sup> Goleman, D. (1998), p.p.93-102.

expertise in building and retaining talent, possessing cross-cultural sensitivity and being service-oriented. Servant-leaders are also service oriented, in order to provide high levels of service to clients and customers; they require empathetic behaviors, which is high EI component.

The servant leader's motive is not to direct the activities of followers. Instead, the servant leader's behavior motivates, influences, inspires, and empowers followers to focus on ways to serve others better. It is a humble means for affecting follower behavior. Servant leaders rely upon service to establish the purposes for meaningful work and to provide needed resources. It is a characteristically unique method for stimulating and Servant Leadership Research Roundtable (August, 2005:13), influencing the behavior of others. Servant leaders, however, derive influence from service itself. They develop relationships where followers are encouraged to follow their lead of service. McKenna (1989) notes that servant-power is a category of influence outside the traditional kinds of power. Real servanthood is a leadership style that relies upon the influence of self-giving without self-glory.

**Appendix III: The theory of servant leadership model** <sup>154</sup>



<sup>154</sup> Robert F. Russell, A. Gregory Stone, (2002)

## 2.2.9. Contemporary Leadership Styles

In today's contemporary surrounding Organizational climate, financial and work place performance is strongly influenced by leadership style.

Daniel Goleman, Richard Boyatzis and Annie McKee, in *Primal Leadership* (HBS Press, 2004) describe six styles of leading that have different effects on the emotions of the target followers. These are styles, not types. Any leader can use any style, and a good mix that is customized to the situation is generally the most effective approach.

There are six basic leadership styles. Each works best in particular situations, and affects the organizational climate in different ways.

**1. The coercive style.** This style is also known as “Do what I say” approach. Coercive leader gives is commanding, soothing fears and giving clear directions by his or her powerful stance, and expecting full compliance (agreement is not needed). This leader needs emotional self-control for success and can seem cold and distant. This approach is best in times of crisis when you need unquestioned rapid action and with problem employees who do not respond to other methods. It can be very effective in a turnaround situation, a natural disaster, or when working with problem employees. However, in most situations, coercive leadership inhibits the organization’s flexibility and dampens employees’ motivation.

**2. The authoritative style.** An authoritative leader takes a “Come with me” approach: leader states the overall goal but gives people the freedom to choose their own means and ways of achieving it. The authoritative Leader moves people towards a shared vision, telling them where to go but not how to get there - thus motivating them to struggle forwards. They openly share information, hence giving knowledge power to others. They can fail when trying to motivate more experienced experts or peers. This style is best when a new direction is needed. Overall, it has a very strong impact on the climate. This style works especially well when a business is adrift. It is less effective when the leader is working with a team of experts who are more experienced than he is.

**3. The affiliative style.** The hallmark of the affiliative leader is a “People come first” attitude. The Affiliative Leader creates people connections and thus harmony within the organization. It is a very collaborative style, which focuses on emotional needs over work needs. When done badly, it avoids emotionally distressing situations such as negative

feedback. Done well, it is often used alongside visionary leadership. It is best used for healing rifts and getting through stressful situations. It has a positive impact on climate. This style is particularly useful for building team harmony or increasing morale. However, its exclusive focus on praise can allow poor performance to go uncorrected. In addition, affiliative leaders rarely offer advice, which often leaves employees in a quandary.

**4. The democratic style.** This style's impact on organizational climate is not as high as you might imagine. The Democratic Leader acts to value inputs and commitment via participation, listening to both the bad and the good news. When done badly, it looks like lots of listening but very little effective action. It is best used to gain buy-in or when simple inputs are needed (when *you* are uncertain). It has a positive impact on climate. By giving workers a voice in decisions, democratic leaders build organizational flexibility and responsibility and help generate fresh ideas. However, sometimes the price is endless meetings and confused employees who feel leaderless.

**5. The pacesetter style.** A leader who sets high performance standards and exemplifies them himself has a very positive impact on employees who are self-motivated and highly competent. The Pace-setting Leader builds challenge and exciting goals for people, expecting excellence and often exemplifying it themselves. They identify poor performers and demand more of them. If necessary, they will roll up their sleeves and rescue the situation themselves. They tend to be low on guidance, expecting people to know what to do. They get short-term results but over the long term, this style can lead to exhaustion and decline. Done badly, it lacks Emotional Intelligence, especially self-management. A classic problem happens when the 'star techie' gets promoted. It is best used for results from a motivated and competent team. It often has a very negative effect on climate (because it is often poorly done).

However, other employees tend to feel overwhelmed by such a leader's demands for excellence—and to resent his tendency to take over a situation.

**6. The coaching style.** This style focuses more on personal development than on immediate work-related tasks. The Coaching Leader connects wants to organizational goals, holding long conversations that reach beyond the workplace, helping people find strengths and weaknesses and tying these to career aspirations and actions. They are good at delegating challenging assignments, demonstrating faith that demands justification and which leads to

high levels of loyalty. Done badly, this style looks like micromanaging. It is best used when individuals need to build long-term capabilities. It has a highly positive impact on the climate. It works well when employees are already aware of their weaknesses and want to improve, but not when they are resistant to changing their ways.<sup>155</sup>

As we can see, one aspect of the contemporary leadership style is being able to take into consideration the emotional needs of each employee. However, in order to be able to realize this aspect as a leader, you have to be able to recognize and have control over your own emotions and relations with others. This part of leadership communications is often ignored.<sup>156</sup>

### **2.3 Soft Power, Hard Power, Smart Power and Leadership**

The information revolution, globalization and democratization, as the main characteristics of the 21<sup>st</sup> century society, are causing a long-term secular shift in the context of postmodern organizations—a shift along the continuum from command to cooperative style. In 21<sup>st</sup> century when the information revolution has altered organizations—knowledge is power, and more people have more information than at any prior time in history. Hierarchies are becoming flatter and embedded in fluid networks of contracts and contacts.<sup>157</sup> Knowledge workers respond to different incentives and political appeals than do industrial workers. Polls in advanced countries show people today have become less deferential to authority in organizations.<sup>158</sup> The classic economic theory of the firm as hierarchical organization that internalizes functions in order to reduce transactions costs – think Phillip Zepter -- is being supplemented by the notion of firms as networks of outsourcing. Success in managing such public and private networks depends on “talent, trust and *soft power*.”<sup>159</sup>

Leadership experts report the increased success of what is sometimes considered a feminine style of leadership.<sup>160</sup> In terms of gender stereotypes, a patriarchal leadership style was assertive, competitive, autocratic and focused on commanding the behavior of others. The feminine style was cooperative, participatory, integrative, and aimed at co-opting the behavior of followers. When women fought their way to the top of organizations with stereotypically masculine roles, they often had to adopt a male style, violating the broader social norm of

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<sup>155</sup> Goleman, D., Boyatzis, R. & McKee, A. (2004)

<sup>156</sup> H. B. R. & Goleman, D. (2001), p. 7

<sup>157</sup> Joseph Nye, Jr. during our interview, on 22.05.2013

<sup>158</sup> Phillip Zepter, during my interview with him on 02.05.2013 in Monte Carlo

<sup>159</sup> Joseph Nye, Jr. during our interview, on 22.05.2013 via Skype

<sup>160</sup> Joseph Nye, Jr. during our interview, on 22.05.2013

female “niceness,” and they were often punished for it<sup>161</sup>. Today, with the information revolution and democratization demanding more participatory and integrative leadership, the “female” style is becoming a path to more effective leadership for women and men alike. Leadership, nowadays, is seen less in heroic terms of issuing commands than in sharing and encouraging participation throughout an organization, group or network. *Soft power* may prevail over hard power.<sup>162</sup>

### 2.3.1 Soft power and leadership

**Soft power** is a concept developed by Joseph Nye Jr., an American political scientist and former Dean of the John F.Kennedy School of Government at Harvard University. With the term *Soft Power* Nye describes successful leadership as the ability to attract and co-opt rather than coerce, use force or give money as a means of persuasion. Nye coined the term in a 1990 book, *Bound to Lead: The Changing Nature of American Power*. He further developed the concept in his 2004 book, *Soft Power: The Means to Success in World Politics*. The term is now widely used in international affairs by analysts and statesmen.

Leadership and power are inextricably intertwined. According to Nye, power is the ability to affect the behavior of others to get the outcomes you want, and there are three basic ways to do that:

- you can coerce them with threats.
- you can induce them with payments
- or you can attract and co-opt them.

Soft power rests on the ability to shape the preferences of others. In the business world, smart executives know that leadership is not just a matter of issuing commands, but also involves leading by example and attracting others to do what you want. The ability to establish preferences tends to be associated with intangible assets such as an *attractive personality, culture, values, institutions*, and a *vision* that are seen as legitimate or having moral authority. If a leader represents a *vision* and *values* that others want to follow, it will cost less to lead.<sup>163</sup> Simply put, in behavioral terms, soft power is *attractional* power. In terms of resources, soft power resources are the assets that produce such attraction. There are various types of attraction. People are drawn to others both by their *inherent qualities* (vision and Emotional

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<sup>161</sup> Madlena Zepter,during our interview,.05/2013 in Monte Carlo

<sup>162</sup> Ibid

<sup>163</sup> Joseph Nye,Jr. during our interview, on 22.05.2013

Intelligence) and by the effect of their *communications*.

- *Vision* is the ability to articulate an inspiring picture of the future. A vision has to be attractive to various circles of followers and stakeholders, and also sustainable within the organization. One can judge the quality of a vision in terms of whether it creates a sensible balance between realism and risk, and whether it balances objectives and values with capabilities.
- *Emotional intelligence* is the self-mastery, discipline, and empathic capacity that allows leader to channel their personal passions and attract others. Emotional intelligence must be authentic to be lasting. Because humans focus their attention on the leader, leaders must successfully manage personal impressions through emotional discipline. The success of financial results may depend on the leader exuding the most effective emotion—optimism, tenacity, determination. Mirror neurons in the human brain cause people to imitate the mood of the leader, therefore success may dictate that the leader create the proper emotion because that emotion will cascade throughout the organization.
- The leader has to have the capacity to *communicate effectively* both by words, symbols, and personal example. If a leader lacks strong public speaking skill, then at least the inner circles of followers needs to be attracted and inspired. Leaders who lack great rhetorical skills can also communicate effectively by example, symbols, actions and organization. A good story is a great source of soft power <sup>164</sup>

### 2.3.2 Hard Power and Leadership

Hard Power Leadership style, often referred as Transactional style of leadership, relies on: command, threats, and intimidation. Nye named two main hard power resources:

a) Coercion

b) Inducement

The tools of those hard power resources include hiring, firing, bullying and bargaining. Nye's research has shown that a calculated loss of temper can be useful at times as it shakes people out of complacency and provides an adrenaline rush.

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<sup>164</sup>Joseph Nye Jr. interview

Two important skills are related to hard power leadership:

- *Organizational capacity* refers to the ability to manage the structures and reward systems of an organization to shape and to implement a strategy; for example, hiring, firing, and compensation. Especially important is the effective management of flows of information relating to both the inputs and outputs of decisions. Leaders must manage their inner circle of advisers to ensure an accurate flow of information and influence. They must avoid the “emperor’s trap” of only hearing how beautiful their new clothes are.<sup>165</sup>
- *Political skill* is crucial but more complex than first appears. Politics can take a variety of forms. Intimidation, manipulation, and negotiation are related to hard power, but politics also includes inspiration, brokerage of new beneficial arrangements, and developing networks of trust typical of soft power. Politics can involve success in achieving goals not just for oneself and a narrow group of followers, but also building political capital for bargaining with wider circles of followers.<sup>166</sup>

Hard and soft powers are related because they are both aspects of the ability to achieve one’s purpose by affecting the behavior of others. Sometimes they reinforce and sometimes interfere with each other. Nye emphasized that one leadership style may not be enough and effective leaders may need to combine hard and soft power skills. Combination of hard and soft power is called **Smart Power**. **Smart power**, according to Joseph Nye, is the ability to combine hard and soft power with contextual intelligence. Contextual IQ is a broad political skill which involves understanding the evolving culture and needs of potential followers, as well as capitalizing on trends and adjusting style to context.” *It is not that hard or soft power is better, or that an inspirational or transactional style of leadership is the answer, but that it is important to understand how to combine these power resources and leadership styles in different contexts,*” Nye said. *“Successful leadership may rest more upon soft power in the past, but the prize will go to those with contextual intelligence to manage the combination of hard and soft power into smart power.”*<sup>167</sup>

The following chapter will deal with the notion of examining and questioning the importance of the emotional side of leadership and how it affects the rest of the organization in terms of communication and work performance (climate).

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<sup>165</sup>Joseph Nye Jr. Interview

<sup>166</sup>Joseph Nye Jr. Interview

<sup>167</sup>Ibid

## Chapter 2

### *Emotional Intelligence and Effective Leadership*

*“All learning has emotional base”- Plato*

## **3.0 Emotional Intelligence (EI)**

### **3.0.1 Introduction**

Very often, in our everyday lives, we meet incredibly bright people, but despite their intelligence, they cannot organize and pull their life together, toward accomplishing success and prosperity.

We know from our familiarity that they possess high degree of intelligence level, but that seems to be not enough for accomplishing success.

Over time, scientist become to explore why standard intelligence along is not enough to predict performance in an individual. They have found out there is another type of intelligence, not related to the standard cognitive intelligence, which is today known as ***Emotional Intelligence (EI)***.

During my research interviews, I found out that EI is relatively new subject of study, although it has its roots back to the time of Darwin who posited that emotional expression was essential for survival of beings.<sup>168</sup> Nevertheless, what do we mean when we say *Emotional Intelligence*?

There are numerous ways of defining Emotional Intelligence. Miomir Zuzul, psychologist, during our interview defined it as a combination of competencies, which allows people to be aware, to understand, to control their own emotions and emotions in others, and to use that knowledge to foster their success and success of others.<sup>169</sup>

.Emotional Intelligence can also be defined as a skill that help us to recognize, understand, and choose how to think, feel, and act. It develops our interactions with others and our understanding of ourselves. It also defines how and what we learn; it allows us to set priorities and determines the majority of our daily actions.<sup>170</sup>

Until the last century, the understanding of intelligence was strictly related to cognitive functions such as memory, learning and problem solving. However, by the 1990s, scientists

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<sup>168</sup>Miomir Zuzul, president and owner of Dubrovnik International University and Croatian Ambassador at USA, during our interview on 01/07/ 2013

<sup>169</sup>Ibid

<sup>170</sup>Dr.Regula Rapp, during our interview

had begun to understand that non-cognitive aspects of intelligence also exist.<sup>171</sup>

In 1983, an American developmental psychologist Howard Gardner published a book entitled “Frames of mind” where he presented his “Theory of Multiple Intelligences”. With this work, Gardner paved the way for the current experts in the field of emotional intelligence. . Gardner proposed two types of intelligences:

- a) Intrapersonal intelligence - the ability to understand one’s own feelings, motivation and fears
- b) Interpersonal intelligence –the ability to understand others and their desires, motivation and intentions

Gardner believed that these additional intelligences were just as important as traditional intelligence in predicting performance and success.<sup>172</sup>

However, the model of Emotional Intelligence, which has become widely recognized, was the “mixed model” of Daniel Goleman, published in 1995 in his book “Emotional Intelligence; Why it can matter more IQ”. It was after the publication of his bestseller that the term *Emotional Intelligence* becomes widely used.<sup>173</sup>

### **3.1 Models of Emotional Intelligence**

When we define Emotional Intelligence, we face the challenge that there is not only one definite definition. There is a disagreement between scientists and researches on what exactly terminology to use and how much of human behavior can be effected by EI. Until now, there have been several Models put forth in attempts to fully define and describe EI.<sup>174</sup> Currently, there are three main models;

- a) The Ability EI model
- b) The Trait model and
- c) The mixed model

#### **3.1.1 The Ability EI Model**

Two American psychologists, John Mayer and Peter Salovey, did the majority of the research for this model and named it, in 1990, the *Ability model*.

They defined EI as:” *The ability to perceive emotions, integrate emotions, to facilitate*

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<sup>171</sup>Miomir Zuzul, on interview

<sup>172</sup> Miomir Zuzul,during our intrview

<sup>173</sup> Ibid

<sup>174</sup> Miomir Zuzul,during our intrview

*thought, understand emotions and to regulate emotions to promote personal growth.*"<sup>175</sup>

The major essence of this model is that emotions are a means of information that is useful in interacting in social environments and social relationship.

The model proposed four types of emotional abilities:

- *Emotional Perception* consists of recognizing and interpreting the meaning of various emotional states, as well as their relations to other sensory experiences.
- *Understanding emotions* involves comprehension of how basic emotions are blended to form complex emotions, how emotions are affected by events surrounding experiences, and whether various emotional reactions are likely in given social settings.
- *Using emotions* refers to the ability to use emotions in order to perform other cognitive activities. For example; to use emotions in order to think through a situation and to solve problems.
- *Emotional Management* encompasses the control of emotions in oneself and in others. An individual's emotional intelligence is an indication of how he or she perceives, understands, and regulates emotions.

In sum, according to Mayer and Salovey, a person with emotional intelligence is aware of their own feelings and those of others, and is able to communicate both positive and negative emotions and internal experiences when appropriate and have an impact on other people's moods.

In organizations and work environment, technical skills and core competencies are essential for sustainable competitive advantage. However, the ability to outperform other organizations largely depends on how employees manage their relationships with others.<sup>176</sup> In terms of the organization at whole, research suggests that emotional intelligence helps an organization to commit to a basic strategy, build relationships inside and outside the organization, offer competitive advantage, promote innovation and risk taking, provide a platform to shared learning, maintain balance between the human side and financial side of the company's

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<sup>175</sup> Salovey, P. and Mayer, J.D. (1990)

<sup>176</sup> Pinos V, Twigg N & Olson B (2006)

agenda, and develop **open communication** and trust building among employees and leaders.

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#### Appendix IV: *Emotional Intelligence, 1994* <sup>178</sup>



### 3.1.2 The Trait Model

The Trait model of Emotional Intelligence is the most recent one, published in 2009 by Petrides and Furnham.<sup>179</sup>

In order to address misconceptions about defining EI, they proposed a distinction between two emotional intelligence constructs: trait EI (or trait emotional self-efficacy) and ability EI (on the other hand, cognitive-emotional ability). It proposes that people have, as part of their personalities, a number of emotional self-perception and emotional traits. These traits are not measured in the scientific sense, instead, the respondent's measures them by self-report. Of course, this assumes that the respondent is able to accurately describe his or her own traits. It is important to note that his model of EI can only be viewed in conjunction with a comprehensive exploration of a person's personality. In addition, this is that distinction from the other models, which posit that EI is a brain-based ability, not an environmental aspect of personality.<sup>180</sup>

Since this is the newest model of EI, it is still neither fully examined, neither confirmed nor rejected by the researches.

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<sup>177</sup> Ibid

<sup>178</sup> <http://www.funderstanding.com/theory/emotional-intelligence/>

<sup>179</sup> Petrides, K.V. & Furnham, A. (2000)

<sup>180</sup> Ibid

### 3.1.3 The Mixed Model

Daniel Goleman, a psychologist and science writer who has previously written on brain and behavior research for the New York Times, discovered the work of Salovey and Mayer in the 1990's. Inspired by their findings, he began to conduct his own research and summaries it in his book *Emotional Intelligence*, written in 1995. According to Goleman; “*If a leader resonates energy and enthusiasm, an organization thrives; if a leader spreads negativity and dissonance, it flounders. Resonant leaders- whether CEOs or managers, coaches or politicians-excel not just through skill and smarts, but also by connecting with others. This breakthrough concept charges leaders with driving emotions in the right direction to have a positive impact on earnings or strategy.*”<sup>181</sup>

Goleman named his model a *mixed model* of Emotional Intelligence and divided it into four main domains that include eighteen competencies (Appendix I); the four main domains; ***Self-Awareness, Self-Management, Social Awareness*** and ***Relationship Management***, are intended to provide a practical guideline for building leadership communication skills.<sup>182</sup>

The model outlines four 14 main emotional intelligence constructs. The first, *self-awareness*, is the ability to read one's emotions and recognize their impact while using good feelings to guide decisions. *Self-management*, the second construct, involves controlling one's emotions, impulses, and adapting to changing circumstances. The third construct, *social awareness*, includes the ability to sense, understand, and react to other's emotions while comprehending social networks. Finally, *relationship management*, the fourth construct, entails the ability to inspire, influence, and develop others while managing conflict.<sup>183</sup>

What is very important to recognize about Goleman's model of EI is that these competencies are not considered innate. Instead, they must be developed over time in order to develop and improve performance.<sup>184</sup> Unlike IQ, which is believed to be “fixed” by the time we reach adulthood, EI is not. A person can continue to develop her EI throughout a lifetime. Goleman also posits that individuals are born with a general emotional intelligence that determines their potential for learning emotional competencies. The organization of the competencies under the various constructs is not random; they appear in synergistic clusters or groupings that support and facilitate each other.<sup>185</sup> (Boyatzis, Goleman, & Rhee, 1999)

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<sup>181</sup> Goleman, D. (2004), p.25

<sup>182</sup> Pinos V, Twigg N & Olson B (2006)

<sup>183</sup> Goleman, D. (1998)

<sup>184</sup> Goleman, D. (2004)

<sup>185</sup> Boyatzis, R.E., Goleman, D., & Rhee, K. (1999)

### 3.1.3.1 Self-Awareness

In Goleman's competencies, self-awareness is the building block of all the others. It means to recognize and understand one's emotions, as well as one's strengths, weaknesses, needs, and drives. Without recognizing what you are feeling, you cannot proceed to the other competencies.

Self-awareness involves three skills:

- Emotional awareness
- Accurate self-assessment
- Self-confidence

These skills are building upon each other. You must first be aware of your emotional state in order to assess it. By having a firm grasp on your emotions and an understanding of how they manifest, you can feel more self-assured and in control, which will be a boost to your self-confidence.<sup>186</sup>

Goleman found out that people with strong self-awareness are neither too much self-critical nor naively hopeful but realistic. They are honest with themselves, and they are honest to themselves with others, even to the point of being able to laugh at their own shortcomings and bad habits.<sup>187</sup> These characteristics are very important for a leader to be effective.

*Self-aware leaders* understand his/her values, goals and dreams; they know where they are going and why- and know how to act according to the circumstances. A self-aware person is the one that knows that tight deadlines bring out the worst in him/her and therefore plans their time carefully and gets the work done well in advance. For example, he or she will be able to turn down a job offer that is tempting financially but does not fit with his or her principles or long-term goals.<sup>188</sup>

Further, when one understands his/her strengths and weaknesses on values, goals and emotions in

general that means he/her possesses certain level of intuition and vision-, which is also a quality the self-aware leader.

Being a self-aware leader has its comparisons to what is known as a "*Level 5 leader*", constructed by Jim Collins, American business consultant, author, and lecturer on the subject of company sustainability and growth in his book; "*Good to Great.*"

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<sup>186</sup>Miomir Zuzul,interview

<sup>187</sup> HBR&Goleman,D. (2001),p.7

<sup>188</sup> Goleman D, Boyatzis R, McKee A (2004),p.p.40-42

According to Jim Collins (2001) Level 5 leaders are the ones that channel their ego away from themselves and into the larger goal of building a great and successful company. That does not mean that Level 5 leaders have no ego or self-interest. Indeed, they are incredibly ambitious- but their ambition is first and mostly for the institution, not themselves.<sup>189</sup>

Further, Level 5 leaders embody a paradoxical mix of personal humility and professional will, they are resolved to do whatever it takes in order to produced results. When there something goes wrong, level 5 Leader will first blame him/her self for failure. Whereas egocentric leaders often set up their successors for failure, level 5 Leaders set up their successors for even great success in the next generation.<sup>190</sup>

There are many parallels to a level 5 leader, and a self-aware leader in this sense. Self-aware leaders are completely aware and comfortable about their limitations and strengths and they often demonstrate a desire for constructive criticism. By contrast, a person or leader with low self-awareness would most likely interpret the message that they need to improve, as a threat or sign of failure.<sup>191</sup>

In addition, they know when and how to ask for help, the risks they take on the job are calculated and they will not take for a challenge if they do not know they can handle alone the challenge for sure. They are perfectly aware of their strengths and possibilities.

#### Appendix V:Level 5 Hierarchy <sup>192</sup>



<sup>189</sup> Collins,J. (2001),p.p.20-21

<sup>190</sup> Ibid

<sup>191</sup> HBR&Goleman,D.(2001),p.p.8-9

<sup>192</sup><http://leadershipchamps.wordpress.com/2008/07/02/level-5-leadership-what-is-it/>

One of the very important qualities of Level 5 leader is the ability to look at the larger picture. Level 5 leaders are always looking for the solution that brings benefits for the organization at large;

not only for themselves:” *Level 5 leaders channel their ego needs away from themselves and into the larger goal of building a great company. It is not that level 5 leaders have no ego or self-interest. Indeed, they are incredibly ambitious – but their ambition is first and foremost for the institution, not themselves.*”<sup>193</sup>

### **3.1.3.2 Self- Management**

From self-awareness flows *self-management* - understanding one’s emotions and being clear about one’s purpose, the focused drive that all leaders need to achieve their goals.<sup>194</sup>

Self-management or self-regulation refers to the act of taking responsibility for our emotions and how they affect our decisions and behaviors. When we take responsibility for the way we feel, it gives us the tool for making decisions that are the most supportive for our mental and emotional health. That in turn helps us to be successful in motivating ourselves to achieve goals. It helps us to overcome obstacles and remain in action towards the things that we want in life. It let us experience emotions without being controlled by them and it aids in our ability to build strong, lasting and rewarding relationship-both in and out of the workplace.<sup>195</sup>

People with high self-management competency feel bad moods and negative emotions as everyone else, but they find ways to channel them in useful ways.<sup>196</sup>

The process of managing feelings and emotions is critically important to EI, as emotions are so contagious- especially from a leader to the others in an organization. So to say: leaders cannot effectively manage emotions in anyone else without handling their own.<sup>197</sup> By becoming aware of yourself and by being capable to manage and influence one’s own emotions, one will increase self-control, trustworthiness, conscientiousness, motivation, adaptability and innovation, which are six different skills attributes of self/management.

<sup>198</sup>Furtherone, in organizational environment, self-management is important for competitive reasons. In the current ambiguous and changing business environment where companies merge and break apart regularly and technology changes at a rapid pace, leaders who have mastered their emotions are better able to deal with the changes and help the organization to

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<sup>193</sup> Collins,J. (2001),p.21

<sup>194</sup> Goleman,D (2004),p.45

<sup>195</sup>Miomir Zuzul on interview

<sup>196</sup> Miomir Zuzul on interview

<sup>197</sup> HBR&Goleman,D.(2001),p.p.9-11

<sup>198</sup> Pinos V, Twigg N & Olson B (2006)

adjust.<sup>199</sup>

Effective leadership today demands a capacity for managing one's own turbulent feelings and at the same time allowing the full expression of positive emotions. Although the act of controlling impulses is difficult, and often a complicated act- it is a quality that is vital in today's changing and turbulent business environment ,as well as in everyday life.<sup>200</sup>

### **3.1.3.3 Social Awareness**

The first two competencies we mentioned above were personal –they related to emotions of the self. Following two competencies-social awareness and relationship management are social because they relate to understanding and working with emotions of other people.

Social Awareness is the ability to perceive and understand the social relationship and structures in which we and those around us operate. It involves being able to understand how other people are feeling and being capable to validate those feelings. It requires being able to recognize relationships and structures within your organization or your social network.<sup>201</sup>

There are three skills of this competency:

- *Empathy* is the ability to empathize with other people
- *Organizational Awareness* refers to recognizing and understanding how the organizational structures ,in which we and other people operate, can influence emotions
- *Service Orientation* represents assisting the other person by providing insights and suggestions that are for the best interest of that other people.<sup>202</sup>

Once the leader understands his/her vision and values for the organization, they need to convey the vision and values to the other members. The social-awareness dimension of EI states that a heightened state of awareness in a leader's communication abilities is vital to understand both the situation and the follower's level of comprehension.<sup>203</sup>

It is proven that empathetic people are superb at recognizing and meeting the needs of clients, customers, or subordinates. They are more open and approachable, wanting to hear what people have to say. They listen carefully, noticing what people are truly concerned about, and they respond on the mark. It is also proven that empathy is the key to retaining talent. Of all

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<sup>199</sup> Goleman,D. (2004),p.p.45-47

<sup>200</sup> Goleman,D. (2004),p.48

<sup>201</sup> HBR&Goleman,D.(2001)

<sup>202</sup> HBR&Goleman,D.(2001)

<sup>203</sup> Pinos V, Twigg N & Olson B (2006)

the factors in a company's control, tuned-out, dissonant leaders are one of the main reasons that talented people leave- and take the company's knowledge with them.<sup>204</sup>

Globalization is another reason for the rising importance of empathy for business leaders because it is a critical skill for getting along with diverse workmates, employees and doing business with people from other cultures. Cross-cultural dialogue can easily lead to miscues and

misunderstandings. Empathy is a tool that attunes people to subtleties in body language, or allows them to hear the emotional message beneath the words and has a deep understanding of the existence and importance of cultural and ethnic differences.<sup>205</sup>

#### ***3.1.3.4 Relationship Management***

The final ability of the EI that comes together with self-awareness, self-management and Social Awareness is Relationship Management. If Social Awareness offers understanding of others, than Relationship Management offers means of interacting with others that help boost productivity, improve relationships and increase a general quality of life.<sup>206</sup>

There are eight skills that are associated with Relationship Management: *Influence*-ability to have an impact on others and their decision, but an influence that help others to help themselves; *Leadership*; *Developing others*-one of the best indicators of EI; *Communication*-vital skill for all of the EI competences; *Change Catalyst*-ability to take changes as a way of improving yourself, helping others to improve ,helping organizations or customers to improve; *Conflict Management*-ability to see an opportunity in a conflict, managing conflict in a way that is positive and productive, identify and foster win-win situation; *Building Bonds*-proactively creating relationship and *Teamwork and Collaboration*.

As we can see, Relationship Management, basically, boils down to handling other people's emotions. It demands that leaders are aware of their own emotions and attuned with empathy to the people they lead, to run them in the right direction, whether it is an agreement of a marketing strategy or enthusiasm about a new project. We are already aware that the top effective leaders are the ones with strong EI skills, because they know how to work with people, keep the peace at work, share the credit, support and develop their people. Effective top leadership involves appealing to and managing the emotions of others in order to get the job done.<sup>207</sup>

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<sup>204</sup> Goleman,D.(2004),p.p.49-50

<sup>205</sup> Ibid

<sup>206</sup> Ibid

<sup>207</sup> Goleman,D.(2004),p.p.51-53

Beyond that, as organizations realize that the old functional silos- marketing over here, strategy there, compensation here- must be broken down, more leaders routinely work with their peers as part of cross-functional teams.<sup>208</sup> If any group needs to maximize its effectiveness, it is the team at the top; which means establishing close and smooth relations so that everyone can share information easily and coordinate effectively.<sup>209</sup>

The four dimensions are present in the model created by, co-author of Daniel Goleman, Richard Boyatzis's "*Theory of Self-Directed Learning*" (Appendix VI)

The "*mixed model*" is not without its critiques. Some of the critique argue that Goleman mixed together the original meaning of emotional intelligence (the ability to know and have influence over one's own emotions) and other personality aspects (the will to succeed and the ability to acknowledge other people's feelings) as well as the having good people skills. Other critique of the model has been that Goleman's model is not something new and original, but that he has put already proposed concepts together into a model. Goleman has also been criticized for not testing his theories properly. Moreover, doubt in the connection between emotional intelligence and Leadership effectiveness happened because of the concerns about its meaningfulness and the construct and predictive validity of its various measures, and whether it is actually theoretically needed for leadership.<sup>210</sup>

After an overview on the EI competencies, models and measurements of emotional Intelligence and what it requires and takes to become an emotionally intelligent leader, the question that comes to mind is therefore can emotional intelligence be learned? For instance; are people born with certain levels of empathy, or do they acquire empathy as a result of life's experiences?

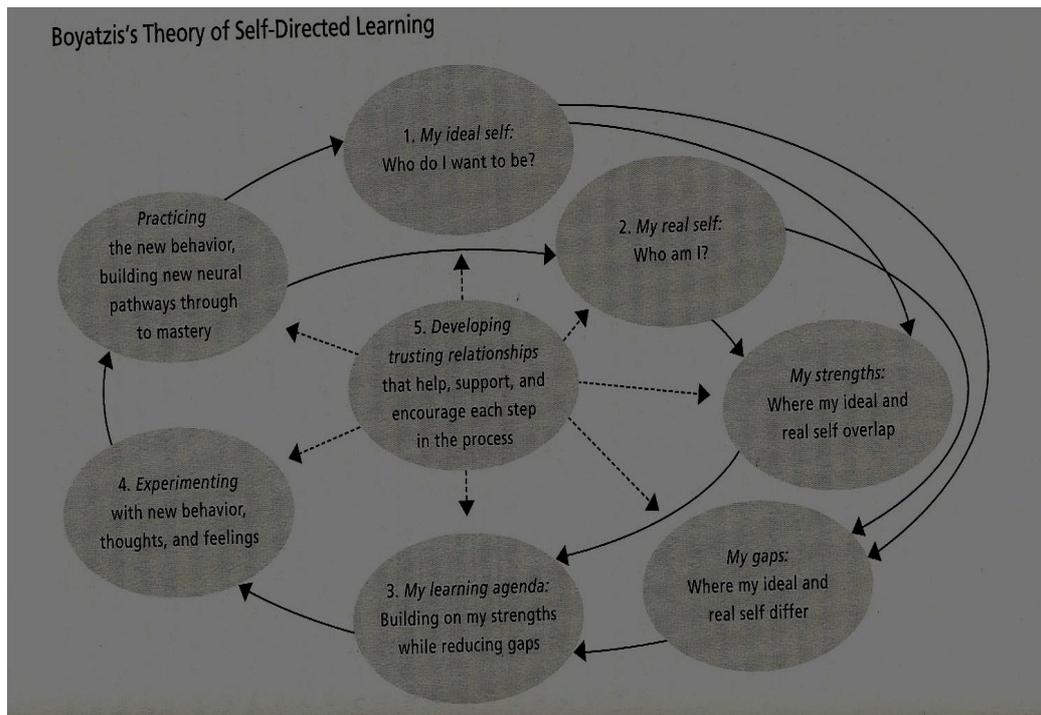
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<sup>208</sup> Mr. Robert Benmosche, retired CEO of AIG Group, during our interview in Dubrovnik in May, 2013

<sup>209</sup> Goleman, D (2004), p. 52

<sup>210</sup> Antonakis J, Ashkanasy N, Dasborough M (2009)

## Appendix VI Theory of Self-Directed Learning



### 3.2 Can Emotional Intelligence Be Learned?

*“Curiosity is one of the permanent and certain characteristics of a vigorous intellect.”-*  
**Samuel Johnson**

One of the most controversial aspects of emotional intelligence is whether it can be learned and developed. Some researchers of the development of emotional intelligence, such as Goleman, claim that the proper programs can help individuals change from, say, pessimists to optimists within weeks<sup>211</sup>, however there are several arguments supporting the notion that, logically, emotional intelligence can not be taught. These arguments stem from personality theory (trait theory of EI) as well as the neurological evidence.

It is widely known and confirmed by research that personality traits are strongly influenced by genes and persist from childhood to adulthood, remaining static over time. Although traits are

<sup>211</sup> Goleman, D. (1998)

pervasive and enduring, they do follow a developmental trajectory: between late adolescence and thirty years of age, neuroticism, extraversion and openness tend to decline, while agreeableness and conscientiousness tend to increase. These traits are strongly preserved throughout the entire adult life span, although there is a much more gradual shift in this same trend as one ages.<sup>212</sup> A trait theorist would argue that although it may be possible to give people training in emotional intelligence and change some of their specific attitudes, behaviors, or policies, creating deep and pervasive changes in personality are difficult. Also, because personality traits are so enduring, any changes in attitude or behavior that are made may be superficial and short-term in nature.<sup>213</sup>

Another argument, which could be made regarding the ability to advance one's emotional intelligence, is a neurological one. Previously aforementioned research has shown that a distinct type of intelligence (other than I.Q.) can be identified by examining PET scans and patients with lesions in certain brain areas, mainly the amygdale and the pre-frontal cortex.<sup>214</sup> If emotional intelligence is distinct from cognitive intelligence in that it is not comprised of neocortical connections (which can be developed through learning), how is it that one can learn or develop emotional intelligence skills? It would appear that the neurological support for emotional intelligence to some degree corroborates the idea that emotional intelligence is genetically determined and static in nature, rather than dynamic.

Emmerling and Goleman<sup>215</sup> attempted to clarify the reservations regarding the ability to develop emotional intelligence skills and reveal it in their article in 2003. They acknowledged that genes play an important role in the determination of emotional intelligence but it is a fact that geneticists themselves recognized the ability of nature to shape gene expression. Secondly, they challenged the common misconception that developing one's emotional intelligence was an easy task; they argue that individuals are unlikely to improve any aspect of their emotional intelligence without sustained effort, commitment, and attention to do so. Finally, by sighting findings from a longitudinal evaluation of the Weatherhead MBA program in which emotional intelligence was found to be improved by 50% seven years after program completion<sup>216</sup> and neurological research supporting the contention that the brain centers for emotion (the amygdale and pre-frontal cortex among others) may indeed be

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<sup>212</sup>Miomir Zuzul,interview

<sup>213</sup>Miomir Zuzul,interview

<sup>214</sup> Bechara, A., Tranel, D., & Damasio, A.R. (2000)

<sup>215</sup>Emmerling, R. J. & Goleman, D (2003)

<sup>216</sup> Boyatzis, R.E., Cowan, S.S., & Kolb, D.A. (1995)

plastic and capable of change, they supported the contention that emotional intelligence can be developed.<sup>217</sup>

In order to sustain development in emotional intelligence, one must first engage that power of ideal self.<sup>218</sup> There is a simple reason for that; changing habits is hard work and requires a strong commitment to a future vision of oneself- especially during pressured times or amid growing responsibilities.<sup>219</sup> As Emmerling and Goleman highlighted in their article there is a genetic component to emotional intelligence. Their psychological and developmental research indicates that nurture plays a role as well. How much of each perhaps will never be known, but research, practice and my investigation clearly demonstrate that emotional intelligence can be learned.<sup>220</sup>

Incorporated in leadership development, in order to find the motivation to succeed and to change behavior, emotional intelligence needs to become a strategic priority- an issue that is galvanized and managed at the highest levels of management in an organization. Furthermore, let's be honest- there needs to be some kind of financial benefit in terms of performance, in order to attract the interest of leaders in today's competitive business environment and some personal benefits of knowing how to manage your own and emotions of others.<sup>221</sup>

This leads us to the reality of Emotional Intelligence in workplace performance and everyday living.

## *Chapter 3*

### *The reality of Emotional Intelligence*

#### **4.0 Emotional Intelligence and Leadership**

The most often-applied constructs, which Emotional Intelligence has been associated with, is that of Effective Leadership. The leadership literature has produced countless theories on what characteristics the most effective leaders must possess. It has been proposed that in

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<sup>217</sup> Davidson, R., Jackson, D.C., and Kalin, N.H. (2000),p.p.890-909.

<sup>218</sup> Miomir Zuzul, interview

<sup>219</sup> HBR&Goleman,D.(2001),p.p.22-24

<sup>220</sup> HBR&Goleman,D.(2001),p.p..22-23

<sup>221</sup> Ibid

leadership, dealing effectively with emotions contributes to how leader handles the needs of individuals, how she/he effectively motivates employees, and makes them “feel” at work<sup>222</sup>

Today’s effective leadership skills are related to the understanding of emotions and the abilities associated with EI (Cooper and Sawaf, 1997; Goleman, 1998a; Ryback, 1998). Despite some of its differences determining characteristic of effective leader, all theories agree and my research confirms that the most successful leaders have higher developed Emotional Intelligence than others.

From my research findings, it becomes clear that leaders high in emotional intelligence are key to organizational success.

Research conducted by the late Harvard Professor, David McClelland, renowned for his work on human and organizational behavior, has confirmed that emotional intelligence not only distinguishes leaders but also can be linked to *strong* performance.<sup>223</sup> His findings include a study of a global food company. McClelland found that when senior managers had a critical mass of emotional intelligence capabilities, their divisions outperformed yearly earnings goals by 20%. Meanwhile, division leaders without that critical mass of EI competencies underperformed by almost the same amount, and interestingly, McClelland’s discoveries were also valid in the company’s US, Asian and European divisions. Suggesting that, Emotional Intelligence can be applied across cultures.<sup>224</sup>

Moreover:

*“Roughly 50-70 percent of how employees perceive their **organization’s climate** can be traced to the **actions** and the **emotional state** of one person: **the leader**. More than anyone else, the leader creates the conditions that directly determine people’s ability to **work well**”*<sup>225</sup>

In other words, the leader is responsible (directly or indirectly) for the work conditions of the organization, and he/she has the power to influence the performance of employees “simply” by having control over their emotional intelligence. This is not a simple task to manage- however with the right training and the wish to change- a leader can contribute into making an organization thrive and performs better with emotional intelligence.<sup>226</sup>

<sup>222</sup> Goleman, D. (1998)

<sup>223</sup> HBR & Goleman, D. (2001), p. 5

<sup>224</sup> Ibid

<sup>225</sup> Goleman, D. (2004), p. 18

<sup>226</sup> Ibid p.p. 20-25

There is no effective leader who can say that has excluded its emotions out of his system when leads, because emotions are the essence of leadership system. Leader does not exist if she/he does not have Emotional Intelligence.<sup>227</sup> “*Contrary to the view that emotions always interfere with thinking, the concept of emotional intelligence holds that the ability to understand and regulate emotions can make overall thinking and performance more effective*”.<sup>228</sup> Effective leaders must have the capacity to sense employees' feelings about their work environments, to intervene when problems arise, to manage their own emotions in order to gain the trust of the employees, and to understand the political and social conventions within an organization. Simply put; a leader has the capacity to impact organizational performance by setting a particular work climate.<sup>229</sup>

At one of the insurance companies where Goleman conducted research in, he found that effective leadership influenced service climate among agents to account for a 3 to 4 % difference in insurance renewals- a seemingly small margin that made a big difference to the business.<sup>230</sup>

Further, Goleman outlines six distinct leadership styles and how they affect the climate of the organization (see Table 5). A number of the emotional intelligence competencies outlined in Goleman's model characterizes each style, and each may be effective in an organizational setting, depending on the situation at hand.

Goleman also found that the most effective leaders integrate four or more of the six styles regularly, substituting one for another more appropriate style depending on the leadership situation.<sup>231</sup> This has been found to be the case in studies of insurance companies, where leaders were adept at all four of the positive styles of leadership, and at schools, where heads of schools who used four or more of the leadership styles experienced superior performance among students compared to comparison schools. Performance was poorest in those schools where only one or two styles of leadership were used.<sup>232</sup>

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<sup>227</sup> Zoran Hamovic, director of Clio Publishing House, Belgrade, during our interview

<sup>228</sup> Joseph Nye, interview

<sup>229</sup> Goleman, D. (2001)

<sup>230</sup> Goleman, D. (2004), p.18

<sup>231</sup> Goleman, D. (1998)

<sup>232</sup> Hay/McBer, (2000). Available at: <http://www.dfes.gov.uk/teachingreforms/mcber/>.

## Appendix VII: 6 Leadership Styles and Impact on Organizational Climate <sup>233</sup>

Style	Description	When to use it	Weaknesses
Commanding / coercive	Dictatorship - "Do what I say"	In urgency - when time is scarce, and in crisis.	Members can feel stifled as they are treated as workers and not asked for an opinion.
Visionary / Authoritative	Mobilises people towards a vision	When a new vision and direction is needed	Lacks the ability to help team members understand how they get to a vision or goal.
Affiliative	Focuses on emotional needs over work needs.	Best used for healing rifts and getting through stressful situations.	Confrontation and emotionally distressing positions can be avoided
Democratic	Uses participation, listening to both the bad and the good news	To gain valuable input from employees and to gain Buy-in, when there is time to do so.	Can be lots of listening but very little effective action.
Pacesetting	Builds challenging and exciting goals for people,	When the team is already highly motivated and competent	Can lack emotional intelligence
Coaching	connecting corporate goals whilst helping people find strengths and weaknesses, linking these to career aspirations and actions	Coach, mentor and develop individuals when they need to build longer term strengths	Can come across as micromanaging.

### 4.1. Emotional Intelligence in the Workplace

As already mentioned, Emotional intelligence (EI) has become a very popular topic since the publication of a bestseller by the same name in October 1995 (Goleman). EI is defined by the ability to understand and manage our emotions and those around us. This quality gives individuals a variety of skills, such as the ability to manage relationships, navigate social networks, influence and inspire others. Every individual possesses different level of EI competences. Although the construct of emotional intelligence is not new, its application in the workplace, designed to increase individual performance and organizational productivity, has begun already during the past decade. The precursors of these efforts came from the Second World War era with extensive surveys conducted by the United States Office of

<sup>233</sup> <http://www.educational-business-articles.com/six-leadership-styles.html>

Personnel Management and with the pioneering work of David McClelland at Harvard University that focused on the importance of emotionally and socially intelligent behavior among managers.<sup>234</sup>

In today's workplace, it has become a highly important factor for success, influencing productivity, efficiency and team collaboration.<sup>235</sup>

In his book “ Working with Emotional Intelligence (1998) “,Daniel Goleman stresses that basic five EI competences are proven to contribute to workplace achievement more than technical skills, cognitive ability and standard personality traits combined.<sup>236</sup> **Social competencies of EI** (Intuition and empathy, Political Acumen and social skills) determine how we handle relationships with other people. Intuition and empathy-awareness of others' feelings needs and concerns in the workplace is important because we manage to *understand* others, their feelings and perspectives and show an active interest in their concerns and interests in order to grow, develop and master their strengths, which is one of the “tasks” of an effective leader. Intuition and empathy also helps *developing customer service orientation* -the ability to anticipate, recognize and meet customers' needs and to *cultivate opportunities* through diverse people.<sup>237</sup>

Political acumen and social skills determine our adeptness at inducing desirable responses in others. By possessing this competence, people manage to *influence* others- to know which effective tactics and techniques to use for persuasion and desired results; to communicate effectively; to inspire and guide groups of people (leadership);to initiate and/or manage change in the workplace; to negotiate and to resolve disagreements with people ; to build bonds-nurturing instrumental relationships for business success ;to collaborate and cooperate and to create group synergy in pursuing collective goals – team capabilities.<sup>238</sup>

**Personal competencies of EI** (Self Awareness, Self Regulation, Self Expectation and Motivation) are competencies that determine how we manage ourselves.

Knowing one's internal states, preferences, resources, and intuitions (self awareness) provides us to recognize one's emotions and their effects and impact on those around us, to get to know one's strengths and limits in order to know how to manage them and sureness about one's self-worth and capabilities -self confidence, which happens to be very important competence for self improvement and success. Managing one's internal states, impulses, and resources

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<sup>234</sup>Miomir Zuzul.interview

<sup>235</sup>Robert Benmosche,interview

<sup>236</sup> Goleman,D.(1998)

<sup>237</sup>Drasko Markovic,HRM director at Telecome company Belgrade,interviewed

<sup>238</sup> Drasko Markovic,HRM director at Telecome company Belgrade,interviewed

(self regulation) helps us to manage disruptive emotions and impulses (self management), to maintain standards of honesty and integrity (trustworthiness) ,to take responsibility and to be accountable for personal performance, to have flexibility in handling change and to be comfortable with an openness to novel ideas, approaches, and new information .

Further more, Self Expectations and Motivation-an emotional tendencies that guide or facilitate our reaching for goals are important for workplace because they push us to strive to improve or meet a standard of excellence we impose on ourselves ,they develop commitment to the cause or goals of the group or organization, they push us toward initiative-readiness to act on opportunities without having to be told and optimism: persistence in pursuing goals despite obstacles and setbacks .<sup>239</sup>

A strong interest in the professional applications of emotional intelligence is apparent in the way successful organizations have embraced E.I. ideas. For example, The American Society for Training and Development, has published a volume describing guidelines for helping people in organizations cultivate emotional intelligence competencies which distinguish outstanding performers from average ones.<sup>240</sup>

Most considerable research in the field of Emotional Intelligence has focused on the cost-effectiveness of emotional intelligence in the workplace. Several studies have reported the economic value of hiring staff based on emotional intelligence. In a report to Congress, the Government Accounting Office (1998) outlined the amount saved when the United States Air Force used Bar On's Emotional Quotient Inventory (EQ-I) to select program recruiters. By selecting those individuals who scored highest in emotional intelligence as recruiters, they increased their ability to select successful recruiters by threefold and saved \$3 million annually. A similar study by Boyatzis (1999) found that when partners in a multinational consulting firm were assessed on E.I. competencies, partners who scored above the median on nine or more competencies delivered \$1.2 million more profit than did other partners.

Cherniss and Goleman (1998) estimated that by not following training guidelines established to increase emotional intelligence in the workplace, industry in the United States is losing between \$5.6 and \$16.8 billion a year. They found that the impact of training employees in emotional and social competencies with programs, which followed their guidelines, was higher than for other programs, and by not implementing these programs companies were receiving less of an impact and consequently losing money.<sup>241</sup>

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<sup>239</sup> Ibid

<sup>240</sup> Cherniss, C. & Adler, M. (2000)

<sup>241</sup> Cherniss, C. & Goleman, D. (1998, October 7)

Further, in his later work, Goleman (2001) clarified the relationship between I.Q. and E.Q., and their respective applicability to job performance. He describes I.Q. as playing a sorting function, determining the types of jobs individuals are capable of holding. He theorized that I.Q. is a strong predictor of what jobs individuals can enter as well as a strong predictor of success among the general population as a whole.

For example, in order to become a top-lawyer or an engineer, an individual requires an above average I.Q. Emotional intelligence, on the other hand, is described by Goleman as a stronger predictor of who will excel in a particular job when levels of I.Q. are relatively equal. When the individuals are being compared to a narrow pool of people in a particular job in a certain organization, specifically in the higher levels, the predictive power of I.Q. for outstanding performance among them weakens greatly. In this circumstance, E.Q. would be the stronger predictor of individuals who outperform others. Thus, the top lawyers or engineers in particular companies would all have similarly above average I.Q.'s. Goleman hypothesized that what would distinguish the most successful, in this case, lawyers and engineers from the others would be their levels of emotional intelligence.

The following sections give us an example how can one benefit from EI by using its competences in everyday living.

## **4.2 Emotional Intelligence in everyday living**

According to many studies and my research, emotional intelligence can have a significant impact on various elements of everyday living. Higher emotional intelligence is a predictor of life satisfaction. Additionally, people with higher emotional intelligence are also more likely to use an adaptive defense style and therefore exhibit healthier psychological adaptation.<sup>242</sup>

Performance measures of emotional intelligence have illustrated that higher levels of E.I. are associated with an increased likelihood of attending to health and appearance, positive interactions with friends and family, and owning objects that are reminders of their loved ones (Brackett, Mayer, & Warner, in press). Further, higher emotional intelligence correlated significantly with higher parental warmth and attachment style, while positive interpersonal relationships among children, adolescents, and adults increases in these situations<sup>243</sup>

Negative relationships have likewise been identified between emotional intelligence and problem behavior. Mayer, Caruso, and Salovey (2000) found that lower emotional intelligence

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<sup>242</sup> Rice, C.L. (1999)

<sup>243</sup> Ibid

was associated with lower self-reports of violent and trouble-prone behavior among college students, a correlation which remained significant even when the effects of intelligence and empathy were partialled out. Lower emotional intelligence (as measured by the MSCEIT)<sup>244</sup> has been significantly associated with owning more self-help books (Brackett et al., in press), higher use of illegal drugs and alcohol, as well as increased participation in deviant behavior (i.e. involvement in physical fights and vandalism). No gender differences were observed for these associations.<sup>245</sup> Finally, a study of 15 male adolescent sex offenders (15-17 years old) found that sex offenders have difficulty in identifying their own and others' feelings, two important elements of emotional intelligence.<sup>246</sup>

## *Chapter 4*

### *Findings, Discussion and Conclusion*

In this report, the research study was based on a qualitative method using interviews, which are probably the most widely employed method in qualitative research. I choose this method of interviews because it is an attractive option for the collection of data, it tends to be less structured and there is much more emphasis on the point of view of the respondent. This method of interviewing also tends to be flexible, responding to the direction in which the respondent takes the interview and this kind of interview generates answers, which can be processed quickly.<sup>247</sup>

Twelve questions were formulated, based on the theories of leadership and emotional intelligence and the recruitment process, which has been covered previously in this paper. The questions and the interviews are shown in appendices at the end of the paper.

## **5.0 The Process of the Interviews and Findings**

### ***5.0.1. Participants***

Ten successful leaders, which I already named in Summary section at the beginning of the Thesis, from different countries (Serbia, Croatia, Monaco, Germany, France and USA) were chosen at random from a list of interviewed leaders of companies and organizations that

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<sup>244</sup>Mayer-Salovey-Caruso Emotional Intelligence Test (MSCEIT)

<sup>245</sup> Trinidad, D.R., & Johnson, C.A. (2002),p.p.95-105.

<sup>246</sup> Moriarty, N., Stough, C., Tidmarsh, P., Eger, D., & Dennison, S. (2001), p.p. 743-751.

<sup>247</sup>Bryman, A and Bell, E. (2007)

represents most successful companies and organizations in their field of business, education and work. Selected companies and organizations belong to different fields of work; some of them are business companies (Telecom Serbia, AIG USA, Zepter International, Clio publishing House), some are educational institutions (DIU Croatia) some are cultural ( Sava Centre Serbia, Vatroslav Lisinski Zagreb, Clio Publishing House) and some refers to art (Cib Management Limited). However, the common things for all this companies are strong and successful leaders who manage and lead those institutions toward accomplishing sustainable development and success. This is proven in fact that all of these institutions represent the most successful and most respected institutions in the area of their activity and work.

Companies were chosen from different field of work because this Thesis wanted to examine if major components of Effective Leadership and its communication with Emotional Intelligence can be generally applied to all institutions and organizations with no matter of their work profile.

Institutions were selected from several different countries because I wanted to have wide perspective on Leadership and Emotional intelligence and where it stands today in the world. Most of the interest I had in examining the reality of Effective Leadership, notion and use of Emotional Intelligence's components in Serbia. Therefore, the purpose of this Thesis was, also, to provide set of recommendations for organizations and institutions in Serbia on how to improve their leadership effectiveness by imputing Emotional Intelligence in their everyday work communication and activities.

Since this Master Thesis research is written as the Master Exam of the Interdisciplinary studies in Cultural policy and management, greater number of the institutions selected for the purpose of the interview belong to the field of culture and education.

However, business companies were also included for the sake of wider perspective on Leadership and emotional intelligence in work-place performance.

### 5.0.2. Findings

Question no.1: **How would you define a) Leadership b) Effective leadership, and is there a difference? Sub question: what are the characteristics of an effective leader?**

**Leader A ( Catherine Le Bris)** *“Leader is the one who has followers, based on his/hers talent, effectiveness and charisma. Somebody who can anticipate, adapt to a constant moving market, delegate tasks, create new opportunities and partnerships, and have a global worldwide vision and a good connection network. Today in global 21<sup>st</sup> century’s world a leader cannot be true leader without effectiveness.”*

**Leader B (Drasko Markovic):***”Leadership is a skill of managing people and effective leadership is also that but managing people on the best way that gives optimal results and profit in organizations. Yes, there is a difference. Effective leader has decentralized management style meaning allowing individuals to work independently- but an asset when needed. Characteristics would be: charisma, intellect, great knowledge of work and market, communicational skills, social and emotional intelligence. Encouragement and positive feedback when appropriate. Allowing conflicting opinions to exist simultaneously from differing parties. That is, no need to rush to judgment but allow a process to exist and play out. “*

**Leader C( Madlena Zepter)** *“ Leadership means to organize, plan and to create the way, model of running organization, having in mind organizational goals and vision, effective leadership is all that but also with gaining high results and profit. Effective leader is the one who has followers because of his knowledge, talent, charisma, emotional intelligence, skill to attract people and followers. There is a difference between leadership and successful leadership. It’s in the way...Leadership involves management and organization of work in a system, successful leadership includes also results of it all: the effects of business and financial success and successful communication with people.”*

**Leader D (Robert Benmosche):***”Leadership is both a broad and specific field, there are many types of leader in many different areas, but they all nevertheless share some key traits. Leader is the one who leads people toward goal. In addition, what is the goal depends on a context of leadership. Effective leader is the one who brings its followers to that goal making everybody enjoying their trip! 21<sup>st</sup> century organizations realize that the old functional silos-*

*marketing over here, strategy there, compensation here- must be broken down, more leaders routinely work with their peers as part of cross-functional teams. It was a task for leaders to gain to become effective ,in order for companies to survive in today's global market.*

*All effective leaders have two things in common: a) they all go somewhere b) they are capable to convince others to follow them. One more difference between leader and effective leader is: every leader inspires followers to have confidence in him/her, but effective leader inspires them to have confidence in them self as well.. That is the main difference. How follower feel. Because, one of the highest goals of every effective and great leader is improvement and constant personal grow (development) of its followers. Some of the characteristics of (potential) effective leaders would also be: knowledge, competence, intelligence, emotional intelligence, adaptability, certainty, perspicacity, communicational skills, resourcefulness, maturity, persistence, availability.”*

**Leader E (Philip Zepter):**” *Leadership can be defined as a territory within leaders of it have responsibility for action and reaction. It is taking in charge-something we all sometimes have to do, even if only from time to time. In order to be effective leader must have a) integrity, b) vision c) competence and d) confidence. To have integrity means to be trusted, to follow through on promises and show her/himself to be the right person. To have a vision means that leader must know where he is going and why. Competence is a gift and intelligence necessary to understand the challenges facing its followers and knowing how to meet them. To have confidence means that leader can take decisions under all kind of circumstances and has the courage to stand by them.”*

**Leader F (Miomir Zuzul):**”*Leadership is a process made of a person-leader and followers, where leader, by using his/her skills, run followers toward their mutual goal. It is effective when the goal is mutual and for the greater cause and not just for the success of the leader as an individual. Effective leaders are the ones that are always dynamic, going forward, shape their surroundings and discover new things from which entire community improves it self.”*

**Leader G (Dr.Regula Rapp):** “*Leadership is a process of social influence, which maximizes the efforts of others, towards the achievement of a goal. Effective leaders reach always that goal.*

*Leadership stems from social influence, not authority or power. It requires others, and that implies they do not need to be “direct reports” . There are many styles, many paths, to*

*effective leadership*

*It always includes a goal, not influence with no intended outcome. I guess technically a leader could use social influence to just organize the efforts of others, but I think leadership is about maximizing the effort. It's not, "Hey everyone, let's line up and get to the top of that hill someday." Rather, "Hey, see that hill? Let's see how fast we can get to the top...and I'll buy the first round for anyone who can beat me up there." Simply speaking leadership is about social influence, others (followers, workers), maximize effort, towards a goal."*

**Leader H (Dragan Vucicevic) :***"Effective leadership...that depends upon the situation where you lead...I mean what the circumstances are. It is one thing if you are in politics and another thing if you are in organization, or religion, or sport. First, we may say that leader is effective when there is financial profit in organization. That is the primal goal of every business organization/company. Everything else is secondary thing ...characteristic. Leader cannot be effective if the organization has financial loss. However, my opinion is that effective leader must have certain characteristics: Great knowledge and experience little bit of charisma and something authentically...something that will take him or her different from the others. You have to work hard, or have to know how to choose your coworkers, because now one can know everything. Effective leader must know how to motivate workers, to award them but also to punish them as well...depending on the results their achieve. There are many other characteristics that leader should have, but the most important thing is financial profit of the organization. It is the main goal."*

**Leader I (Joseph Nye Jr.):***"Leadership is a process in which leader and follower interact in a way that enables the leader to influence the actions of the follower in a non-coercive way, towards the achievements of certain aims or objectives. It is a relation between leaders and followers, and requires a mix of hard power — coercion — and soft power — persuasion and inspiration. A leader is one who seeks power to develop and affect the shared goals of a group — one who mixes soft with hard power —the one who uses "smart power." The form of leadership most likely to be effective depended highly on context, but there are six critical skills for leaders - the 'soft power' skills of emotional intelligence, vision, and communication; the 'hard power' skills of organization (including organizing information flows well), and Machiavellian political skills; and the 'smart power' skill of 'contextual intelligence', the ability intuitively to identify a strategy that will work in the context. Effective and appropriate leadership demands the simultaneous maintenance of diverse strategies (as*

well as the willingness and ability to develop new ones) in response to the contingencies of specific decision-making situations. Organizations require “adaptive leadership,” – leadership which involves muted command presence and “a flatter horizontal structure that produces collaboration in developing understanding and design for a new approach. Adaptive leadership can be defined as a dynamic process for the diffusion of ideas, attitudes, and habits of behavior. It also requires a much more comprehensive skill set than the traditional mode of hierarchical command-and-control. It demands from leaders “a broader bandwidth” and the ability (as well as intuition) to tune carefully for different situations. Leadership therefore requires also a capacity both to adapt to changes and to change in context. Effective leaders are the ones who are skilled in proper using of smart power –a mix of soft power (attraction) and hard power (compliance, giving orders, punishments and threats) where Emotional Intelligence plays very important roll. Characteristics of effective leader would be: a) integrity, b) vision c) competence d) confidence e) Contextual Intelligence f) Emotional Intelligence. Integrity means that people trust a leader, to follow leader through on promises, and leader's task is to show followers that her/he is the right person. Vision means that leader must have a clear picture where he is going and why. Competence and intelligence are gifts necessary to understand the challenges facing its followers and knowing how to meet them. To have confidence means that leader can handle pressure and make decisions under all kind of circumstances and has the courage to stand by them. Contextual intelligence stands for diagnostic skill related with the intuition that helps leaders to align their tactics with their objectives, so that they get the smartest and most effective strategies in different situations. “

**Leader J (Zoran Hamovic):**”Effective and successful leader is the one who works everything for the surroundings (followers)in order to improve them/it and make them better and more successful. It is closely related with moral and ethics as well. When I say moral I mean that leaders acts under moral and ethics expectations of the community-its followers. Leader is effective if he/she leads his/her followers, community and surroundings toward effectiveness and success as well.

Characteristics of effective leader are his personal characteristics: intelligence (the way leader handles his/her surrounding), innovation, competence, capability, and the fact is he /she the one who leads community/followers or he/she are just equal part of the crowd.”

As we can see from the answers of interviewed participants-leaders, leadership is a territory

that belongs at the same time to a leader and its followers, but the leader is the one who has major responsibility for the actions and reactions within this territory. All of my participants gave similar attributes that effective leader must possess; intelligence, vision, communicational skills, knowledge, charisma, confidence etc. My participants also agree in a fact that there is a difference between leadership and effective leadership in a way leader treat their followers and in the fact that effective leaders always reaches the goal and success ,but not just success for leaders as individuals, but for their followers, organization at whole, surroundings and community as well. Now, let us see some other questions and its answers!

Question no.2: **How would you define effectiveness?**

**Leader A (Catherine Le Bris):** *” Effective leader is the one who has and use the right strategy at the right time.”*

**Leader B (Drasko Markovic ):** *” Decentralized management style meaning allowing individuals to work independently- but an asset when needed”*

**Leader C (Madlena Zepter):** *“Effective communication, organization and creation of vision and goals of organizational development. It is the ability to break down the work at hand in to steps and to execute in a timely way”.*

**Leader D (Robert Benmosche):** *“Achieving set (highest) goals by using leadership skill knowledge and techniques.”*

**Leader E (Philip Zepter):** *”Accomplishing highest results and companies goals,while keeping customer and employees satisfied.”*

**Leader F ( Miomir Zuzul):** *“ Effectiveness means accomplishing set goals without breaking time-dead-line.”*

**Leader G (Dr.Regula Rapp):** *” Effectiveness is the capability of producing a desired result, reaching desired goal. When something is deemed effective, it means it has an intended or expected outcome, or produces a deep, vivid impression.”*

**Leader H (Dragan Vucicevic) :**” *Accomplishing high results and profit by using skill and knowledge.*”

**Leader I (Joseph Nye Jr.) :**” *Accomplishing highest results by using proper mix of leadership skills .Effectiveness might require the ability to use (or the threat to use) coercive measures... and here we come to the point where smart power is necessity.*”

**Leader J (Zoran Hamovic) :**”*Achieving accomplishments of set goals “.*

Leaders-participants gave different definition of *effectiveness*; however, the common thing to all definitions is that effectiveness means accomplishing company/ organization's goals within time-dead-line and by making both-followers and customers satisfied.

**Question no.3: Is effectiveness the primary indicator of a good leader? If not, what are your indicators of good leadership?**

**Leader A (Catherine le Bris):** “*A good leader must have a vision, sense of investment in the future, must be more creative than effective.* “

**Leader B (Drasko Markovic) :**” *Yes, but secondary traits such as ability to communicate are important because all individuals are fallible humans.*”

**Leader C (Madlena Zapter):**”*Yes. Leaders are effective when his or her workers cooperate well and successfully, when they are happy and content. In addition, when organization is successful in accomplishing its goals, especially financial profit. Good leader must also motivate employees to work most effectively.*”

**Leader D (Robert Benmosche):**” *Yes. Effectiveness is an indicator of effective and good leadership. Success of the organization is another indicator. Followers opinion is also one of the indicators as well.*”

**Leader E (Philip Zepter):**” *Yes, effectiveness is an indicator of good leadership. Sometimes*

*it is enough for measuring successful leadership because it is closely related to successful business performance and financial profit, which are the most important things for the company/organization (if we are taking about business companies or organizations.”*

**Leader F (Miomir Zuzul):**”*Yes, it is one of the very important indicators of successful leadership.”*

**Leader G (Dr.Regula Rapp):**”*Yes, effectiveness is primal indicator of effective leadership in general. Leadership effectiveness can be measured in a variety of ways; buy measuring are their group (workers) performing their job well, do the followers experience satisfaction, does a significant change occurs with successful implementation etc.”*

**Leader H (Dragan Vucicevic):**”*Yes, effectiveness is very important indicator of effective leadership, but the most important thing is, as I already mentioned, financial profit of the organization”.*

**Leader I (Joseph Nye Jr.) :**” *Yes, it is one of the most important indicators. However, it depends on a concept of leadership. In order to achieve effectiveness and to be effective, modern leader should integrate three concepts: **Emotional Intelligence**, a **vision** that a leader should be able to communicate, and **Contextual Intelligence**. Success in achieving those concepts can be indicator of good leader. In organizations, business firms and companies’ a financial profit and success of named institutions can also be indicator is leader effective or not. ”*

**Leader J (Zoran Hamovic):**” *Yes, primal, but not the only one. Leader must improve its surrounding, its territory. Effectiveness in accomplishing it, defines leaders’ effectiveness.”*

Not all of my leaders-participants agree that effectiveness is the primal indicator of effective leadership. One of my participants thinks that creativity is much more important for effective leadership than effectiveness. However, common conclusion, after analyzing the answers, is that effectiveness is one of the most important indicators of effective leadership, but not the only indicator. Besides effectiveness, successful leadership could be measured through the financial profit and success of the organization/company, how well the workers performing their job and do the followers experience satisfaction at work (work-climate).

Question no.4: **Based on your experience, how much effective leader (ship) impact work climate, and success of the organization?**

**Leader A (Catherine Le Bris):**” *Work climate and success of the organization (financial profit and sustainability) entirely depends on leader’s effectiveness and his personality and qualities”*

**Leader B (Drasko Markovic):**”*There is great and large impact of effective leader on work climate and success of the organization, as well as bad leaders impact it on a bad way”.*

**Leader C (Madlena Zepter):**”*Leader has the biggest impact on work climate and success of the organization; if this is not the case, than he or she is not a leader.”*

**Leader D (Robet Benmosche) :**” *Leader has the biggest impact on work climate because it is up to leader to set the things right (or wrong) in the group of his followers, and success of the organizations depends on its workers. If the workers are happy, they will be motivated and work better. Further, the style leaders use in leadership impact the productivity of the staff and the rest of the organization. Organizational efficiency is something that depends on each organizational department, which is led by its leaders and by performing its job - contribute to the success of the company. Thus, the way in which a leader makes decisions, delegate’s responsibility and interacts with employees can affect the entire organization. Leadership style can also affect communication flow and productivity of its stuff and the entire organization. For example: bureaucratic leaders tend to slow communication by checking to make sure that every part of the message and its delivery method follows strict company guidelines. This can hamper communication and prevent employees from getting instructions and information necessary for doing their jobs. Leaders who do not solicit input from others can distort information to fit their own needs. The information that is distributed throughout the organization is inaccurate and ineffective. That is the reason why it is very important that leaders know which combination of styles they should use in order to get the most effective results from its followers. Further, Employee input is also something, which is under great impact of leader .It can be valuable in creating more efficient work methods and improving productivity. However, the leadership style used by management can also affect the*

*effectiveness of employee input. A manager with a democratic leadership styles, for example, accepts input from employees and uses the pertinent information to improve the work process. Other managers may completely dismiss employee input because they do not want to make any changes to the way things are already done. Another response could be to allow employees to do what they want in terms of work processes, which would create procedural problems throughout the company. What is very important is that leaders set clear goals of the organization because this way they maximize employee productivity.”*

**Leader E (Philip Zepter):** *” Personality of leader impacts entire organization in every way, because it is the leader that creates teams of the company, gives charges, tasks, creates communication-climate, develops creativity of the staff, their productivity etc. -which creates (or not) the success of the organization in whole.”*

**Leader F (Miomir Zuzul):** *“Leadership impacts in every way organizational success, work-performance, work-climate, productivity etc. If leader is effective workers are motivated to work, communication and work-climate is good too, so the entire productivity of the company works effectively toward achieving success.”*

**Leader G (Dr.Regula Rapp):** *“One of the leaders’ tasks is to keep their employees focused and motivated during challenging economic and business conditions. Therefore, we may say that the leader is the most responsible one for creating work climate. And success of the organization depends on the motivation and work of its workers-leaders’ followers. So, generally speaking - leader is responsible for managing both.”*

**Leader H (Dragan Vucicevic):** *“In every way it impacts work climate and success of the organization”.*

**Leader I (Joseph Nye Jr.) :** *“There are many ways how the leader master its leadership impacts organizations. Employees that feel motivated and have confidence in the company and leader's vision are more productive than the ones without that confidence and motivation. Leader’s style has a direct influence on employee morale as well. For example: autocratic leaders that do not seek input from employees tend to alienate their staff and diminish the employee feeling of involvement. On the other hand, democratic leaders are open to employee involvement and allow employees to feel part of the company's success. When employees feel alienated, morale and productivity of the entire company or organization suffer. A manager*

*that involves employees in the company's operations builds morale and improves productivity. Leaders' style also has an effect on how goals of the organization, company or team group are set. For example: transformational leader uses high energy and inspiration to motivate employees to success. These kinds of leaders set specific employee goals and give employees all the tools they need to reach those goals. The leadership style that emphasizing empowerment can create clear goals. Empowered employees make their own day-to-day decisions, but they are guided by strict company goals. There is also servant leadership style- where the manager tends to follow the staff consensus. It can be difficult to develop and maintain production goals when a manager does not enforce adherence to company mandates etc."*

**Leader J (Zoran Hamovic)** : *"In every way. We may say that leaders are defined by their territory as well as that territory is defined by its leaders."*

All of my participants agree that leaders affect organizations/companies in every way- by their style of leadership, thus the way they practice their leadership skills. They are responsible for proper work-climate (satisfaction of its followers), effectiveness of the workers and therefore for the success of the entire organization/company.

Question no. 5: **How would you define Emotional Intelligence?**

**Leader A (Catherine Le Bris):** *"Sense of psychology, knowing what others might think or how they feel"*

**Leader B (Drasko Markovic):** *"Do not really know how to define it properly. Let us say it is the ability to communicate with others effectively. Gaining win-win situation."*

**Leader C (Madlena Zepter):** *"Analysis of emotions, capability of sensing and noticing someone else's feelings, empathy, searching for positive experiences, putting aside automatic reactions ,controlling and monitoring your own feelings and emotions. Listening others."*

**Leader D (Robert Benmosche):** *"Emotional Intelligence is the ability to identify, assess, and control the emotions of self, of others, and of groups, which is very important for leadership and communication in general. Together with IQ, contextual intelligence and cultural*

*intelligence very important characteristic of an effective leader.”*

**Leader E (Philip Zepter):** *” I would define it as a balance of the behaviors that work for the person and situation; controlling your emotions and emotions of others in order to avoid conflicts or not wanted forms of behavior in yourself and others.”*

**Leader F (Miomir Zuzul):** *“It is quite young concept of investigation, although it has its roots far beyond in a work of Ch. Darwin. He posited that emotional expression was essential for the survival of all beings. It was in the 1990s when scientists had begun to understand that non-cognitive aspects of intelligence also exist. Until then, the understanding of intelligence was strictly related to cognitive functions such as memory, learning and problem solving. Then in 1983, an American developmental psychologist Howard Gardner published a book called “Frames of mind” where he presented his “Theory of Multiple Intelligences”. He paved the way for the further experts who investigated emotional intelligence. . Gardner proposed two types of intelligences: **Intrapersonal intelligence** – as the ability to understand one’s own feelings, motivation and fears; and **Interpersonal intelligence** –as the ability to understand others and their desires, motivation and intentions. According to him, these additional intelligences were just as important as traditional intelligence for predicting performance and success. However, the model of Emotional Intelligence, which has become widely recognized, was the “mixed model” of Daniel Goleman. He published it in 1995 in his book “Emotional Intelligence; Why it can matter more IQ” and after the publication of his his book the term Emotional Intelligence has become widely used. There are numerous ways of defining Emotional Intelligence. I would define it as a combination of competencies, which allows people to be aware, to understand and to control their own emotions and emotions in others and to use that knowledge to foster their success and success of others. There are many EI competencies, but 4 are the main ones: self-awareness, self-management, social awareness and social skills. These competencies are building upon each other. You must first be aware of your emotional state in order to assess it. By having a firm grasp on your emotions and an understanding of how they manifest, you can feel more self-assured and in control, which will be a boost to your self-confidence. Self-management or self-regulation means the act of taking responsibility for our emotions and how they affect our decisions and behaviors. When we take responsibility for the way we feel, it gives us the tool for making decisions that are the most supportive for our mental and emotional health. That helps us to motivate ourselves to achieve goals. It helps us to overcome obstacles and remain in action towards the things that*

*we want in life. It let us experience emotions without being controlled by them and it aids in our ability to build strong, lasting and rewarding relationship-both in and out of the workplace. People with high self-management competency feel bad moods and negative emotions as everyone else, but they know the ways to channel those negative emotions in useful ways.”*

**Leader G (Dr.Regula Rapp):** *” Emotional Intelligence is a way of recognizing, understanding, and choosing how we think, feel, and act. It shapes our interactions with others and our understanding of ourselves. It defines how and what we learn; it allows us to set priorities; it determines the majority of our daily actions. Research suggests it is responsible for as much as 80% of the "success" in our lives.”*

**Leader H (Dragan Vucicevic):** *“It used to be called, in past, Social intelligence. I did not find some strict definition...it is made of several characteristics: self-control, high degree of empathy, tolerance, intuition and capability of fast decision-making characteristics in critical situations. It is important to be aware of your own shadow...your own weaknesses and to try hard to overcome it, or at least to hide it from public.”*

**Leader I Joseph Nye Jr.):** *”Emotional intelligence means careful attention to other one's moods and exercising self-discipline that prevents personal psychological needs from taking over. It is the ability to control and regulate emotions of yourself and others.”*

**Leader J (Zoran Hamovic) :** *“Understanding place and time where we are (our surroundings), basis but at the same time consequence of the process of our communication, and at the same time process of our inner and social status. EI is a kind of tool, which we use for understanding the world around us; what is that we receive and what is what we give to the surrounding. With EI we also define and mark our emotional status: are we happy or not, content or not etc...”*

My participants-leaders gave different definitions of Emotional Intelligence. Mr. Miomir Zuzul,as sociologist and psychologist, gave some very important information on history of Emotional Intelligence, its development and notion where it stands today. Despite different definitions, all of my participants-leaders agree that Emotional Intelligence represents a skill of understanding and monitoring emotions-your own and those of others, and, therefor EI is

very important skill necessary for good communication and effective leadership.

**Question no.6: Is EI relevant for the effective leaders (ship)?**

**Leader A:**” *Yes, definitely. It is one of the very important features of the effective leader.*”

**Leader B:** “*Yes, but only if it is accompanied with intellect and knowledge. An American author Daniel Goleman stated that EI competences are proven to contribute to workplace achievement more than technical skills, cognitive ability and standard personality traits combined. For example, Intuition, empathy and social skills determine how we handle relationships with other people in our work- place. It is important because we manage to understand others, their feelings and perspectives and there for we know how to develop and master their strengths, which is one of the “tasks” of an effective leader. Intuition and empathy also helps developing customer service orientation and to cultivate opportunities through diverse people, which is also one of the very important skills of effective leader. Furthermore, EI competencies like Self Expectations and Motivation are also very important for workplace because they push us to strive to improve or meet a standard of excellence we impose on ourselves, they develop commitment to the cause or goals of the group or organization, they push us toward initiative.*”

**Leader C:**”*Yes, it is important for having a good organization with good working climate*”.

**Leader D:**”*Yes, it is very important. There is no leader who can become a leader without people (followers). That means leader must know how to communicate with people, how to act with people. And here we come to the relevance of EI. In today's workplace, it has become a highly important factor for success, influencing productivity, efficiency and team collaboration. Furthermore, EI is very important for everyday living: Having high degree of EI means the possibility to heightened levels of self-awareness, empathetic understanding, and self-mastery and attuned relationships, with our families, friends and other aspects of our society. Consider what would the schools and youth be like if their education would include these emotional intelligence abilities? My opinion is it could contribute to skills such as handling violence and negative impulses, which are often, reasons for violence and substance abuse amongst younger generations. I think collages and professional schools should include*

*the basics of emotional intelligence in the skills sets they offer- and therefore contribute into making their students leaders instead of mere managers. Further, organizations should include seminars and special training program for EI competences for their workers and employees. This could create added leadership strengths in organizations, and generate vitality for an entire economy.”*

**Leader E:** *“Yes, it is one of the crucial components of effective leadership. High degree of EI competencies are very helpful and important for every people in their everyday life and work as well. And especially for leader to be effective, because, when you are leader, you have major responsibility for many things and many people”.*

**Leader F:** *“Yes, in order to be effective leader must have high level of Emotional Intelligence. This quality gives a variety of skills to a leader, such as: the ability to manage relationships, navigate social networks, influence and inspire others etc. when we talk about EI in general, every individual has different level of EI competences. Although the construct of emotional intelligence is not new, its application in the workplace, designed to increase individual performance and organizational productivity, has begun already during the past decade. The precursors of these efforts came from the Second World War era with extensive surveys conducted by the United States Office of Personnel Management and with the pioneering work of David McClelland at Harvard University that highlighted how much is emotionally and socially intelligent behavior among managers and leaders crucial for the organization in whole and therefore, effective leadership as well.”*

**Leader G:** *“Yes. Effective leadership involves, among other skill, a skill of managing yourself and people, communicating with them. So, EI is very important characteristic of effective leader.”*

**Leader H:** *“It is VERY IMPORTANT characteristic. You have to be able to put yourself in another man skin.”*

**Leader I:** *“Yes. Very much. Contrary to the view that emotions always interfere with thinking, the concept of emotional intelligence holds that the ability to understand and regulate emotions can make overall thinking and performance more effective. Leaders who have this self-awareness, discipline and empathic capacity are better able to channel their personal*

*passions and attract supporters. Experts concur that it is an important, learnable component of leadership that increases with experience and that different people possess it in different degrees.”*

**Leader J:** *“Yes, EI is very relevant. There is NO leader who can say that he/she has excluded its emotions out of his system when leads. The nymphs of leadership system are emotions. Leader does not exist if she/he doesn’t have Emotional Intelligence.”*

All of my participants-leaders agreed that Emotional Intelligence is relevant for the Effective leaders (leadership).

**Question no.7: Do you think leaders are born or leadership is something people can learn?**

**Leader A:** *“Both! There are some inborn prepositions that someone must poses and that cannot be learned like Charisma, Intelligence, Socialization, adaptation etc. but, leadership is also a skill, and skills are learned, practiced and therefore can be developed as well.”*

**Leader B:** *“I do not think it can be learned during practice because one has to be comfortable in the process period of discovery. The time when the answer has not been discovered and comfortable with reversing course if needed. It requires an intellectual quality and a sense of discovery that might lead one down a new path”.*

**Leader C:** *“ Both.”*

**Leader D:** *“Behind every great success there is around 5-10% of talent, everything else is work and gathered knowledge and experience. It is the same with leadership. Like with every other knowledge leadership is something that is constantly growing, developing. A process of lifelong learning is very important for leader to become and stay effective.”*

**Leader E:** *“ Both. They are born and made at the same time. It is in our DNA who we are, but that still leaves us with many choices. Whether we are fit to lead depends is context dependent. Leadership is a discipline, and even if we have the motivation we need to learn the right moves.”*

**Leader F:** *” Yes. I think everybody can become a leader. It is a skill, a competence that can be learned with proper training and a will to learn.”*

**Leader G:** *”Both. Leadership capability falls along a bell curve. Some people are born leaders. These people at the top of the leadership bell curve start out very good, and tend to get even better as they go along. Then there are the people at the bottom of the curve: that bottom 10-15% of people who, no matter how hard they try, simply aren't ever going to be very good leaders. They just do not have the innate wiring. Then there is the big middle of the curve, where the vast majority of us live. And that is where the real potential for “made” leaders lies. When, in fact, it is: most people who start out with a modicum of innate leadership capability can actually become very good, even great leaders”.*

**Leader H:** *”Talent is necessary...especially physical appearance and physical predispositions. Like with everything else in life: success requires 5-10% of talent, but everything else is work, learning, experience and skill. By physical predispositions I mean high, nice and pleasant appearance, pleasant color and intonation of voice etc.”*

**Leader I:** *”Both. Talent is necessary but everything else depends on learning process, gathering experiences under certain circumstances. Who we are depends what we do, and what we do determines who we are.”*

**Leader J:** *”I cannot say that leaders are born. Leadership is a skill. However, there are certain characteristic which are inborn like charisma, socialization etc. Here we come to the situation where the one has talent and certain amount of liberty when it comes to the decision making and fast decisions .These comes as a result of intelligence. Everything else is 100% work.”*

Not all of my participants-leaders agreed that Leadership could be learned during lifetime experience (leader B). However, the majority agrees that effective leadership is learn-able competence, which requires, also, certain amount of inborn predispositions like intelligence, charisma, good communicational skills etc.

**Question no.8: Can Emotional Intelligence be learned?**

**Leader A:** *“The same like with leadership”*

**Leader B:** *“No. There are certain communicational skill that people can learn, and EI can be part of it, but what you carry inside of you, that is who you are.”*

**Leader C:** *“Yes, but there are certain emotional and emphatically capacity that person must poses.”*

**Leader D:** *“The same with leadership and with any other intelligence. EI is a part of personality. Personalities change during lifetime as a result of different life experience, so EI also changes under those experiences.”*

**Leader E:** *“Yes. It is the same like with leadership. We inherit certain emotional capacity, but what we do with this capacity and how do we develop it, under what kind of circumstances, defines our emotional intelligence level.”*

**Leader F:** *“In order to become emotionally intelligent person, one has to have certain predispositions (inborn capabilities) but it is not enough. We inherit certain emotional capacity, but what we do with this capacity and how do we develop it, under what kind of circumstances, defines our emotional intelligence level. Our personality traits are strongly influenced by genes. They persist from childhood to adulthood and remain static over time. Although traits are pervasive and enduring, they do follow certain developmental trajectory: between late adolescence and thirty years of age, neuroticism, extraversion and openness tend to decline, while agreeableness and conscientiousness tend to increase. These traits are strongly preserved through the entire adult life span, although there is a much more gradual shift in this same trend as one's ages. There are some trait theorist that argue about is it be possible to give people training in emotional intelligence and change some of their specific attitudes, behaviors, or policies, because to create deep and pervasive changes in personality is very difficult to achieve and because personality traits are so enduring, any changes in attitude or behavior that are made may be superficial and short-term in nature. Other reason why it is so difficult is it requires a strong will to change personality. In order to sustain development in emotional intelligence, one must first engage that power of ideal self.”*

**Leader G:** *“Yes, It can be learned and develop, like any other skill and competence.”*

**Leader H:** *”Yes. The same like in any other skill.”*

**Leader I:** *”Yes, I share opinion that EI is learnable component of effective leadership that increases with experience.”*

**Leader J:** *”Yes. It is a competence, a skill of handling emotions of yourself and others. Like with any other skill it can be learned.”*

Like in previous question, leader B disagree with other participant-leaders; he thinks Emotional Intelligence cannot be learned and developed through life-time, because what we carry in ourselves-that is who we are. Other participants-leaders all agreed that Emotional Intelligence competence can be learned during a lifetime.

Question no.9: **Do you think that there is a strong connection between effective leadership, emotional intelligence and work climate /work place performance and financial profit/ financial sustainability of your organization?**

**Leader A:** *”Everything is connected and more than one factor, whether it is combined or isolated, play its role in the making of a successful leader.”*

**Leader B:** *” Financial profit is based on maximizing the resources that are in use. Empowerment of the individual is more important than emotional health. I will explain the connection: work performance directly affects profit. Work performance is based on managing assets to achieve their maximum ownership of the product. People want to feel successful, so it is necessary to identify what a person is good at and start there.”*

**Leader C:** *”Yes. If not, the leader is not effective.”*

**Leader D:** *” Yes. Leader cannot be effective if he/she does not possess high degree of EI and communicational things (among other necessary characteristics). Effective leader motivates its followers on the best way taking care the best work climate, which leads to great work place performance and success of the organizations. Business companies, institutions and organizations are not just buildings, office furniture, bank accounts, assets...it is the people who are those companies and organizations. The people who work there. If they are satisfied,*

*working for the company you will have success. And here we come to the importance of EI and communication). ”*

**Leader E:** *”Yes, It is all connected. In order to be effective leader must have certain amount of Emotional Intelligence, it also means that he/she creates and control good communication channels between him and workers, He motivates on the best way and creates optimal work-climate what leads us to success. Of course there are other things necessary for the success of the company, but those are very important as well. ”*

**Leader F:** *”Yes. Being an effective leader means effectively creating and controlling good communication channels between him/her (leader) and workers, Leader motivates on the best way and creates optimal work-climate what leads us to success. Of course, there are other things necessary for the success of the company, but those are very important as well. And here is one of the relevance of EI competencies for the whole organization. ”*

**Leader G:** *” Yes. It is all connected to leadership effectiveness. If leader is effective, these categories coordinate perfectly and achieve its highest results. ”*

**Leader H:** *”Yes, I already explained it. ”*

**Leader I :** *” Yes. Success of the organizations depends upon effectiveness of those who run those organizations-simply putted. ”*

**Leader J:** *” Yes. ”*

All of the participants-leaders agreed there is a strong connection between effective leadership, emotional intelligence, work climate /work place performance and financial profit/ financial sustainability of the organization/company. They also agreed that mentioned categories define effective leadership, and Emotional Intelligence is a key component of effective leadership.

Question no.10: **Do you have any advice for leaders’ especially young leaders?**

**Leader A:** *“I believe in young leaders and tend to support them! Just, learn, observe, never give up and fight for your believes and goals!”*

**Leader B:** *” Open mind, constant education and lifelong learning process”.*

**Leader C:** *”Yes. Just learn, develop your experience and knowledge and never give up. Be effective, take a risk and set the highest goals to achieve and don't give up until you rich it.”*

**Leader D:** *” Leadership is not a lonely position. Every leader needs people. Leader will not be effective and the leader if other people around him/her do not won't him to be that. Keep that in mind on your leadership path! When you choose your followers, and leaders always choose its followers, be careful who the people that follow you, because are, sometimes they define you who you are as a leader!”*

**Leader E:** *”Leadership means constant self-improvement for leaders. These are to do with identity, reading other people and developing context that bring out the best in human spirit. Self-improvement is a constant learning process. That is what I advise to leaders: never quit that learning process of self-improvement.”*

**Leader F:** *” Learn and constantly improve yourself. Leadership is a process and it always develops. Learn to take advices from the people you thrust. Develop good, close relationships with your followers and employees. Investigate new things, shape your surroundings, and challenge it for change. Be willing to take risks, be open to a new horizons, new knowledge and ideas. Motivate and inspire your followers and surroundings with the things you do and with the person you are. “*

**Leader G (Dr.Regula Rapp):** *“It is important to become truly self-aware! Report your experience as accurately and neutrally as possible. The more emotional attachment you have to something, the more challenging it is to be a fair witness of that thing; most of us are very emotionally attached to our own success and ourselves! Invite feedback. People who want to be fully self-aware know that none of us can see ourselves entirely clearly without the aid of others. It is like trying to know what you look like without having a mirror. Listen. I am a huge fan of the power of listening. I believe it is foundational to success as a manager, as a leader, as a parent, spouse, colleague, human being. And it is essential to true self-awareness. If you can learn to listen fully, without filtering what you hear through your pre-existing*

*notions, you will find that everyone around you is continually giving you clues – both subtle and overt – about how you're showing up, what they think of you, and how you're impacting them. This is, hands down, your biggest secret weapon in making yourself a great leader.”*

**Leader H:** *“I don't believe in young leaders. It is not possible because you cannot learn it on Universities. All those business and management schools are useful. When you are young, you need to keep your mouth closed and your ears and eyes opened. First, you have to learn the difference between good and wrong things, to get to know your surroundings well, economical market as well. When you achieve all of that plus Emotional Intelligence than we can talk about leadership. I advise young people- potential leaders to learn on someone else's mistakes instead on their owns....Englishman are getting educated on The Cambridge and Serbs are getting educated on their own mistakes.”*

**Leader I:** *“Sure. Simply putted: in this age of globalization leaders must educate themselves in better understanding the nature of globalization and to develop themselves in the concepts of the contextual intelligence. They will also need to educate their hunches and sustain strategies of smart power.”*

Sub-question: **Could you define us a concept o Contextual Intelligence? :** *“Contextual intelligence is the intuitive diagnostic skill that helps you align your tactics with your objectives so that you get smart strategies in different situations.”*

**Leader J:** *“I do not believe in young leaders, because leadership is a process. I believe in young people and I like to give them a chance. Leaders are products of process of learning and gathering experiences and hard work on personality as well. I would advise leaders in Serbia: Lack of improvisation, more of knowledge and competence! Good leader is the one who has practical experience that gives him strength to act more farley in his decisions. Lack of ad hock solutions and more long-term strategy thinking! “*

## 5.1. Discussion and perspective

“The real voyage of discovery consists not in seeking new landscapes but in having new eyes”- Marcel Proust

When it comes to determining the value of emotional intelligence for a leader to be effective, it is not intended to claim that IQ and technical skills are irrelevant. At the contrary, as Goleman stated, technical skills and IQ do matter great, but it is high EI that determines which leader will be the most effective one.<sup>248</sup> My intention was to neither claim that an organization’s success rises nor falls only on a single charismatic leader. Throughout my research, it becomes clear to me that it is the process of LEADERSHIP what people need rather than a personality of the LEADER- for the sake of admiring him/her. As the sociologist Max Weber argued a century ago; “...*institutions that endure thrive not because of one leader’s charisma, but because they cultivate leadership throughout the system*”<sup>249</sup> In order for leadership to be effective, leaders must thrive toward effectiveness. In this process, IQ and technical skills do matter, but mainly as “threshold capabilities”; that is they are necessary as the entry-level requirements for executive positions, but they are not enough for effectiveness and for high(est) results accomplishments.

Further, throughout my thesis, it has been clearly stated that emotional intelligence is the “indispensable ingredient” into creating a successful and effective leader and communicator. Without it, a person can have the best training in the world, an incisive, analytical mind, and an endless supply of brilliant and smart ideas, but he or she still will not make a great leader.<sup>250</sup> As one of my interviewees, Mr. Robert Benmoshe said: “*There is no leader who can become a leader without people (followers). That means leader must know how to communicate with people, how to act with people. And here we come to the relevance of EI.*”<sup>251</sup>

However, emotional Intelligence is not the only ability that creates effective leadership; there are others such as the abilities presented in the “models of leadership section”, as leadership is contextual skill-different situations calls for different leadership styles. Regardless, the higher is the rank of a person considered to be a “star performer”- the more emotional intelligence capabilities showed up as the reason for his or her effectiveness.<sup>252</sup>

Moreover, several researches conducted by academics in the field of emotional intelligence, have shown a link between a company’s success and the emotional intelligence of its leaders.

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<sup>248</sup> Goleman,D (2001)

<sup>249</sup> Goleman,D.(2004),p.36

<sup>250</sup> Ibid

<sup>251</sup>Robert Benmosche,interview

<sup>252</sup> HBR&Goleman,D.(2001),p.5

And just as important, research is also demonstrating that people can, if they take the right approach; develop their emotional intelligence.<sup>253</sup> However it is important to take into consideration that emotional intelligence is still a young concept, so research is ongoing- both developing and improving.

In any case, consider this deduction; imagine what an organization would be if the concepts of emotional intelligence were founding principles- rather than a corrective solution. What an organizations in Serbia would be if the concepts of Emotional Intelligence would be presented as the solution for improving qualitative interpersonal relations, work-climate, workers' satisfaction, motivation and job performance! In addition, visualize, if one takes the concept of emotional intelligence beyond the organizational structure- and bring these qualities home to our marriages, families, youth and communities. This means the possibility of heightened levels of self-awareness, empathetic understanding, self-mastery and attuned relationships, with our families, friends and other aspects of the societies we reside in. If you take it a step further- what would our schools and youth be like if their education included these emotional intelligence abilities that foster resonance? It could contribute to skills such as handling impulses and dealing with rocky emotions, which are often, reasons for violence and substance abuse amongst younger generations.

In addition, collages and professional schools should be including the basics of emotional intelligence in the skills sets they offer- and contribute into making their students leaders instead of mere managers. Further, organizations should include seminars and special training program for EI competences for their workers and employees. This could create added leadership strengths in organizations, and generate vitality for an entire economy of the country.

It is also important to remember that there is not only one leader in organization/company. Leadership is distributed. It resides not solely in the individual at the top, but in every person at every level who, in one way or another, acts as a leader to a group of followers- wherever in the organization that person is, whether sales representative, team leader or CEO, and:

*“Emotional Intelligence is for leaders wherever they may be”*<sup>254</sup>

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<sup>253</sup> HBR&Goleman,D.(2001)

<sup>254</sup> Goleman,D.(2004),p.5

## 5.2 Conclusion and hypothesis

“They always say time changes things, but you actually have to change them yourself”- Andy Warhol

As mentioned in the introduction, numerous studies and researches, with the same purpose of identifying the traits, behaviors, contingencies, intellectual or technological required abilities, have been conducted, to conclude or determine the ever-ambiguous question of *what it takes to become a great, effective, extraordinary leader and communicator?* My findings showed that characteristics required for a leader to be effective are ***vision, communicational skills, organizational skills, contextual intelligence, education and knowledge, charisma, integrity, confidence, competence, smart power, adaptability, certainty, perspicacity, resourcefulness, maturity, persistence, availability*** and ***Emotional Intelligence***.

However, it is not possible to name general characteristics of an effective leader, because effective leadership is changeable category since it depends on a context of leadership, where different leadership styles are applied according to that context and the situation.

We all agree in one thing ,that the success, business climate and the business performance of the company/organization is in the direct correlation and under major impact of the way leader run its followers and organization - leadership style.

Leaders’ style impact organization in many ways; leaders’ approach can have an influence on the *productivity* of her staff and the rest of the organization. *Organizational efficiency* is dependent on each department, led by its leaders, performing its job and contributing to the success of the company. Thus, the way in which a leader makes decisions, delegate’s responsibility and interacts with employees can affect the entire organization.<sup>255</sup>

Leadership styles can also affect *communication* and *productivity*. Bureaucratic leaders tend to slow communication by checking to make sure that every part of the message and delivery method follows strict company guidelines. This can hamper communication and prevent employees from getting instructions and information they need to perform their jobs. Leaders who do not solicit input from others can distort information to fit their own needs. In this case, the information that is distributed throughout the organization is inaccurate and ineffective. That is why leaders should know which combination of styles they should use in order to get the most effective results from its followers.<sup>256</sup>

*Employee input* can be valuable in creating more efficient work methods and improving productivity. But the leadership style used by management can also affect the effectiveness of

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<sup>255</sup>Mr. Robert Benmosche,interview

<sup>256</sup> Ibid

employee input. A manager with a democratic leadership styles, for example, accepts input from employees and uses the pertinent information to improve the work process. Other managers may completely dismiss employee input because they do not want to make any changes to the way things are done. Another response could be to allow employees to do what they want in terms of work processes, which would create procedural problems throughout the company etc..<sup>257</sup>

Staff that feels motivated and has confidence in the company's vision is more productive than the ones without confidence in companies' vision. Further, leadership style has, also, a direct influence on *employee morale*. For example, autocratic leaders that do not seek an input from employees tend to alienate their staff and diminish the employee feeling of involvement. Democratic leaders are open to employee involvement and allow employees to feel part of the company's success. When the staff feels alienated, morale and productivity suffer. A manager that involves employees in the company's operations builds morale and improves productivity.<sup>258</sup>

Leaders who set clear goals maximize employee productivity.<sup>259</sup> Leaders' style also has an effect on how the goals are set. A transformational leader uses high energy and inspiration to motivate employees to success. These kinds of leaders set specific employee goals and give employees all the tools they need to reach those goals. A leadership style emphasizing empowerment can creates clear goals. Empowered employees make their own day-to-day decisions, but they are guided by strict company goals. A servant leadership style is one where the manager tends to follow the staff consensus. It can be difficult to develop and maintain production goals when a manager does not enforce adherence to company mandates etc..<sup>260</sup>

As we can see, leadership style affects most of the aspects necessary for organizational success and high performance. Through my thesis, it has been clear that different circumstances call for combining different styles of leadership, according to the nature of the situations, which confirms my hypothesis:

**1. The success, business climate and the business performance of the company/organization is in the direct correlation with leadership style, where leaders who mastered different coaching styles, according to the nature of the situation, can be perceived / marked as effective leaders.**

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<sup>257</sup> Mr.Robert Benmosche,an interview

<sup>258</sup>Joseph Nye Jr. Interview

<sup>259</sup> Robert Benmosche,an interview

<sup>260</sup>Joseph Nye Jr. interview

Furthermore, psychologist and science journalist Daniel Goleman has discovered, that the most effective leaders are alike in one crucial way; they all have a high degree of Emotional Intelligence.

Research I conducted for the purpose of this thesis showed that effective leader must be a great communicator as well, because leadership involves handling people, communicating with people and managing relationships, and here we come to the necessity of Emotional Intelligence competencies. One could not become an effective leader without possessing competencies of emotional intelligence; *“There is no leader who can become a leader without people (followers). That means leader must know how to communicate with people, how to act with people. And here we come to the relevance of EI.”*<sup>261</sup>

*“Emotional Intelligence is very relevant. There is NO leader who can say that he/she has excluded its emotions out of his system when leads. The nymph of leadership system is emotions. Leader does not exist if she/he doesn't have Emotional Intelligence.”*<sup>262</sup>

All of this research confirms my hypothesis:

### ***2. Emotional Intelligence is a key component of effective leadership.***

Goleman also discovered through his competency model; the *Mixed Model*, that the four main dimensions of the model; self-awareness, self-management, social awareness and relationship management together with the eighteen competencies (see Appendix I) within these dimensions are not **just** innate talents, but **learned abilities**, each of which has a unique contribution to making leaders more resonant, hence more effective.<sup>263</sup>

My research also showed that in order to achieve high level of Emotional Intelligence competence, one has to have certain predispositions (inborn capabilities) for become emotionally intelligent person, however those inborn capabilities are not enough. We inherit certain emotional capacity, but what we do with this capacity and how do we develop it, under what kind of circumstances, defines our emotional intelligence level.<sup>264</sup> EI is a part of personality. Personalities change during lifetime as a result of different life experience, so, EI also changes under those experiences.<sup>265</sup>

As Goleman stated and my research confirmed:

### ***3. Emotional Intelligence is learnable competence, which requires certain percentage of inborn predispositions as a base, but it changes and develops through life experience and learning processes.***

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<sup>261</sup>Robert Benmosche,interview

<sup>262</sup>Zoran Hamovic,interview

<sup>263</sup> Goleman,D.(2004),p.p.38-40

<sup>264</sup>Phillip Zepter,interview

<sup>265</sup>Robert Benmosche,interview

Furthermore, it has been more than a decade since research first linked aspects of emotional intelligence to business results. The late David McClelland, a noted Harvard University psychologist, found that leaders with strengths in a critical mass of six or more emotional intelligence competencies were far more effective than peers who lacked such strengths. For instance, when he analyzed the performance of division heads at a global food and beverage company, he found that among leaders with this critical mass of competence, 87% placed in the top third for annual salary bonuses based on their business performance. More telling, their divisions on average outperformed yearly revenue targets by 15% to 20%.<sup>266</sup>

More important is that the findings revealed that those executives who lacked emotional intelligence were rarely rated as outstanding in their annual performance reviews, and their divisions underperformed by an average of almost 20%.<sup>267</sup>

Further research was made to gain a more molecular view of the links among leadership and emotional intelligence, and climate and performance. A team of McClelland's colleagues headed by Mary Fontaine and Ruth Jacobs from Hay/McBer studied data about, or observed, thousands of executives, noting specific behaviors and their impact on climate. The team tested each executive's immediate sphere of influence for its climate. Their research revealed that all six **leadership styles have a measurable effect on each aspect of climate**. Further, when they researched the impact of climate on financial results such as return on sales, revenue growth, efficiency and profitability, it was found a direct correlation between the two. Leaders who used styles that positively affected the climate had decidedly better financial results than those who did not. That is not to say that organizational climate is the only driver of performance. But, it was proven to have a direct relationship between those two components.<sup>268</sup>

Moreover, Harvard Professor, the late David McClelland, has confirmed that emotional intelligence not only distinguishes leaders but also can be linked to strong performance; this is also demonstrated in the several paradigms throughout my research:

Robert Benmosche, CEO of AIG, during our interview, stated: *“Leader cannot be effective if he/she does not possess high degree of EI and communicational things (among other necessary characteristics). Effective leader motivates its followers on the best way taking care*

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<sup>266</sup> McClelland, D. (1987)

<sup>267</sup> Ibid

<sup>268</sup> Ibid

*the best work climate which leads to great work place performance and success of the companies, institutions and organizations are not just buildings, office furniture, bank accounts, assets...it is the people who are those companies and organizations... the people who work there. If they are satisfied, working for the company, you as a leader will have success too. And here we come to the importance of EI and communication in leadership.*"<sup>269</sup>

My findings stated that in order to be effective leader must possess high level of Emotional Intelligence, it also means that he/she creates and control good communication channels between him/her and workers, He/she motivates on the best way and creates optimal work-climate what leads to success. Of course, there are other things necessary for the success of the company, but those are of the most important ones. Therefore;

***4. The concept of emotional intelligence enhance a leader's sense of self and others, and thereby contribute into improving communications at the management level of organizations, and hence develop and amplify workplace performance-work climate in themselves, and those they lead.***

## **6.0 Recommendations**

### **6.1 Building leaders in yourself and others**

*“Man's ability to lead others nothing confirms that convincingly as what he is doing from day to day to manage his own life”-Thomas J. Watson*

If one wants to become truly effective leader, certain amount of inborn talents is necessary. Although leadership is a skill and it can be learned and developed thorough life time. Those inner talents meter in situations when there are numerous of good leaders in the same field of work. Those talents provides to a leader who possess them to come to the surface as the most effective and most successful one.

Everyone can develop leadership skills and everyone can benefit from using them. In order to understand where we are and what of our qualities we need to improve, it is necessary to take some steps into defining and improving our leadership potentials and skills.

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<sup>269</sup>Robert Benmosche,interview

## **1. First, make honest analysis of yourself, identify your own strengths and weaknesses!**

Be aware of how much you are self-confident as a leader. The most difficult thing is to lead ourselves, because people are capable to make realistic judgment of everybody else in the world but themselves! That is because we do not see ourselves the way we see others, and very often we are much more critical and strict toward ourselves than to others.

**In order to understand others, we have to learn to understand ourselves!** Consider answering questions such as:

- *What kind of leader am I-the one who helps solve problems, who helps people get along...?*
- *How do others see me as a leader?*
- *Who is responsible for my success?*
- *I am successful leader. Why?*
- *What do I expect from my followers and our work together?*
- *What is it that my followers expect from our work and me?*

**Identify areas, which are the most suitable for you to improve yourself!** Is it area of communication, self-discipline, problem solving, developing others, taking responsibility?

Ask your self questions like:

- *Am I aware of how other people around me think and feel?*
- *Do I accept and appreciate other perspectives and opinions?*
- *Do I try to help others perform to the best of their abilities?*
- *Do I motivate others on a best possible way including courage them to improve and develop their best potentials?*
- *Am I sure enough in my qualities and success so that I am not looking at the success of my colleagues as on my failure?*
- *Am I willing to accept responsibility?*
- *Do I communicate with people effectively?*
- *Do I respect other people's feelings?*
- *Am I willing to try new ideas and new ways of doing things?*
- *Am I a good problem solver?*
- *Am I aware of current issues and concerns on campus or in my community?*

Identify what you should do in order to improve yourself in those areas! Perhaps you should

go on training for leaders, or, maybe, offer to do a work for some leader that is hard to follow. There is always a possibility of doing some extra voluntary work because for doing it we need patient, learning how to follow and self-discipline.

**Identify how good you are in taking advices!** Ask your friends or colleagues to help with this meter by judging you in taking advices.

Learn how to include other people in a process of gathering information before you make your decisions!

## **2. After this analyzing your strengths and weaknesses you need to take action!**

Make a list and develop strategies for upgrading your skills. Here are a few strategies to consider:

**Communicate effectively!** Effective leader is a effective communicator! Effective communication is dialogue. When you speak down to people, ask closed questions that elicit yes or no answers, use excessive authority, and promote a culture that depends on unanimity- you create barriers in communication. If your focus is winning the argument or if you react defensively to

criticism, you will create fear of openness and hinder the organization's growth.

Try these steps to effective communication:

- *Listen actively*-ask open questions. Be genuinely interested in what other's say.
- *Thank people* for their openness--stress how much you value it--even if you do not like specifically what is being said.
- *Point to areas of agreement* before jumping on areas of disagreement-this reduces defensiveness; members wont fear being "attacked."
- *Set aside your authority* to create an atmosphere of partnership to reduce fear in group members
- *Promote a culture of constructive dissent*-though not to the point of paralysis.
- *Portray disagreement as simply a difference of opinion*. Get rid of the "I'm right, you're wrong" attitude.

**Learn to follow others!** Bishop Fulton J.Seen once said that civilization is always in dangerous when the ones who never learned how to yield get the opportunity to rule.<sup>270</sup> Only

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<sup>270</sup> Bishop Fulton J.Seen (1963)

leader who followed someone knows how to lead others. Effective leadership means knowing the world of her/his followers. The relationships you build with your followers are much more better once you understand their position as followers, since you were a follower once.

**Build your own self-discipline!** Every one of us is responsible for the actions and decisions we make. In order to, constantly, make good decisions, to do the right things in certain situation and to avoid bad actions, it is necessary to have strong character and self-discipline. Otherwise, we lose control over our selves, our actions and decisions we make. John Foster, British writer, in his essays “Decision of characters” writes: *“For a man without decision of characters you may never say that stands on his feet. For him you may actually say that he slaves to everything and everybody. Stupid man wants to rule the world. Wise man wants to rule him self. That begins when we do what we should to do, no meter how we feel about it.”*<sup>271</sup>

**Be patient!** Every effective leader knows that goal of leadership is not in him reaching the final goal first! Purpose of leadership is to help others to reach that goal with you!

**Be responsible to someone!** Learn how to take advices! People who run their lives effectively know the power of asking and taking advices from the people, we trust. This is also a parameter, which shows that we take responsibility for our actions. Leader must set his responsibility-parameters on higher level than other people, because he is responsible not just for his own actions, but also for the actions of his followers.

**Encourage enthusiasm and a sense of belonging in your group, team, organization, work environment:**

- Be friendly: others will be more willing to share ideas if you are interested in them with respect and as people too!
- Be fair: equal treatment and equal opportunity lead to an equally good to all group members!
- Show understanding: Do not be too critical-everyone makes mistakes! Try to be constructive, tolerant and tactful when offering criticism!
- Show integrity: members will take tasks more seriously if you show that you’re more interested in group goals than your own personal gain!

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<sup>271</sup> Foster,J.(2006),p.17

### **Keep everyone working toward agreed upon goals:**

- From time to time, remind everyone of the team's purposes, because, sometimes team members during concentrating on smaller goal, become too narrowly focused and lose sight of the larger goals!
- Encourage and motivate your employees and followers, by showing your appreciation for their good ideas and extra effort!
- Harmonize all possible differences and disagreements between group members by stressing and demanding compromise and cooperation!
- Involve everyone in discussions and decisions, even if asking for opinions and ideas means a longer discussion!

### **Get to know the people around you!**

Everyone has different abilities, wants, needs, and purpose in life. Every effective leader knows that to get results in working with people, you need to get along with them and you need to get to know them:

- Interact with group members as often as possible! The only way to get to know someone is through direct personal contact and bounding.
- Become familiar with every member of your group! Remember or take note of each person's unique qualities and characteristics.

### **Treat others as individuals and always with respect!**

Put your knowledge and understanding of each group member to work!

- *Be aware of their expectations!* Everyone expects something different: recognition, a chance to learn, a chance to work with other people, etc.
- *Be creative with your followers!* A repetitious routine can cause boredom. A successful leader thinks of new and better approaches to old ways of doing things.
- *Provide rewards if it is possible!* Recognition by the group is a source of personal satisfaction and positive reinforcement for a job well done.
- *Delegate responsibilities to all team members and followers!* If everyone shares the work, everyone can share pride in the group's accomplishments. Let each member know what is expected of him/her, his or her available resources, his or her deadlines,

etc.!

**Accept responsibility for getting things done:**

- *Take the initiative!* Don't stand around and wait for someone else to get things started! Be the first to do it! Set an example!
- *Offer help and information!* Unique knowledge and skills that you have may be just what is needed in the situation.
- *Seek help and information!* Ask for advice not just for the superior colleagues but from your workers and followers as well, if you need it. This will encourage involvement of the others in the group and help accomplish group goals.
- *Be decisive, energetic, and enthusiastic,* and help to get things done!

**Solve problems step-by-step!**

*Whether you are faced with a decision to make or a conflict to resolve, following a logical approach will help.*

- Clearly state the problem!
- Gather all relevant information and available resources concerning the problem!
- Brainstorm as many ideas or solutions as you can think of and include others (if possible)!
- Evaluate every idea or solution and choose the best one!
- Design a plan for using your ideas for a problem solution. Include a timetable, assigned roles, and resources to be used!
- Follow up on your plan by asking if your idea worked and why or why not!

## **6.2 Learning Emotional Intelligence**

Today, there are many training programs developed in order to improve emotional intelligence competencies within organizations. Those trainings can occur in several different areas of training and development within an organization, including management training, communication and empathy training, conflict resolution and stress management training, as well as self-management training and training provided to unemployed workers.<sup>272</sup> However, it is important to realize that traditional training curriculum and delivery are not generally successful in developing emotional intelligence competencies. Traditional programs generally adopt a "one size fits all" approach that ignores individual complexities while focusing on

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<sup>272</sup> Cherniss, C. & Adler, M. (2000)

cognitive learning.<sup>273</sup>

According to Goleman, successful training approach successful in developing emotional intelligence competencies must be based on self-directed and more individualized learning engagements and encompass the following components:

- ◆ Visioning around reaching one's ideal self.
- ◆ Self-assessment and self-awareness of current strengths and weaknesses.
- ◆ Ensuring that strengths and limitations improve so that they do not detract from the achievement of goals.
- ◆ Creating and committing to a learning agenda that builds on strengths and reduces weaknesses.
- ◆ Active and frequent experimentation with new behaviors that support and develop emotional intelligence competencies.
- ◆ Reliance on a coach to regulate progress<sup>274</sup>

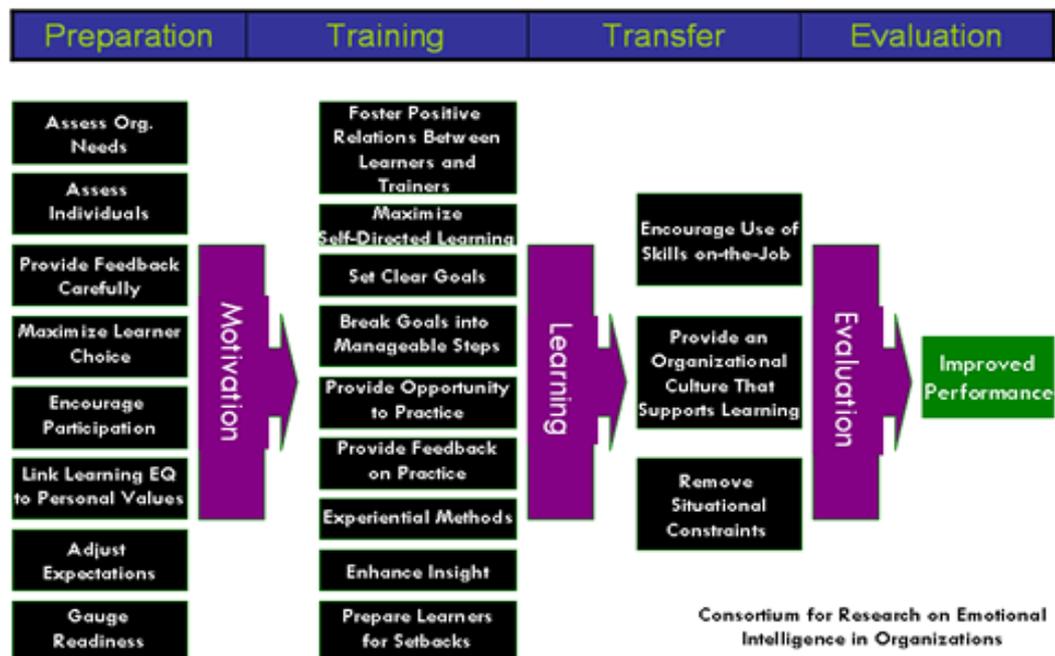
Goleman has also established an optimal process for developing emotional intelligence in organizations (appendix VIII). As we can see from the appendix VII on the next page, this process consists of four phases: preparation for change, training, transfer skills, and evaluation. Each phase has corresponding guidelines for achieving success. Preparation for change involves assessing the competencies, which are most critical for organizational and individual effectiveness while convincing the workforce that improving their emotional competencies will lead to desirable outcomes. Goleman points out that motivational factor might be a particular issue in this step, as emotional learning and emotional intelligence are areas, which are central to a person's identity, and thus many may be resistant to being told they must change themselves as people. The training phase focuses on experiential learning with repeated practice, modeling, and corrective feedback. Maintenance of skills is done through social support and a supportive work environment along with policies and procedures, which support the development of emotional intelligence. Finally, evaluation is conducted to determine individual satisfaction with the training as well as to establish if the training has produced meaningful changes in on-the-job behavior.<sup>275</sup>

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<sup>273</sup> Dearborn, K. (2002), p.p.523-530.

<sup>274</sup> Goleman, D. (1998)

<sup>275</sup> Cherniss, C. & Goleman, D. (1998, October 7)



### 6.2.1. Training Emotional Intelligence

In western civilization, there are many programs and initiatives developed for use in organizational settings in order to improve the emotional intelligence of organization’s staff and management. Unfortunately, the effectiveness of the majority of these programs has not been evaluated yet. However, there are three programs that have been evaluated are reviewed and here are the results:

*Mastering Emotional Intelligence Program (MEI)* was designed by Goleman (1995) and Boyatzis (1999). It is a one-year process where participants learn how to identify and address Emotional Intelligence issues in the work place, while, at the same time develop Emotional Intelligence competencies. Participants take part in a 2-day "Building Awareness" workshop where they learn how to become more aware of their own and others' emotions. Later in the year, they participate in another 2-day "Deciding to Change" workshop where each participant receives individual attention on those emotional intelligence competencies where their self-assessments differed dramatically from others assessments of them. The participants are instructed to meet with group members and to encourage each other to improve their E.I. through providing support

<sup>276</sup> [http://www.eiconsortium.org/reports/technical\\_report.html](http://www.eiconsortium.org/reports/technical_report.html)

and feedback in various situations. Finally, the participants meet again for a 1-day "Practicing and Mastering" workshop, which provides further opportunities to work on E.I. behaviors.<sup>277</sup>

Effectiveness of this program was measured on two different samples: on a group of Brazilian managers from a large consumer retail organization and on an American sample of government accountants. Pre and post measures (14 months apart) of emotional intelligence in the two samples found that scores on the Emotional Competency Inventory (Boyatzis, Goleman, & Rhee, 1999) were approximately 11% higher post program for the Brazilian sample and 24% higher for the American sample.<sup>278</sup>

***Emotional Competence Training Program (ECTP)*** grew from a program designed by the insurance division at American Express Financial advisers, aiming to increase advisers' ability to deal effectively with emotions they encounter while dealing with life-insurance matters of their costumers. The program target many aspects of Emotional Intelligence such as self-awareness, self-control, empathy, communication, conflict management, and the “developing others” competency (in the leadership version of the program).

The program has few different versions depending on the positions and roles of employees in the company and all new employees have obligation to participate. The length and content of the program is different for each version, the most effective are those versions, which consist of four, or five days of training spread throughout a few months. The program begins with a familiarization of the concept of emotional intelligence, followed by activities aimed at facilitating one’s emotional awareness. Then, the participants learn about “self-talk” and how internal dialogue can affect their feelings and emotions. This notion helps them to learn to replace their self-talk with more constructive internal dialogue. Participants then learn about the roles of emotion in behavior, emotional response patterns, and clarify the rules for emotional expression in their workplace. After that, the program continues to relationships with coworkers; participants learn how to effectively listen others and speak about feelings and emotions, and clarify issues surrounding interpersonal boundaries. Finally, the participants imagine what optimal performance would entail, identify the barriers to this level of performance, and write personal action plans to apply what they have learned to their goal.

All different versions of this training program were evaluated by several evaluations. A study of 33 advisers at American Express found that those who had completed the program increased measure of optimism and coping skill up to 13.5% (compared to .9% increase in a control group) while showing an increase in insurance sales revenue (20% greater than the

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<sup>277</sup> Sala, F. (2001)

<sup>278</sup> Ibid

control group). A study of regional managers who had participated in the management-level program found that those advisers who were working under the managers which received training, over a period of 15 month grew their business at a rate of 18.1% ; those who worked under a control group of managers experienced 16.2% growth (AMEX Program, 2003).

***Customized Leadership Development Program (CLDP)*** is designed at the Weatherhead School of Management as an Emotional Intelligence program, which allows participants to identify areas of their behavior they need to change and improve, while at the same time gives them an opportunity to practice these changes in real-life situations. Program is constructed as a process of self-directed learning and consists out of 5 levels of “discoveries” through participants are guided. The first level is called “Ideal Self” and here participants discover what they want out of life and work. The second one is “Real Self”- the discovery of what one is right now. A comparison of the "Ideal Self" and the "Real Self" results in a Personal Balance Sheet, illustrating one's strengths and weaknesses. A "Learning Plan" is the third discovery, which provides a focus on future efforts in which participants are encouraged to use their individual styles and preferences in the planning. The fourth discovery is the process of experimenting and practicing new learned discoveries on the job. Finally, the fifth discovery is the development of trusting relationships with coaches and others, which facilitate further development.<sup>279</sup>

Evaluation of this program showed that participants in the Customized Leadership Development Program one and two years after the program improved their EI competences up to 70%. Five to seven years after program completed, changes have been found to sustain at 50% improvement. To compare: typical management training programs have been found to yield only 10% improvement three to eighteen months after training.<sup>280</sup>

*“It is good to have an end of the journey toward, but it is the journey that matters in the end”-*

**Ursula K.Le Guin**

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<sup>279</sup> Goleman, D., Boyatzis, R.E., & McKee, A. (2002).

<sup>280</sup> Ibid

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## **Biographies of the leaders-participants chosen for the interviews**

**Leader A** (Catherine Le Bris) is French and was born in 1959 in Paris. She finished Université de Haute-Bretagne, DEUG History of Art in 1981 and Conservatoire National Supérieur de Musique et de Danse ,PhD.in 1985.In 2010 she become director at Clb Management Limited (one of the most successful artist management companies in EU)and one of the most successful and wanted artists managers in the world. Her newest directorship was with International Artist Managers' Association Limited where she held the position of "Artists agent/manager". The company was established 25 Sep 1989. So far, she held 2 directorships.

**Leader B** (Drasko Markovic) is born in Belgrade in 1962d year. He graduated from the Faculty of Business in Services (FABUS) Novi Sad with the title of economist. He also has a certificate of Cologne Chamber of Commerce of the laid training consultancy service to small and medium enterprisers and entrepreneurs. Since 1989. he worked in an advertising agency SRMA Belgrade, Yugoslavia Federal Parliament as an MP, he was a member of various boards and commissions within the Assembly. He was also a member of the Supervisory Board of the Department of Children and Youth, Belgrade. Since 2001, he works in Belgrade Chamber of Commerce on various projects. At the moment, he works as an Executive Director of human resources at the biggest telecommunication company in Serbia.

**Leader C** (Madlena Zepter) was born in Belgrade in 1947, she graduated from the Department for Serbian Language and Literature in the Faculty of Philology. Together with her husband, Philip Zepter, she founded and created an international business empire – ZEPTEK International. She directed her activities towards cultural and artistic heritage, education, ecology, and international solidarity. Given her philosophy of life and of philanthropy, Mrs Zepter has, through the institutions that bear her name as their founder and single patron, earned a place in the noble order of great benefactors of the Serbian nation. She established and owns:

The Madlenianum Opera House and Theatre – the first private opera house to be founded in Europe after the Second World War, whose patron, builder, founder and single donor is Mrs Madlena Zepter.

The Madlena Zepter Fund – A fund to provide scholarships for young talents and sponsor scientific, technical, cultural and sports projects.

The Zepter Gallery – Exhibiting and collecting modern art works from the second half of the 20th century.

Zepter Book World – A lively publishing house

Madl'Art – The first auction house in Serbia.

Zepter Family Endowments – the Zepter Business Palace, in the centre of Belgrade, the Museum Collection of Modern Art located in the city's main street, and the Madlenianum Opera House and Theatre in Zemun, completely reconstructed and presented as a gift to the Serbian nation.

Patronage – General sponsor of the Žensko Pero (Women's Pen) competition, awarded by the women's magazine Politika Bazar and the Dobričin Prsten (Dobrica's Ring) award for acting achievement given by the Serbian Actors' Association.

International projects – Founder and honorary president of two awards at European and international level - the Prix Littéraire Européen Madeleine Zepter and the ZEPTER International Design Award – Artzept.

She has received a major award from the Ukrainian Academy of Sciences as a benefactor in the fields of ecology and culture.

She lives and works in Monaco, Paris and Belgrade.

**Leader D** (Robert Benmosche) was born in 1944. in Brooklyn, New York. He joined the “Metropolitan Life Insurance Company” in 1995. In 1998, he rose to the rank of CEO, a position in which he served until retiring in 2006. During his tenure, he oversaw MetLife's successful transition from mutual company to publicly traded firm. After being a member of the board of “Credit Suisse AG” for seven years, he resigned in August 2009. In mid-2009; he was appointed CEO of American International Group. He assumed that role on August 10 of that year. He went on to be named 42nd in the list of Fortune top 50 business leaders of 2010 and also was named executive of the year by The New York Times Deal Book/ Andrew Ross Sorkin for 2010.

**Leader E** (Phillip Zepter) was born on 1950. in Bosanska Dubica, R.SFR Yugoslavia. He is a Serbian entrepreneur and one of the richest Serbs in the world with an estimated net worth of \$5 billion. He graduated from the University of Belgrade, Faculty of Economics. He is founder and owner of his own international company, which has over time grown into a conglomerate, focusing on production and sale of high-quality consumer products.

**Leader F (Miomir Zuzul)** was born in 1955, in Split, Croatia. He is a Croatian diplomat and politician. He obtained a doctorate in psychology at the University of Zagreb in 1987, as well as a doctorate in conflict management at the John F. Kennedy School of Government at Harvard University. From 2003-2005 he was the foreign minister of Croatia, Croatian ambassador to the United States (1996–2000), Croatian deputy foreign minister (1992–1993) and Croatian ambassador to the United Nations (1993–1996).

He was also involved in the Washington Agreement (1994) and Dayton Agreement (1995) as a member of the Croatian negotiating team. He is the founder, owner and director of Dubrovnik International University in Croatia.

**Leader G (Dr. Regula Rapp):** Born in 1961 in Constance / Bodensee. In 1980 she graduated at the classical Heinrich Suso-Gymnasium, Constance. From 1980-1987 she studied history of keyboard instruments, with a major in harpsichord, at the Hochschule der Künste in Berlin. She also studied musicology, philosophy and art history at Berlin University – Institute of Technology, Master of Arts degree.

1990 she gained PhD on a topic "The piano music of the 18th Century: The Concertos for Keyboard and Strings by Johann Gottfried Mützel."

From 1992-1998 she was a Research Assistant, then Deputy Director of the Schola Cantorum in Basel - Basel Academy of Ancient Music. From 1999-2005 director of drama at the Staatsoper Unter den Linden in Berlin (here specifically responsible for the pre-classical repertoire), besides, she is teaching at the Theater Science Institute of the Free University of Berlin. In 2003 she is visiting chef of a dramaturge at the Salzburg Festival and the Zurich Opera House. She also won a Fellowship of the International Research Center for Cultural Studies IFK Vienna, in 2004. From 2005-2012 she worked as a principal of the Schola Cantorum and from April 2012, Rector of the University of Music and Performing Arts in Stuttgart, Germany.

**Leader H (Dragan Vucicevic)** was born in 1956 in Belgrade, Serbia. He finished Faculty of Political Science in Belgrade. He worked as a professional politician, Secretary of Municipal Board of Socialist Party of Serbia, Assistant of the Federal Minister for International Trade (Serbia) and in last four years, he is general director of *Sava Centre Cultural and Conference Hall* in Belgrade.

**Leader I (Joseph Nye Jr.)** was born in 1937, in South Orange, NJ (USA). He is an American

political scientist and former Dean of the John F. Kennedy School of Government at Harvard University. He currently holds the position of University Distinguished Service Professor at Harvard University, where he has been a member of the faculty since 1964. He is also the co-founder, along with Robert Keohane, of the international relations theory neoliberalism, developed in their 1977 book *Power and Interdependence*. Recently, he pioneered the theory of soft power. His notion of "smart power" became popular with the use of this phrase by members of the Clinton Administration, and more recently the Obama Administration. He is a fellow of the American Academy of Arts & Sciences and The British Academy. Nye is also a member of the American Academy of Diplomacy and Chairman of the National Intelligence Council. He was also Assistant Secretary of Defense in Bill Clinton's administration. He has written and lectured extensively on the idea and usage of soft power, smart power and leadership.

**Leader J (Zoran Hamovic)** was born in 1957. in Belgrade. He graduated from the Yugoslav literature at the Faculty of Philology in Belgrade. He has lectured at the Institute of Foreign Languages in Belgrade. He worked at the publishing company Rad, in the area of marketing management and was a member of the editorial board of literary criticism. He is a founder, editor and director of the leading publishing company in Serbia- Clio. On various aspects of training, conferences, seminars and meetings in the field of publishing and cultural policy, he visited France, Germany, Austria, the USA, Italy, UK, Romania, Canada, Hungary, Albania and Denmark.

He is a Board member of the international organization ECUMEST (Policies for Culture, European Foundation), initiator of the establishment of the British Publishers Association and regional cooperation, as an active member of the editorial Sarajevo Notebooks, Founder of the Society Felix Kanitz, one of the founders of the Creative Serbia, Member of the Editorial Board at the National Museum in Belgrade, The Board of Directors of Group 484 and a Board member of the program committee and subcommittee Vuk's Council for Media and Communications Fund for an Open Society. As a columnist he wrote in the newspaper "Today".

He won prizes for the best publishers received in Belgrade, at the Book Fair in the City Library, the Book Fair in Podgorica, the Book Fair in Nis; performed the duties of artistic director as a member of the Council of the International Belgrade Book Fair, Special Advisor to the Minister of Culture of the Republic of Serbia in the period from 2008 to 2011th and a Member of the Belgrade City Council since 2012.

## Interview questions

There is no general definition how can we define effective leaders. However, when we talk about effective leaders, there are some characteristics always appear as a part of definition of successful leaders. These skills are: the ability to innovate and run people and organizations toward new effective ideas and goals, the ability to persuade and influence people in their own visions and goals, to demonstrate integrity, to communicate and motivate by using emotional intelligence, to innovate and implement strategic vision are all recognized skills of an effective leader.

Question no.1: **How would you define a) Leadership b) Effective leadership, and is there a difference? Sub question: what are the characteristics of an effective leader?**

Question no.2: **How would you define effectiveness?**

Question no.3: **Is effectiveness the primary indicator of a good leader? If not, what are your indicators of good leadership?**

Question no.4: **Based on your experience, how much effective leader (ship) impact work climate, and success of the organization?**

Question no. 5: **How would you define Emotional Intelligence?**

Question no.6: **Is EI relevant for the effective leaders (ship)?**

Question no.7: **Do you think leaders are born or leadership is something people can learn?**

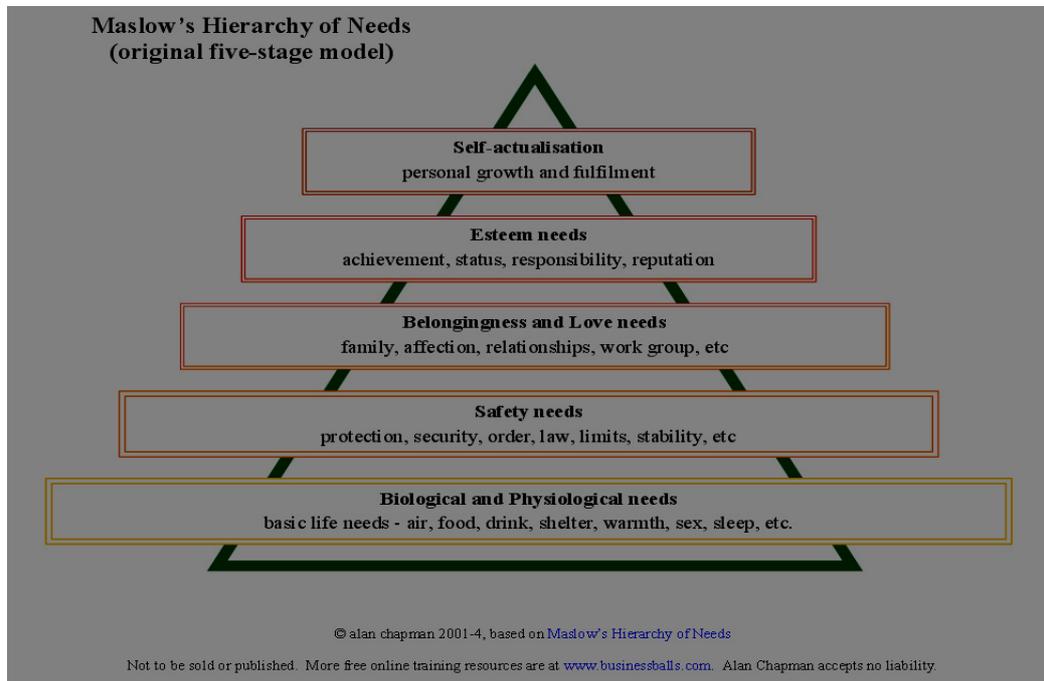
Question no.8: **Can Emotional Intelligence be learned?**

Question no.9: **Do you think that there is a strong connection between effective leadership, emotional intelligence and work climate /work place performance and financial profit/ financial sustainability of your organization?**

Question no.10: **Do you have any advice for leaders' especially young leaders?**

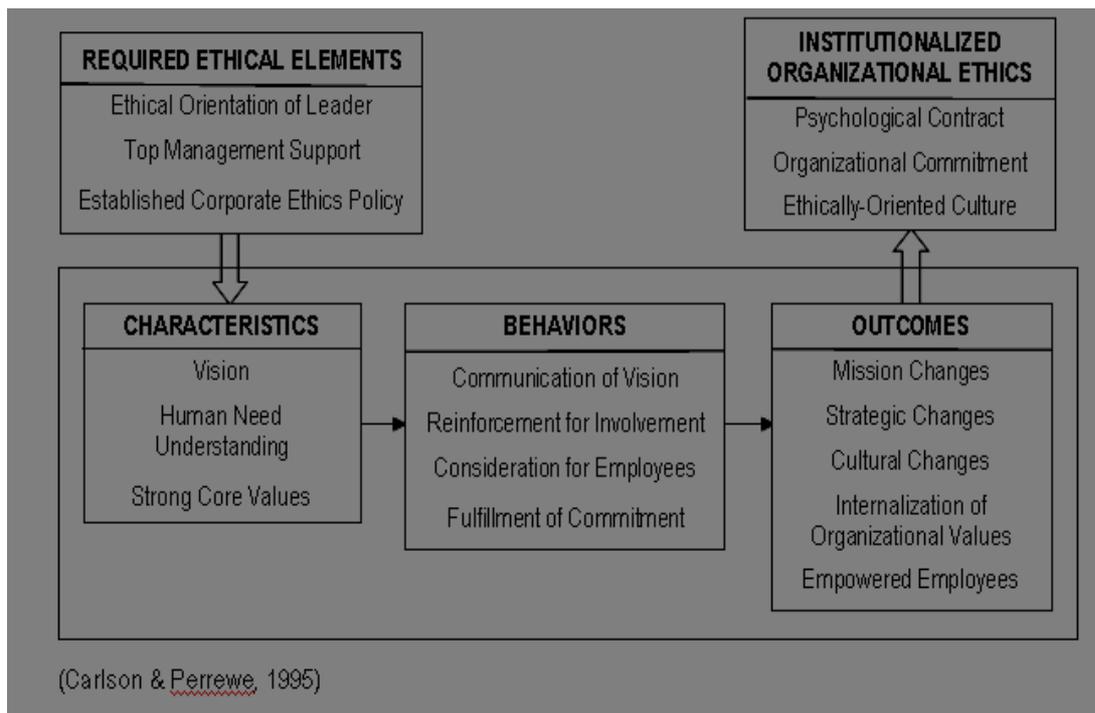
# Appendices

## Appendix 1: Maslow's Hierarchy of Needs <sup>281</sup>

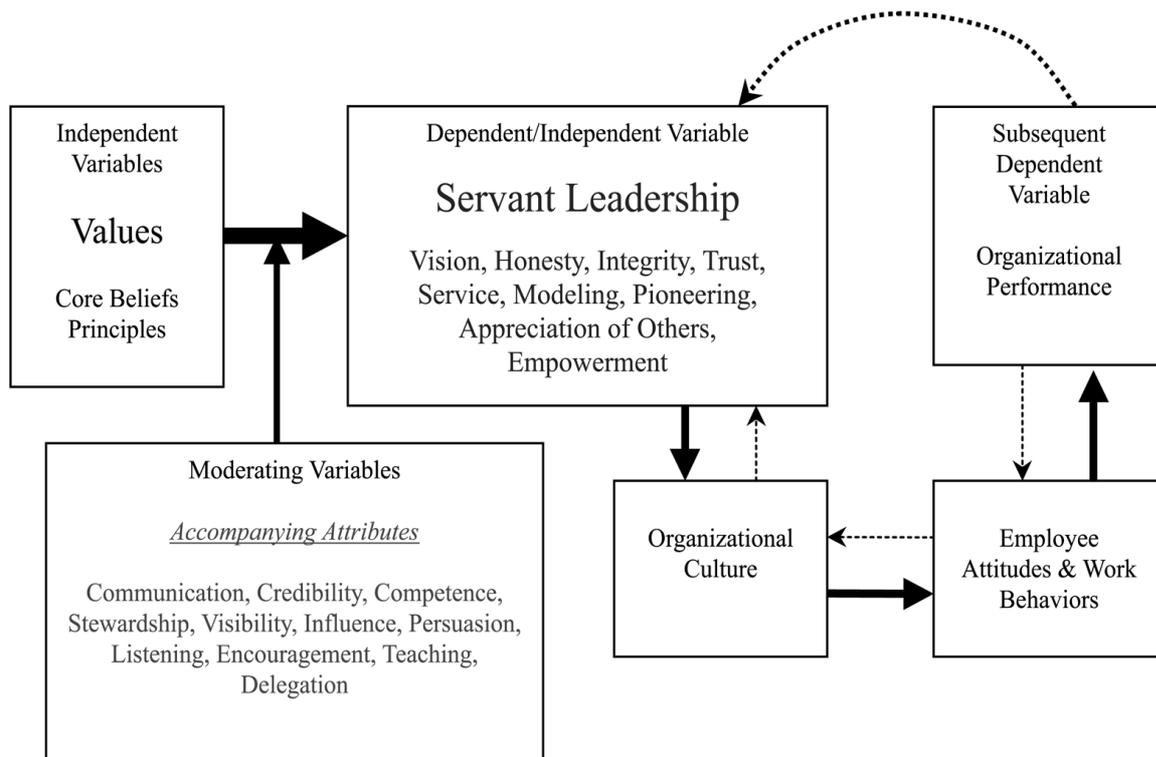


<sup>281</sup><http://www.tuncalik.com/2009/09/improving-well-being-through-mind-manipulation-motorboats-versus-sailboats/>

**Appendix II. Transformational leadership process** <sup>282</sup>



**Appendix III: The theory of servant leadership model** <sup>283</sup>



<sup>282</sup> Dawn S. Carlson & Pamela L. Perrewe (1995)

<sup>283</sup> Robert F. Russell, A. Gregory Stone, (2002)

Appendix IV: *Emotional Intelligence, 1994*<sup>284</sup>

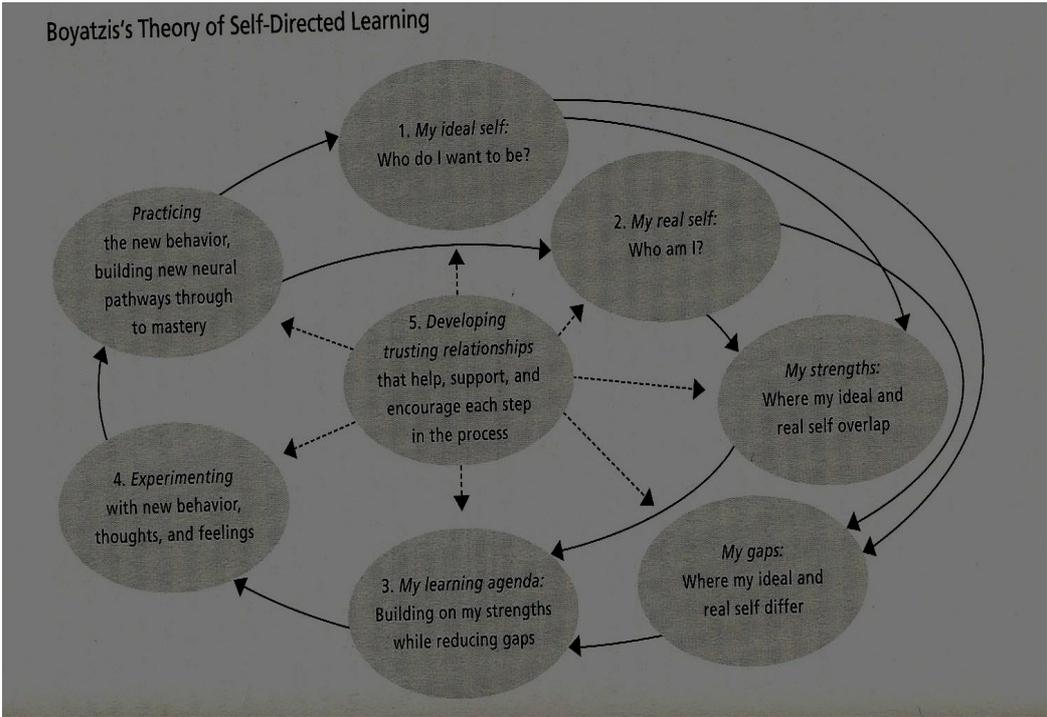


Appendix V: Level 5 Hierarchy



<sup>284</sup><http://www.funderstanding.com/theory/emotional-intelligence/>

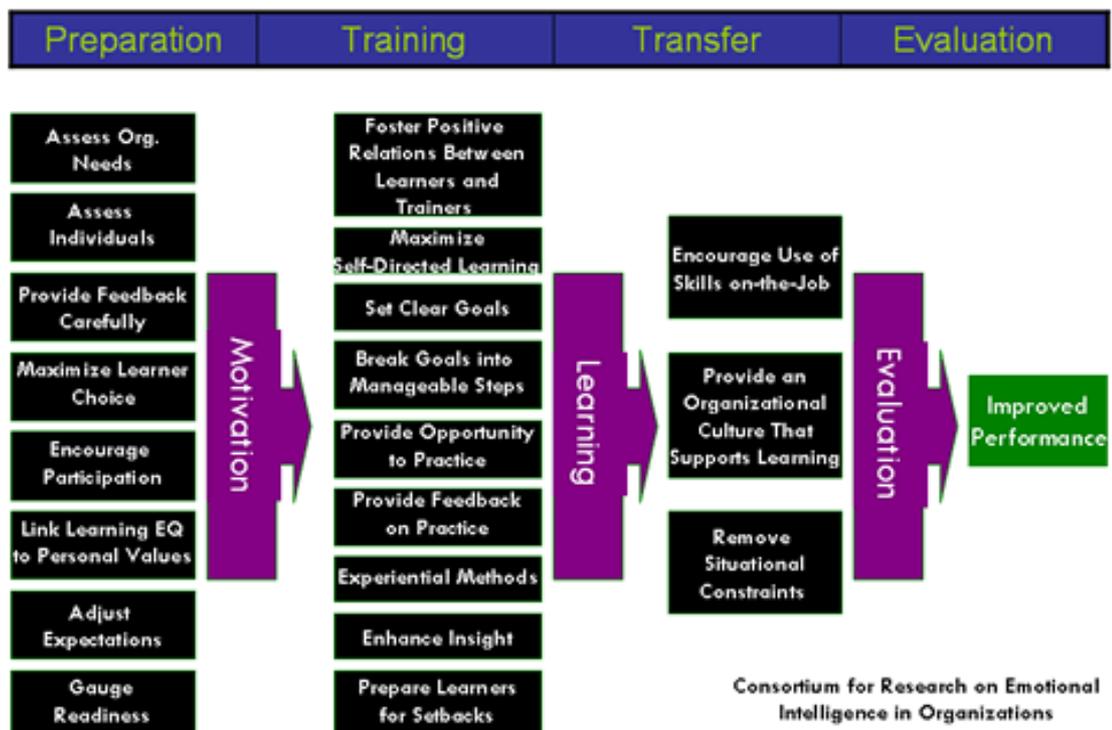
**Appendix VI : Theory of Self-Directed Learning**



## Appendix VII: 6 Leadership styles and impact on organizational climate

Style	Description	When to use it	Weaknesses
Commanding / coercive	Dictatorship - "Do what I say"	In urgency - when time is scarce, and in crisis.	Members can feel stifled as they are treated as workers and not asked for an opinion.
Visionary / Authoritative	Mobilises people towards a vision	When a new vision and direction is needed	Lacks the ability to help team members understand how they get to a vision or goal.
Affiliative	Focuses on emotional needs over work needs.	Best used for healing rifts and getting through stressful situations.	Confrontation and emotionally distressing positions can be avoided
Democratic	Uses participation, listening to both the bad and the good news	To gain valuable input from employees and to gain Buy-in, when there is time to do so.	Can be lots of listening but very little effective action.
Pacesetting	Builds challenging and exciting goals for people,	When the team is already highly motivated and competent	Can lack emotional intelligence
Coaching	connecting corporate goals whilst helping people find strengths and weaknesses, linking these to career aspirations and actions	Coach, mentor and develop individuals when they need to build longer term strengths	Can come across as micromanaging.

## Appendix VIII: Developing Emotional Intelligence in Organizations: the Optimal Process



## Tables

**Table 1**

**The 14 Management Principles from Henri Fayol (1841-1925)**

1. <b>Division of Work.</b> Specialization allows the individual to build up experience, and to continuously improve his skills. Thereby he can be more productive.
2. <b>Authority.</b> The right to issue commands, along with which must go the balanced responsibility for its function.
3. <b>Discipline.</b> Employees must obey, but this is two-sided: employees will only obey orders if management plays their part by providing good leadership.
4. <b>Unity of Command.</b> Each worker should have only one boss with no other conflicting lines of command
5. <b>Unity of Direction.</b> People engaged in the same kind of activities must have the same objectives in a single plan. This is essential to ensure unity and coordination in the enterprise. Unity of command does not exist without unity of direction but does not necessarily flow from it.
6. <b>Subordination of individual interest</b> (to the general interest). Management must see that the goals of the firm are always paramount.
7. <b>Remuneration.</b> Payment is an important motivator although by analyzing a number of possibilities, Fayol points out that there is no such thing as a perfect system.
8. <b>Centralization</b> (or Decentralization). This is a matter of degree depending on the condition of the business and the quality of its personnel
9. <b>Scalar chain</b> (Line of Authority). A hierarchy is necessary for unity of direction. But lateral communication is also fundamental, as long as superiors know that such communication is taking place. Scalar chain refers to the number of levels in the hierarchy from the ultimate authority to the lowest level in the organization. It should not be over-stretched and consist of too-many levels.
10. <b>Order.</b> Both material order and social order are necessary. The former minimizes lost time and useless handling of materials. The latter is achieved through organization and selection.
11. <b>Equity.</b> In running a business, a ‘combination of kindness and justice’ is needed. Treating employees well is important to achieve equity.
12. <b>Stability of Tenure of Personnel.</b> Employees work better if job security and career progress are assured to them. An insecure tenure and a high rate of employee turnover will affect the organization adversely.
13. <b>Initiative.</b> Allowing all personnel to show their initiative in some way is a source of strength for the organization. Even though it may well involve a sacrifice of ‘personal vanity’ on the part of many managers.
14. <b>Esprit de Corps.</b> Management must foster the morale of its employees. Fayol further suggests that: “real talent is needed to coordinate effort, encourage keenness, use each person’s abilities, and reward each one’s merit without arousing possible jealousies and disturbing harmonious relations.”

**Table 2**  
**Assumptions about Human Nature that Underlie McGregor’s Theory X and Theory Y**

<b>THEORY X</b>	<b>THEORY Y</b>
1. Work is inherently distasteful to most people.	1. Work is as natural as play, if the conditions are favorable
2. Most people are not ambitious, have little desire for responsibility, and prefer to be directed.	2. Self-control is often indispensable in achieving organizational goals.
3. Most people have little capacity for creativity in solving organizational problems.	3. The capacity for creativity in solving organizational problems is widely distributed in the population
4. Motivation occurs only at the physiological and security levels.	4. Motivation occurs at the social, esteem, and self-actualization levels, as well as at the physiological and security levels.
5. Most people must be closely controlled and often coerced to achieve organizational objectives.	5. People can be self-directed and creative at work if properly motivated.

*Source: Hersey, Blanchard, & Johnson (1996)*

**Table 3**  
**Transformational leadership attributes**

<b>FUNCTIONAL ATTRIBUTES</b>	<b>ACCOMPANYING ATTRIBUTES</b>
1) Idealized Influence/Charisma	1) Vision 2) Trust 3) Respect
	4) Risk-Sharing 5) Integrity
2) Inspirational Motivation	6) Modeling
	7) Commitment to Goals 8) Communication
	9) Enthusiasm
3) Intellectual Stimulation	10) Rationality
4) Individualized Consideration	11) Problem-Solving
	12) Personal Attention 13) Mentoring
	14) Listening 15) Empowering

## **Biography of the author**

Dijana Loncarevic was born in Sisak,R.of Croatia. In 1997 she finished Gymnasy “St.Sava” in Belgrade and Music High-school “Josif Marinkovic”,department of classical singing. In 2001 she graduate from the University of Arts-Faculty of music in Belgrade-bachelor of music-opera singer. In the same year she started to work as a professor of classical singing in Highschool of Music “Josif Marinkovic” in Belgrade, where she still holds the position.

In 2007 she won DAAD Award,a scholarship from German Government for Master studies in the field of Opera singing and the Art of Theater at the University of Music and performing Arts in Stuttgart,Germany. In 2009 she gained her Master Diploma in Opera singing and Theater Arts in the class of Mr, Prof.KS Franisco Araiza and Mrs. Docent Anna Mannasyants.

From 2008 she started to sing, as a soprano-soloist ,in State Opera Houses in Stuttgart,Mannheim,Bonn ,Zurich and other important cities in Germany and Switzerland.

During her studies in Stuttgart,she become involved in cultural activities and programs of the German-American Society and Byron's Institute In Germany. That engagement developed her interests for cultural policies and management. For that reason she started her second Master studies in the field of Cultural policy and Management at the University of Arts and University Lumiere Lyon2,in 2011.

She regularly attends international conferences,platforms and workshops on cultural policies and art managements issues in the world and Balkans.

In April 2013 she was a public speaker on a theme of Effective Leadership, on a Conference of International Institute for Cultural Diplomacy from Berlin-Young Leaders Forum.

She speaks fluently English,German and Italian language and further improves basic knowledge of French.









