

1. Presenter:

John E. Barbuto, Jr.
Associate Professor of Leadership
University of Nebraska-Lincoln
300 Ag Hall
Lincoln, NE 68583-0709
(402) 472-8736
jbarbuto@unl.edu

2. Title of Presentation

**Testing the Emotional Intelligence of Leaders as an Antecedent to Leader-Member Exchanges:
A Field Study**

3. Presentation Track: Research

4. 50-Word Description of Paper

Eighty elected leaders and 388 members were sampled to test the relationships between leaders' emotional intelligence and the quality of leader-member exchange. Results of the field study found a significant relationship between leaders' emotional intelligence (total) and leader-member exchange quality. Implications and directions for research are discussed.

(47)

5. Biographical Profile:

John E. Barbuto, Jr., Associate Professor of Leadership at the University of Nebraska-Lincoln. Dr. Barbuto has been teaching and research leadership and organizational behavior since 1994. He has published over 50 refereed journal articles and presented over 110 refereed conference papers since joining the leadership faculty at the University of Nebraska-Lincoln in 1997. His research interests include antecedents of leadership, servant leadership, motivation theories, power & influence, and leadership education.

**TESTING THE EMOTIONAL INTELLIGENCE OF LEADERS AS AN ANTECEDENT TO
LEADER-MEMBER EXCHANGES: A FIELD STUDY**

JOHN E. BARBUTO, JR.

MARILYN J. BUGENHAGEN

University of Nebraska-Lincoln

Abstract

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

Introduction

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

yielded only two published articles connecting leader-member exchange loosely with emotional intelligence and emotional expression (Ashkanasy, 2002; Sherony, 2004).

The opportunity to tie emotional intelligence (behavior-based) with leader-member exchanges provides great potential for advancing the leadership field. Like most leadership theories, the antecedents (or predictors) of LMX are largely untapped and require extensive research. This study will contribute to the LMX literature by testing emotional intelligence as an antecedent.

Literature Review

Leader-Member-Exchange

Leader-member exchange (LMX) theory conceptualizes leadership as process centered around the quality of interactions and opportunities surrounding the relationships between leaders and their members (subordinates) (Dansereau, Graen & Haga, 1975). While most leadership research focused on identifying best practices for optimizing organizational outcomes (satisfaction, motivation, goal attainment, etc...), LMX research has sought to describe the leadership dynamics that were taking place implicitly and explicitly across most organizations.

Leaders develop different exchange relationships with each employee, leading to what was described as in-groups and out-groups (Graen, 1976). Members of the in-group have preferred access to information and opportunities to expand their knowledge and experience base with increased responsibilities and autonomy. In-group members are more highly involved and more communicative than out-group members (Dansereau et al., 1975). Members of the out-group typically have functional or transactional relationships with leaders, with less autonomy or opportunities for job enrichment (Graen, Dansereau & Minami, 1972). Over time, members of the in-group have been found to have higher morale and higher job satisfaction (Graen, Novak & Sommerkamp, 1982). Researchers have

also found that LMX is related to less employee turnover (Liden, Wayne & Stilwell, 1993), high frequency of promotions, greater organizational commitment (Nystrom, 1990), more desirable work assignments, better job attitudes, more attention and support from the leader, greater participation, and faster career progress (Graen & Uhl-Bien, 1995). Taken together, developing a high LMX leads to many positive outcomes.

The antecedents of LMX have been tested using such variables as similarity-differences between leader and member (personality, attitude, education) and follower-based variables (education, ingratiating behavior, impression management) (Liden, et al., 1993; Gerstner & Day, 1997). The role of emotional intelligence has not been tested with LMX.

Emotional Intelligence and Leader-Member Exchange

Salovey and Mayer (1990) introduced the concept of “emotional intelligence” in their work which combines affect with cognition, emotion and intelligence. Their concept proposed that emotional intelligence was the ability to use emotions to assist in solving problems and live a more effective life. Emotional intelligence gained wide attention following the success of best selling books (Goleman, 1995, 1998). Caruso, Mayer and Salovey (2002) proposed that emotional intelligence can enhance workplace performance, particularly dependent on the nature of the position and that emotional intelligence quotient (EQ) is an important ability for leaders.

Carson, Carson, and Birkenmeier (2000) developed a measure of emotional intelligence based on Goleman’s five behavior-based factors (1) *empathetic response* - the ability to understand the emotional frame of other people; (2) *mood regulation* - the ability to regulate and manage one’s moods and impulses; (3) *interpersonal skill* - the ability to manage relationships and build positive networks; (4) *internal motivation* – the ability to influence the environment and pursue goals for the greater good

while delaying immediate gratification; and (5) *self-awareness* – the ability to self-monitor moods, emotions and drives and their effects on others.

Studies have not tested the relationships between emotional intelligence and LMX, but two tested leaders' emotional expression and LMX (Ashkanasy, 2002; Sherony, 2004). Both utilized a measure of LMX, but neither tested emotional intelligence. Since both studies found that emotionally-driven behaviors were related to LMX, we expect emotional intelligence, which involves emotionally-driven actions and attitudes, will share some variance with LMX.

Barbuto and Burbach (2006) studied the relationships between emotional intelligence and transformational leadership and found several significant correlates. Since several works have equated high LMX with transformational leadership behaviors there is cause for expecting similar results in this study (see Basu, 1991; Gerstner & Day, 1997).

This project was the first in the leadership field linking emotional intelligence to LMX – which makes it exploratory by nature. However, given the results of prior studies testing similar constructs we propose the following hypothesis.

Hypothesis: Leaders' emotional intelligence will be positively related to their quality of Leader-Member Exchanges (LMX).

Methods

Participants

Participants were 80 elected community leaders and 388 raters working with them in the Midwest United States. Leaders attended a leadership development workshop for elected officials and were members of a statewide professional organization, which sponsored the event. The average age of subjects was 51 years. Fifty percent had earned a B.S. degree, 20% had earned an advanced degree,

and 65% were women. Raters were direct employees of the leaders and reported an average age of 46 years. Forty-two percent of raters had earned a B.S. degree, less than 10% had earned an advanced degree, and 53% were women.

Measures

Emotional Intelligence. Emotional intelligence was measured with the instrument developed by Carson, et al. (2000). This instrument contains 30 self-report items rated on a five point Likert-type scale. Each of the five subscales (empathetic response, mood regulation, interpersonal skills, internal motivation, and self-awareness) consisted of six items. Because the measure is relatively new, we also calculated a single factor subscale, consisting of all 30 items, which we labeled, “emotional intelligence”. It demonstrated internal consistency, as evidenced by acceptable coefficient alphas ranging from .75 to .91 (see Table 1).

Leader-Member Exchange. The dyadic relationship of LMX was measured using the LMX-7 (Scandura & Graen, 1984). The LMX-7 was recently recognized in a meta-analysis as the gold standard for measuring leader-member exchange (see Gerstner & Day, 1997). The measure consists of seven items assessed on a Likert-type scale. In this study the LMX-7 achieved a coefficient alpha of .89, indicating strong internal reliability.

Procedures

Data were collected from an intact group of elected officials as part of a full-day leadership-training seminar for members of an association that sponsors annual professional development programs for its members. Leaders were asked to fill out the emotional intelligence measure and return it directly to the first author in a postage paid envelope. Each leader was asked to solicit between four and six employees to complete the rater version of the LMX-7. Instruments were coded

to protect the identities of raters; however, leaders' names were kept on a separate coding sheet for interpretation and feedback. All instruments were returned directly to the first author via U.S. mail. Participants and their raters were provided a letter detailing their participation and rights, which included the right to withdraw at any time during the research process. None of the participants asked to be removed from the study. Because elected officials had pre-registered for the conference, the response rate is less relevant; however, 80 of the eligible 88 elected officials participated in the study. This high participation rate indicates that participants were keenly interested in the information.

Findings

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

Insert Table 1 Here

Conclusions/Recommendations/Implications

The purpose of this study was to examine the relationships between leaders' emotional intelligence and leader-member exchange. Using a field study of 80 elected officials and 388 their

colleagues we found several significant relationships. A significant relationship between leader's emotional intelligence and LMX in-group ranking from the follower's perspective indicates that a leader's empathetic response qualities achieve greater depth of self-exploration in followers (Long & Schultz, 1973). A leader's supportive interpersonal orientations increase member positive perceptions, feelings and job satisfaction (Haddad & Samarneh, 1999). This indicates that leaders high in emotional intelligence believe that they are able to influence their environment.

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

Research Implications

This study has focused on the relationships between emotional intelligence and leader-member exchange. While the impacts of leader-member exchange are frequently reported, empirical investigations of the relationship between leaders emotional intelligence and LMX requires additional study. As emotional intelligence continues to evolve as a viable construct in the field, the empirical testing of its impact on individuals, groups, organizations, and communities will offer direction for discovery of its determinants. Testing the impacts of emotional intelligence alongside a long tested construct like LMX has led to identifying the need for more research testing other potential leadership

behaviors or styles. Additionally, other antecedents of leader-member exchange need to continue to be studied. The results of this study demonstrate a significant, albeit small relationship. Other variables better correlate with LMX than emotional intelligence has in this study (See Gerstner & Day, 1997).

Practical Implications

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

Recruiting managers are cautioned not to overestimate the relationship between emotional intelligence and leader-member exchange. While the relationship was significant in this study, it explained less than 5% of the total variance in leader-member exchange. This means that 95% of the explanation comes from other factors. Continued efforts to study antecedents of leader-member exchange (LMX) are salient for advancing the field and informing practice for effective recruiting, selecting, and developing of effective leadership.

References

- Ashkanasy, N. M. (2002). Studies of cognition and emotion in organizations: Attribution, affective events, emotional intelligence and perception of emotion. *Australian Journal of Management* 27, 11-20.
- Barbuto, J. E., & Burbach, M. E. (2006). The emotional intelligence of transformational leaders: A field study. *The Journal of Social Psychology*, 146(1), 51-64.
- Basu, R. (1991). An empirical examination of leader-member exchange and transformational leadership as predictors of innovation behavior. Unpublished Ph.D. dissertation, Department of Management, Purdue University.
- Carson, K. D., Carson, P. P., & Birkenmeier, B. J. (2000). Measuring emotional intelligence: Development and validation of an instrument. *Journal of Behavioral and Applied Management*, 2(1), 32-44.
- Caruso, D. R., Mayer, J. D., & Salovey, P. (2002). Emotional intelligence and emotional leadership. In R. E. Riggio, S. E. Murphy, and F. J. Pirozzolo (Eds.), *Multiple intelligences and leadership (pp.)* Mahwah, NJ: Lawrence Erlbaum.
- Cohen, J., & Cohen, P. (1983). *Applied multiple regression/correlation analysis for the behavioral sciences* (2nd ed.). Hillsdale, NJ: Lawrence Erlbaum Associates.
- Dansereau, F., G., Graen, G., & Haga, W. J. (1975). A vertical dyad linkage approach within formal organizations. *Organizational Behavior and Human Performance*, 13, 46-78.
- Duchon, D., Green, S. G., & Taber, T. D. (1986). Vertical dyad linkage: A longitudinal assessment of antecedents, measures, and consequences. *Journal of Applied Psychology*, 71, 56-60.
- Gerstner, C. R., & Day, D. V. (1997). Meta-analytic review of leader-member exchange theory: Correlates and construct issues. *Journal of Applied Psychology*, 82, 827-844.

- Goleman, D. (1995). *Emotional intelligence*. New York: Bantam Books.
- Goleman, D. (1998). *Working with emotional intelligence*. New York: Bantam Books.
- Graen, G. B. (1976). Role-making processes within complex organizations. In M. D. Dunnette (Ed.), *Handbook of industrial and organizational psychology* (pp. 1201-1245). Chicago: Rand McNally.
- Graen, G. B., Dansereau, Jr., F., & Minami, T. (1972). Dysfunctional leadership styles. *Organizational Behavior and Human Performance*, 7, 216-236.
- Graen, G. B., Novak, M. A. & Sommerkamp, P. (1982). The effects of a leader-member exchange and job design on productivity and satisfaction: Testing a dual attachment model. *Organizational Behavior and Human Performance*, 30, 109-131.
- Graen, G.B. & Schiemann, W. (1978). Leader-member agreement: A vertical dyad linkage approach. *Journal of Applied Psychology*, 63, 206-212.
- Graen, G. B., & Uhl-Bien, M. (1995). Relationship-based approach to leadership: Development of leader-member exchange (LMX) theory of leadership over 25 years: Applying a multi-level multi-domain perspective. *Leadership Quarterly*, 9(2), 219-247.
- Haddad, Y., & Samarneh, M. (1999). Principals' interpersonal orientations and their relationships to teachers' perceptions, feelings, and job satisfaction with school-work climate. *Dirasat: Educational Sciences*, 26(1), 202-222.
- Liden, R. C., Wayne, S. J., & Stilwell, D. (1993). A longitudinal study on the early development of leader-member exchanges. *Journal of Applied Psychology*, 78(4), 662-674.
- Long, T. J., & Schultz, E. W. (1973). Empathy: A quality of an effective group leader. *Psychological Reports*, 32, 699-705.

Nystrom, P. C. (1990). Vertical exchanges and organizational commitments of American business managers. *Group and Organization Studies, 15*, 296-312.

Salovey, P., & Mayer, J. D. (1990). Emotional intelligence. *Imagination, Cognition and Personality, 9*, 185-211.

Scandura, T. A., & Graen, G. B. (1984). Moderating effects of initial leader-member exchange status on the effects of a leadership intervention. *Journal of Applied Psychology, 69*, 428-436.

Sherony, K. M. (2004). Leader emotional expression and leader-member exchange. *Dissertation Abstracts International, 64*(7-B), 3568.

Table 1.

Simple Statistics and Correlation Matrix for Emotional Intelligence and LMX

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

**p < .05. *p < .05.