

BADM 651: Management and Leadership Theory

Reaction Paper Criteria

Due: November 28 -December 5, 2007

This is more specific direction to the guidelines that were provide in the reaction paper IQ web link. 3 pages maximum.

Your reaction paper should demonstrate:

- A clear understanding of the article and the
- What is the main problem or issue that the author is addressing?
- What is the author's central claim, argument, or point?
- What assumptions does the author make?
- What evidence does the author present?
- What are the strengths and weaknesses of the text?
- What are possible counterarguments to the text's claims?
- Why are the problem(s) and the argument(s) interesting or important?
(<http://uwp.duke.edu/wstudio/resources/documents/response.pdf>)
- Additionally, evidence of knowledge and understanding of management and leadership theories is required
- Use APA style (i.e. margin, citing and references).
- Watch for colloquialism and other grammatical errors.

Reaction Paper - stake website.

The Emerald Research Register for this journal is available at
www.emeraldinsight.com/researchregister



The current issue and full text archive of this journal is available at
www.emeraldinsight.com/0143-7739.htm

LODJ
25,7

Linking emotional intelligence abilities and transformational leadership styles

554

William Leban

DeVry University, Illinois, USA

Carol Zulauf

Suffolk University, Boston, Massachusetts, USA

Received December 2003

Revised March 2004

Accepted March 2004

Keywords *Project management, Transformational leadership, Corporate strategy*

Abstract *Today's business environment is changing tremendously due to economic forces that result in the redesign of systems to decrease cost, the need to speed up product development and the focused attention on satisfying customers. These conditions have caused organizations to utilize project management to implement strategic initiatives through projects. By utilizing a "big picture" systems approach to analyze how the system components interact, decisions can be made which are in the "best interest" of the overall project. Project management is ideally matched to this business environment. The study addressed 24 project managers and their associated projects in six organizations from varied industries. The results of the study found that a project manager's transformational leadership style has a positive impact on actual project performance, that emotional intelligence ability contributes to a project manager's transformational leadership style and subsequent actual project performance.*

New paradigms of leadership

A project manager's primary responsibility, as a leader, is to achieve project objectives. This can be accomplished by focusing on both the rational and emotional aspects of a project and using an integrated approach. The objective of this study is to demonstrate linkages between the project manager's emotional intelligence abilities and transformational leadership styles under a systems thinking and project management approach.

Over the last 20 years, there has been considerable interest in testing new paradigms of leadership. Most of the earlier definitions of leadership seem to emphasize rational, cognitive processes. In addition, previous leadership models have been criticized for failing to explain the full range of existing leadership styles and behaviors (Avolio and Bass, 1991; Bass, 1990). In response to such criticism, the concepts of transformational and transactional leadership emerged. Identifying high performance and transformational characteristics of leaders can become critical as organizations are forced to transform and expand traditional management practices (Luthans, 1998).

To be successful, leaders need a behavioral repertoire and the ability to select the right role for the situation. To do this, leaders need both cognitive and behavioral complexity and flexibility (Boal and Whitehead, 1992). A leader needs the ability to perceive the needs and goals of a constituency and the ability to adjust one's personal approach to group action accordingly (Kenny and Zaccaro, 1983). Understanding the moods and emotions of important stakeholders helps project managers decide which



The Leadership & Organization
Development Journal
Vol. 25 No. 7, 2004
pp. 554-564
© Emerald Group Publishing Limited
0143-7739
DOI 10.1108/01437730410361440

strategies might work or, alternatively, how strategies should be presented or conveyed. Finkelstein and Hambrick (1996) argue for the importance of understanding the psychological constructs that influence how managers perceive, process and distort information in reaching strategic decisions.

From a systems point of view, anything that a project manager can do to help the project in one area tends to help the entire project (Lewis, 1998). By addressing project variables with systems thinking tools (causal loop diagramming, stock and flow diagrams, and simulation models), the knowledge gap between cross-functional team members can be reduced by bringing them together to analyze project activities (Zemke, 2001). By developing a project plan that integrates all project activities and working to understand the project at the systems thinker levels (events, patterns of events, systemic structure and shared vision), the project manager can optimize the effectiveness of the project team. The combination of a better understanding of how project activities fit together as a "whole" and the development of team member relationships will result in better decisions.

Business challenges

Today's business environment is changing tremendously due to economic forces that result in the redesign of systems to decrease cost, the need to speed up product development and the focused attention on satisfying customers. These conditions have caused organizations to utilize project management to implement strategic initiatives through projects. By utilizing a "big picture" systems approach to analyze how the system components interact, decisions can be made which are in the "best interest" of the overall project. By gathering and effectively processing information from many sources, the project manager is able to be flexible enough to adapt to a changing environment.

Since project management is the facilitation of the planning, scheduling and controlling of all activities that must be completed to meet project objectives, the project manager's role is critical to project success (Lewis, 2001). The facilitation of both rational and emotional aspects of a project is further complicated by the utilization of cross-functional teams. For example, benefits are gained through individual team member expertise; however, distractions may result from the fact that team members work on multiple projects. In many cases, the project manager does not have direct control over human and material resources but is an "Influencer." Therefore, project managers need to have business, interpersonal relationship and political skills. The project managers of today must be sensitive and responsive to project stakeholders and must also be able to manage themselves.

The thinking process that project managers use must include (Gaddis, 1959) an ability to deal with intangible as well as tangible factors of the project. The project manager must be intuitive in making judgments and decisions, including the capability for both conceptual analysis and integration. A project manager's effectiveness depends not only on skills and experience, but also on some personal characteristics necessary to achieve this integration (Archibald, 1976). Therefore, to be effective, a project manager requires something more than just the traditional management skills of planning, scheduling and controlling. The project manager must adapt to an ever-changing and demanding business environment. Gadeken (1997) found that persons who were inexperienced in project management but possessed the difficult-to-develop personal

characteristics needed in managing projects will quickly develop into more effective project managers than those persons who have much greater knowledge, skills, and experience in project management, but who lack these difficult-to-develop personal characteristics.

The leadership role of the project manager is a proactive job, as opposed to reactive. Project managers must be forward thinking, always trying to anticipate where things might go wrong in the project so that steps can be taken to prevent problems or, if they are unavoidable, to recover from them as quickly as possible (Lewis, 2001). As a leader, the project manager must also know what people need and must show them that he or she can satisfy their needs. A project manager must understand what drives people, and must be able to enlist their self-interests in the pursuit of the project's goals and objectives. In addition, the project manager must understand his or her own strengths and weaknesses so that he or she can make appropriate decisions and properly allocate resources.

A "Level of Reasoning" model developed by Kim (1993) can be used to represent five different "ways of seeing" the project. Increasing levels of complexity are used to better understand the project: events (what happened), patterns (is there a pattern), systemic structures (what structure maintains the pattern), mental models (support key links in the system), and vision (what do we want to create). By following this process, practitioners are guided through a process that produces real results and continuous learning. It helps identify "where you are now" in any given process, suggests "what to do when you are there," and "what to do next" (Shibley, 2001).

Leadership styles

Three different leadership styles, specifically transformational, transactional, and laissez-faire, have been shown to reflect the full-range of leadership styles. Research on these leadership styles has found that a transformational leadership style is typically more effective than transactional and laissez-faire leadership styles. Transformational leaders are consistently rated by subordinates as being more effective leaders and have been consistently linked with greater organizational performance and success (Lowe *et al.*, 1996).

Leaders engaging in transformational behaviors have been shown to produce a variety of positive outcomes in organizational settings. Transformational leadership has consistently been linked to high levels of effort (Seltzer and Bass, 1990), performance (Howell and Avolio, 1993; Yammarino and Bass, 1990), and satisfaction with the leader (Bycio *et al.*, 1995; Podsakoff *et al.*, 1990; Seltzer and Bass, 1990). Transformational leadership also has been found to be associated with an employee's affective commitment to the organization (Bycio *et al.*, 1995), intention to leave the organization (Bycio *et al.*, 1995), and trust in the leader (Podsakoff *et al.*, 1990). When followers have developed trust and confidence in their leader, and are in step with the organizational mission, they are able to achieve exceptional levels of performance (Bass, 1985). Given this wide variety of positive outcomes associated with transformational leadership, the development of transformational leaders in organizations should be a priority.

Goleman (1998a) acknowledges that the roots of emotional intelligence, as he defines it, are in classic management theory. For example, in 1995, Katz argued that the performance of an effective administrator depended on three sets of fundamental skills—technical skill, conceptual skill and human skill, or "the way the individual

perceives (and recognizes the perceptions of) his superiors, equals and subordinates, and in the way he behaves subsequently." Even prior to that time and as early as the 1940s, theorists involved in the Ohio State Leadership Studies, under the direction of Hemphill (1959), developed the constructs of "Structure and Consideration," with the latter representing the effectiveness of the leader in establishing "mutual trust, respect and a certain warmth and rapport between supervisor and his or her group" (Fleishman and Harris, 1962). To further support a linkage to management theory, Dulewicz and Higgs (1999) and Alimo-Metcalfe (1999) have formulated a tentative proposition that there could be a relationship between emotional intelligence and transformational leadership. Their comparison is shown in Table I.

In most cases, project management is utilized to implement projects with cross-functional teams within a matrix organization. Many organizations have had problems successfully implementing the matrix structure. They correctly recognized the need for a multi-functional organization to respond to growing external complexity. However, they defined their organizational objectives in purely structural terms. While the formal structure describes the organization's basic anatomy, companies must also concern themselves with organizational physiology (Bartlett and Ghoshal, 1990), the systems and relationships that allow the lifeblood of information to flow through the organization. They also need to develop shared norms, values, and beliefs that shape the way that project managers think and act. Therefore, the project manager's leadership and associated emotional intelligence can play a key role in organizational success.

At its broadest level, systems thinking encompasses a large and fairly amorphous body of methods, tools, and principles, all oriented to looking at the interrelatedness of forces, and seeing them as part of a common process (Senge *et al.*, 1994). Through a common understanding project team members are able to make better decisions. Such tools and methods enable a better understanding of how complex feedback processes can generate patterns of behavior within organizations. Leaders who are able to master change do so because they can define a clear vision and, as important, they can show people how to achieve it (Denton, 1997). Table II lists a number of common aspects found in the systems thinking and project management approaches. These include following a vision, understanding what needs to be done, dealing with reality and learning from the experience. All of these are critical to project success.

The complexity of business will continue to accelerate, and the matrix organizational structure is well suited to handling increasingly complex business environments (Leban, 1997). The matrix structure has several strengths (Ford and Randolph, 1992): it permits flexible use of human resources, it produces innovative

Emotional intelligence factors (Dulewicz and Higgs)	Transformational leadership factors (Alimo-Metcalfe)
Self-awareness	Individual consideration
Emotional resilience	Decisive, achieving, determined
Motivation	Involves other in values
Interpersonal sensitivity	Networks
Influence	Change management
Decisiveness	Accessible
Conscientiousness and integrity	Intellectual versatility (integrity/openness)

Table I.
Linkage between
emotional intelligence
and transformational
leadership