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**Table II.**  
Systems thinking (ST)  
and project management  
(PM) approaches --  
common aspects

ST	PM
<p><i>Follow a vision</i> Before you begin to lead change, you want to ask yourself if you have a vision worthy of commitment</p>	<p>Project goals and objectives must provide a vision and direction for all</p>
<p><i>Understand what needs to be done</i> Change occurs only when everyone understands the guiding principles for their actions and supports the change</p>	<p>An integrated project plan enables team members to better understand what needs to be done</p>
<p><i>Deal with reality</i> Reality checks are sometimes painful but always necessary</p>	<p>Status Reports provide the necessary facts used to make sometimes painful adjustments</p>
<p><i>Learn from the experience</i> We learn best from experience, but if we are unable to experience the consequences of our decisions, the learning is lost</p>	<p>Lessons learned are used to enable team members to learn from their project experience</p>

solutions to complex problems in unstable environments, it increases information flow through the use of lateral communications channels, and, as a result, it leverages economies of scale while remaining small and task oriented. Because of these strengths, many organizations have adopted the matrix structure in recent years.

It should also be noted that a project manager's rational and emotional intelligence might be required to effectively address situations that occur in a matrix organization (Rutkowski and Leban, 1999). For example, the project manager can reverse the common sense view that conflict can be very damaging to desired outcomes with proper attention. The constructive effects of conflict are much more apt to occur when a project manager confirms the competence of team members and establishes a win-win atmosphere where people argue freely about the best ways to attain the essential goals of all persons involved. In this case, the project manager's role is to find the person within the project team who has the required skills and then provide him or her with the support he or she needs when acting as a facilitator.

#### **Practices for managers**

The most difficult management task for any manager may be that of managing human behavior. Although dealing with human behavior may be the most interesting part of management, it is certainly the most challenging as well. A complicating factor in managing projects not apparent in many other managerial roles is the dynamics of the project team, which is usually made up of specialists who are experts in their disciplines, but are borrowed from other organizations (Kezbon and Edward, 2001). Team members need to accomplish a particular part of the project and are usually assembled from functional organizations in a full or part-time role during the project. Recent literature on project management has focused on the increasing use of cross-functional matrixed teams (Eisenhardt and Tabrizi, 1995; Patterson, 1993; Workman, 1995) with a renewed interest in the human side of project management. In addition, systems thinking methods assist in improving the quality of thinking and learning, and lead to improved quality of action and results (Ryba, 1996).

There has been relatively little empirical research examining the relationship between emotional intelligence and effective leadership. This study provides data taken from real-world situations where project managers require leadership skills to do their job!

The facilitation of both rational and emotional aspects of a project is required to be successful. Emotional intelligence combines the cognitive system, which orients us to what makes sense to the emotional system, which orients us to what matters. These enable the project manager to provide the leadership necessary to successfully operate in an ever-changing business environment. In addition, systems thinking provides us a learning step for success (Zulauf, 2001):

Leaders have a great opportunity to help their organizations grow to greater levels of success. Encourage your team – and yourself – to ask different kinds of questions . . . questions that nudge the status quo, that get underneath the surface, that encourage all to explore unforeseen possibilities. The results could pave the way for influencing new pathways of growth for all.

The questions that you ask, the manner in which you ask them, and the relationships that are developed between the project manager and stakeholders should be supported by systems thinking and the project management approaches. This foundation/structure/process will enable the project manager to utilize his/her emotional intelligence abilities and leadership styles to the greatest advantage.

### **Methodology**

The study addresses 24 project managers and their associated projects in six organizations from varied industries. Industry classifications for the projects are Healthcare, Manufacturing and Sales Service, Project Management Services, Information Technology Services and Training and Consulting Services. The types of projects addressed in the study included New Product Development, Software System Upgrade, Training Program Implementation, and Upgrade System Components. 17 project managers, three senior project managers, two functional managers, one supervisor, and one business analyst led the 24 teams. Six females (25 percent) and 18 males (75 percent) were designated by their organizations as project managers. The youngest project manager was 27 and the oldest was 62 years of age. The average age of these project managers was 40.7 years old. Ten (42 percent) of these project managers have a bachelor degree, 12 (50 percent) have a master's degree and two (8 percent) have doctorate degrees. These project managers averaged 5.4 years of project experience within their organization and 9.4 years of total project experience.

Data collection instruments include use of the Mayer-Salovey-Caruso Emotional Intelligence Ability Test (MSCEIT) and the multifactor leadership questionnaire (MLQ) Form 5X. Project managers completed an emotional intelligence ability test during project planning. The MSCEIT Ability Test was employed to determine the relative emotional intelligence ability of project managers. The measures of interest include experiential and strategic emotional intelligence and their components. Team members and stakeholders responded to questions addressing the project manager's leadership style between four to nine months after project activities began and at the designated end of a project phase or milestone. The MLQ measures of interest are the leadership behaviors of attributed idealized influence, behavioral idealized influence, inspirational motivation, intellectual stimulation, individual consideration, contingent rewards,

active management-by-exception, passive management-by-exception and laissez-faire. Project management, with an integrated systems approach provides business with a vehicle to implement change. Therefore, to adapt to changing business and environmental conditions, organizations require their project managers to lead strategic initiatives or projects. By identifying linkages between emotional intelligence abilities and transformational leadership styles, this study provides organizations and their project managers with professional and career development opportunities.

**Results of study**

The study showed that there are a number of linkages between emotional intelligence abilities and transformational leadership style. Overall emotional intelligence and the ability to understand emotions were found to relate significantly with the inspirational motivation (provide challenge and a mutual understanding of objectives) component of transformational leadership. In addition, the strategic use of emotional intelligence was found to relate significantly with the idealized influence (demonstration of high standards of conduct, self-sacrifice and determination) and individual consideration (provide support, mentoring and coaching while accepting follower's individual differences) components of transformational leadership. Finally, both the management-by-exception (failing to interfere unless problems become serious) component of transactional leadership and laissez-faire or non-leadership were found to have a significant negative relationship with the strategic emotional intelligence and understanding emotions component of emotional intelligence.

Correlation studies (Table III) run between the leader behavior factors and the emotional intelligence factors showed significant relationships between components of all leader behavior styles (transformational, transactional, and laissez-faire) and both strategic emotional intelligence and understanding emotions task. Overall emotional

Variables	Technique	Statistics
<i>Emotional intelligence abilities and transformational leadership style</i>		
Overall emotional intelligence and inspirational motivation	Correlation	(r) = 0.364 (p) = 0.040
Strategic emotional intelligence and individualized consideration	Correlation	(r) = 0.419 (p) = 0.021
Strategic emotional intelligence and attributed idealized influence	Correlation	(r) = 0.362 (p) = 0.041
Understanding emotions and individual consideration	Correlation	(r) = 0.348 (p) = 0.048
<i>Emotional intelligence abilities and transactional leadership style</i>		
Strategic emotional intelligence and passive management-by-exception	Correlation	(r) = -0.359 (p) = 0.043
Understanding emotions and passive management-by-exception	Correlation	(r) = -0.377 (p) = 0.035
<i>Emotional intelligence abilities and laissez-faire leadership style</i>		
Strategic emotional intelligence and laissez-faire	Correlation	(r) = -0.378 (p) = 0.034
Understanding emotions and laissez-faire	Correlation	(r) = -0.390 (p) = 0.030

**Table III.**  
Statistical measures –  
emotional intelligence  
and leader behaviors

intelligence was found to be significant correlation (0.05 significance) with the transformational leader behavior component of inspirational motivation. Strategic emotional intelligence was found to be significant (0.05 significance) with the individual consideration and attributed idealized influence components of transformational leader behavior, the passive management-by-exception component of transactional leader behavior, and laissez-faire leader behavior. The understanding emotions task of emotional intelligence was found to have a significant (0.05 significance) with the individual consideration component of transformational leader behavior, the passive management-by-exception component of transactional leader behavior, and laissez-faire leader behavior.

Collectively, the findings of the study suggest that emotional intelligence as measured by the ability to understand and manage emotions can occur without necessarily perceiving feelings well or fully experiencing them. What is required involves a higher-level, conscious processing of emotions, with necessary reasoning about emotions, how they develop over time, how they may be managed, and how to fit emotional management into social situations. Such abilities are strategic in the sense that one may use such information to develop relationships by charting an emotional course for oneself and others according to personal and social needs.

Training in affective-cognitive and behavioral aspects of transformational leadership holds potential to improve leadership through improving understanding and sensitivity, and regulation of emotions. This is tempered, however, by evidence that there are limits to the usefulness of cognitive training and behavioral modification (Kirkpatrick and Locke, 1991). In effect, emotional intelligence training may be able to address only three of the four "I"s of transformational leadership: idealized influence, inspirational motivation, and individualized consideration. Intellectual stimulation (promoting innovation and creativity by questioning assumptions and reframing problems) may require conventional intelligence not amenable to improvement through training.

During the last decade interpersonal skills have become more integral to effective leadership (Goleman, 1998b). Where leaders were once seen to control, plan and inspect the overall running of a project, in today's more service-oriented industries, leadership roles are also to motivate and inspire others, to foster positive attitudes at work, and to create a sense of contribution and importance with and among team members and stakeholders (Hogan *et al.*, 1994). For example, project managers often describe project activities in terms of reinforcing and balancing processes, limits, delays and patterns of behavior. These contemporary leadership requirements have placed new demands on leadership training programs to develop these skills in evolving leaders and on organizations involved in leadership selection to identify them in potential candidates (Fulmer, 1997). As a result, research has been exploring the underlying attributes and behaviors of leaders who successfully perform these contemporary leadership roles in order to identify leadership selection and training criteria for the recruitment and development of effective leaders (Church and Waclawski, 1998).

### Conclusions

The study recognizes that transformational project manager leader behavior has a positive impact on actual project performance, that emotional intelligence ability contributes to transformational project manager leader behavior and subsequent

actual project performance. In addition, transformational project management is accomplished by having project managers who are results focused (via inspirational motivation, i.e. EI) rather than being activity focused such as transactional project managers. The results of this study provide further evidence that project managers using a transformational leadership style and emotional intelligence abilities do enhance actual project performance. In addition, the study shows that there are a number of linkages between transformational leadership style and emotional intelligence ability. Further study into these areas should help identify content for appropriate education and training programs.

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