



**THE EFFECT OF EMOTIONAL INTELLIGENCE ON LEADERSHIP  
EFFECTIVENESS: THE CASE OF COMMERCIAL BANK OF ETHIOPIA,  
CREDIT AND WHOLESALE BANKING DIVISION**

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**Sep, 2024**

**Addis Ababa, Ethiopia**

### **Statement of Declaration**

I, Abel Berhanu, hereby declare that the research project entitled "The Effect of Emotional Intelligence on Leadership Effectiveness: The Case of Commercial Bank of Ethiopia" is my original work. I have conducted the present study independently under the guidance and support of my research advisor, Solomon Markos (Ph.D.). All contributions and sources used in this study have been duly acknowledged and cited. This study has not been submitted for any degree or diploma program at this or any other institution.

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### **Statement of certification**

This is to certify that the research project entitled “The Effect of Emotional Intelligence on Leadership Effectiveness: The Case of Commercial Bank of Ethiopia,” undertaken by Abel Berhanu for the partial fulfillment of the requirements for the Degree of Master of Business Leadership (MBL) at Addis Ababa University, School of Commerce, is an original work and has not been submitted earlier for any degree at this university or any other university.

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## Approval Sheet

This is to certify that the research project prepared by Abel Berhanu, entitled "The Effect of Emotional Intelligence on Leadership Effectiveness: The Case of Commercial Bank of Ethiopia," and submitted in partial fulfillment of the requirements for the Degree of Master of Arts in Business Leadership, complies with the regulations of the university and meets the accepted standards of originality and quality.

### APPROVED BY BOARD OF EXAMINERS

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Chair of the Department or Graduate Program Coordinator

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## **List of Abbreviations**

CBE	Commercial Bank of Ethiopia
ECI	Emotional Competency Inventory
EI	Emotional Intelligence
EQ	Emotional Quotient
EQ-I	Emotional Quotient Inventory
ESCI	Emotional and Social Competency Inventory
ESCs	Emotional and Social Competencies
ESI	Emotional and Social Intelligence
FMCG	Fast-Moving Consumer Goods
HRMIS	Human Resources Management Information System
IQ	Intelligence Quotient
LMX	Leader-Member Exchange
LPI	Leadership Practices Inventory
SPSS	Statistical Package for the Social Sciences
WLEIS	Wong and Law Emotional Intelligence Scale

## Abstract

*Leadership effectiveness is crucial to the success of a business. Emotional intelligence, which is the ability to perceive, understand, and manage emotions in oneself and others, has been demonstrated to be an important factor in leadership effectiveness in psychology and leadership research. The study reviewed relevant theories and empirical data and investigated the relationship between emotional intelligence and leadership effectiveness. Despite extensive research linking emotional intelligence to leadership effectiveness in several contexts, there is a significant gap in the Ethiopian banking sector. The objective of the study was to examine the relationship between emotional intelligence and leadership effectiveness at the headquarters of the Commercial Bank of Ethiopia. The specific objective was to investigate the relationship between emotional intelligence components such as self-awareness, self-management, social awareness, relationship management, and leadership effectiveness in the bank. The study used a quantitative approach using questionnaires adapted from existing literature. A sample of 234 employees was drawn from the target population, which consisted of 563 staff members. A stratified random sampling technique ensured proper representation. Descriptive and inferential statistics, such as Pearson correlation and multiple linear regression, were used to analyze the relationships between components of emotional intelligence and leadership effectiveness. SPSS Version 27 was used for this analysis. The findings revealed that there is a significant positive relationship between self-awareness, self-management, social awareness, relationship management, and leadership effectiveness at the Commercial Bank of Ethiopia. The study concluded that emotional intelligence significantly impacted leadership effectiveness in the bank. The study recommended that the Commercial Bank of Ethiopia formulate a policy of selection that promotes emotional intelligence for the recruitment and selection of managers. Furthermore, it suggested that the bank provide emotional intelligence training to its management staff, focusing on the development of self-awareness, self-management, social awareness, and relationship management skills—all of which are essential for improving leadership effectiveness.*

**Key words:** Emotional intelligence, self- awareness, social awareness, self-management and relationship management, leadership effectiveness.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

The concept of emotional intelligence has been a focus of attention among scholars and researchers in recent years (Higgs, 2003). While cognitive ability and conscientiousness have been identified as crucial for effective leadership (Sternberg & Vroom, 2002; Barrick & Mount, 1991), there's growing interest in the potential significance of emotional intelligence, despite limited empirical support (Goleman, 1998; McKee, 2005). In 1990, Salovey and Mayer synthesized existing knowledge on cognition and emotions, leading to the development of a theory of emotional intelligence. Their refined definition characterizes emotional intelligence as the ability to understand emotions and their relationships and to use this understanding for problem-solving (Mayer, Caruso, & Salovey, 1999). Yukl (2010) argues that emotional intelligence, social intelligence, and metacognition are now recognized as important skills for effective leaders. Of these, emotional intelligence is seen as particularly vital for effective leadership. Recognizing and managing one's own emotions is crucial for success in both social and organizational settings (Bar-On et al., 2003). Emotional intelligence involves perceiving, assimilating, understanding, and managing emotions.

Emotional Intelligence (EI) refers to the ability to recognize, understand, and regulate both one's own emotions and those of others in order to achieve personal and collective goals (Brown & Moshavi, 2005). Bar-On and his colleagues define emotional intelligence as a set of emotional and social skills and competencies that enable individuals to effectively handle daily challenges (Bar-On et al., 2003). It involves being aware of one's own emotions and the emotions of others. Based on these definitions, emotional intelligence can be understood as the capacity to perceive one's emotional state and the emotions of others in a given situation, and the ability to manage one's own emotions to create a conducive environment for achieving desired objectives.

According to Goleman (1998a), effective leaders typically possess a high level of emotional intelligence, which he considers essential for leadership success. He asserts that "emotional intelligence is the sine qua non of leadership" and argues that even with extensive training and analytical skills, a person cannot become a great leader without emotional intelligence. Olakitan

(2014) emphasizes the importance of managing emotions for driving trust, loyalty, and commitment, as well as increasing productivity, efficiency, and effectiveness in individuals, teams, and organizations.

While there's no single definition universally accepted for the term "leadership," it's commonly understood as the process of guiding subordinates to achieve organizational goals. Leadership often involves the leader's ability to persuade, motivate, and mobilize followers to exert their best efforts in pursuit of a shared vision. Therefore, leadership comprises the leader, the followers, and the common goal as interconnected elements. Mignonac and Herrbach (2004) state that from the perspective of subordinates, leadership is every activity that a leader does at work that affects the goals of the organization and the well-being of its members, whether directly or indirectly. Scholars and researchers widely acknowledge that effective leadership is essential for organizational performance and success (Bass & Avolio, 1995; Kouzes & Posner, 2002).

According to Yukl (2010), a leader's personal qualities significantly influence leadership effectiveness. Yukl identifies several common characteristics of effective leaders, including motives, personality, values, confidence, optimism, integrity, and influence tactics. Armstrong (2009) also emphasizes traits such as trustworthiness, vision, flexibility, self-awareness, goal orientation, and self-confidence as key attributes of effective leaders. Additionally, authors like Appleton (1999) and Holden (2003) highlight the importance of emotional elements in effective leadership across various organizational contexts. These elements encompass self-confidence, determination, emotional stability, and trustworthiness. Leaders who demonstrate these behaviors are more likely to influence their subordinates effectively, thereby contributing to the achievement of organizational goals.

In today's organizations, there is a growing recognition of the significance of essential skills that enhance communication within teams, with customers, suppliers, and all stakeholders. Emotional intelligence is emerging as a crucial trait for leaders to have. Given the nature of the banking sector, emotionally intelligent leaders are needed who can grasp the emotions of staff members, customers, suppliers, and all stakeholders. Motivated by this, the current research seeks to explore the relationship between emotional intelligence and leadership effectiveness within the headquarters of the Commercial Bank of Ethiopia (CBE).

## 1.2 Statement of the Problem

Business organizations recognize the importance of emotional intelligence and actively work to develop it among their leaders and within the workplace (Singh, 2003). Leaders with strong emotional intelligence significantly contribute to organizational success and influence overall organizational performance. They establish clear values for their subordinates, elicit trust and confidence, and enhance employee cooperation, motivation, and productivity. Yukl (2010) asserts that emotional intelligence empowers leaders to successfully manage time, solve difficult problems, make better decisions, adjust behavior in response to changing circumstances, and deal with emergencies. It can be argued that leaders with high emotional intelligence consistently outperform those with lower emotional intelligence, and those who enhance their emotional intelligence achieve organizational goals more effectively than those who do not (Bradberry & Greaves, 2003; Goleman, Boyatzis, & McKee, 2002; Cherniss & Goleman, 2001; Goleman, 1998).

Effective leadership is consistently identified as a critical characteristic of high-performance organizations, prompting ongoing efforts to enhance leadership effectiveness. Strong leadership enables organizations to excel and thrive in challenging and competitive environments. Research emphasizes the importance of leaders' understanding of emotions and their emotional intelligence abilities in supporting effective leadership (Sadri, 2013; Boyatzis, Smith & Oosten, 2013; Cavazotte, Moreno & Hickmann, 2012).

Studies indicate that high emotional intelligence (EI) is associated with increased job satisfaction and commitment, improved decision-making quality, and the adoption of effective conflict resolution strategies (Long & Kowang, 2015; Watkin, 2000; Jordan, Ashkanasy & Ha'rtel, 2002). Moreover, leaders with high EI tend to experience reduced turnover and enhanced productivity in organizations, heightened worker motivation, increased creativity, and improved interpersonal relationships, contributing to overall leadership performance (Tesluk, Vance & Mathieu, 1999; George, 2000; Singh, 2006; Bar-On et al., 2003). Conversely, the absence of EI in leaders can lead to workplace conflicts, misunderstandings, and difficulties in managing emotions, resulting in high employee turnover, poor team performance, lack of unified vision, and ineffective decision-making.

Given the relatively new concept of emotional intelligence (EI) and the limited literature on how emotional intelligence influences leadership effectiveness, its overall impact remains understudied, particularly within the context of the Commercial Bank of Ethiopia. Therefore, this study aimed to address this knowledge gap by examining the impact of EI on leadership effectiveness at the Commercial Bank of Ethiopia, focusing on the importance of EI for leaders.

### **1.3 Research Objective**

#### **1.3.1 General Objective**

The main objective of the study was examining the effect of emotional intelligence on leadership effectiveness in Commercial Bank of Ethiopia.

#### **1.3.2 Specific Objective**

The specific objectives of the study were:

- i. To identify the relationship between self-awareness and leadership effectiveness in Commercial Bank of Ethiopia.
- ii. To analyze the relationship between self-management and leadership effectiveness in Commercial Bank of Ethiopia.
- iii. To examine the relationship between social-awareness and leadership effectiveness in Commercial Bank of Ethiopia.
- iv. To assess the relationship between relationship-management and leadership effectiveness in Commercial Bank of Ethiopia.

### **1.4 Significance of the Study**

The findings of this study will be useful for different stakeholders within the bank and across diverse industries. Firstly, decision-makers, including senior management and board members, may leverage the results and discussions to prioritize emotional intelligence and actively develop this skill among their employees. Secondly, bank employees may use the findings to improve their productivity by building stronger relationships and developing a positive work culture within the organization. Furthermore, scholars and researchers can use the study as a reference in their respective areas of research.

## **1.5 Scope of the Study**

This study aimed to explore how emotional intelligence influences leadership effectiveness within Commercial Bank of Ethiopia. Specifically, it investigated the relationship between self-awareness, self-management, social awareness, relationship management, and the dependent variable, leadership effectiveness. The study focused on the Commercial Bank of Ethiopia Head Office as the study location.

The target population for this study included leaders from the credit and wholesale banking departments. These two departments are critical to the bank's operations, with significant leadership activities and a higher number of staff members, necessitating effective leadership to manage the business and overall operations efficiently. More specifically, this study focused on lower-level leaders (managers) due to their direct and significant involvement with employees. Questionnaires were used to gather data, and quantitative data analysis methods was employed to analyze the results.

## **1.6 Limitations of the Study**

There are a few drawbacks to this study, despite the significant findings. First, the study was limited to a few bank departments, which could limit the data's applicability to other divisions where emotional intelligence might have a different impact on leadership effectiveness. Moreover, the research instrument used was a self-reported questionnaire; it is difficult to confirm if respondents' assessments of themselves were accurate, and there may have been overrating on their part. Future studies might use multi-source data, such as comments from peers and subordinates, to reduce these biases.

Lastly, although emotional intelligence was the main focus of this study, other variables that affect leadership effectiveness were not examined, accounting for an unexplained 27% of the variance. To provide a better understanding of leadership effectiveness, future studies should examine additional variables such as organizational culture, leadership styles, and external environmental factors as mediators.

## 1.7 Organization of the Study

This research project is organized into five chapters. Chapter one is an introduction. It contains the background to the study, statement of the problem, research questions, research objectives, significance of the study, scope of the study, and organization of the study. Chapter two reviews the literature on emotional intelligence and leadership effectiveness. Both theoretical and empirical reviews will be elaborated, and the conceptual framework will be developed from the literature review. Chapter three outlines the research methodology, the target population, the sample design, and the research procedures to be used, as well as the data collection methods that will be employed in the study. Chapter four will provide a summary of the study's findings and analysis, along with their discussions. Chapter 5 is the final chapter in this project. It will provide a summary of the findings, a conclusion, and relevant recommendations based on the study's findings.

## 1.8 Operational definition of terms

<b>Emotional intelligence</b>	— the ability to understand our own feelings and those of others, to motivate ourselves, and to effectively manage emotions in ourselves and those of others (Goleman, 1998).
<b>Self-Awareness</b>	— managing one's emotions and motivations and adapting to changes in circumstances (Goleman, 1998).
<b>Self-Management</b>	— controlling one's emotions, whether they are positive or negative, to enhance performance and improve relationships (Goleman, 1998).
<b>Social awareness</b>	— the capacity to comprehend and empathize with the feelings and emotions of others (Goleman, 1998).
<b>Relationship management</b>	— the ability to build positive connections, motivate, and collaborate with others to improve performance and enhance team cohesion (Goleman, 1998).
<b>Leadership Effectiveness</b>	— the successful use of personal influence by an individual, leading to the achievement of one or more goals through coordinated efforts of followers (Warner, 2013).

## **CHAPTER TWO**

### **LITERATURE REVIEW**

The preceding chapter provided an overview of the study, and the purpose of this chapter is to review the existing literature on emotional intelligence. The review covers three main sections: theoretical, empirical, and conceptual framework literature assessments. The theoretical review explores established theories relevant to the study's focus. Meanwhile, the empirical review evaluates previous studies and their findings conducted by other researchers. Lastly, a conclusion on the literature review and knowledge gaps is presented, and the conceptual framework showing the relationship between variables is established based on the literature reviewed.

#### **2.1 Theoretical Review**

Among the theories commonly applied to understand emotional intelligence, emotional intelligence theory, leader-member exchange theory, and transformational leadership theory play a key role in supporting this study.

##### **2.1.1 Emotional Intelligence Theory**

The Emotional Intelligence theory originated in the 1970s and 80s through the contributions of psychologists Howard Gardner, Peter Salovey, and John Mayer (Rosete & Ciarrochi, 2005). Salovey and Mayer laid the groundwork for this theory in 1990 by integrating research on cognition and emotions (Rosete & Ciarrochi, 2005). Daniel Goleman expanded on their work and published a book on Emotional Intelligence (EI) in 1995 (Goleman, 1995). He suggests that EI theory revolves around understanding and managing both your own emotions and those of others. Goleman identifies four competencies or clusters within EI theory: self-awareness, self-management, social awareness, and relationship management (Boyatzis, 2009; Cherniss, 2010; Goleman et al., 2002).

##### **2.1.1.1 Models of Emotional Intelligence**

Researchers commonly use three main conceptual approaches to understand emotional intelligence. These are the ability model by John Mayer and Peter Salovey, the mixed models of emotional intelligence by Reuven Bar-On and Daniel Goleman (each offering a different

perspective), and the trait model. Ability models see emotional intelligence as a pure mental ability; mixed models blend mental ability with personality characteristics like optimism and well-being; and trait models focus on individuals' self-perceptions of their emotional abilities.

### **A. Ability Model**

John Mayer and Peter Salovey coined the term "emotional intelligence" in 1990 and have since researched its importance. They propose that emotional intelligence consists of two areas: experiential (the ability to perceive, respond to, and handle emotional information without fully understanding it) and strategic (the ability to comprehend and manage emotions without necessarily perceiving them well or fully experiencing them). This model is based on four separate but interconnected emotional abilities. When combined, they can determine an individual's emotional intelligence level. According to Peter Salovey and John Mayer, an emotionally intelligent manager possesses four emotional skills (Mayer & Salovey, 2004).

Identifying emotions is a crucial skill for leaders, as emotions convey valuable information about important events in our surroundings, whether internal, social, or environmental. To effectively use emotional intelligence, one must first be able to not only grasp verbal emotional cues but also accurately recognize non-verbal cues used by colleagues and peers in everyday interactions. Non-verbal cues include body language, facial expressions, tone of voice, choice of words, and even the way someone behaves in a certain situation or chooses not to do something. A proficient leader requires this skill to understand their coworkers' feelings and emotions accurately (Mayer & Salovey, 2004).

The ability to control and utilize emotions, both one's own and those of others, is crucial for effective leadership. Emotions play a significant role in decision-making, influencing our thoughts and focus (Mayer & Salovey, 2004). Emotions draw our attention to important matters, prepare us for action, and guide our problem-solving thought processes. It's essential for a leader to understand how to shape and manage their emotions to achieve their goals. This is particularly important when addressing urgent issues requiring immediate resolution.

Understanding emotions is a crucial aspect of Emotional Quotient (EQ) that involves grasping the depth and implications of emotions. It goes beyond merely identifying emotions; it requires

understanding their origins and consequences. Emotions are not random but have underlying reasons, follow specific patterns, and can be comprehended. This understanding is demonstrated through our emotional vocabulary and ability to analyze emotional scenarios. For a leader, having insight into the emotions of employees and others they interact with is essential (Mayer & Salovey, 2004).

Managing emotions is a critical component of emotional intelligence, as emotions provide valuable understandings and shape our thinking (Mayer & Salovey, 2004). Integrating emotions intelligently into reasoning, problem-solving, judgment, and behavior is essential. This involves being receptive to both positive and negative emotions and selecting strategies that incorporate the wisdom of our feelings. Managing emotions involves three key aspects: first, effectively acknowledging the emotions being perceived; second, utilizing those emotions to address the underlying causes and reactions; and third, controlling their impact on our actions and decisions.

## **B. Mixed Models**

The second major category of EI models comprises Emotional and Social Competencies (ESCs), also known as mixed models of EI. Bar-On's initial model of EI delineated this concept as the capacity to recognize, comprehend, and articulate one's own emotions; the ability to manage intense emotions and regulate impulses; and the capacity to adjust to change and tackle personal or social challenges. Bar-On later designated this model as the Bar-On model of Emotional and Social Intelligence (ESI), encompassing intrapersonal skills, interpersonal skills, adaptability, stress management, and general mood (Bar-On, 2006).

Goleman and Boyatzis also developed a mixed-model approach to EI. Boyatzis and Goleman broadened their model to encompass social and emotional competencies associated with effective workplace performance (Boyatzis, 2009; Cherniss, 2010b; Goleman et al., 2002; Goleman, 1995, 1998). Two assessment tools stem from the Goleman model. First is the Emotional Competency Inventory (ECI), established in 1999, and the Emotional and Social Competency Inventory (ESCI), introduced in 2007. The second tool is the Emotional Intelligence Appraisal, initiated in 2001 and available as a self-report or a 360-degree assessment (Bradberry & Greaves, 2009). Goleman's new model outlines four main EI constructs:

## **I. Self-Awareness**

Based on Goleman et al. (2002), self-awareness serves as the foundation for other dimensions of EI. It involves understanding one's own emotions, moods, motivations, and the reasons behind them. Goleman (1995, 1998a, 1998b) argues that it goes beyond mere self-reflection; it also plays a crucial role in shaping behavior and interactions with others. Individuals who are highly self-assured, confident, and aware of their emotions tend to perform better (Gardner & Avolio, 1996). Studies suggest that effective leaders should focus on developing self-awareness, integrity, and positive relationships with stakeholders (Allen & Hartman, 2008). They should cultivate optimism, confidence, and transparency in decision-making (Brown, 2007). Research indicates that individuals with high self-awareness tend to perform better in their jobs (Bandura, 1986; Frankl, 1992).

Goleman (1998) emphasizes that self-awareness is essential for understanding others and showing empathy. The competencies within the self-awareness domain enable individuals to recognize their own emotions and perceptions, as well as personal strengths and weaknesses.

Emotional self-awareness, as defined by Goleman et al. (2002), refers to the ability to recognize one's emotions and understand how they impact oneself and others. The second competency, which is accurate self-assessment, involves understanding one's strengths and weaknesses. Individuals high in accurate self-assessment are aware of their abilities and shortcomings, seek feedback, learn from failures, and recognize when to collaborate with others who have complementary skills. The third competency, self-confidence, is defined as the belief in one's ability to effectively complete tasks and select the appropriate approach (Goleman, 1998). It involves having confidence in one's capabilities, even in challenging situations, and being confident in one's decisions or opinions. Based on this dimension of emotional intelligence, the following hypothesis was proposed:

***H<sub>01</sub>: Self-Awareness does not have a significant relationship with leadership effectiveness in the Commercial Bank of Ethiopia.***

## **II. Self-Management**

The second domain of emotional intelligence, Self-Management, refers to the ability to control distressing emotions such as anxiety and anger and to prevent impulsive emotional reactions (Goleman et al., 2002). Self-management includes competencies related to motivation, transparency, adaptability, achievement, initiative, optimism, and self-control.

Goleman (1998) defined self-control as "the ability to manage impulsive feelings and emotions, to refrain from negative actions when provoked or faced with opposition, and to remain composed even under pressure." The second competency, which is transparency, involves openly and clearly communicating ideas, thoughts, and feelings and encouraging honesty and authenticity, even in challenging situations. The third competency, adaptability, refers to the ability to be flexible and work effectively in various changing situations and with different individuals or groups. Superior leaders have been demonstrated to exhibit this competence.

The fourth competency, achievement orientation, involves not only meeting job or set targets but surpassing them through personal efforts against a defined standard of quality. This skill is evident in situations that provide immediate, honest feedback from a trustworthy source. The fifth competency, initiative, is the ability to recognize a problem, obstacle, or opportunity and take action to address it, either immediately or in the future. The final competency, optimism, as defined by Goleman (1998), is the persistence to pursue goals despite obstacles and setbacks. It plays a crucial role in achievement as it influences how individuals respond to unfavorable events or circumstances.

Goleman et al., (2002) asserts that self-management is crucial for leaders, as it involves controlling behaviors and demonstrating flexibility and personal accountability. This enables leaders to make decisions without compromising their morals or ethics. Based on this dimension of emotional intelligence, the following hypothesis was proposed:

***H<sub>02</sub>: Self-management does not have a significant relationship with leadership effectiveness in the Commercial Bank of Ethiopia.***

### **III. Social-Awareness**

The third aspect of emotional intelligence is social awareness, which Goleman (2000) describes as the ability to recognize and respond to others' needs. It involves having a comprehensive understanding of social connections and networks that can positively impact one's performance and relationships. Social awareness competencies determine how individuals handle relationships. Socially intelligent employees are mindful of the feelings and cues of other workers (Shahzad, et al, 2011). A socially aware individual should possess the ability to recognize the common thought processes within the company and other external environments, facilitating group connection and union building, which enables employees to influence others effectively. The Social Awareness domain comprises three competencies: empathy, organizational awareness, and service orientation.

Empathy gives people a keen awareness of others' concerns and needs. "The empathic individual can read emotional currents and interpret nonverbal cues, such as tone of voice and facial expressions" (Goleman, 1998). The second competency, organizational awareness, pertains to understanding power dynamics both inside and outside an organization. This competency involves recognizing key decision-makers and influential individuals (Goleman, 1998). The third competency, service orientation, involves a willingness to assist or support others to fulfill their needs. It involves directing efforts toward understanding and satisfying the needs of customers or clients, which sets exceptional sales performers apart from average ones.

Empathy, a key part of social awareness, is essential for effective leadership and team management (Batool, 2016). Leaders with empathy can understand others' situations and support them in overcoming challenges. Pescosolido (2002) argues that leaders boost group solidarity and morale through shared emotional experiences. Leadership involves social interaction where a leader's ability to influence followers affects performance outcomes (Humphrey, 2002; Pirola-Merlo et al., 2002). This understanding of others' emotions is a central aspect of emotional intelligence. Based on this dimension of emotional intelligence, the following hypothesis was proposed:

***H<sub>03</sub>: Social-Awareness does not have a significant relationship with leadership effectiveness in the Commercial Bank of Ethiopia.***

#### **IV. Relationship Management**

The fourth division of emotional intelligence, relationship management, also known as social skills, is defined as the ability to take charge, inspire, and influence others with compelling visions (Martin & Siebert, 2016). The skills included in this model are visionary leadership, influence, developing others, communication, acting as a change catalyst, conflict management, building bonds, and teamwork and collaboration (Goleman, 2000).

Visionary leadership involves creating enthusiasm and moving followers with a compelling vision or common goals, taking initiative, guiding others' performance, and leading by example (Bourne, 2016). Influential leaders can persuade and engage others to build a network of support for their causes. Developing others involves recognizing growth needs and aiding in skill and knowledge development, making leaders natural mentors at the workplace (Goleman, 2000). Leaders with strong communication and change catalyst skills can lead successfully in challenging situations, advocating for new orders even in the face of opposition (Ugoani, 2017).

Leaders skilled in conflict management handle conflicts constructively, finding win-win solutions and engaging all parties to understand differing views and find common ground (Carmody-Bubb, Duncan, & Ree, 2015). Those proficient in teamwork and collaboration exhibit strong relationship management skills, demonstrating respect, support, and cooperation. They build effective teams and create an environment conducive to collaboration, embodying the company's values like integrity, respect, and excellence (Goleman, 2000; Nwokah & Ahiauzu, 2010). Based on this dimension of emotional intelligence, the following hypothesis was proposed:

***H<sub>04</sub>: Relationship Management does not have a significant relationship with leadership effectiveness in the Commercial Bank of Ethiopia.***

This study used Goleman's Model (Goleman et al., 2002) to assess emotional intelligence competencies and build the conceptual framework by focusing on leaders' workplace skills.

#### **C. The Trait Model**

The Trait model of emotional intelligence acknowledges the subjective nature of emotional experiences (Petrides, 2007, 2010). It encompasses various components discussed by researchers

like Petrides and Furnham (2000, 2001, 2003) and Petrides et al. (2007). This model distinguishes between two approaches: the ability-based model and the trait-based model. The ability-based model focuses on actual abilities, making it challenging to scientifically test, whereas the trait-based model emphasizes behavioral dispositions and self-perceived abilities, typically assessed through self-reporting formats. In the trait-based model, emotional intelligence is viewed as a collection of characteristics, capabilities, and non-cognitive skills that enable individuals to effectively navigate environmental pressures and demands. Both the Goleman and Bar-On models are commonly integrated into this model.

### **2.1.2 Leader-Member-Exchange Theory**

The Leader-Member Exchange (LMX) theory explains how a leader builds individual relationships with each team member (Furunes, Mykletun, & Einarsen, 2015). This theory suggests that effective leadership is not just about what the leader does, but also about how followers perceive the leader (Schyns et al., 2008).

Clarke and Mahadi (2011) found that emotional intelligence (EI) moderates Leader-Member Exchange (LMX) leadership in Malaysian organizations. They discovered that LMX is positively linked to organizational citizenship behavior, job satisfaction, organizational commitment, psychological well-being, and in-role performance. Their study suggests that EI helps leaders and subordinates form stronger emotional bonds and identify with each other. The findings indicate that effective relationship management between employees and leaders is crucial. This study supports the importance of relationship management, self-awareness, and self-management in leadership.

### **2.1.3 Transformational Leadership Theory**

Transformational Leadership Theory, proposed by Lowe and Gardner (2000), has been a major focus in international research (Antonakis, 2012; Gardner et al., 2010). This theory suggests that transformational leaders aim to enhance the performance of group members and help them reach their full potential. They influence followers' self-concept by enhancing personal and social identification with the organization (Kark & Shamir, 2013). In order to develop a high-performing workforce, leaders need to motivate employees to go above and beyond what is required of them

(Bass & Riggio, 2006). This calls for leaders who are visionary, inspiring, courageous, risk-takers, smart, and charismatically appealing.

Research by Twigg et al. (2006) emphasized that a key part of transformational leadership is addressing the emotional needs of each employee. To do this, leaders must recognize and control their own emotions and relationships with others (Harvard Business Review & Goleman, 2001). The study found that transformational leadership includes key elements such as being visionary, developing others, building bonds, and acting as a catalyst for change. This theory supports the importance of social awareness, relationship management, and self-awareness in effective leadership.

#### **2.1.4 Emotional Intelligence Measurements**

##### **A. Wong and Law Emotional Intelligence Scale**

The Wong and Law Emotional Intelligence Scale (WLEIS) provides a quick and reliable measurement of emotional intelligence specifically in workplace settings. Developed in 2002 by Wong and Law in Hong Kong, this scale was designed for use in organizations and has been found to be a better predictor of job performance than other EI scales (Law et al., 2004; Wong & Law, 2002). The WLEIS is based on Mayer and Salovey's definition of emotional intelligence, which follows the ability model. In this context, emotional intelligence is defined as the ability to appraise and express one's own emotions (self-emotion appraisal), accurately assess others' emotions, and regulate emotions to promote emotional and intellectual growth.

Research has shown that this measurement scale has acceptable reliability and validity and aligns well with other emotional intelligence measures such as the EQ-I. The scale consists of 16 items rated on a 5-point scale and is used in this study to measure emotional intelligence dimensions through self-assessment. It is chosen for this study due to time constraints.

#### **2.1.5 Leadership Effectiveness**

Leadership effectiveness plays a crucial role in organizational success. It involves the ability of a leader to translate company goals into clear and shared visions that motivate employees to work towards them (Kruse, 2013). Effective leaders understand the importance of social interaction and

the influence they have on their followers' behavior, which significantly impacts the organization's performance outcomes (Humphrey, 2002). Additionally, leadership effectiveness is marked by the leader's capacity to inspire others to pursue a shared vision, turning individual efforts into a collective success (Zeitchik, 2012). This collective effort is essential for achieving organizational objectives and ensuring the long-term success and sustainability of the organization (Cooper et al., 2004).

Emotional intelligence is widely recognized as crucial for effective leadership (Mittal & Sindhu, 2012; Sosik & Megerian, 1999). Alongside personality traits, a blend of diverse skills and knowledge is essential for effective leadership (Northouse, 2012). Emotional and social intelligence competencies offer a practical, reliable, and valid approach to assessing and developing individuals across different cultures (Emmerling and Boyatzis, 2012). Recent research suggests that effective leadership involves developing emotional intelligence beyond cognitive abilities (Greenockle, 2010). Effective leaders, as noted by Fullan (2003), demonstrate a strong moral purpose, understand change dynamics, and possess high emotional intelligence, which aids in relationship-building. Additionally, Marzano et al. (2005) found that effective leaders are self-aware, manage emotions effectively, understand their strengths and weaknesses, and act with integrity.

### **2.1.5.1 Measures of Leadership Effectiveness**

#### **A. The Leadership Practices Inventory (LPI)**

Created by James M. Kouzes and Barry Z. Posner in the early 1980s and first introduced in their book *The Leadership Challenge*, the Five Practices of Exemplary Leadership approach leadership as a set of measurable, learnable, and teachable behaviors. Over the years, the Leadership Practices Inventory (LPI) was developed and refined by Kouzes and Posner (Posner & Kouzes, 1988; Posner & Kouzes, 1994). The LPI is a leadership assessment instrument based on extensive feedback and factor analyses of various behaviors (Posner & Kouzes, 1993). Through numerous interviews, thousands of case studies, and analysis of over two million survey questionnaires worldwide, Kouzes and Posner identified five key practices that enable leaders to achieve extraordinary results. These practices include: Modeling the Way, Inspiring a Shared Vision, Challenging the Process, Enabling Others to Act, and Encouraging the Heart.

The "Model the Way" practice signifies how leaders set standards for interpersonal conduct and goal pursuit. They establish principles on how individuals, including constituents, peers, colleagues, and customers, should be treated and guide the approach to achieving goals. Leaders not only create benchmarks for excellence but also serve as role models for others. Recognizing that significant change can be overwhelming and paralyze action, they break down complex objectives into smaller, achievable goals. They address bureaucratic obstacles that hinder progress, provide direction when individuals are uncertain, and cultivate opportunities for success (Kouzes & Posner, 2017).

The "Inspire a Shared Vision" practice reflects how leaders passionately believe in their ability to make a difference. They envision the future, crafting an ideal and distinct image of what the organization can achieve. Through their charisma and gentle persuasion, leaders inspire others to join them in their aspirations. They animate their visions, encouraging individuals to see promising opportunities for the future.

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The "Challenging the Process" practice signifies how leaders actively seek opportunities to disrupt the current state of affairs. They explore innovative methods to enhance the organization. In this pursuit, they experiment and embrace risks. Understanding that risk-taking entails both successes and setbacks, leaders view disappointments as valuable learning experiences (Kouzes & Posner, 2017).

The "Enable Others to Act" practice reflects that leaders promote collaboration and cultivate cohesive teams. They actively engage others, recognizing that mutual respect is crucial for sustaining exceptional efforts. Leaders work to create an atmosphere of trust and dignity, empowering individuals and ensuring each person feels capable and influential (Kouzes & Posner, 2017).

The "Encourage the Heart" practice signifies the importance of acknowledging individual contributions to accomplishing extraordinary feats within organizations. Leaders understand that maintaining hope and determination requires recognizing the efforts of individuals. In successful teams, members should share in the rewards of their endeavors, so leaders celebrate achievements and make individuals feel valued and appreciated, like heroes (Kouzes & Posner, 2017).

The LPI instrument helps leaders understand how they see themselves and how others perceive them, and it provides guidance on how to improve their leadership behaviors. It measures the frequency of 30 specific leadership behaviors on a 10-point scale, with six behavioral statements for each of the five practices (Kouzes & Posner, 2017). However, recent studies have revised the LPI scale from a 5-point scale to a 10-point scale to enhance sensitivity to changes in leadership behavior. Despite this alteration, the researcher asserts that a 5-point Likert scale is more comprehensible and consistent for respondents, reducing confusion.

Moreover, the LPI has two forms: LPI-self and LPI-other, differing only in whether the described behavior pertains to the respondent themselves or to their behavior as perceived by others such as peers, superiors, or subordinates (Sumner, Bock, & Giamartino, 2006). This study utilizes the LPI-Other, as the questionnaire is centered on observers rating the leader's engagement in each of these behaviors associated with the five practices. In this study, leadership effectiveness serves as the dependent variable and is measured through the five key dimensions: Model the Way, Inspire a Shared Vision, Challenge the Process, Enable Others to Act, and Encourage the Heart.

### **2.1.6 Emotional Intelligence and Leadership Effectiveness**

According to Daniel Goleman in his book "Primal Leadership," a leader's emotional role is primal in two ways: it's the first and most important aspect of leadership. This emotional task involves guiding collective emotions positively and clearing away toxic emotions (Goleman, 2011). Moreover, Goleman's research found that emotional intelligence is twice as important as technical skills and IQ for achieving excellent results in all job levels. Additionally, his study showed that emotional intelligence becomes increasingly important at higher levels within a company (Goleman, 2011).

Emotional intelligence (EI) is a significant factor influencing leadership effectiveness. Leaders need to be aware of their strengths, limitations, and emotions, all of which are influenced by EI (Ilies et al., 2005). Emotional intelligence has been associated with the emergence of leaders, their success, and the development of effective leadership styles. Moreover, leaders with high emotional intelligence are often perceived as more authentic by their followers because they can effectively employ emotional labor tactics, such as genuine emotional labor or deep acting, to create a positive perception (Gardner et al., 2009). Emotionally intelligent leaders stand out by motivating employees to give discretionary effort, inspiring them to exceed their job descriptions (Adam's Goleman, 2019).

Effective leadership skills depend significantly on understanding emotions and abilities associated with emotional intelligence (Cooper & Sawaf, 1997; Goleman, 1998; Ryback, 1998). Goleman et al. (2004) stated that leaders use emotional intelligence to build strong relationships within their organization, forming emotional bonds that help maintain focus during change and uncertainty. Strong leadership involves projecting a vision that employees accept and believe in, and inspiring, motivating, and intellectually stimulating them (Ashkanasy & Daus, 2002). Fullan (2002) emphasized that emotionally intelligent leaders are self-aware, inspiring, and capable of handling workplace challenges. They must identify and communicate a vision, rally followers around it, and transform their organizations through people and teams. Effective leaders need to see the big picture, think conceptually, possess strong interpersonal skills, and demonstrate high levels of intelligence and energy.

## **2.2 Empirical Review**

This section reviews previous studies on emotional intelligence and leadership effectiveness relevant to the research objectives. This helps identify the contributions and gaps in existing research related to the current study. The following sections provide more detailed analysis.

Humphrey (2002) explored the emotional aspects of leadership, highlighting that leaders need to understand and manage the emotions of their followers. He emphasized that leaders must evoke and recognize emotions in followers, and effectively manage these emotions to enhance leadership effectiveness. Additionally, Humphrey noted that a leader's emotional intelligence plays a significant role in influencing their performance and effectiveness in leading others.

Sy et al. (2006) examined the relationship between managers' and employees' emotional intelligence in the food service industry and its impact on work satisfaction and success. They found that employees with higher emotional intelligence tend to experience greater work satisfaction and success. Additionally, the researchers observed that managers' emotional intelligence positively influences employee outcomes, as employees with managers who exhibit higher emotional intelligence tend to be happier and perform better compared to those with managers who have lower emotional intelligence scores.

Riggio and Richard (2008) explored the relationship between leaders' emotional control and their effectiveness. They found that leaders who exhibit strong emotional control tend to be more effective in their leadership roles. Emotional control involves the ability to regulate both the expression and experience of emotions, which is a key component of emotional intelligence (EI) that is particularly important in the workplace.

Batool (2013) examined the significance of self-management competencies on leadership effectiveness, highlighting that leaders with high self-management skills are able to regulate their emotions effectively and refrain from behaviors such as verbal attacks, impulsive decision-making, stereotyping, or compromising their values. Furthermore, Batool emphasized the practical implementation of emotional intelligence elements within organizations to enhance leadership effectiveness. This underscores the vital role emotional intelligence plays in promoting effective leadership within organizational settings.

Rosete and Ciarrochi (2013) examined the relationship between emotional intelligence, personality, cognitive intelligence, and leadership effectiveness among senior executives. Their study assessed leadership effectiveness through managerial performance ratings and evaluations from subordinates and direct managers. The findings indicated a positive correlation between higher emotional intelligence and greater leadership performance.

Nabih et al. (2016) explored the role of emotional intelligence as a predictor of leadership effectiveness in an FMCG company. They concluded that emotional intelligence is a key indicator of leadership effectiveness. Their findings highlighted that self-emotion appraisal and the use of emotion were the most significant factors influencing leadership effectiveness. Conversely, emotion regulation was found to be the most challenging aspect, making it the least impactful

factor on leadership effectiveness. Additionally, the study showed that the use of emotion accounted for a significant portion of the variance in leadership effectiveness.

Maamari and Majdalani (2017) investigated the impact of leaders' emotional intelligence (EI) on their applied leadership style and its effect on employees' organizational citizenship. They found that higher levels of empathy and norming were directly linked to improvements in the leader's EI level, with significant implications for the workplace. The study revealed that a leader's EI influences their leadership style, which in turn affects employees' perceptions of the organizational climate to varying degrees.

Vasilagos et al. (2017) explored the relationship between hotel managers' emotional intelligence and transformational leadership, focusing on interactions between supervisors and subordinates. They found that hotel managers recognized the significance of emotional intelligence (EI) and were adept at understanding the needs and feelings of their subordinates. The study involved 149 employees from 117 Greek and Cypriot hotel organizations. The findings revealed positive correlations between supervisors' intrapersonal and interpersonal EI competencies and their practice of transformational leadership within hotel settings. The implications suggest that supervisors in modern hotel organizations should prioritize the development of emotional intelligence competencies to enhance their transformational leadership, particularly in the realm of human resources development.

Shaaban (2018) investigated the impact of Emotional Intelligence (EI) on effective leadership at Egypt's Military Production Factories (MPF). The study found that EI is crucial for managers to innovate and adapt in a changing business environment. Female managers exhibited higher transformational leadership behaviors and EI than their male counterparts, aligning with previous research by Mandell and Pherwani (2003) and others. The study also noted that higher EI reduces cognitive difficulties during stress. Overall, a significant positive relationship was found between EI and leadership competencies, with EI being particularly important for transformational leadership. This underscores the need to further develop leadership competencies at MPF.

Rahman and Mahadi (2021) examined the relationship between emotional intelligence (EI) and leader effectiveness among junior and middle officers in Malaysian public services. Using a sample determined by the partial least squares structural equation method (PLS-SEM), they

measured EI with a 16-item scale adapted from Wong & Law Emotional Intelligence Scale (WLEIS) and leader effectiveness with four items from the Multifactor Leadership Questionnaire (MLQ). The study found that emotionally intelligent leaders are better at managing subordinates and meeting organizational goals. It also emphasized the importance of emotional awareness in leadership and suggested future research should include more variables and expand to other organizational groups.

Harahap et al. (2023) examined the significance of emotional intelligence in leadership effectiveness in their review titled "The Role of Emotional Intelligence in Effective Leadership." They concluded that leaders with high emotional intelligence are better equipped to manage themselves and their teams, resolve conflicts, make sound decisions, and provide appropriate motivation. The authors emphasized the importance of prioritizing EI development through training and personal growth initiatives for leaders. They highlighted Emotional Intelligence Theory's assertion of a strong link between EI and proficient leadership, stressing EI's role in emotion identification and regulation, understanding others, building interpersonal relationships, and encouraging a positive work environment. They recommended organizational leadership training programs focusing on enhancing leaders' self-awareness, emotional regulation, empathy, and social skills, and suggested considering EI as a criterion for selecting managerial candidates to improve organizational leadership effectiveness.

Saferdin et al. (2023) explored the relationship between emotional intelligence and leadership effectiveness among administrative leaders in selected Malaysian public sectors. They found a strong relationship between emotional intelligence components and leadership effectiveness. Their study concluded that emotional intelligence is crucial for effective leadership, as it influences how leaders manage and lead their subordinates, contributing to organizational success. This research emphasized that leaders who are aware of and can manage emotions are better equipped to handle the current work environment in public sectors, reducing the negative impact of emotions.

Hussien et al. (2023) explored the effect of emotional intelligence on the leadership effectiveness of first-line nurse managers. They found that personal competencies had the highest mean score among these managers, while social competencies had the lowest. Most first-line nurse managers exhibited low overall emotional intelligence and ineffective leadership. Team-building scored

highest, whereas designing and aligning had the lowest effectiveness score. Additionally, there was a significant correlation between emotional intelligence scores and leadership effectiveness.

Koutsioumpa (2023) conducted a study to investigate the correlation between emotional intelligence (EI) and leadership effectiveness. The research analyzed seven articles exploring the relationship between EI and leadership, highlighting a positive correlation between the two. The findings indicated that a leader's emotional intelligence significantly influences various aspects of leadership, such as motivation, performance management, relationship management, and effective communication. Specifically, transformational leadership was found to be positively correlated with emotional intelligence, characterized by traits like empathy and a genuine understanding of others' perspectives. The study also revealed the mediating effect of team emotional intelligence on the relationship between transformational management and cohesion. Additionally, it emphasized the importance of developing practical skills, assessment and problem-solving skills, communication skills, self-governance skills, and emotion recognition skills to enhance leadership abilities.

Kiishi (2024) explored the role of emotional intelligence in effective leadership and its impact on team performance at the University of Ibadan, Nigeria. The study found a strong positive relationship between emotional intelligence and leadership effectiveness. Emotional intelligence was shown to enhance team collaboration, stress management, and overall leadership performance. The regression analysis confirmed that emotional intelligence significantly affects leadership effectiveness, supporting the hypothesis that higher emotional intelligence leads to more effective leadership.

### **2.3 Summary and Research Gaps**

The reviewed literature so far underscores the significant impact of emotional intelligence (EI) on leadership effectiveness across various organizations. Studies by Goleman (1998), Bar-On and Parker (2000), Wong and Law (2002), and others demonstrate that leaders with high EI are better at managing teams, making decisions, and encouraging positive work environments. These leaders excel in self-awareness, self-regulation, empathy, and social skills, leading to higher job satisfaction and performance. Meta-analyses and recent research confirm that EI is a strong predictor of leadership success, contributing to improved organizational outcomes such as

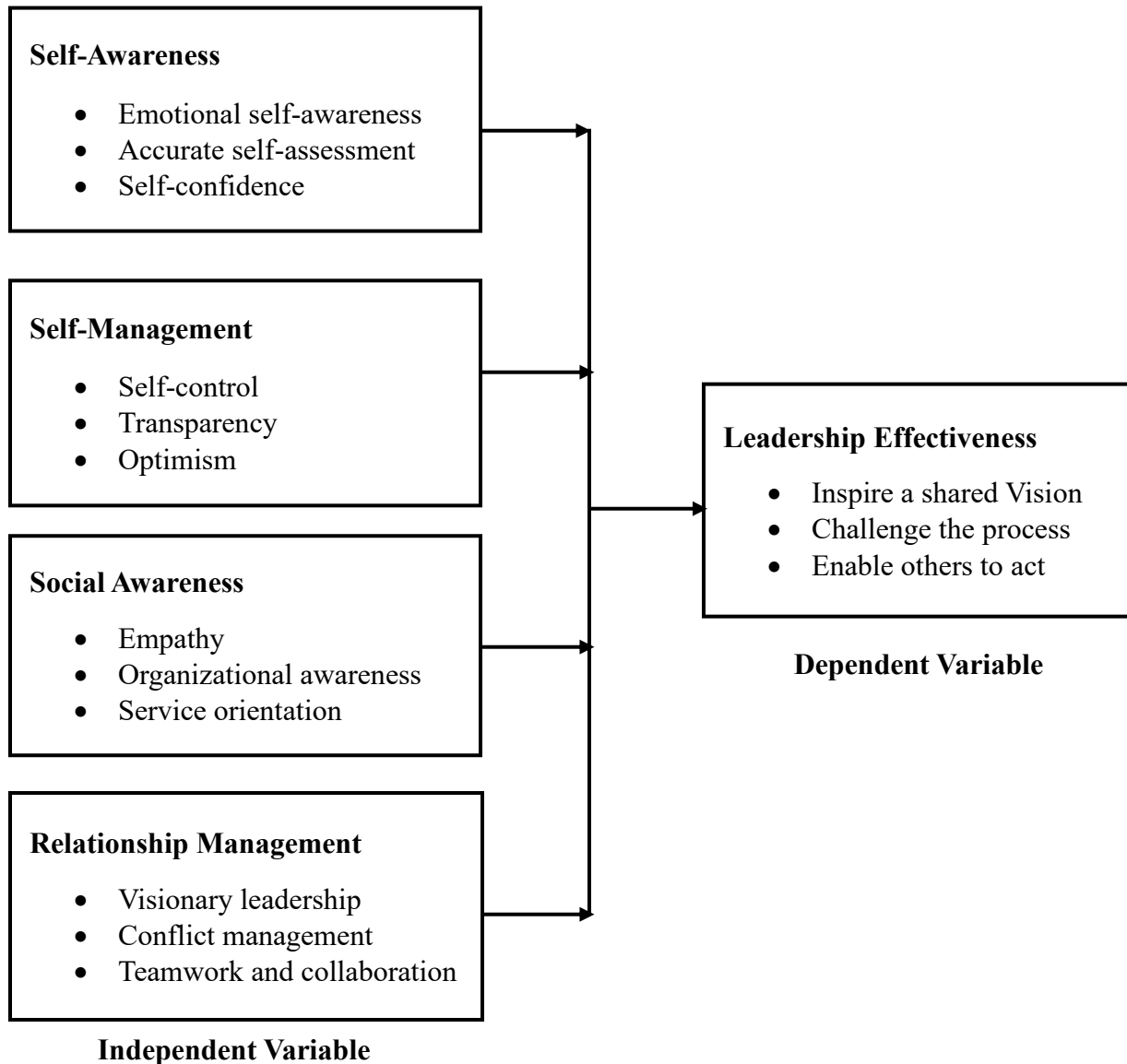
increased employee engagement and reduced turnover rates (Cavazotte, Moreno, & Hickmann, 2012; Harms & Credé, 2010).

Despite the popularity of Emotional Intelligence (EI) as a tool for identifying effective leaders, there are gaps that need further research. Palmer et al. (2001) argue that more empirical studies are needed on how self-awareness, self-management, social awareness, and relationship management impact leadership effectiveness. Most EI research has been conducted in Western countries, leaving a lack of data from other regions. Spector (2005) notes that there are still unanswered questions about the efficacy of EI, including its definitions, use, measurement, and nature. However, Cherniss (2010) supports the EI construct and suggests that its complexity warrants additional research.

A review of empirical studies conducted in this area further shows that there exist conceptual research gaps that the current study intends to fill. Specifically, there is a lack of studies examining the combined influence of self-awareness, self-management, social awareness, and relationship management on leadership effectiveness in Ethiopia. For instance, Wondimu (2017) studied the impact of leadership styles and emotional intelligence on leadership effectiveness in public sectors in the Kaffa zone. Tesfamichael (2017) explored the effect of emotional intelligence on leadership effectiveness at Zemen Bank. Mahilet (2018) investigated how emotional intelligence affects the leadership effectiveness of principals in pre-primary schools in Yeka Sub-City. By focusing on the influence of emotional intelligence on leadership effectiveness in the Ethiopian context, this study aims to fill the existing gap in knowledge.

## 2.4 Conceptual Framework

The conceptual framework is a diagram showing the independent and dependent variables. In this study, the independent variable is emotional intelligence, which includes Self-Awareness, Self-Management, Social Awareness, and Relationship Management. The dependent variable is leadership effectiveness, defined by Vision, Integrity, and Enthusiasm. The framework in Figure 2.1 aims to show the relationship between emotional intelligence and effective leadership.



**Fig 2.1: Conceptual Framework**

Source: Joseph (2019)

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

The previous chapter reviewed the literature on emotional intelligence and identified the existing knowledge gap. This chapter outlines the research design, population and sampling technique, sources and instruments for data collection, methods of data analysis, reliability and validity of data collection tools, and ethical considerations. Each section will be described in detail and justified.

#### **3.1 Description of the Study Area**

The study focused on the headquarters of the Commercial Bank of Ethiopia, which employs over 7,000 staff across several departments. To align with the research objectives, the study specifically targeted two departments critical to the bank's overall performance and where leadership practices are highly observed.

#### **3.2 Research design and approach**

A research design serves as the blueprint for generating solutions to research problems (Orodho, 2003). The selection of a research design is determined by several factors, including the research purpose, data requirements, data sources, and cost considerations (Chandran, 2004). The study used a causal/explanatory research design to explore the cause-and-effect relationship between emotional intelligence and leadership effectiveness at the Commercial Bank of Ethiopia. Causal research, also known as explanatory research, examines whether changes in one variable (emotional intelligence) cause changes in another variable (leadership effectiveness). The study aimed to determine the nature of this relationship. It focused on the headquarters of the Commercial Bank of Ethiopia in Addis Ababa.

For this study, a quantitative approach was used and was deemed most suitable given the nature of the problem under investigation. Creswell (2014) asserts that quantitative research is appropriate for examining relationships between variables, testing hypotheses, and providing statistical analysis. This approach allows for the collection of numerical data, which can be analyzed to determine patterns, correlations, and causal relationships. Therefore, to attain precise insights,

comprehensively address the research problem, and effectively test each hypothesis, a quantitative research approach was adopted.

### **3.3 Data Types and Sources**

To collect relevant data, primary data was gathered through questionnaires distributed to managers and employees at the headquarters of the Commercial Bank of Ethiopia.

### **3.4 Data Collection Method**

According to Blanche et al. (2006) and Bless et al. (2006), data collection is the process of gathering information from respondents. Questionnaires were used because they are straightforward and less time-consuming for both the researcher and participants (Owens, 2002). Therefore, questionnaires were distributed to 234 respondents to gather a variety of responses.

#### **3.4.1 Data Collection Procedures**

Initially, the university issued a letter of cooperation to the Commercial Bank of Ethiopia's Human Resources Management Information System (HRMIS). Upon approval, questionnaires were distributed among randomly selected respondents from essential bank departments. Collection was coordinated with department managers to ensure convenience regarding time and venue for questionnaire completion.

#### **3.4.2 Data Collection Instruments**

The primary data collection instrument used in this study was a questionnaire, designed with three main sections to ensure all variables are effectively studied. Section A included demographic questions to gather background information about the participants, such as age, gender, and education level.

Section B analyzed the emotional intelligence dimensions of managers using the Wong and Law Emotional Intelligence Scale (WLEIS) (Wong & Law, 2002). This standard measurement scale is a well-established scale comprising 16 items rated on a 5-point Likert scale, asking respondents to indicate their level of agreement with each statement. Research has demonstrated that this scale has acceptable reliability and validity, aligning well with other emotional intelligence measures such as the EQ-I. It was chosen for this study due to its quick and reliable measurement of

emotional intelligence specifically in workplace settings, making it suitable given the study's time constraints. The researcher used this standard measurement scale to measure the self-ratings of the managers.

Section C gathered information on leadership effectiveness using a 5-point Likert scale through the Leadership Practices Inventory (LPI) questionnaire (Posner & Kouzes, 1988). The LPI includes 30 items, with six items dedicated to each of the five leadership practices. It is a widely recognized and validated tool for assessing leadership effectiveness. The data collection instruments were adapted from reviewed literature to ensure they were reliable and valid for this study.

### **3.5 Target population and sample design**

Population of the study refers to the total collection of elements from which inferences are made (Sekaran & Bougie, 2010). Mbokane (2009) describes it as the aggregate of all objects, subjects, or members meeting certain specifications. This study targeted selected leaders and employees at the Commercial Bank of Ethiopia's headquarters. The bank currently employs over 300 leaders (management group) in several divisions (HRMIS, 2024). These leaders are categorized into top-level (chief executive officers), middle-level (directors), and lower-level (managers) roles based on their authority (HRMIS, 2024).

The researcher focused on the lower-level leaders (managers) from the credit and wholesale banking departments, selected for their direct and significant involvement with employees. These departments are crucial to the bank's operations, involving substantial leadership activities and a higher number of staff members, which necessitate effective leadership to manage the business and overall operations efficiently.

#### **3.5.1 Sample Size and Sampling Technique**

Gravetter and Wallnau (2007) define sample size as a group of individuals selected from a population to represent it in a study. To determine the sample size for this study, a simplified formula from Yamane (1967) was used, calculated at a 95% confidence level with a 0.05 margin of error. This formula ensures an appropriate sample size for reliable results. The calculation is as follows:

$$n = N / [1 + N (e)^2]$$

Where, n = sample size,

N = Population size,

e = the desired level of precision or acceptable sampling error (0.05)

To determine the sample size, the above formula will be used.

- Given Population size (N) = 563
- Confidence level (e) = 0.05

$$n = \frac{N}{1+N(e)^2}$$

$$n = \frac{563}{1+563(0.05)^2}$$

$$= \underline{234}$$

- Thus, sample size (n) = 234

Moreover, as pointed out by Kothari (2015), it's recommended that a sample size representing the population should ideally be at least 10%. In this study, the sample size accounted for approximately 42% of the target population, surpassing this benchmark significantly, and is therefore considered adequate to proceed with the research.

### 3.5.2 Sampling Technique

The study used a probability sampling technique, specifically stratified random sampling. This method involves dividing the population into mutually exclusive sets, or strata, in this case, departments, and then drawing random samples from each stratum (each selected department). Employees were categorized into managerial and employee groups. Stratified random sampling allows researchers to obtain a sample that accurately represents the entire population. This approach ensured representation from different departments while maintaining the advantages of random sampling, such as unbiased estimates and generalizability. This method is ideal for heterogeneous populations where it's important to ensure smaller subgroups are adequately

represented.

Following the sample size determination, the researcher allocated the sample size for each stratum using proportional allocation, which ensures the sizes of the samples are proportional to the sizes of the strata. The formula for proportionate stratified sampling (PSS) is

$$n_i = (N_i/N) \times n_s$$

Where,  $n_i$  = sample size from each stratum,

$N_i$  = total population of each stratum,

$n_s$  = total sample size, and

$N$  = total population size.

**Table 3.1: Summary of the Sample Population**

Strata / Department	Position	Number of people in each stratum ( $n_s$ )	Sample from each stratum $n_i = (N_i/N) \times n_s$	Percentage contribution to the sample
Credit	Managers	24	10	4.27%
	Staff	279	116	49.57%
Wholesale Banking	Managers	16	7	3%
	Staff	244	101	43.16%
<b>Total</b>		563	234	100%

Source: Researcher 2024

### 3.6 Data analysis and presentation

This study employed quantitative research methods, with data analysis guided by its objectives. Data analysis involved extracting significant variables, detecting anomalies, and testing assumptions (Kombo & Tromp, 2006). The collected data was coded and entered into SPSS Version 27 for analysis.

Descriptive and inferential statistics was used to summarize and analyze the quantitative data, with findings presented using histograms, line charts, normal distribution curves, cumulative distribution curves, and scatter diagrams. Descriptive statistics, including percentages, frequencies, means, and standard deviations, will help understand the data and respondents' responses. Pearson correlation analyses was conducted to assess the linkages between measured variables. Correlation analysis, widely used by researchers, evaluated the relationship between variables,

with positive coefficients indicating a positive correlation. Additionally, multiple linear regression analysis was used to predict the relationship between the independent and dependent variables, as well as to determine the relative importance of each variable.

In the regression analysis model, leadership effectiveness, represented by (Y), served as the dependent variable, while emotional intelligence, represented by (X), was the independent variable. Self-Awareness, Self-Management, Social Awareness, and Relationship Management was each denoted by  $X_1$ ,  $X_2$ ,  $X_3$ , and  $X_4$  respectively. The multiple linear regression model used to analyze the data was:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Where;

Y = Leadership Effectiveness

$X_1$  = Self-Awareness

$X_2$  = Self-Management

$X_3$  = Social Awareness

$X_4$  = Relationship Management

$\varepsilon$  = is the error term

The coefficient  $\beta_0$  represents the y-intercept, while  $\beta_1$ ,  $\beta_2$ ,  $\beta_3$ , and  $\beta_4$  are the coefficients of the model, indicating their significance in the relationship. The significance of the multiple correlation coefficient will be tested using an F-test, which examines the overall significance of the regression model. The null hypothesis ( $H_0$ ) states that all independent variables (i.e., self-awareness, self-management, social awareness, and relationship management) have no influence on the dependent variable, while the alternative hypothesis ( $H_1$ ) suggests otherwise. The null hypothesis is rejected at a significance level of  $\alpha < 0.05$ , indicating a significant positive relationship. Additionally, the researcher conducted normality, multicollinearity, and homoscedasticity tests to ensure that regression assumptions are met.

### 3.7 Validity and Reliability

#### 3.7.1 Reliability of the Research Instruments

Reliability of the research instruments ensures consistent results, allowing the same or another researcher to obtain the same information from the same target population (Oso & Onen, 2005).

Previous studies on the WLEIS reported the following Cronbach's alpha coefficients: self-emotion evaluation (0.81), others' emotion appraisal (0.88), use of emotion (0.82), and regulation of emotion (0.87) (Libbrecht et al., 2012). A number of studies that examined and retested the scale concur with these findings (Law et al., 2004; Shi & Wang, 2007; Kafetsios & Zampetakis, 2008; Whitman et al., 2009; Meisler, 2014). In addition, the LPI sub-scales were also measured for validity and reliability by their developers, showing the following Cronbach's alpha values: Model the Way (0.77), Inspire a Shared Vision (0.87), Challenge the Process (0.80), Enable Others to Act (0.75), and Encourage the Heart (0.87).

To test the reliability of respondents' opinions, Cronbach's Alpha coefficient was calculated using SPSS. This coefficient measures the internal consistency of the instruments used, specifically for the WLEIS and LPI models. A Cronbach's Alpha coefficient above 0.70 indicates that the data collection instrument is reliable (Pallant, 2010). The summary of the reliability test results is presented in Table 3.2.

**Table 3.2: Summary of Reliability Test Results**

<b>Variables</b>	<b>No. of Items</b>	<b>Cronbach's Alpha</b>	<b>Comment</b>
Self-Awareness	4	0.839	Accepted
Self-Management	4	0.837	Accepted
Social Awareness	4	0.892	Accepted
Relationship Management	4	0.860	Accepted
Leadership Effectiveness	30	0.956	Accepted

Source: SPSS results, 2024

The table above shows the reliability of the scales used in the study, measured by Cronbach's alpha values, which indicate internal consistency. Higher values, closer to 1, mean greater reliability. The "N of items" column indicates the number of items (or variables) in each scale. In this case, there are both the independent variable and the dependent variable.

### **3.7.2 Validity of the Research Instruments**

Validity refers to how accurately an instrument measures what it is intended to measure (Akram et al., 2017). When assessing the validity of a research instrument, evidence for multiple forms of validity should be considered collectively (Yue, 2016). This study considered two types of validity: content validity and criterion validity (Oso & Onen, 2005). Content validity ensures that the measurement items cover all aspects of the variable being measured, supported by extensive literature review. The study used questionnaires adapted from established research, such as the WLEIS and LPI models, to ensure content validity. Criterion validity assesses the instrument's relationship to the outcome (Golafshani, 2003). The final draft of the instruments were reviewed and refined based on feedback from advisors and relevant professionals.

### **3.8 Ethical considerations**

In order to maintain research integrity, the study complied with ethical standards, as emphasized by Johnson and Christensen (2020). Concerns like consent, anonymity, confidentiality, access, and intellectual property ownership are among them. Before distributing questionnaires, participants were notified about the purpose of the study, and their consent was sought. They had the option to participate or withdraw at any time. Confidentiality and privacy were upheld at every stage of the study. In order to prevent any misleading representations, the researcher made sure that data was evaluated correctly and conclusions were presented in an understandable manner (Malhotra, 1999).

### **3.9 Research Hypotheses**

The study was guided by the following null hypotheses derived from the study objectives:

**H<sub>01</sub>:** Self-Awareness does not have a significant relationship with leadership effectiveness in Commercial Bank of Ethiopia.

**H<sub>02</sub>:** Self-management does not have a significant relationship with leadership effectiveness in Commercial Bank of Ethiopia.

**H<sub>03</sub>:** Social-Awareness does not have a significant relationship with leadership effectiveness in Commercial Bank of Ethiopia.

**H<sub>04</sub>:** Relationship Management does not have a significant relationship with leadership effectiveness in Commercial Bank of Ethiopia.

## **CHAPTER FOUR**

### **RESULTS AND DISCUSSION**

The previous chapter detailed the methodological approach adopted in this study. This chapter presents the research findings and discussions of the results. It includes different sections that outline the results of the data analysis. The collected data are analyzed and presented in the following sections: demographic characteristics, descriptive statistics on the variables, correlation analysis, and regression analysis. Additionally, the results of hypothesis testing are presented, along with charts and tables to illustrate the findings.

#### **4.1 Response Rate of Participants**

A total of 234 surveys were distributed to managers and employees of the Commercial Bank of Ethiopia, out of which 188 questionnaires were returned on time, resulting in a response rate of 80.34%. This response rate is considered adequate based on the propositions of scholars like Babbie (2004) and Mugenda and Mugenda (2008), who suggest that in a descriptive study, a response rate above 50% is sufficient for analysis.

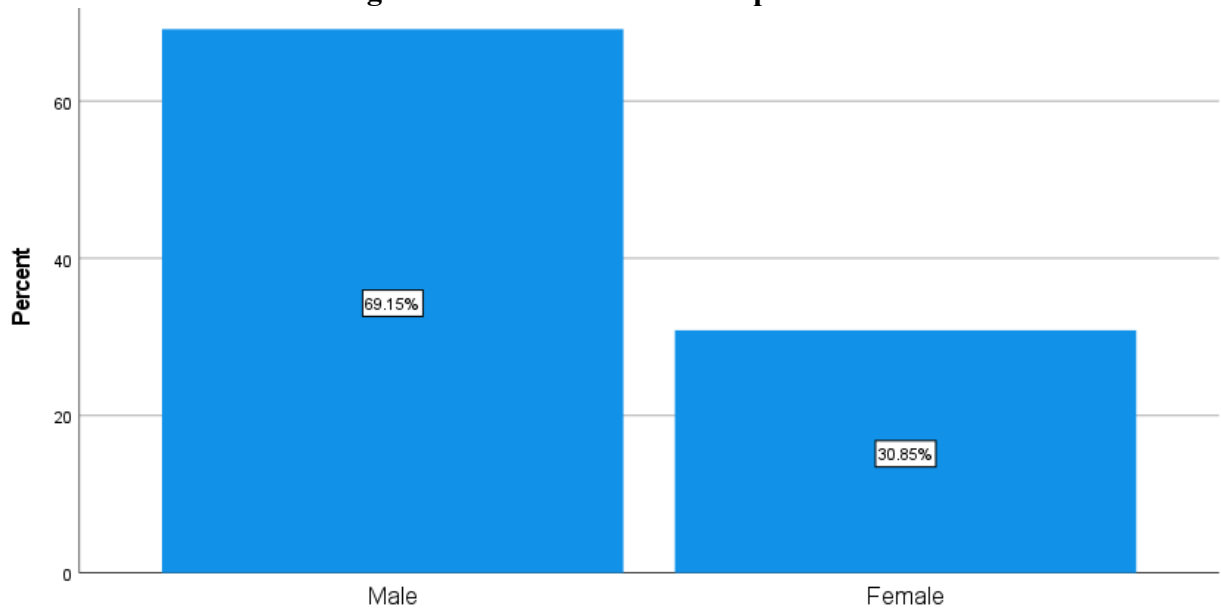
#### **4.2 Demographic Characteristics of the Respondents**

This section presents the findings on the demographic characteristics of the respondents, including age, gender, education level, job position, and years of service. The results are analyzed and summarized as follows:

##### **4.2.1 Gender of the Respondents**

As presented in Figure 4.1, the gender distribution of the respondents showed that 69.1% (130 individuals) were male, while 30.9% (58 individuals) were female. Among the 20 managers who participated in the research, 14 were male and 6 were female. These findings indicate that the majority of respondents were male, with fewer females participating in the survey. However, the overall data suggests a fair representation of female leadership and supervisory positions within the selected departments, indicating that Commercial Bank of Ethiopia's commitment to gender inclusivity in key sectors of the organization.

**Figure 4.1: Genders of the Respondents**



Source: SPSS results, 2024

#### 4.2.2 Age of the Respondents

The age composition of respondents, as shown in Table 4.1, reveals that 0.5% (1 individual) were between 18 and 25 years old, 50.0% (94 individuals) were between 26 and 35 years old, 43.1% (81 individuals) were between 36 and 45 years old, and 6.4% (12 individuals) were between 46 and 55 years old. This demographic data indicates that most managers and employees fall within the 26-35 and 36-45 age groups, suggesting that the selected departments are composed of young, productive, and experienced staff and managers.

**Table 4.1: Age of the Respondents**

Age of the Respondents	Category	Frequency	Percent (%)
	18-25	1	0.5
	26-35	94	50.0
	36-45	81	43.1
	46-55	12	6.4
	56 and above	0	0.0
	<b>Total</b>	<b>188</b>	<b>100</b>

Source: SPSS results, 2024

### 4.2.3 Educational Level of the Respondents

Table 4.2 presents the educational levels of the respondents, revealing that 71.8% (135 individuals) held master’s degrees, while 28.2% (53 individuals) had bachelor’s degrees. These findings suggest that the respondents were well-educated, which likely contributed to their holding top management positions and positively influencing their job performance. This observation aligns with Raymond (2008), who stated that professionalism in any occupation is related not only to the levels of education and qualifications of the workforce but also to the professional approach to conducting business activities. An individual’s level of education is closely linked to their competence and ability to meet the professional demands of top management positions.

**Table 4.2: Educational Level of the Respondents**

Educational Level	Category	Frequency	Percent (%)
	First Degree	53	28.2
	Master's Degree	135	71.8
	<b>Total</b>	<b>188</b>	<b>100.0</b>

Source: SPSS results, 2024

### 4.2.4 Job Position of the Respondents

The job positions of the respondents, as shown in Table 4.3, reveal that the majority were staff members such as CRM, officers, experts, and senior analysts, making up 70.2% (132 individuals). Managers accounted for 14.4% (27 individuals), senior officers for 9.6% (18 individuals), and supervisors for 5.9% (11 individuals). These results suggest that the study relied on information collected from key leadership positions in two major departments critical to the bank's operations. Therefore, respondents were well-positioned to provide data on the relationship between emotional intelligence and leadership effectiveness.

**Table 4.3: Job Position of the Respondents**

Job Position	Category	Frequency	Percent (%)
	Senior Officer	18	9.6
	Manager	27	14.4
	Supervisor	11	5.9
	Other	132	70.2
	<b>Total</b>	<b>188</b>	<b>100.0</b>

Source: SPSS results, 2024

#### 4.2.5 Work Experience of the Respondents

Table 4.4 illustrates that the majority of respondents have work experience more than 10 years, representing 39.4% (74 individuals), suggesting that the researcher has mainly engaged experienced employees in the study. Furthermore, 28.2% (53 individuals) have a tenure of 1 to 3 years, while 23.4% (44 individuals) have work experience ranging from 7 to 10 years, followed by 5.9% (11 individuals) have accumulated 4 to 6 years of professional background and 3.2% (6 individuals) have work experience Less than 1 year. These findings indicate that more than half of the staff and managers in the studied departments are experienced and knowledgeable, which helps them to manage their emotions and improve leadership effectiveness, consequently leading to improved job performance.

**Table 4.4: Work Experience of the Respondents**

	<b>Category</b>	<b>Frequency</b>	<b>Percent (%)</b>
<b>Work Experience</b>	Less than 1 year	6	3.2
	1-3 years	53	28.2
	4-6 years	11	5.9
	7-10 years	44	23.4
	More than 10 years	74	39.4
	<b>Total</b>	<b>188</b>	<b>100.0</b>

Source: SPSS results, 2024

#### 4.3 Descriptive Analysis

Self-ratings were employed to assess emotional intelligence dimensions through the WLEIS, while observer ratings were utilized to evaluate leadership effectiveness using the LPI measurement scale. This section presents the analysis of respondents' levels of agreement with statements used to measure variables in this study, using mean and standard deviation.

The mean indicates the average level of agreement or disagreement among the respondents. A lower mean suggests greater disagreement, while a higher mean indicates stronger agreement. The mean value is calculated by summing all responses and dividing by the number of responses. Items with the highest mean are rated the most favorably, while those with the lowest mean are rated the least favorably. Standard deviation measures the variability of responses. It indicates how much individual responses deviate from the mean. A smaller standard deviation suggests that responses are clustered closely around the mean, indicating consistent agreement or disagreement.

Conversely, a larger standard deviation shows that responses are more spread out, indicating varied opinions (Field, 2018). In the context of a Likert scale, a smaller standard deviation means that participants' responses were more uniform compared to other items.

The qualitative interpretation of the 5-point Likert scale measurements used in this study follows the categorization proposed by Pimentel (2010). The means were interpreted as follows:

**Table 4.5: Qualitative Interpretation of 5-Point Likert Scale Measurements**

Likert Scale interval	Likert-Scale	Likert-Scale Description
1.00 - 1.80	1	Strongly Disagree
1.80 - 2.60	2	Disagree
2.61 - 3.40	3	Neutral
3.41 - 4.20	4	Agree
4.21 - 5.00	5	Strongly Agree

Source: Pimentel 2010

#### 4.3.1 Self-Awareness

The first objective of the study was to determine the relationship between self-awareness and leadership effectiveness at Commercial Bank of Ethiopia. The findings, as presented in Table 4.6, display respondents' views on this relationship using mean and standard deviation.

**Table 4.6: Descriptive Analysis of Self-Awareness**

	SD	D	N	A	SA	Mean	Std Dev
<b>Self-Awareness</b>							
I have a good sense of why I feel certain feelings most of the time.	0.0%	0.5%	26.6%	43.1%	29.8%	<b>4.02</b>	<b>0.767</b>
I have a good understanding of my own emotions.	0.0%	0.0%	9.0%	59.6%	31.4%	<b>4.22</b>	<b>0.597</b>
I really understand what I feel.	0.0%	0.5%	14.9%	56.4%	28.2%	<b>4.12</b>	<b>0.663</b>
I always know whether or not I am happy.	0.0%	0.0%	19.7%	56.9%	23.4%	<b>4.04</b>	<b>0.657</b>
<b>Grand Mean</b>						<b>4.1</b>	

Source: SPSS results, 2024

Most statements measuring self-awareness had a mean value between 3.41 and 4.20, indicating that the majority of respondents agreed they have a good sense of their emotions, understand their feelings, know what they feel, and can identify whether they are happy or not. Furthermore, the

study revealed a standard deviation below 1, showing that responses are clustered closely around the mean, indicating consistent agreement.

These findings align with Dulewicz and Higgs (2015), who asserted that self-awareness helps predict or explain job performance of leaders and managers. The findings also concur with Goleman et al. (2013), who posited that successful leaders resonate well with their employees emotionally.

### 4.3.2 Self-Management

The second objective of the study was to determine the relationship between self-management and leadership effectiveness at Commercial Bank of Ethiopia. The findings, presented in Table 4.7, display respondents' views on this relationship using mean and standard deviation.

**Table 4.7: Descriptive Analysis of Self-Management**

	SD	D	N	A	SA	Mean	Std Dev
<b>Self-Management</b>							
I always set goals for myself and then try my best to achieve them.	0.0%	1.6%	31.9%	44.7%	21.8%	<b>3.87</b>	<b>0.766</b>
I always tell myself I am a competent person.	0.0%	0.5%	15.4%	46.8%	37.2%	<b>4.21</b>	<b>0.712</b>
I am a self-motivated person.	0.0%	1.1%	27.1%	42.0%	29.8%	<b>4.01</b>	<b>0.784</b>
I would always encourage myself to try my best.	0.0%	1.1%	20.7%	44.7%	33.5%	<b>4.11</b>	<b>0.760</b>
<b>Grand Mean</b>						<b>4.05</b>	

Source: SPSS results, 2024

Most statements measuring self-management had a mean value between 3.41 and 4.20, indicating that the majority of respondents agreed they are aware of how to manage their emotions, set their own goals and strive to achieve them, believe in their competence, are self-motivated, and energize themselves to perform their best. Furthermore, the study revealed a standard deviation below 1, showing that responses are clustered closely around the mean, indicating consistent agreement.

The findings of this study align with Nwokah and Ahiauzu (2010), who argued that individuals with strong self-management skills can withstand demanding situations and adapt to new challenges and changing priorities. Similarly, Bradberry and Greaves (2009) posited that leaders with high self-management skills can control disruptive emotions or impulses, direct them to

constructive use, and are known for honesty, integrity, and keeping promises. The results also concur with Batool (2013), who claimed that leaders with high self-management competencies can regulate themselves effectively, avoid verbally attacking others, refrain from making rushed or emotional decisions, avoid stereotyping people, and uphold their values.

### 4.3.3 Social-Awareness

The third objective of the study was to determine the relationship between social awareness and leadership effectiveness at Commercial Bank of Ethiopia. The findings, presented in Table 4.8, display respondents' views on this relationship using mean and standard deviation.

**Table 4.8: Descriptive Analysis of Social Awareness**

	SD	D	N	A	SA	Mean	Std Dev
<b>Social Awareness</b>							
I always know my friends' emotions from their behavior.	0.0%	0.5%	29.3%	46.8%	23.4%	<b>3.93</b>	<b>0.739</b>
I am a good observer of others' emotions.	0.0%	0.5%	19.7%	67.6%	12.2%	<b>3.91</b>	<b>0.579</b>
I am sensitive to the feelings and emotions of others.	0.0%	0.5%	17.6%	55.3%	26.6%	<b>4.08</b>	<b>0.677</b>
I have a good understanding of the emotions of people around me.	0.0%	0.5%	22.3%	57.4%	19.7%	<b>3.96</b>	<b>0.665</b>
<b>Grand Mean</b>						<b>3.97</b>	

Source: SPSS results, 2024

All statements measuring social awareness had mean values between 3.41 and 4.20, indicating that most respondents agreed they are highly aware of their environment and colleagues. They can discern colleagues' feelings from their behavior, are good observers, sensitive to others' emotions, and have a strong understanding of the feelings of those around them. Furthermore, the study revealed a standard deviation below 1, showing that responses are closely clustered around the mean, indicating consistent agreement.

The study findings align with Druskat et al. (2013), who found that leaders with high empathy exercise patience, listen attentively, and understand their followers' perspectives. Similarly, the findings agree with Ciarrochi and Mayer (2013), who established that leaders with a strong sense of social awareness are more attuned to a wide range of emotional signals in individuals or groups than leaders lacking these skills.

#### 4.3.4 Relationship Management

The fourth objective of the study was to determine the relationship between relationship management and leadership effectiveness at the Commercial Bank of Ethiopia. The findings, presented in Table 4.9, display respondents' views on this relationship using mean and standard deviation.

**Table 4.9: Descriptive Analysis of Relationship Management**

	SD	D	N	A	SA	Mean	Std Dev
<b>Relationship Management</b>							
I am able to control my temper so that I can handle difficulties rationally.	0.0%	1.1%	21.3%	54.8%	22.9%	<b>3.99</b>	<b>0.698</b>
I am quite capable of controlling my own emotions.	0.0%	0.0%	17.6%	62.8%	19.7%	<b>4.02</b>	<b>0.611</b>
I can always calm down quickly when I am very angry.	0.0%	1.6%	26.1%	49.5%	22.9%	<b>3.94</b>	<b>0.743</b>
I have good control of my emotions.	0.0%	1.1%	19.7%	59.6%	19.7%	<b>3.98</b>	<b>0.662</b>
<b>Grand Mean</b>						<b>3.98</b>	

Source: SPSS results, 2024

All statements measuring relationship management had mean values between 3.41 and 4.20, indicating that most respondents agreed they are skilled in controlling their temper, handling challenges rationally, calming down quickly when angry, and maintaining control over their emotions. Furthermore, the study revealed a standard deviation below 1, indicating that responses are closely clustered around the mean, demonstrating consistent agreement.

The study findings align with Martin and Siebert (2016), who established that the relationship management dimension of emotional intelligence, often referred to as social skills, involves the ability to take charge, inspire, and influence others with compelling visions. They argue that effective relationship managers engage all parties, understand differing views, and find common ground that everyone can endorse. Such leaders create a safe, productive, and rewarding work environment, building bonds and encouraging productive collaboration across organizations.

In general, the results of the four EI measurements show that managers from the selected departments scored a higher mean in self-awareness ( $M = 4.1$ ) and self-management ( $M = 4.05$ ),

and a lower mean in social awareness (M = 3.97) and relationship management (M = 3.98). From highest to lowest, the scores were: self-awareness (M = 4.1), self-management (M = 4.05), relationship management (M = 3.98), and social awareness (M = 3.97).

#### 4.3.5 Leadership Effectiveness

The dependent variable in this study was leadership effectiveness. The study evaluated managers in five areas: *Leadership Effectiveness: Model the Way*, *Leadership Effectiveness: Inspire a Shared Vision*, *Leadership Effectiveness: Challenge the Process*, *Leadership Effectiveness: Enable Others to Act*, and *Leadership Effectiveness: Encourage the Heart*. The findings, presented in Table 4.10, show respondents' views on this variable, analyzed using mean and standard deviation.

**Table 4.10 (a): Descriptive Analysis of Leadership Effectiveness**

Statements	SD	D	N	A	SA	Mean	Std Dev
<b>Leadership Effectiveness: Model the Way</b>							
Sets a personal example of what he/she expects of others.	0.5%	6.9%	29.8%	47.9%	14.9%	<b>3.70</b>	<b>0.826</b>
Spends time and energy making certain that the people he/she works with adhere to the principles and standards we have agreed on.	0.5%	9.6%	16.0%	49.5%	24.5%	<b>3.88</b>	<b>0.908</b>
Follows through on promises and commitments he/she makes.	1.1%	4.3%	17.0%	50.5%	27.1%	<b>3.98</b>	<b>0.843</b>
Asks for feedback on how his/her actions affect other people's performance.	2.7%	11.7%	27.1%	44.1%	14.4%	<b>3.56</b>	<b>0.966</b>
Builds consensus around a common set of values for running our organization.	1.1%	1.1%	17.6%	53.7%	26.6%	<b>4.04</b>	<b>0.763</b>
Is clear about his/her philosophy of leadership.	1.1%	10.6%	20.2%	43.6%	24.5%	<b>3.80</b>	<b>0.965</b>
<b>Grand Mean</b>						<b>3.83</b>	

Source: SPSS results, 2024

**Table 4.10 (b): Descriptive Analysis of Leadership Effectiveness**

Statements	SD	D	N	A	SA	Mean	Std Dev
<b>Leadership Effectiveness: Inspire a Shared Vision</b>							
Talks about future trends that will influence how our work gets done.	2.1%	4.8%	18.1%	52.1%	22.9%	<b>3.89</b>	<b>0.886</b>

Describes a compelling image of what our future could be like.	3.7%	8.5%	23.4%	45.2%	19.1%	<b>3.68</b>	<b>1.001</b>
Appeals to others to share an exciting dream of the future.	4.3%	14.9%	22.3%	44.7%	13.8%	<b>3.49</b>	<b>1.042</b>
Shows others how their long-term interests can be realized by enlisting in a common vision.	3.2%	5.9%	25.0%	47.9%	18.1%	<b>3.72</b>	<b>0.937</b>
Paints the “big picture” of what we aspire to accomplish.	4.8%	3.7%	21.8%	43.6%	26.1%	<b>3.82</b>	<b>1.016</b>
Speaks with genuine conviction about the higher meaning and purpose of our work.	2.1%	3.2%	14.4%	46.8%	33.5%	<b>4.06</b>	<b>0.893</b>
<b>Grand Mean</b>						<b>3.78</b>	

Source: SPSS results, 2024

**Table 4.10 (c): Descriptive Analysis of Leadership Effectiveness**

Statements	SD	D	N	A	SA	Mean	Std Dev
<b>Leadership Effectiveness: Challenge the Process</b>							
Seeks out challenging opportunities that test his/her own skills and abilities.	3.7%	4.3%	23.4%	46.8%	21.8%	<b>3.79</b>	<b>0.958</b>
Challenges people to try out new and innovative ways to do their work.	2.7%	4.8%	21.8%	45.2%	25.5%	<b>3.86</b>	<b>0.943</b>
Searches outside the formal boundaries of his/her organization for innovative ways to improve what we do.	5.3%	8.5%	22.3%	51.1%	12.8%	<b>3.57</b>	<b>0.997</b>
Asks “What can we learn?” when things don’t go as expected.	2.1%	8.5%	22.3%	41.5%	25.5%	<b>3.80</b>	<b>0.987</b>
Makes certain that we set achievable goals, make concrete plans, and establish measurable milestones for the projects and programs that we work on.	3.7%	4.3%	16.0%	47.9%	28.2%	<b>3.93</b>	<b>0.973</b>
Experiments and takes risks, even when there is a chance of failure.	5.3%	7.4%	27.1%	46.3%	13.8%	<b>3.56</b>	<b>0.998</b>
<b>Grand Mean</b>						<b>3.75</b>	

Source: SPSS results, 2024

**Table 4.10 (d): Descriptive Analysis of Leadership Effectiveness**

Statements	SD	D	N	A	SA	Mean	Std Dev
<b>Leadership Effectiveness: Enable Others to Act</b>							
Develops cooperative relationships among the people he/she works with.	3.7%	4.3%	11.7%	45.2%	35.1%	<b>4.04</b>	<b>0.989</b>
Actively listens to diverse points of view.	4.3%	18.1%	36.2%	41.5%	4.3%	<b>4.15</b>	<b>0.865</b>
Treats others with dignity and respect.	1.1%	4.3%	11.2%	39.9%	43.6%	<b>4.21</b>	<b>0.880</b>
Supports the decisions that people make on their own.	1.1%	4.3%	10.6%	48.4%	35.6%	<b>4.13</b>	<b>0.845</b>
Gives people a great deal of freedom and choice in deciding how to do their work.	2.1%	4.8%	20.7%	36.2%	36.2%	<b>3.99</b>	<b>0.978</b>
Ensures that people grow in their jobs by learning new skills and developing themselves.	3.7%	3.7%	10.1%	47.9%	34.6%	<b>4.06</b>	<b>0.966</b>
<b>Grand Mean</b>						<b>4.10</b>	

Source: SPSS results, 2024

**Table 4.10 (e): Descriptive Analysis of Leadership Effectiveness**

Statements	SD	D	N	A	SA	Mean	Std Dev
<b>Leadership Effectiveness: Encourage the Heart</b>							
Praises people for a job well done.	4.3%	5.3%	11.2%	38.8%	40.4%	<b>4.06</b>	<b>1.056</b>
Makes it a point to let people know about his/her confidence in their abilities.	3.2%	2.7%	17.6%	44.1%	32.4%	<b>4.00</b>	<b>0.948</b>
Makes sure that people are creatively rewarded for their contributions to the success of projects.	4.8%	6.4%	23.4%	41.0%	24.5%	<b>3.74</b>	<b>1.050</b>
Publicly recognizes people who exemplify commitment to shared values.	4.8%	6.4%	27.1%	34.0%	27.7%	<b>3.73</b>	<b>1.081</b>
Finds ways to celebrate accomplishments.	6.9%	4.3%	29.8%	43.1%	16.0%	<b>3.57</b>	<b>1.034</b>
Give the members of the team lots of appreciation and support for their contributions.	6.9%	2.1%	17.0%	45.2%	28.7%	<b>3.87</b>	<b>1.074</b>
<b>Grand Mean</b>						<b>3.83</b>	

Source: SPSS results, 2024

Most of the statements measuring leadership effectiveness had mean values between 3.41 and 4.20 and the overall mean for leadership effectiveness was 3.86, indicating that most respondents agreed with the statements measuring this variable. The study also found a standard deviation below 1, showing that responses were closely clustered around the mean, indicating consistent agreement.

These findings concur with those of Anantatmula (2010), who posited that transformational leaders motivate followers and create an effective working environment, enabling them to meet greater challenges in today's global economy. It can be concluded that the majority of managers in this study demonstrated qualities of leadership effectiveness, which likely explains their senior positions in their respective departments.

#### **4.4 Relationship between Emotional Intelligence and Leadership Effectiveness**

The study conducted a correlation analysis to examine the relationship between the independent and dependent variables. It found that all dimensions of emotional intelligence—self-awareness, self-management, social awareness, and relationship management—are significantly and positively correlated with leadership effectiveness. This means higher levels of these emotional intelligence traits are associated with higher leadership effectiveness. The results of the correlation analysis are presented below:

#### **4.5 Correlation Analysis**

This section presents the results of correlation tests conducted to examine the association between the independent and dependent variables. Pearson's correlation coefficient ( $r$ ) was used to measure the level and direction of the relationship between these variables. The importance of correlation lies in determining the extent to which changes in one attribute are associated with changes in another (Kothari, 2014).

Pearson's correlation coefficient ranges from -1.0 to +1.0, indicating the strength and direction of the association between variables. A coefficient of zero, or close to zero, shows no meaningful relationship between variables. A coefficient of -1.0 or +1.0 indicates a perfect correlation, where a change in one variable perfectly predicts the changes in the other. A positive correlation indicates that there is a tendency for one variable to increase along with the other. Conversely, a negative correlation suggests that one variable tends to decrease when the other increases. Correlations are classified as follows: 0.01 to 0.30 indicates a small or weak relationship, 0.30 to 0.70 indicates a

moderate relationship, 0.70 to 0.90 indicates a large relationship, and 0.90 to 1.00 indicates a very large or strong relationship (Cohen, 2013).

The Bivariate (Pearson) correlation assesses whether a statistically significant linear relationship exists between two continuous variables and evaluates the strength of this relationship (i.e., how closely the relationship approximates a perfectly straight line). Specifically, bivariate analysis examines how the dependent variable (leadership effectiveness) is influenced by the independent variable (emotional intelligence) in an asymmetrical analysis. It also explores the association between two variables without implying a cause-and-effect relationship in a symmetrical analysis (Field, 2013).

A two-tailed test examines if the mean is significantly greater or less than a specified value, testing both directions of the distribution, identifying whether the tested variable has a positive or negative impact (Moore et al., 2013). It is used in null-hypothesis testing and for determining statistical significance. The main difference between one-tailed and two-tailed tests is that one-tailed tests have one critical region, while two-tailed tests have two. This study used correlation analysis to test the relationship between the independent variables and the dependent variable.

The table below presents the correlation analysis between the independent variable, emotional intelligence, and the dependent variable, leadership effectiveness.

**Table 4.11: Correlation Matrix**

		Self-Awareness	Self-Management	Social Awareness	Relationship Management	Leadership E
Self-Awareness	Pearson Correlation	1				
Self-Management	Pearson Correlation	0.759**	1			
Social Awareness	Pearson Correlation	0.707**	0.551**	1		
Relationship Management	Pearson Correlation	0.635**	0.806**	0.548**	1	
Leadership E	Pearson Correlation	0.750**	0.778**	0.679**	0.752**	1
	<b>N</b>	<b>188</b>	<b>188</b>	<b>188</b>	<b>188</b>	<b>188</b>

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Source: SPSS results, 2024**

The results presented in the correlation matrix in Table 4.11 confirmed that all the variables are significantly positively correlated with each other. This means that higher levels of Self-Awareness, Self-Management, Social Awareness, and Relationship Management are associated with higher levels of Leadership Effectiveness.

The results indicated that self-awareness has a strong positive correlation with self-management ( $r = 0.759$ ), social awareness ( $r = 0.707$ ), relationship management ( $r = 0.635$ ), and leadership effectiveness ( $r = 0.750$ ). These correlations are all statistically significant ( $\text{Sig.} = 0.000$ ), which is less than 0.05. These findings align with those of various authors, such as Dulewicz and Higgs (2015), who asserted that self-awareness is crucial in predicting or explaining job performance of leaders and managers. Similarly, Goleman et al., (2013) suggested that successful leaders emotionally resonate well with their employees. These results imply that an increase in self-awareness positively enhances leadership effectiveness.

The results also revealed that self-management has a strong positive correlation with self-awareness ( $r = 0.759$ ), social awareness ( $r = 0.551$ ), relationship management ( $r = 0.806$ ), and leadership effectiveness ( $r = 0.778$ ). All these correlations are statistically significant ( $\text{Sig.} = 0.000$ ), which is less than 0.05. These findings are consistent with Bradberry and Greaves (2009), who suggested that leaders with high self-management skills can control disruptive emotions or impulses and use them constructively, demonstrating honesty, integrity, and reliability. This implies that an increase in self-management positively enhances leadership effectiveness.

Social awareness was found to have a strong positive correlation with self-awareness ( $r = 0.707$ ), self-management ( $r = 0.551$ ), relationship management ( $r = 0.548$ ), and leadership effectiveness ( $r = 0.679$ ). All these correlations are statistically significant ( $\text{Sig.} = 0.000$ ), which is less than 0.05. This finding aligns with Ciarrochi and Mayer (2013), who established that leaders with strong social awareness are more attuned to a wide range of emotional signals in individuals or groups. The study implies that individuals with high social awareness positively enhance their leadership effectiveness.

Relationship management was found to have a strong positive correlation with self-awareness ( $r = 0.635$ ), self-management ( $r = 0.806$ ), social awareness ( $r = 0.548$ ), and leadership effectiveness ( $r = 0.752$ ). All these correlations are statistically significant ( $\text{Sig.} = 0.000$ ), which is less than 0.05. This finding aligns with Martin and Siebert (2016), who noted that relationship management, often

referred to as social skills, is defined as the ability to lead, inspire, and influence others with compelling visions.

Based on these findings, the study concluded that emotional intelligence qualities, such as self-awareness, self-management, social awareness, and relationship management, positively contribute to leadership effectiveness. Individuals with high emotional intelligence are likely to be more effective in leadership roles than those with lower emotional intelligence.

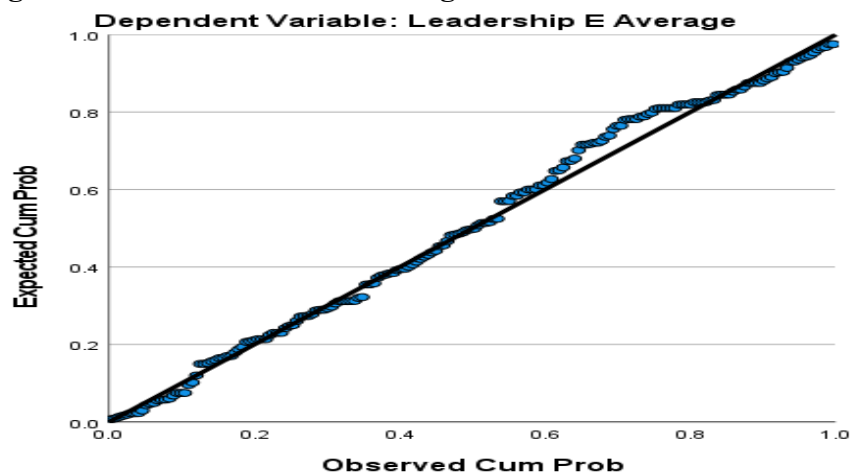
#### 4.6 Diagnostics Tests Results

The study conducted diagnostic tests on statistical assumptions. The assessments included tests for linearity, normality, homoscedasticity and multicollinearity. These assessments were essential for determining whether to proceed with regression analyses, thereby avoiding false and biased findings.

##### 4.6.1 Linearity Test Results

Linearity refers to the extent to which changes in the dependent variable are related to changes in the independent variables. To illustrate the linear relationship between the independent variable (emotional intelligence) and the dependent variable (leadership effectiveness), a Normal P-P plot was generated. Figure 4.3 shows an upward-sloping relationship with minimal deviation in the spread of the residuals, and most residuals lie on the linear straight line. This indicates a strong positive linear relationship between emotional intelligence and leadership effectiveness. The results imply that the data meet the linearity assumption required for regression modeling.

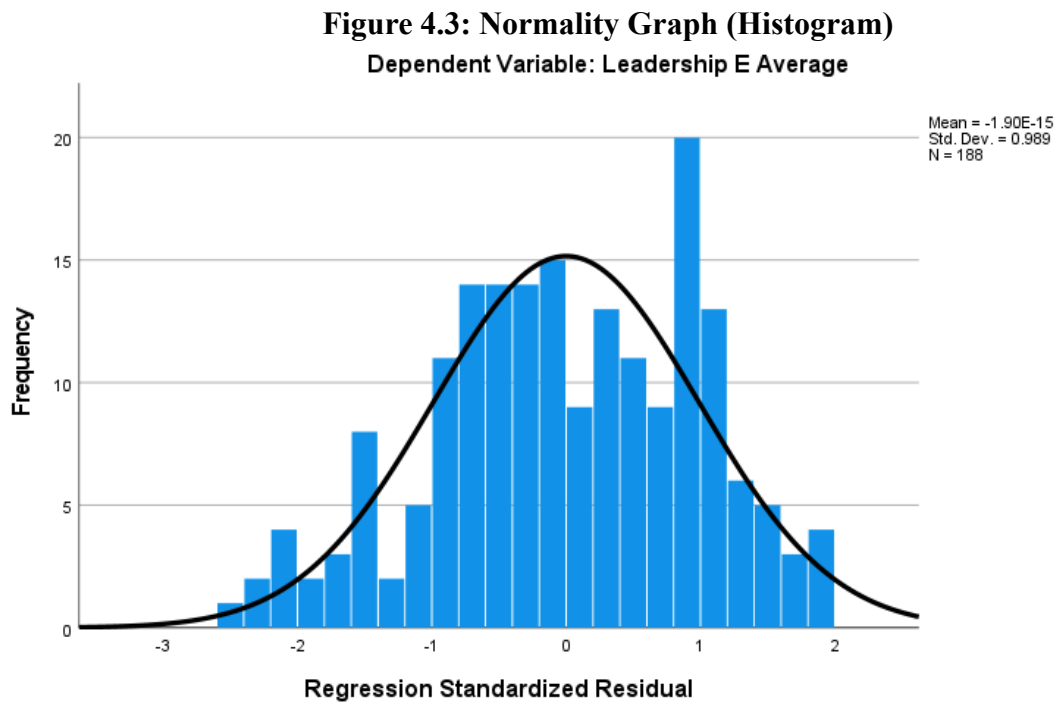
**Figure 4.2: Normal P-P Plot of Regression Standardized Residuals**



Source: SPSS results, 2024

### 4.6.2 Normality Test

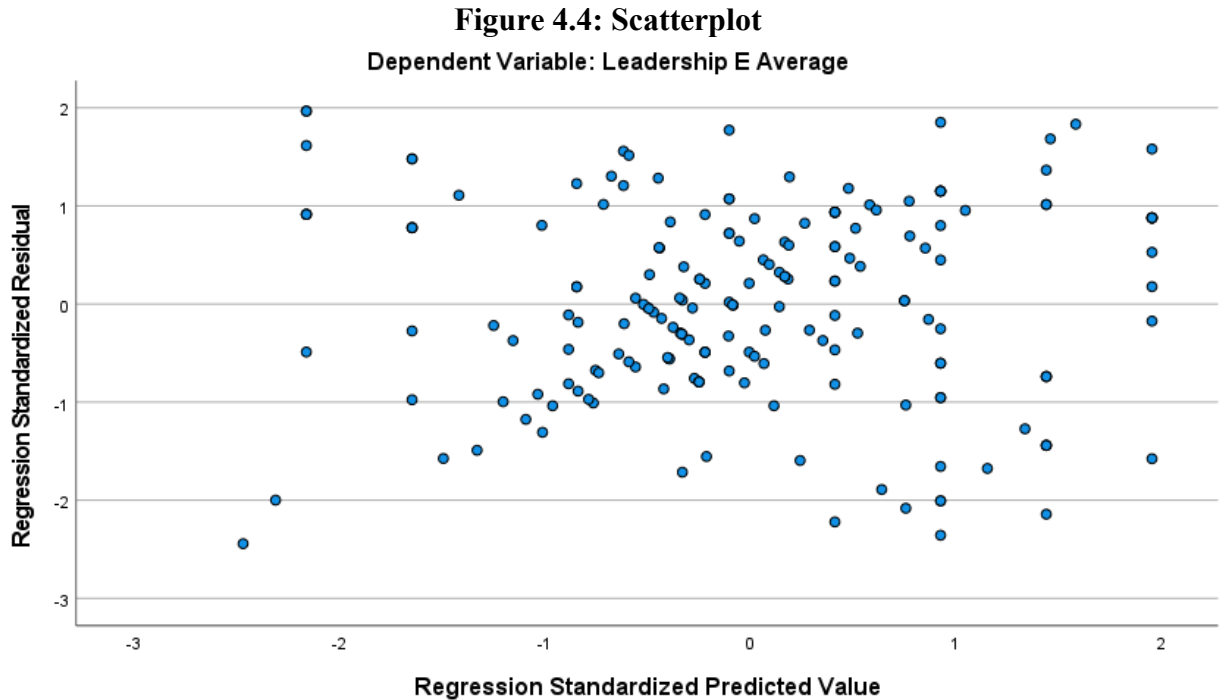
A normality test determines whether sample data has been drawn from a normally distributed population. For linear regression models, it is essential that the independent variables and the error term are normally distributed, with the expected value of the error term being zero. A histogram can effectively illustrate if a frequency distribution approximates a normal distribution. If the histogram bars follow a symmetrical bell shape, the distribution is approximately normal. In this study, graphical methods were used to test data normality. The shape of the histogram suggests that the residuals are normally distributed.



Source: SPSS results, 2024

### 4.6.3 Homoscedasticity Test

Homoscedasticity is the assumption that residuals (errors) in a regression model are evenly distributed across all levels of predicted values, meaning the variance of errors is constant. This even distribution looks like a "shotgun blast" of points. If residuals form a pattern, like a cone or fan shape, it indicates heteroscedasticity, where variance is inconsistent. In multiple regression analysis, homoscedasticity ensures that residuals at each level of predictor variables have similar variances, implying that the dependent variable has equal variability for each value of the independent variables (Garson, 2012).



Source: SPSS results, 2024

The results shown in Figure 4.5 indicate that the residuals at each level of the explanatory variables are evenly dispersed around zero and not cone-shaped. This indicates homoscedasticity in the data, meaning the variance is consistent and thus satisfies the regression assumption.

#### 4.6.4 Test for Multicollinearity

In multiple regression analysis, the variance inflation factor (VIF) is used as an indicator of multicollinearity, which occurs when predictors or independent variables are highly correlated. The researcher used the VIF to assess how correlations among independent variables impact the accuracy of regression estimates. Lower VIF levels are better because higher VIF levels can negatively affect the results of multiple regression analysis. Ideally, the VIF should be close to one and not exceed 10 (Myers, 1990).

Tolerance measures how much of an independent variable's variability is not explained by other variables in the model. It is calculated using the formula  $1-R^2$  for each variable. If tolerance is very small (less than 0.20), it suggests high correlation with other variables, indicating potential multicollinearity. Preferably, tolerance values should be greater than 0.2 (Menard, 1995).

**Table 4.12: Multicollinearity Test Results**

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Self-Awareness	0.303	3.299
	Self-Management	0.245	4.088
	Social Awareness	0.478	2.094
	Relationship Management	0.333	3.001

a. Dependent Variable: Leadership E Average

Source: SPSS results, 2024

As shown in Table 4.12, the VIF values are below 10, and the tolerance values are greater than 0.2. This indicates that there is no multicollinearity problem in the analysis. Thus, the study is free from multicollinearity issues.

## 4.7 Inferential Statistics

### 4.7.1 Multiple Linear Regression Analysis

A multiple linear regression model was conducted to test the joint relationship between all independent variables and the dependent variable. Multiple linear regression analysis helps identify patterns between variables, increasing the understanding of the effects and relationships among different factors. The objective of multiple regression analysis is to use known values of independent variables to predict the value of a single dependent variable. Each predictor value is weighted, indicating its relative contribution to the overall prediction. Typically, regression analysis serves one of two purposes: predicting the value of the dependent variable for individuals with available information on explanatory variables, or estimating the effect of an explanatory variable on the dependent variable.

Hypotheses testing was done based on the findings of m Multiple linear regression analysis. The results indicate that  $R = 0.855$  and  $R^2 = 0.730$  R value points that there is a strong relationship between self-awareness, self-management, social-awareness, relationship management and leadership effectiveness.  $R^2$  indicates that explanatory power of the independent variables is 0.730.

**Table 4.13: Model Summary for Multiple Linear Regression Analysis**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.855 <sup>a</sup>	0.730	0.725	0.17819

a. Predictors: (Constant), Relationship Management Average, Social Awareness Average, Self-Awareness Average, Self-Management Average

b. Dependent Variable: Leadership E Average

Source: SPSS results, 2024

This model explains 73% of the variation in leadership effectiveness through four key predictors: self-awareness, self-management, social awareness, and relationship management. The remaining 27% of the variation is influenced by other factors not measured in this study. This suggests that while emotional intelligence is a significant predictor of leadership effectiveness, other unmeasured factors also play a role in determining leadership effectiveness in the bank.

Based on these results, the study tentatively concludes that any organization seeking to develop effective leaders must consider their level of emotional intelligence, as it is a significant predictor of leadership effectiveness.

**Table 4.14: ANOVA Results for Multiple Linear Regression Analysis**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.742	4	3.936	123.951	0.000 <sup>b</sup>
	Residual	5.810	183	0.032		
	Total	21.553	187			

a. Dependent Variable: Leadership E Average

b. Predictors: (Constant), Relationship Management Average, Social Awareness Average, Self-Awareness Average, Self-Management Average

Source: SPSS results, 2024

The ANOVA results showed an F-statistic of 123.951 with a p-value of 0.000, which is less than the significance level of 0.05. This indicates that the model effectively links the independent variables to the dependent variable. Furthermore, the model's fit is further supported by the computed F-value of 123.951, which is significantly higher than the crucial F-value of 2.405. Therefore, the null hypothesis was rejected and concluded that the model is a good fit and emotional intelligence significantly predicts leadership effectiveness.

**Table 4.15: Beta Coefficients Results for Multiple Linear Regression Analysis**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
	(Constant)	1.609	0.111		14.512	0.000
1	Self-Awareness	0.121	0.042	0.202	2.900	0.004
	Self-Management	0.162	0.046	0.274	3.537	0.001
	Social Awareness	0.143	0.034	0.236	4.242	0.000
	Relationship Management	0.170	0.041	0.273	4.104	0.000

a. Dependent Variable: Leadership E Average

Source: SPSS results, 2024

In the multiple regression model, the coefficient for self-awareness was  $\beta = 0.121$ , which was significantly different from 0 with a Sig. of 0.004, less than the significance level of 0.05, indicating that for every unit increase in self-awareness, leadership effectiveness increases by 0.121 units, holding other variables constant. This effect shows a significant positive relationship between self-awareness and leadership effectiveness. Consequently, the study rejected the null hypothesis  $H_{01}$  and concluded that there is a significant and positive relationship between self-awareness and leadership effectiveness in Commercial Bank of Ethiopia.

The coefficient for self-management was  $\beta = 0.162$ , which was significantly different from 0 with a p-value of 0.001, less than the significance level of 0.05, indicating that for every unit increase in self-management, leadership effectiveness increases by 0.162 units, holding other variables constant. This effect shows a significant positive relationship between self-management and leadership effectiveness. Therefore, the study rejected the null hypothesis  $H_{02}$  and concluded that there is a significant and positive relationship between self-management and leadership effectiveness in Commercial Bank of Ethiopia.

The coefficient for social awareness was  $\beta = 0.143$ , which was significantly different from 0 with a p-value of 0.000, less than the significance level of 0.05, indicating that for every unit increase in social awareness, leadership effectiveness increases by 0.143 units, holding other variables constant. This effect shows a significant positive relationship between social awareness and leadership effectiveness. Therefore, the study rejected the null hypothesis  $H_{03}$  and concluded that

there is a significant and positive relationship between social awareness and leadership effectiveness in Commercial Bank of Ethiopia.

The coefficient for relationship management was  $\beta = 0.170$ , which was significantly different from 0 with a p-value of 0.000, less than the significance level of 0.05, indicating that for every unit increase in relationship management, leadership effectiveness increases by 0.170 units, holding other variables constant. This effect shows a significant positive relationship between relationship management and leadership effectiveness. Therefore, the study rejected the null hypothesis  $H_{04}$ , concluding that relationship management significantly and positively influences leadership effectiveness in Commercial Bank of Ethiopia.

#### **4.7.1.1 Optimal Model**

The following conceptual model was the focus of this study's analysis:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

After testing the hypotheses, the model was refined to:

$$\mathbf{Leadership\ Effectiveness} = \mathbf{1.609} + \mathbf{0.121} (\mathbf{Self-Awareness}) + \mathbf{0.162} (\mathbf{Self-Management}) + \mathbf{0.143} (\mathbf{Social-Awareness}) + \mathbf{0.170} (\mathbf{Relationship\ Management}) + \varepsilon$$

## 4.8 Summary of the Hypothesis Testing

Table 4.16 presents a summary of the research hypotheses tested using inferential statistics.

**Table 4.16: Summary of the Hypotheses Testing**

<b>Hypothesis</b>	<b>Method and Criteria</b>	<b>Remark</b>
<b>H<sub>01</sub></b> : Self-awareness does not have a significant relationship with leadership effectiveness in the Commercial Bank of Ethiopia.	Multiple regression analysis ( $P=0.004 < 0.05$ )	Rejected <b>H<sub>01</sub></b>
<b>H<sub>02</sub></b> : Self-management does not have a significant relationship with leadership effectiveness in the Commercial Bank of Ethiopia.	Multiple regression analysis ( $P=0.001 < 0.05$ )	Rejected <b>H<sub>02</sub></b>
<b>H<sub>03</sub></b> : Social-Awareness does not have a significant relationship with leadership effectiveness in the Commercial Bank of Ethiopia.	Multiple regression analysis ( $P=0.000 < 0.05$ )	Rejected <b>H<sub>03</sub></b>
<b>H<sub>04</sub></b> : Relationship Management does not have a significant relationship with leadership effectiveness in the Commercial Bank of Ethiopia.	Multiple regression analysis ( $P=0.000 < 0.05$ )	Rejected <b>H<sub>04</sub></b>

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Source: Researcher, 2024

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The previous chapter discussed the results and findings obtained from primary data sources. This chapter provides a summary of the findings, conclusions, and recommendations. It also suggests areas for further research. The chapter is organized into four sections: the first section presents the summary, the second presents the conclusions, the third provides recommendations, and the fourth suggests areas for further research.

#### 5.1 Summary of the findings

The study aimed to examine the relationship between emotional intelligence and leadership effectiveness at the Commercial Bank of Ethiopia. The main objective was to determine the impact of emotional intelligence on leadership effectiveness. Specifically, the study investigated the relationships between self-awareness and leadership effectiveness, self-management and leadership effectiveness, social awareness and leadership effectiveness, and relationship management and leadership effectiveness. The study helped determine the current level of emotional intelligence among leaders in the selected departments at the Commercial Bank of Ethiopia.

The study adopted a causal/explanatory research design. The target population consisted of 563 managers and staff members from selected departments within the bank, from which a sample of 234 respondents participated. A stratified sampling technique was employed to ensure proper representation of the entire population. Data was collected using a questionnaire.

The demographic information of the respondents indicated that the majority were males (69.1%) compared to females (30.9%). Most of the respondents (94 individuals) were adults, falling within the age group of 26-35 (50%). A significant portion of the respondents held master's degrees (71.8%). Furthermore, the majority of the respondents had more than 10 years of experience at the bank (39.4%).

The mean and standard deviation of the respondents' scores indicate the emotional intelligence levels of the managers. The mean scores for the emotional dimensions ranged between 3.41 and

4.20. The study found a positive relationship between emotional intelligence and leadership effectiveness at the Commercial Bank of Ethiopia as follows:

### **5.1.1 Self-Awareness and Leadership Effectiveness**

The first objective of this study was to determine the relationship between self-awareness and leadership effectiveness at the Commercial Bank of Ethiopia. Self-awareness was measured using the Wong and Law Emotional Intelligence Scale. The findings of the correlation analysis revealed a strong, positive, and significant relationship between self-awareness and leadership effectiveness. This implies that an increase in self-awareness leads to an increase in leadership effectiveness. Multiple regression analysis confirmed a significant positive relationship between self-awareness and leadership effectiveness at the Commercial Bank of Ethiopia. Consequently, the study rejected the null hypothesis ( $H_{01}$ ) which stated that self-awareness does not have a significant relationship with leadership effectiveness in the Commercial Bank of Ethiopia, concluding that self-awareness significantly and positively influences leadership effectiveness.

### **5.1.2 Self-Management and Leadership Effectiveness**

The second objective of the study was to determine the relationship between self-management and leadership effectiveness at the Commercial Bank of Ethiopia. Self-management was measured using the Wong and Law Emotional Intelligence Scale. The findings of the correlation analysis indicated a strong, positive, and significant association between self-management and leadership effectiveness. This suggests that an increase in self-management leads to an increase in leadership effectiveness. The multiple regression analysis confirmed a significant positive relationship between self-management and leadership effectiveness. Consequently, the study rejected the null hypothesis ( $H_{02}$ ) which stated that self-management does not have a significant relationship with leadership effectiveness in the Commercial Bank of Ethiopia, concluding that self-management significantly and positively influences leadership effectiveness.

### **5.1.3 Social Awareness and Leadership Effectiveness**

The third objective of this study was to determine the relationship between social awareness and leadership effectiveness at the Commercial Bank of Ethiopia. Social awareness was measured using the Wong and Law Emotional Intelligence Scale. The findings of the correlation analysis showed a strong, positive, and significant association between social awareness and leadership

effectiveness. This suggests that an increase in social awareness leads to an increase in leadership effectiveness. The multiple regression analysis confirmed a significant positive relationship between social awareness and leadership effectiveness. Consequently, the study rejected the null hypothesis (**H<sub>03</sub>**) which stated that social awareness does not have a significant relationship with leadership effectiveness in the Commercial Bank of Ethiopia, concluding that social awareness significantly and positively influences leadership effectiveness.

#### **5.1.4 Relationship Management and Leadership Effectiveness**

The fourth objective of the study was to determine the effect of relationship management on leadership effectiveness at the Commercial Bank of Ethiopia. To achieve this, relationship management was measured using the Wong and Law Emotional Intelligence Scale. The findings of the correlation analysis revealed a strong, positive, and significant relationship between relationship management and leadership effectiveness. This suggests that an increase in relationship management leads to an increase in leadership effectiveness. The multiple regression analysis confirmed a significant positive relationship between relationship management and leadership effectiveness. Consequently, the study rejected the null hypothesis (**H<sub>04</sub>**) which stated that relationship management does not have a significant relationship with leadership effectiveness in the Commercial Bank of Ethiopia, concluding that relationship management significantly and positively influences leadership effectiveness.

### **5.2 Conclusions**

Business leaders have emphasized the importance of having emotionally intelligent individuals in leadership roles to drive organizational growth. The findings of this study support this view, demonstrating that all elements of emotional intelligence—self-awareness, self-management, social awareness, and relationship management—significantly influence leadership effectiveness at the Commercial Bank of Ethiopia. The study concludes that emotional intelligence is essential for leadership effectiveness.

#### **5.2.1 Self-Awareness**

Based on the findings, the study concluded that self-awareness enables leaders to understand their strengths and weaknesses, believe in their ability to complete tasks effectively, handle challenging situations, and be confident in their decisions. This, in turn, limits leaders from engaging in

unnecessary conflicts with critics, allowing them to maintain focus on their main targets and objectives. Conversely, leaders with less self-awareness are often distracted by criticism and seek approval from others, which can divert their focus and reduce productivity.

### **5.2.2 Self-Management**

Based on the findings, the study concluded that self-management enables leaders to control impulsive emotional reactions, refrain from negative actions when provoked, and remain composed under pressure. Moreover, self-management involves personal accountability, meeting or surpassing job targets, and persisting in the pursuit of goals despite obstacles and setbacks. This capability helps leaders achieve high self-discipline, which is essential for leadership effectiveness. Leaders with strong self-management skills set a positive example for their teams, encouraging a culture of accountability, productivity, and adaptability, thereby enhancing their leadership effectiveness.

### **5.2.3 Social Awareness**

Based on the findings, the study concluded that social awareness enables leaders to understand social connections and norms for behavior, manage relationships effectively, and recognize others' feelings and needs. Leaders with strong social awareness skills practice active listening, understand power dynamics, and support others in overcoming challenges, thereby enhancing group solidarity and morale. This aspect of emotional intelligence positively impacts performance and relationships, plays a critical role in the workplace, and enhances leadership effectiveness. However, excessive involvement in the social lives of subordinates can undermine professional relationships and leadership responsibilities.

### **5.2.4 Relationship Management**

Based on the findings, the study concluded that relationship management enables leaders to inspire enthusiasm, motivate followers with a compelling vision, and build networks of support. Leaders with strong relationship management skills can successfully pass through challenging situations, advocate for new ideas despite opposition, and handle conflicts constructively to find win-win solutions. Given workplace diversity and dynamics, leaders must be persuasive, friendly, and good mediators to promote their organizations' goals. Thus, leaders with these skills are often recognized for their leadership effectiveness.

### **5.3 Recommendations**

Based on the study's findings, it is recommended that the Commercial Bank of Ethiopia strengthen and invest in training, development programs, and policy formulation to further enhance emotional intelligence competencies among its leaders. The bank should focus on the following areas:

The study recommends that the Commercial Bank of Ethiopia should hire leaders with strong self-assessment skills, self-confidence, and high self-awareness to benefit from the significant impact of self-awareness. During the induction process, the bank should conduct self-awareness evaluations and provide training where necessary to improve leaders' abilities. This will help them understand their strengths and weaknesses, believe in their ability to complete tasks effectively, handle challenging situations, make confident decisions, and ultimately improve their leadership qualities. In addition, the bank should revise its recruitment, training, and development policies to prioritize self-awareness in hiring and to train employees in this area.

The study recommends that the Commercial Bank of Ethiopia prioritize hiring leaders with strong self-control, transparency, and optimism, which are key aspects of self-management. During the probation period, new recruits should be evaluated on their ability to manage their emotions, maintain composure under pressure, demonstrate personal accountability, meet or exceed job targets, and persist in achieving goals despite obstacles. These evaluations will ensure that leaders possess the necessary self-management skills for effective leadership. Furthermore, the bank should revise its recruitment, training, and development policies to include self-management criteria for senior leadership positions.

The study recommends that the Commercial Bank of Ethiopia prioritize leaders with strong empathy, service orientation, and political awareness, which are essential aspects of social awareness. New recruits should be assessed on their ability to empathize with others, understand social connections and norms, manage relationships effectively, recognize others' feelings and needs, engage in active listening, comprehend power dynamics within and outside the bank, and support others in overcoming challenges to enhance group solidarity and morale. These evaluations will ensure that leaders possess the necessary social awareness skills for leadership effectiveness. Moreover, the study suggests that the bank implement policies for selection, training, and development to reinforce social awareness among top management.

The study recommends that the Commercial Bank of Ethiopia hire leaders with strong persuasive ability, communication skills, and conflict resolution capabilities, as these are essential aspects of relationship management. During the induction process, the bank should evaluate new hires on their ability to inspire enthusiasm, motivate followers with a compelling vision, build support networks, advocate for new ideas despite opposition, and handle conflicts constructively to find win-win solutions. Also, the bank should formulate selection, training, and development policies that emphasize relationship management.

#### **5.4 Areas for Further Research**

The study aimed to establish the relationship between emotional intelligence and leadership effectiveness at the Commercial Bank of Ethiopia. The study offered important results and suggested areas for additional research. The study found that 73% of the variation in leadership effectiveness is explained by the emotional intelligence sub-variables: self-awareness, self-management, social awareness, and relationship management, leaving 27% unexplained by these variables. Future studies should explore additional variables with high explanatory power on leadership effectiveness in the bank.

In order to fully understand the impact of demographic diversity on the relationship between emotional intelligence and leadership effectiveness, more study on this topic should include a wider range of demographic variables, such as age, gender, and socioeconomic background. Examining the role of cultural context as a mediator in this relationship may help to explain how cultural differences impact emotional intelligence competencies and leadership effectiveness. Furthermore, incorporating the perspective of subordinates would provide a well-rounded understanding of how leaders' emotional intelligence impacts team performance and morale. The study further suggests investigating other departments within the Commercial Bank of Ethiopia and different industries or sectors to determine if the relationship between emotional intelligence and leadership effectiveness is consistent in diverse settings.

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## **APPENDICES**

## **Appendix I: Respondent Consent**

**Addis Ababa University**  
**School of Commerce**  
**Department of Master of Arts in Business Leadership**

### **Re: Consent for Participation in Academic Survey**

Dear Participant,

I am conducting a study to assess the impact of emotional intelligence on leadership effectiveness at the Commercial Bank of Ethiopia for academic purposes. Your responses will be kept strictly confidential, and all participants will remain anonymous. No personal information about you or your company will be disclosed during or after the completion of this study.

I kindly seek your consent to participate in this survey, which should take about 5-10 minutes to complete. Your assistance is highly appreciated. If you have any questions, please feel free to contact me at +251 913 042 686 or via email at [abelestifanos21@gmail.com](mailto:abelestifanos21@gmail.com)

Thank you for your cooperation.

Sincerely,

Abel Berhanu

## Appendix II: Questionnaire

### Instructions:

- Please answer all questions as accurately as possible.
- You are not required to write your name
- Kindly return the completed questionnaire at your earliest convenience.
- The questionnaire should take approximately 5-10 minutes to complete.

### Section A: Demographic Information

Please select the option that best applies to you by marking (√). Only mark one option per question.

1. **Gender:**

Male                       Female

2. **Age:**

18-25                       36-45                       56 and above

26-35                       46-55

3. **Educational qualification:**

Diploma                       Master's Degree                       Other (please specify): \_\_\_\_\_

First Degree                       Ph.D.

4. **Position:**

Senior Officer                       Manager                       Other (please specify): \_\_\_\_\_

Director                       Supervisor

5. **Years of Experience in Current Role:**

Less than 1 year                       4-6 years                       More than 10 years

1-3 years                       7-10 years

## Section B: Self-Emotional Intelligence Assessment

Please rate your level of agreement with the following statements:

	Parameters	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
<b>I.</b>	<b>Self-Awareness</b>					
a)	I have a good sense of why I feel certain feelings most of the time.					
b)	I have a good understanding of my own emotions.					
c)	I really understand what I feel.					
d)	I always know whether or not I am happy.					
<b>II.</b>	<b>Self-Management</b>					
a)	I always set goals for myself and then try my best to achieve them.					
b)	I always tell myself I am a competent person.					
c)	I am a self-motivated person.					
d)	I would always encourage myself to try my best.					
<b>III.</b>	<b>Social Awareness</b>					
a)	I always know my friends' emotions from their behavior.					
b)	I am a good observer of others' emotions.					
c)	I am sensitive to the feelings and emotions of others.					
d)	I have a good understanding of the emotions of people around me.					
<b>IV.</b>	<b>Relationship Management</b>					
a)	I am able to control my temper so that I can handle difficulties rationally.					
b)	I am quite capable of controlling my own emotions.					

c)	I can always calm down quickly when I am very angry.					
d)	I have good control of my emotions.					

Source: (Wang & laws, 2002), N.B there is some arrangements of parameters without changing their meaning

### Section C: Leadership Effectiveness Assessment

Using the same scale, please rate your agreement with the following statements.

	Parameters	Almost Never	Rarely	Sometimes	Frequently	Almost Always
<b>I.</b>	<b>Model the Way</b>					
1.	Sets a personal example of what he/she expects of others.					
2.	Spends time and energy making certain that the people he/she works with adhere to the principles and standards we have agreed on.					
3.	Follows through on promises and commitments he/she makes.					
4.	Asks for feedback on how his/her actions affect other people's performance.					
5.	Builds consensus around a common set of values for running our organization.					
6.	Is clear about his/her philosophy of leadership.					
<b>II.</b>	<b>Inspire a Shared Vision</b>					
1.	Talks about future trends that will influence how our work gets done.					
2.	Describes a compelling image of what our future could be like.					
3.	Appeals to others to share an exciting dream of the future.					
4.	Shows others how their long-term interests can be realized by enlisting in a common vision.					

5.	Paints the “big picture” of what we aspire to accomplish.					
6.	Speaks with genuine conviction about the higher meaning and purpose of our work.					
<b>III.</b>	<b>Challenge the Process</b>					
1.	Seeks out challenging opportunities that test his/her own skills and abilities.					
2.	Challenges people to try out new and innovative ways to do their work.					
3.	Searches outside the formal boundaries of his/her organization for innovative ways to improve what we do.					
4.	Asks “What can we learn?” when things don’t go as expected.					
5.	Makes certain that we set achievable goals, make concrete plans, and establish measurable milestones for the projects and programs that we work on.					
6.	Experiments and takes risks, even when there is a chance of failure.					
<b>IV.</b>	<b>Enable Others to Act</b>					
1.	Develops cooperative relationships among the people he/she works with.					
2.	Actively listens to diverse points of view.					
3.	Treats others with dignity and respect.					
4.	Supports the decisions that people make on their own.					
5.	Gives people a great deal of freedom and choice in deciding how to do their work.					
6.	Ensures that people grow in their jobs by learning new skills and developing themselves.					
<b>V.</b>	<b>Encourage the Heart</b>					

1.	Praises people for a job well done.					
2.	Makes it a point to let people know about his/her confidence in their abilities.					
3.	Makes sure that people are creatively rewarded for their contributions to the success of projects.					
4.	Publicly recognizes people who exemplify commitment to shared values.					
5.	Finds ways to celebrate accomplishments.					
6.	Give the members of the team lots of appreciation and support for their contributions.					

Source: LPI®: Leadership Practices Inventory®