

# Transformational Leadership Style and Leaders' Performance: The Moderator Role of Emotional Intelligence

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## Abstract

This study aims to determine the moderating role of emotional intelligence on the correlation between job performance and leadership styles. This study was carried out in three Malaysian universities, University Kebangsaan Malaysia, University Malaya, and Multimedia University, which include 196 academic leaders as respondents. To examine the direction of the correlation between transformational leadership style and job performance, the researcher employed descriptive statistic. Results revealed the positive correlation between transformational leadership style and job performance ( $r = 0.64$ ,  $p < 0.0005$ ). Analysis of moderator variable indicated emotional intelligence did not affect the correlation between job performance and the predictor. The findings of this study implied that higher education institutions should identify the influential factors of job performance and they should develop and implement new and appropriate policies to improve job performance among the academic administrators.

**Keywords:** Transformational Leadership Style, Emotional Intelligence, Job Performance, Academic Leaders.

## Introduction

Today, organizations are facing the rapid change of globalization and competitiveness. In today's competitive environment, Malaysia has emphasized absorbing the best organizers, the best facilities, and the perfect performance. In this regard, educational institutions are

not an exception and they require academic administrators who are highly competent in order to cope with the changes and competitive situations. To improve organizational policies and advancement of job performance, quality among administrators, organizations should reconsider and engineer performance of administrators in conjunction with developing the Malaysia Education Blueprint (Ministry of Education Malaysia MOE, 2015).

Job performance is influenced by various variables such as conflict, leadership, culture and value, communication, education, emotion, strategy, total quality management, commitment, ability, race, learning, and competencies separately. Exploring the relationship between these variables and the performance will help to examine the shift from person-oriented where the main emphasis is on the person, to job behavior-oriented where the main emphasis is on the job itself.

Previous research has found that the behavior of administrators could influence on their jobs and behaviors. Leader behavior had a powerful effect on their attitudes and behaviors (Mihalcea, 2014). The study reviewed leadership literature stresses the importance of transformational leadership style (Mihalcea, 2014) affected to leaders' job performance.

Emotional intelligence, as originally conceptualized by involves the ability to perceive accurately, appraise and express emotion; the capability to judge thoughts when and to understand emotional knowledge and emotions and the talent to regulate emotions to encourage emotional growth and intellectual growth (Mahdinezhad, Suandi, Silong, & Omar, 2013b). Prior study has theorized that job performance influenced by leader's ability to use emotional to facilitate performance (Mayer, Salovey, Caruso, & Cherkasskiy, 2011). With high emotional intelligence should be more adept at regulating their own emotions and managing other's emotions which led to more positive interactions, and high job performance (Mayer *et al.*, 2011). Hence, the present research discussed the impacts of the transformational leadership style of leaders who played at universities. Research finding will also check the moderating role of emotional intelligence on the association between leadership styles and job performance.

## **Literature Review**

### **Job Performance**

Performance refers to task that is assigned by the organization to a staff to accomplish entirely. Performance is also defined as to achieve organizational goals, fulfil organizational expectations, and attain the success of the organizational. However, the way of reaching the organizational goals is really matters (Yang, Gary, & Yetton, 2017). Some studies reported that performance is not only determined by actions but also performance refers to evaluative processes in which social and political elements and human resources play the peripheral roles (Bass, Avolio, Jung, & Berson, 2003).

Furthermore, job performance concepts consist of various dimensions namely task performance, concentrating on efficiency, creativity, and practical resources (Lee, Locke, & Latham, 2015). Hence, in educational organization, recognized two major forms of job performance. The components of first form of job performance reflect particular technical capabilities or job behaviors, which are related to some occupations. The second form of job performance is associated with all sorts of jobs. In addition, performance refers to individuals'

actions, in addition efficiency refers to the consequence of performance, and it means that the required behavior results in predicted outcomes whereas performance is not related to the outcomes of actions (Anthony & Antony, 2017). Therefore, job performance positively correlated with efficiency and effectiveness.

### **Transformational Leadership Style**

In transformational leadership style, administrators put a lot of emphasis on internal standards and values approved by subordinates so as to alter subordinates' attitudes and objectives (Obiwuru et al., 2011). Hence, transformational leadership primarily make some changes in goals, aspirations, and beliefs of subordinates in order to improve their performance. Transformational performance is in contrast with transactional leadership in which employees are expected to get a return in response. The academic managers intend to make changes in subordinates' perceptions and behaviors (Lynch, 2017). It has been highlighted that both leaders and subordinates in transformational leadership styles should raise each other's awareness about goals and objectives of an organization (Kalu, Okpokwasili, & Ndor, 2019). Transformational leadership has considerable influences on the overall behavior and thinking of leaders, subsequently it results in an integrated grasp of success (Mahdinezhad, Suandi, Silong, & Omar, 2013a). Secondly, transformational leadership has recently received much attention of scholar to solve upcoming problems. To end with, it nurtures innovation and originality and improve job performance (Harris-Boundy, 2015). Consequently, this kind of leadership creates a suitable foundation for being an effective leader.

### **Transformational Leadership Style and Job Performance**

Many researchers reported that the concept of leadership is related to performance; nevertheless, the conceptual basis of leadership styles are relatively distributed. Recently, the most evident area of transformational leadership is recognized to be in education sectors (Almutairi, 2015; Almutairi, 2015; Liang, Chan, Lin, & Huang, 2011). It should be noted that transformational style of leadership is not considered as opposing style of leadership. Based on Bass's study (2012) there was a high correlation between job performance and transformational leadership.

In addition, the review of empirical studies in the current literature revealed that transformational leadership of academic administrators' views and attitudes were positively correlated to their job performance (Torlak & Kuzey, 2019). It has been reported that transformational academic leaders manage to outline a clear vision of the plan and persuade other subordinates to share and apply this vision irrespective of restraining and challenging conditions. The leaders are required to transfer values, ethics, and principles. Employers usually consider these leaders as a model in any organizations (Liang et al., 2011). Overall, transformational leadership has a positive relationship with academic administrators' performance.

### **The Role of Emotional Intelligence as Moderator Variable**

A moderating effect is assumed to have occurred when the third variable explains a significant proportion of the variance not yet explained by the previous variables (Cetin, Gürbüz, & Sert, 2015). Researchers may possibly exploit moderator variables in an effort to develop the fit of their models due to specifying the crucial effect alone may not offer

adequate accuracy in prediction (Walsh, Evanschitzky, & Wunderlich, 2008). However, before the researcher can realize the direct or indirect associations between independent and dependent variables, it is significant that the task of probable moderators to be investigated. In addition, the interaction of the independent variable by the moderator will give rise to a third variable, which will be examined then.

Studying emotional intelligence is deemed to be vital since it specifies other capabilities for instance interpersonal relationships and communication (Narayana & Narasimham, 2018). Moreover, Miao, Humphrey and Qian (2016) revealed that emotional intelligence is the grassroots of all intelligence dimensions. Furthermore, Koning and Kleef (2015) describe that leaders' organizational citizenship behavior, emotional intelligence, and both styles of leadership play key roles in the success of an organizational.

## **Method**

### **Sample**

The population of interest in this study is all academic leaders who worked in selected public and private universities. A sample of 196 academic leaders attended in this research. In this stage, the researcher selected three universities among universities in Malaysia by simple random sampling. To perform a simple random sampling method, a table of random digits was utilized. Consequently, the total number of sample size was 196.

### **Measures**

A quantitative survey method was chosen to collect data to answer research objectives. To select the respondents, the probability random sampling was employed. The developed questionnaire which consists of three parts; Transformational Leadership Questionnaire (20 questions), Emotional Intelligence Questionnaire (SSEIT) and the adapted version of job performance measurement.

### **Statistical Analysis**

The data analysis was carried out in two steps: The first step was an exploratory data analysis and secondly descriptive statistic, correlation and moderated multiple regression analysis was carried out.

## **Results and Discussion**

This section covers the findings pertaining to the correlation between job performance and transformational leadership style and the role of emotional intelligence as the moderator variable in the relationship between two variables. The purpose was to address the following research objectives, that is:

- 1- To identify the correlation between job performance and transformational leadership styles of academic administrators in selected universities.
- 2- To determine whether emotional intelligence has a moderating role in relationship between leadership styles and job performance of academic administrators in selected universities.

In relation to the first part of the objective, the analysis of correlation coefficients showed that there is a relationship between transformational leadership of academic leaders and

their job performance. Based on the below Table, a correlation of 0.64 was observed between transformational leadership and job performance.

Table 1.

*Correlations between Transformational Leadership Style& Job Performance*

| Variables                   | 1      | 2 |
|-----------------------------|--------|---|
| Job performance             | 1      |   |
| Transformational leadership | .639** | 1 |

In the line with the second objective, moderator explains when and under what condition X causes Y. The moderator eliminates the interaction term involving the inclusion of a product term of the interaction between the independent variable and the moderator variable. Walsh et al., (2008) stated that the interaction effects of an independent variable and a moderating variable were examined by looking at the significant changes in the R square.

As can be seen in the Table, in the step1, 43.8% of the variance in the job performance is explained by the predictor variable (transformational leadership style) in the model ( $R^2=.43.8$ ,  $P < 0.05$ ).

In step2,  $R^2= .442$  indicated that 44.2% of variance in job performance was explained by emotional intelligence and transformational leadership style.

Step 3 indicated that the presence of the relation between (transformational leadership style × emotional intelligence) resulted in Beta (Beta= .062,  $P > .05$ ), there was the beta coefficient was not significant. Thus, the present research demonstrated that emotional intelligence did not moderate the relationships between transformational leadership style and job performance. So, concluded that research hypothesis was not supported.

Table 2.

*Results of Regression Analysis for Moderator*

| Dependent |          | Beta | Sig  | R    | R Square | Δ R Square |
|-----------|----------|------|------|------|----------|------------|
| 1         | Constant |      |      |      |          |            |
|           | TF       | .505 | .000 | .662 | .438     | .434       |
| 2         | TF       | .513 | .000 | .665 | .442     | .433       |
|           | EI       | .097 | .247 |      |          |            |
| 3         |          |      |      |      |          |            |
|           | TF × EI  | .062 | .270 |      |          |            |

*Dependent: job performance, Independents: TF: transformational leadership, TS: transactional leadership, Moderator: EI, emotional intelligence*

**Conclusion and Research Implications**

This study aimed at identifying the moderating effect of emotional intelligence on perceived leadership styles and job performance at selected universities in Malaysia. It is revealed that EI is the predictor for job performance, and is necessary for individual's success in the organization. Researchers such as Goleman (1995), Chermis & Goleman (2001) and Schulte (2002) recognized the significance of emotional intelligence for acquiring success. Researchers consider emotional intelligence as an important factor for explaining variance in performance.

Nevertheless, the majority of exiting literature about the moderating effect of emotional intelligence in influencing perceived leadership styles on job performance reported that there was a positive effect between transformational leadership style and performance. Consequently, the findings offer a more comprehensive and empirical perspective on how performance were presented in Malaysian universities.

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