

## The Relationship among Emotional Intelligence, Transformational Leadership and Effectiveness: An Empirical Assessment of Entrepreneurs in Rajasthan

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### Abstract

The correlation between transformational leadership and emotional intelligence was investigated in this quantitative study of entrepreneurs. Also included in the research was the investigation of the relationship between each construct and effectiveness. The research sample was composed of 47 entrepreneurs in Rajasthan. An emotional intelligence score for the entrepreneurs was obtained by administering the Mayer-Salovey-Caruso Emotional Intelligence Test (MSCEIT). Multi-Factor Leadership Questionnaire (MLQ) was used to measure the leadership of entrepreneurs. This yielded a mean transformational score, a leader effectiveness score, and scores for other non-transformational leadership styles. Correlations were analyzed to conclude that there is a positive relationship between emotional intelligence and transformational leadership. A positive co relational relationship between effectiveness and both emotional intelligence and transformational leadership was also evident. Analyzing the relationship between emotional intelligence and different non-transformational leadership styles yielded mixed results. Findings indicate a relationship exists between emotional intelligence and contingent reward leadership, while no significant relationship was evident between emotional intelligence and other leadership styles. Based on the results of the study, it was concluded that entrepreneurs and future entrepreneurs could better develop effective leadership skills by becoming more aware of their strengths and weakness in the area of emotional intelligence, along with improving their transformational leadership behaviors.

**Keywords:** Emotional intelligence (EI), Transformational Leadership (TL), Mayer Salovey-Caruso Emotional Intelligence Test (MSCEIT), Multifactor Leadership Questionnaire (MLQ)

### Introduction

An effective leader influences followers in a desired manner to achieve desired goals. Different leadership styles may affect organizational effectiveness or performance. Entrepreneurs have become the heroes of economic development and contemporary enterprises. Entrepreneurial orientation is a commonly used measure in the literature (Morris and Kuratko 2002). This concept is the presence of organizational-level entrepreneurship. Some researchers have tried to combine the two concepts into entrepreneurial leadership to explore both leadership and entrepreneurship behavior (Gupta et al. 2004; Tarabishy et al. 2005).

They have tried to combine entrepreneurship with leadership into a new form of leadership called entrepreneurial leadership. This new leadership model has been used to show both entrepreneurship and leadership behavior (Tarabishy et al. 2005). In the dynamic, complex, and uncertain competitive environment, a type of entrepreneurial leader who is distinct from the behavioral form of leaders is needed (Cohen 2004).

This study was designed to examine The Relationship among Emotional Intelligence, Transformational Leadership and Effectiveness of Entrepreneurs in Rajasthan

The roots of transformational leadership are found in the work of James MacGregor Burns (1978) who is generally considered the founder of modern leadership theory (Bass, 1999; Marzano et al, 2005; Masi & Cooke, 2000; Parry & Proctor- Thomson, 2002). Burns's work is primarily found in the political realm, and he identifies leadership as the action of leaders persuading followers to work towards certain goals that represent the values, needs, aspirations, and expectations of both leaders and followers (Burns, 1978). According to Burns, leaders are able to persuade followers through their teaching role of leadership. Additionally, he believes that the brilliance of leadership lies in the way leaders view and act upon their own values and motivations, as well as those of their followers. He confirms that there is a moral aspect of leadership and believes transformational leadership "is grounded in conscious choice

among real alternatives” (p.36). The followers must have the opportunity to experience and understand the different options or actions the leader may be prescribing. Burns further contends that the leadership role is most powerful if leaders help to develop their followers into leaders. In other words, the transformational leader is constantly supporting the evolution of leaders within the organization, and in doing so, these transforming leaders affect real change (Burns, 1978).

Transformational leadership theory has been the subject of much research, both in the business world (Bass & Avolio, 1990; Bass, Waldman & Avolio, 1987; Bommer, Rich & Rubin, 2005) and in educational settings (Hallinger, 2003; Leithwood & Jantzi, 1999a; 1999b; 2000). Bommer et al. (2005) found that transformational leadership behaviors reduced employees’ cynicism about organizational change in a manufacturing firm. Leithwood and Jantzi (1999a; 1999b; 2000) have studied transformational leadership in educational settings, reaching the same conclusions about the positive effects of transformational leadership. Their research indicates that transformational leadership had a positive and significant effect on student engagement and organizational conditions.

Before a discussion on emotional intelligence can begin, a definition of the two terms used in the construct must be discussed. First, emotions are defined as responses to an event or situation, either internal or external, that have a positive or negative meaning for the person (Salovey & Mayer, 2007/1990). Emotions heighten awareness and redirect attention where needed (Caruso, 2008). They act as a signal which requires one of the three following responses: a change in the relationship between individuals, a change in the relationship between the individual and the environment, or an internal perception of a change in relationships. Each emotion triggers a reaction. For example, fear may cause a fight or flee response (Mayer, Salovey, & Caruso, 2007). Next, the meaning of intelligence must be clarified, as intelligence has many different meanings to different people. In the context of this study, intelligence will be defined as the ability to think abstractly. Emotional intelligence, then, in its simplest terms can come to describe “the intersection between emotion and cognition” (Mayer et al., 2007, p. 84).

Emotional intelligence has its roots in social intelligence, which was first identified by Thorndike in 1920 (Law, Wong, & Song, 2004). Gardner (1993) also recognized an emotional element of intelligence when he introduced intrapersonal and interpersonal intelligences as a part of his theory of multiple intelligences. Gardner saw interpersonal intelligence as the ability to understand other people’s moods and mental states. He defines intrapersonal intelligence as the ability to monitor one’s own feelings and use this information to guide behavior. Gardner combines both to mean emotional intelligence, but he admits that he focuses on cognition and understanding and not feelings (. Salovey and Mayer (2007) were the first to define emotional intelligence as a subset of social intelligence, referring to a person’s ability to deal with his/her emotions (Law et al., 2004). They believe that emotional intelligence does not prescribe outcomes but rather supports a course of “personal investigation that can occur in the context of the person’s own politics, ethnicity, religion, and other characteristics” (Mayer & Salovey, 1997, p. 41).

## **Review of Literature**

Much of the literature on transformational leadership points to Burns (1978) as the founder of the theory upon which the research and studies in this area have been built.

While he has focused on leadership from a political perspective, his theory on transforming leadership has been applied to many other contexts (Bass & Avolio, 1993; Bommer et al., 2005; Dvir et al., 2002; Hallinger, 2003; Hallinger & Heck, 1998; Leithwood & Jantzi, 2000; Piccolo & Collquitt, 2006). Burns (1978) introduced a general theory of leadership as: a function of complex biological, social, cognitive and affective processes...it is closely influenced by the structures of opportunity and closure around it...it may emerge at different stages in different people’s lives...it manifests itself in a variety of processes and arenas...(p. 427-428).

The foundation of transformational leadership theory evolves around the importance of transforming others into leaders. A leader engages in transformation when the motives, values, and goals of the followers are altered and shaped through the “teaching role of leadership” (Burns, 1978, p. 425). Burns (1978) asserts that leaders should enter into a relationship with followers where their actions represent the motivations, values, and needs of both the leaders and followers. Burns also discusses his leadership theory in the context of change and reform. He believes that the measure of good leadership can be seen in its contribution to change as it relates to collective motives. He distinguishes between leadership and power and claims that good leaders will adjust their purposes to the needs and purposes of their followers, while power wielders will force their purpose upon their followers. He stresses that values are the underlying fabric that strengthen the transforming leader. Over 30 years after his first writings about

leadership, Burns (2003) still contends that the definitive purpose of transforming leadership is deep and long-lasting change, directed and measured by values.

While transformational leadership skills are the primary focus of this study, it is important to include transactional leadership skills in the discussion. Burns (1978) originally made a distinction between transactional leaders and transformational leaders, believing leaders fell into one of the two categories. Bass and Avolio (Bass, 1985; Bass & Avolio, 1990) built upon Burns's theory, and they assert that the two actually complement each other. Transactional behaviors, according to Bass and Avolio (1990; 1993), have come to represent the managerial aspects of leadership. Transactional leaders define, communicate, and reward the work (Avolio, Waldman, & Yammarino, 1991). These leaders organize the work and decrease job ambiguity. Bass and Avolio (1990) maintain that while transformational leadership is needed to bring about change, the transactional aspect of leadership is also vital and cannot be ignored. Bass (1985) stressed that there is an augmentation effect, whereas varying degrees of transformational leadership and transactional behaviors can be found in the same leader. Seeking validation for this claim, Judge and Piccolo (2004) conducted a meta-analysis of 87 transformational and transactional leadership studies and found support for the augmentation theory. Their work indicated that transformational leadership behaviors may build upon transactional skills and behaviors. Organizational leaders should strive to improve their transformational leadership skills while preserving effective transactional qualities (Bass & Avolio, 1990). For the purpose of this study, the major focus is on transformational leadership behaviors, but it should be understood that transformational leadership is not intended to replace transactional leadership behaviors. In the best scenario, transformational and transactional leadership behaviors should merge so that they are so interwoven that it is hard to completely distinguish one from the other.

### Objectives

- To ascertain the relationship between entrepreneurs' emotional intelligence and their transformational leadership
- To explore the level of emotional intelligence of effective entrepreneurs
- To assess the relationship between transformational leadership and entrepreneurs' effectiveness
- To identify the relationship between emotional intelligence and other non transformational leadership styles in the entrepreneurs

### Hypotheses

- H<sub>01</sub>** - There is no correlation between emotional intelligence and transformational leadership of entrepreneurs.
- H<sub>02</sub>** - There is no correlation between transformational leadership and the MSCEIT positive negative bias score of entrepreneurs.
- H<sub>03</sub>** - There is no correlation between transformational leadership and the management and use emotional intelligence branches.
- H<sub>04</sub>** - There is no correlation between emotional intelligence and non-transformational leadership styles of entrepreneurs.
- H<sub>05</sub>** - There is no correlation between emotional intelligence and entrepreneurs' effectiveness.
- H<sub>06</sub>** - There is no correlation between transformational leadership and entrepreneurs' effectiveness.

### Methodology

The purpose of this study is to determine if there is a relationship between the emotional intelligence of entrepreneurs and their transformational leadership style. Mayer and Salovey's (1997) ability model of emotional intelligence and Bass and Avolio's (1990) theory of transformational leadership are the guiding theoretical foundations for present research. A better understanding of the relationship between emotional intelligence and transformational leadership may guide entrepreneurs to improve their leadership skills by increasing and improving their emotional intelligence strategies and skills.

### Nature and Sample size of the study

The present study is basically exploratory in nature. The participants in the study included 47 entrepreneurs from Rajasthan There were no limiting factors on choice of participants in relation to years of experience, gender, or location. The 47 entrepreneurs completed the Mayer Salovey-Caruso Emotional Intelligence Test (MSCEIT). Each entrepreneur was asked to complete the transformational leadership questionnaire (MLQ).

Table 1. Respondent's Profile

<b>Variables</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulative percentage</b>
<b><i>Age group (in years)</i></b>			
20-30	04	09	09
31-40	05	11	20
41-50	26	55	75
51 and above	12	25	100
<b>Total</b>	<b>47</b>	<b>100</b>	
<b><i>Education Level</i></b>			
Graduates	37	79	79
Post graduates	10	21	100
<b>Total</b>	<b>47</b>	<b>100</b>	
<b><i>Education discipline</i></b>			
Arts	07	15	15
Commerce	14	30	45
Science	09	19	64
Others	17	36	100
<b>Total</b>	<b>47</b>	<b>100</b>	
<b><i>Gender</i></b>			
Male	43	91	91
Female	04	09	100
<b>Total</b>	<b>47</b>	<b>100</b>	
<b><i>Income</i></b>			
Less than 2,00,000	02	04	04
2,00,001-3,00,000	03	06	10
3,00,001-4,00,000	05	11	21
4,00,001 and above	37	79	100
<b>Total</b>	<b>47</b>	<b>100</b>	

**Mayer Salovey-Caruso Emotional Intelligence Test (MSCEIT)**

Given the fact that this study is based on the ability model of emotional intelligence as defined by Mayer and

Salovey (1997) and the concerns that have been voiced about the validity of the ECI-2 and the EQ-I as measures of emotional intelligence (Brackett & Mayer, 2003; Grubb & McDaniel 2007; McEnrue & Groves, 2006; Wilhelm, 2005), the MSCEIT was chosen for this study. This test, which was developed to measure the ability aspects of emotional intelligence, was accessed and completed in an online format by the entrepreneurs. The MSCEIT v.2 is the most current improved version of its precursors (the Multi-branch Emotional Intelligence Scale (MEIS) and the MSCEIT v.1) which was developed by Mayer, Salovey, and Caruso (Mayer et al., 2000a; Mayer et al., 2002). The MSCEIT yields a score for overall emotional intelligence, two area scores, four branch scores, and eight task scores. The structure of the test is shown in Figure 1.

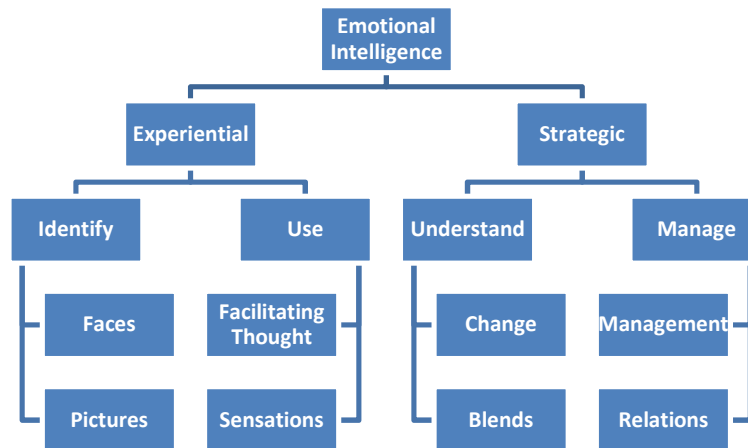


Figure 1. MSCEIT Scoring Structure

The MSCEIT also yields a positive-negative bias score which is based on the raw score responses to the pictures and faces test items. This score can be an indicator of a tendency to read situations as overly positive or negative. The MSCEIT is reliable and content valid and measures a specific set of abilities (Brackett & Mayer, 2003). Its development was based on the belief that emotional intelligence involves the ability to use emotions to solve problems (Mayer et al., 2007). While it should be noted that there have been mixed results and partial support evidenced in some of the current research on the validity of the MSCEIT (Rode et al., 2008), research supports the MSCEIT as having a relatively higher content and construct validity than other measures of emotional intelligence (McEnrue & Groves, 2006). As compared to other measures, the MSCEIT represents the most appropriate assessment of emotional capabilities (Wilhelm, 2005).

**MSCEIT Reliability**

Internal consistency of the scales was assessed using a standardization sample as reported in the MSCEIT Users Manual (Mayer et al., 2002) and shown in Table 2. The full scale emotional intelligent quotient (EIQ) reliability of the MSCEIT is reported as 0.94, while the experiential and strategic reliability scores are 0.92 and 0.89, respectively. Branch scores range from 0.73 to 0.87.

Table 2. MSCEIT Reliability

Tiers	Reliability Scoring
<b>Total EIQ</b>	0.94
<b>Experiential</b>	0.92
Identifying	0.87
Using	0.74
<b>Strategic</b>	0.89
Understanding	0.73
Managing	0.86

### **Multifactor Leadership Questionnaire**

Bass and Avolio's Multifactor Leadership Questionnaire 5X (MLQ) was used to measure the transformational leadership style of entrepreneurs. The MLQ is the most extensively used tool for measuring transformational leadership in research. The MLQ measures transformational, transactional, and passive/avoidant leadership styles. The MLQ is a 360 degree tool, having a self-report version as well as a version for other raters. Raters can be chosen from a higher level in the organization, from the same level, or could be employees who report directly to the target leader. It is recommended that a minimum of three raters is needed to receive accurate feedback.

The MLQ also yields scores for leader effectiveness, follower satisfaction, and extra effort. Extra effort refers to the extra effort that the follower exerts due to the leader's behavior. A separate score can be achieved in each of the areas. For the purpose of this study, total transformational scores will be used to prove hypotheses one, two, three, and six. Contingent reward, passive management-by-exception, active management-by-exception, and laissez faire scores will be analyzed to prove hypothesis four. Effectiveness, satisfaction, and extra effort scores will be combined to reach an overall effectiveness score for each entrepreneur. This score will be correlated with the entrepreneurs' emotional intelligence score and transformational leadership score to prove hypotheses five and six respectively.

### **MLQ Reliability**

Reports from the MLQ manual (Avolio & Bass, 2004), based on the most recent United States normative sample, indicate that MLQ scores for the transformational characteristics were found to have reliabilities ranging from 0.73 to 0.86, as listed in Table 3.

Table-3. MLQ Reliability Scores

<b>Transformational Scores</b>	<b>Reliability</b>
Idealized Influence-Attributed	0.79
Idealized Influence- Behavior	0.73
Inspirational Motivation	0.86
Intellectual Stimulation	0.79
Individualized Consideration	0.84

### **Results and Discussion**

MSCEIT scores of entrepreneurs and MLQ rater scores were attained. Two sets of scores for each entrepreneur were used in the data analysis: the MSCEIT score and the mean of the raters' MLQ scores. Statistics for the Social Sciences (SPSS) software was used to analyze the data.

The null hypotheses and associated variable scores are identified in Table 4. For null hypothesis 1-5, the emotional intelligence variable was obtained from the MSCEIT scores, while the transformational leadership variable for null hypotheses 1-4 and 6 were derived from the MLQ scores. The effectiveness variables for null hypotheses 5 and 6 were taken from the MLQ. The transformational score is obtained by combining the four characteristic scores: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. For null hypothesis 2, the MSCEIT positive-negative bias score was used to test the degree of balance in leaders' reaction to experienced emotions. The positive-negative bias score indicates whether the person tends to have a more positive or negative perception of emotional situations.

Null hypothesis three involved combining the manage and use branch scores to form the emotional intelligence variable. A computed score of these two branches can indicate the likelihood that a person would become overwhelmed by their experienced emotions.

For null hypothesis four, the non-transformational leadership scores were derived from the MLQ's measurement of the following leadership behaviors: a. contingent reward, b. active management-by-exception, c. passive management-by-exception, and d. laissez-faire leadership.

For both null hypothesis five and six, the effectiveness variable was the combined effectiveness, extra effort, and satisfaction MLQ scores, which yielded an overall effectiveness score. The effectiveness items on the MLQ reflect actions that result in meeting organizational requirements as well as others' individual needs, representing the group at high levels and leading an effective group. The extra effort items refer to increasing others' willingness to exert extra effort, getting others to exceed their own expectations, and heightening others' desire to succeed. Satisfaction items address methods of leadership that are satisfying to others and the ability to work with others in what is perceived as a satisfactory manner (Avolio & Bass, 2004). An examination of the overall emotional intelligence and

transformational leadership scores in relation to the effectiveness scores yield results for null hypothesis five and six.

Table 4. Null Hypotheses and Associated Variables

H <sub>0</sub>	Emotional Intelligence Variables	Transformational Leadership Variables	Effectiveness Variables
1	Total MSCEIT	MLQ-II, IM, IS, & IC (Combined to yield TL)	
2	MSCEIT Positive-Negative Bias	MLQ-II, IM, IS, & IC (Combined to yield TL)	
3	MSCEIT Manage & Use(Comined)	MLQ-II, IM, IS, & IC (Combined to yield TL)	
4	Total MSCEIT	a. MLQ- Transactional CR b. MLQ- Active MbE c. MLQ- Passive MbE d. MLQ- LF Leadership	
5	Total MSCEIT		MLQ- effectiveness, Extra Effor, & Satisfaction Score (Combined)
6		MLQ-II, IM, IS, & IC (Combined to yield TL)	MLQ- effectiveness, Extra Effor, & Satisfaction Score (Combined)

Note. Idealized Influence = II; Inspirational Motivation = IM; Intellectual Stimulation = IS; Individual Consideration = IC.

### Data Analysis and Hypotheses Testing

**Testing null hypothesis H<sub>01</sub>** (There is no correlation between emotional intelligence and transformational leadership of entrepreneurs.)

Analysis of the data indicated that the entrepreneurs' emotional intelligence and transformational leadership styles were positively correlated, Pearson's  $r(47) = .43, p < .05$ . This positive correlation is indicated in Table 5 and suggests that there is a relationship between the emotional intelligence and transformational leadership of the entrepreneurs.

Table – 5. Transformational Leadership and Emotional Intelligence Correlation

Null Hypothesis H <sub>01</sub>		Transformational Leadership
Emotional Intelligence	Pearson Correlation	0.43*
	Sig. (2- tailed)	0.0376
	N	47

\*Correlation is significant at 0.05

**Testing null hypothesis H<sub>02</sub>** (There is no correlation between transformational leadership and the MSCEIT positive negative bias score of entrepreneurs)

The positive-negative bias standard score reflects the tendency to assign positive or negative emotions to various pictorial stimuli in relation to the normed group. Higher scores reflect a tendency to perceive situations in a positive manner while lower scores indicate a tendency to assign a negative association to the situations. Overly positive or negative scores could indicate that the person misreads emotional experiences (Mayer et al., 2002). To test this hypothesis, the positive-negative bias scores derived from the MSCEIT were correlated with the MLQ total transformational scores. As shown in Table 10, the correlation between the positive-negative bias scores and the transformational leadership scores is not significant, Pearson's  $r(47) = 0.054, p > .05$ .

Table 6. Positive-Negative Bias/ Transformational Leadership Correlation

Null Hypothesis H <sub>02</sub>		Transformational Leadership
Positive-Negative Bias	Pearson Correlation	0.054
	Sig. (2- tailed)	0.869
	N	47

**Testing null hypothesis H<sub>03</sub>** (There is no correlation between transformational leadership and the management and use emotional intelligence branches)

The combined score of the management and use branches could indicate the degree of likelihood that the entrepreneur could become overwhelmed by experienced emotions. The alternate hypothesis would indicate that transformational leaders' MLQ scores would positively correlate with the management and use branches. As displayed in Table 7, a significant positive correlation was found between the combined manage and use branches of emotional intelligence and transformational leadership, Pearson's  $r(47) = .48, p < .05$ . This moderate significant relationship supports the rejection of null hypothesis 3.

Table – 7. Positive-Negative Bias/ Transformational Leadership Correlation

Null Hypothesis H <sub>03</sub>		Transformational Leadership
Manage/Use	Pearson Correlation	0.48*
	Sig. (2- tailed)	0.009
	N	47

\*Correlation is significant at 0.05

**Testing null hypothesis H<sub>04</sub>** (There is no correlation between emotional intelligence and non-transformational leadership styles of entrepreneurs)

The study tested this hypothesis using four leadership styles measured by the MLQ and indicated in Table 8. Null hypothesis 4a tested the correlation between contingent reward and emotional intelligence, finding a significant positive correlation, Pearson's  $r(47) = 0.41, p < .05$ , as shown in Table 8. Due to the evidence of a significant relationship between contingent reward and emotional intelligence, null hypothesis 4 is rejected.

Table 8. MSCEIT/ Leadership Styles Correlation

Null Hypothesis H <sub>04</sub>		(a) Contingent Reward	(b) Active Management by Exception	(c) Passive Management by Exception	(d) Laissez-faire
Emotional Intelligence	Pearson's r	0.41*	0.17	0.03	-0.16
	Sig. (2-tailed)	0.024	0.452	0.897	0.561
	N	47	47	47	47

\*Correlation is significant at 0.05

**Testing null hypothesis H<sub>05</sub>** (There is no correlation between emotional intelligence and entrepreneurs' effectiveness)

The suspected alternative hypothesis would reflect a positive correlation between the two constructs. The correlation between emotional intelligence and the effectiveness mean were found to be positively significant, Pearson's  $r = 0.41, p < .05$  as shown in Table 9.

Table 9. Effectiveness Correlations

Null Hypothesis H <sub>05</sub>		Emotional Intelligence
Effectiveness	Pearson's r	0.41*
	Sig. (2-tailed)	0.032
	N	47

\*Correlation is significant at 0.05; \*\*Correlation is significant at 0.01

**Testing null hypothesis H<sub>06</sub>** (There is no correlation between transformational leadership and entrepreneurs' effectiveness)

The transformational total score and the same effectiveness scores as described in hypothesis 5 were correlates. It was evident that a very significant positive relationship did exist, Pearson's  $r = 0.93, p < .01$ . These results are indicated in Table 10. Based on this positive correlation, null hypothesis 6 is rejected.



Table 10. Effectiveness Correlation with Transformational Leadership

Null Hypothesis H <sub>06</sub>	Transformational Leadership
Effectiveness	Pearson's r **0.93
	Sig. (2-tailed) .000
	N 47

\*\*Correlation is significant at 0.01

Overall Results with Null Hypotheses and their corresponding results is presented in the Table 11, below

Table 11. Null Hypotheses and Corresponding Results

Null Hypotheses	Correlation Attributes	Results/ Accept or Reject
H <sub>01</sub>	Emotional intelligence and Transformational Leadership	Significant/ Rejected
H <sub>02</sub>	MSCEIT Positive/ Negative Bias and Transformational Leadership	Not Significant/ Accepted
H <sub>03</sub>	MSCEIT Manage/ Use and Transformational Leadership	Significant Rejected
H <sub>04</sub>	Emotional Intelligence and Contingent Reward, Management-be-Exception Active and Management-be-Exception Passive	(EI & CI= Significant/ Rejected) (EI & MbEA = Not Significant/ Accepted) (EI & MbEP = Not Significant/ Accepted)
H <sub>05</sub>	Emotional Intelligence and Laissez-Faire	Significant/ Rejected
H <sub>06</sub>	Transformational Leadership and Effectiveness	Significant/ Rejected

### Conclusion

The purpose of this study is to better understand the relationship between the emotional intelligence, transformational leadership style, and effectiveness of entrepreneurs. Correlation was used to examine the relationship between the two constructs and also to evaluate the effectiveness of emotional intelligence and transformational leadership skills of entrepreneurs. Null hypotheses, correlations, and their corresponding results are indicated in Table 10. Rejecting null 1 and 3 indicates support for a relational theory linking emotional intelligence and transformational leadership. A connection between perceived effectiveness and both emotional intelligence and transformational leadership was also realized from the analysis of the data. Somewhat mixed results were found in null hypothesis 4. The MLQ measures a full range of leadership behaviors with transformational leadership being at one end of the spectrum and laissez faire leadership on the opposite end. This study found that transformational and contingent reward behaviors correlated significantly with emotional intelligence. Moving down the leadership behavior spectrum on the MLQ, correlations were insignificant and less with each behavior ending with a negative (insignificant) relationship with laissez faire. It seems the further removed from transformational behaviors, the less of a correlation with emotional intelligence was evident.

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