



# IMPACT OF EMOTIONAL INTELLIGENCE AND PERSONALITY TRAITS ON LEADER'S EFFECTIVENESS: TRANSFORMATIONAL LEADERSHIP ACTS AS A MEDIATOR



**Mehwish Mumtaz<sup>1</sup>**

<sup>1</sup>Department of Management Sciences,  
Air University,  
Multan,  
Pakistan

**Aisha Sarwar<sup>2</sup>**

<sup>2</sup>Department of Business Administration,  
Pakistan Institute of Engineering and Technology,  
Pakistan

## ABSTRACT

*This research paper aims to explore the indirect effect of emotional intelligence and personality traits on leader's effectiveness through an intervening variable i.e. transformational leadership.*

*These postulates were examined by principal component analysis (PCA) and structural equation modeling (SEM) techniques. A survey was designed to collect data in 397 dyads from supervisors and their respective subordinates of the hospitality sector of Pakistan. The findings of this relationship demonstrate that emotional intelligence and personality traits are positively associated with transformational leadership. Further, it also confirms that transformational leadership is posited as a positive predictor of leader's effectiveness. Our paper concludes with some recommendations for future work in this leadership area. The relationship of emotional intelligence and personality traits with transformational leadership and leader's effectiveness was explored and tested both theoretically and empirically in Pakistani context.*

**KEYWORDS:** *Emotional Intelligence, Personality Traits, Transformational Leadership, Leader's Effectiveness*

## 1. INTRODUCTION

Transformational leadership theory has got much importance in organizational sciences and it has grasped the attention of many researchers (Gardner, Moss, Lowe, Cogliser and Mahoney, 2010; Lowe and Gardner, 2001). Results of a number of previous studies intended a positive and significant relationship between efficacy of an organization and transformational leadership (Avolio, Bass, and Jung, 1995; Avolio, 1999; Dum Dum, Lowe, and Avolio, 2002), and this relationship between transformational leadership and employees' performance has been verified in various meta analytic studies (Judge and Piccolo, 2004; Lowe, Kroeck, and Sivasubramanian, 1996) However, rare studies have been performed to inspect the antecedents or impact of transformational leadership, despite of its huge importance in effecting organizational outcome (Lim and Ployhart, 2004).

Though many researchers demonstrated that personality of a leader seem to be associated with leader's efficacy as well as transformational leadership (e.g., Judge, Gerhardt, Bono, and Ilies, 2002; Bono and Judge, 2004), but the relationship with emotional intelligence is still ambiguous (e.g., Schulte, Carretta, & Ree, 2004; Antonakis, Dasborough, and Ashkanasy 2009). However, Preceding studies regarding the impact of emotional intelligence (EI) on transformational leadership (TL) have not been performed effectively as well as controlling for personality, ability and correcting for the measurement errors (Antonakis, Jacquart, Bendahan, and Lalive, 2010). It can be quite problematic when such restrictions are imposed on research design and the findings confirming the impact of new predictors can be biased if the traits impacting



leadership are not controlled, particularly when there is a control of new and old factors. This notion addresses that reports on the relationship between transformational leadership (TL) and emotional intelligence (EI) are not according to evidence centered principles because of these biased coefficients (Rousseau, 2006; Rynes, Brown, and Giluk, 2007). So, their theoretical and practical implications are destabilized and challenged. This study was performed to identify the relationship of emotional intelligence (EI), transformational leadership (TL) and leader's effective performance (LE), whereas measuring the scope of differences on an individual level that are supported as forecasters of leadership in literature, such as personality traits. Emotional intelligence is measured by an extensively used measure certified by publication in important and leading journals (Wong and Law, 2002; Law, Song, and Wong, 2004). The sample for this study is managers and their respective employees working in the hospitality sector of Pakistan. Besides this, transformational leader's role is also observed as a mediator between exogenous and endogenous variables (Barrick, Mount, and Judge, 2001).

## **2.THEORY AND HYPOTHESIS DEVELOPMENT**

In contrast to transactional leaders, transformational leaders are the agents of organizational and social change (Bass, 1985; Bass, Avolio, Jung, and Berson, 2003). They are considered as the role model to conduct and articulate the stimulating vision among their followers. As a result the morale, inspiration and motivation level of those followers boosts, that leads towards greater conquests and achievements (Bass, 1985). The transformational leadership theory (Avolio, 1999; Bass and Avolio, 1994) proposed four dimensions such as: idealized influence is referred as the role of the leader in which followers adopt the actions, principles and values of their leader; motivational inspiration is the ability of leaders to convey ambitious expectations among their followers to achieve the objectives of the organization; intellectual stimulation capability of leaders is related with appealing and promoting the intelligence and thinking process of their followers to favor innovation and creativity; and individualized consideration favors the leaders' behavior of creating an environment of personal support, who treats every follower as having different desires, needs and characteristics.

### **2.1.Emotional intelligence and Transformational Leadership:-**

Emotional competencies is a popular and widespread topic in leadership scholars (Harms and Credé, 2010a; Gooty, Griffith, Connelly, and Gupta, 2010). According

to (Mayer, Salovey, and Caruso, 1999) emotional intelligence (EI) can be agreed as cognitive intellect related to emotional questions. It is basically an ability to notice and perceive different emotions, to understand them as well as to apply them in situations arising (Salovey and Mayer, 1990).

There is a significant discussion in literature about emotional intelligence (EI) and its relatedness with leadership (e.g., Locke, 2005; Antonakis et al., 2009), according to Ashkanasy and Daus (2005) if relational aspects are more in any activity then more emotional intelligence (EI) will be compulsory for the individual in charge. So, all the leaders having the skill to observe their emotions and recognize the impact of these actions on their behavior as well as on others, probably provide an effective leadership to employees and organization (Day and Carroll, 2004). Many meta analytic researches have shown that personal success is caused more importantly by emotional intelligence than the personality qualities (Van Rooy and Viswesvaran, 2004). Moreover, literature is viewed quantitatively and showed correlation of 0.12 between transformational leadership and emotional intelligence, approving a very low level of validity estimate if the common method variance is rejected (Harms & Credé, 2010a). So following hypothesis is developed for checking:

**H1.** Emotional intelligence has a positive impact on transformational leadership.

### **2.2. Personality and Transformational Leadership:-**

Different studies are performed to examine the impact of personality of a leader on outcomes of leadership and these are centered on a principal that certain characteristics are essential for any individual to implement influence and stimulus (Bono and Judge, 2004; Barrick and Mount, 1991; Judge, Kosalka, and Piccolo, 2009). Different personality traits like agreeableness, openness to experiences, neuroticism, conscientiousness and extraversion are combined economically and systematically to form the five factor personality model (FFM) (Goldberg, 1990; Costa and McCrae, 1992), taking renewed interest for this study as leadership predictors (Barrick and Mount, 1991).

Recent research demonstrates that certain traits of personality are more relevant to transformational leadership than others. E.g. Bono and Judge (2000) specifically found that out of five factor model (FFM), only agreeableness was the consistent and strong predictor of TL behavior. Openness to experience and extraversion are significantly correlated with focal behavior, and

marginally predictive trait is extraversion. One of the other recent research by Ployhart and colleagues (2001) also demonstrated that in order to gain a typical or maximum performance, extraversion has a strong and significant relationship with transformational leadership. According to Judge et al., (2002), although conscientiousness is the predictor of leader's emergence and leader's effectiveness, but it does not seem to be a predictor of TL behavior. Similarly, these studies show the mixed results of openness to experience trait (Judge and Bono, 2000; Ployhart et al., 2001). Moreover, Bass (1998) notified that for laissez-faire leadership, the best predictor is emotional stability. The extant studies clarify that to narrow the five factor model to extraversion and agreeableness may prove to be more useful for transformational leadership, while other traits may be less important. However, here we do not mean to state that other traits of personality are unimportant, but rather, extraversion and agreeableness play a more important and unique role in TL behavior.

Agreeableness and extraversion are the traits that enable an individual to engage others. E.g. transformational leadership behavior requires leaders to engage their followers in ideas, values and social interactions. Similarly, Thomas, Dickson, and Bliese (2001) articulated that extraversion predicts the performance of military cadet leaders. Extraversion requires gregariousness and assertiveness to perform such type of TL behavior. Transformational leadership also allows leaders to build trust and warm relationship with followers through honesty, which is the hallmark of agreeableness. Keller (1999) verified that agreeableness is the factor that increases the ratings of leader's sensitivity.

Moreover, Judge et al. (2002) argued in a meta-analytic study that the five-factor model (FFM) explained 15% variability in leader's effectiveness and 28% in leadership emergence. Similarly, one of the others meta-analysis specifically on the transformational leadership and five factors observed positive correlations for agreeableness (0.14) and extraversion (0.24) (Bono and Judge, 2004). In view of the above logic and available research, we offered the following hypotheses:

**H2:** Agreeableness has a positive impact on transformational leadership

**H3:** Extraversion has a positive impact on transformational leadership

### **2.3. Transformational Leadership and Leader's Effectiveness:-**

Leadership has the ability to have an interpersonal influence on individuals towards a specific objective, while leader effectiveness is perceived as the

leaders developing fruitful relationship with their subordinates to facilitate the overall performance of the organization (Yukl, 2006). Various studies have consistently supported a significant association between TL and performance of both leaders and followers as well. As according to Lowe et al., (1996); Kirkpatrick and Locke, (1996) leaders exhibiting a greater transformational behaviors shows a followers' task performances, and extra-role behaviors (; Podsakoff, Fetter, Moorman and MacKenzie, 1990; Wang et al., 2005). These positive associations are due to inspirational motivation, idealized influence, individualized consideration and intellectual stimulation (Bass, 1985). Transformational leaders not only exhibit in-role behavior, but also extra-role behavior to motivate the employees. Transformational behavior leads the employees to go beyond their self interest, as organization's goal becomes the goal of the employees (Bass, 1985). These positive effects have a reciprocal effect on the performance of the leader.

The "Full Range Leadership Model" posits that leaders perform varying amounts of behaviors such as; transactional, laissez-faire or transformational behavior (Avolio and Bass, 1990). However, leaders and followers exhibiting transformational behavior demonstrate highest level of interaction as compared to others, because these leaders provide vision and employee empowerment (Bass and Avolio, 1993). Similarly, research has exposed that leaders are considered more effective when they display TL behavior than laissez-faire or transactional behavior (Avolio, 1999; Lowe et al., 1996). Transformational leadership behavior makes the subordinates to play a special role in the "big picture" and guide them individually, which results in effectiveness of leaders (Lowe et al., 1996). Thus, it is hypothesized as:

**H4:** Transformational leadership has a positive impact on leader's effectiveness

### **2.4. Transformational leadership as a mediator between individual differences and outcomes:-**

Though many studies in literature which examine the relations between organizational outcomes and transformational leadership support their relatedness, yet very few studies concentrated on impact of leader's characteristics on outcomes as well as processes of organization (Barrick et al., 2001). Though there are many indirect links which give reasons of importance of leaders characteristics and abilities for achieving organizational outcomes and goals. As there is empirical evidence connecting personality dimensions with work outcomes (Hunter, 1986; Barrick and Mount, 1991; Hunter

and Schmidt, 1996) as well as transformational leadership (Judge et al., 2004; Bono and Judge, 2004;), so it can be expected that transformational leadership can act as a mediator as in different contexts transformational leadership has been proved as an antecedent of many leadership effectiveness (Judge and Piccolo, 2004; Dumdum et al., 2002).

Similarly, there are many theoretical arguments supporting a model in which transformational leadership acts as a mediator. Since leadership is a very complex term or phenomenon as effective leadership is promoted by combining individual traits (Zaccaro et al., 2004; Kirkpatrick and Locke, 1991). In this way, leader's alterations in personality as well as emotional intelligence will act as antecedents in affecting outcomes directly and indirectly through connections with antecedents of results and outcomes as motivate, care for employees, stimulate and capacity to encourage. Emotional Intelligence basically helps in creating and presenting the convincing and considerable visions. It encourages problem solving as well as solution generating capacity, so ultimately enable inspirational motivation (Mumford et al., 2000). Employees can interpret the insistence of emotional stability as well as extraversion as the charismatic traits and innovative and creative thinking if related with openness can encourage the intellectual stimulation trait (Judge and Long, 2012). Inspirational capabilities of an individual can be enhanced by providing them with more dependability as well as tenacity, whereas the leaders sensitivity towards different emotional cues through emotional intelligence for understanding reactions of employees (Ashkanasy and Daus, 2005), thereby making leaders able to give effective and operative responses to the needs of their individuals. So, following hypothesis are introduced here:

**H5:** Transformational leadership acts as a mediator between emotional intelligence and leader's effectiveness

**H6:** Transformational leadership acts as a mediator between agreeableness and leader's effectiveness

**H7:** Transformational leadership acts as a mediator between extraversion and leader's effectiveness

### **3. METHODOLOGY**

We applied dyadic-respondent approach and collected analyzed data in 450 dyads from the hospitality sector of Pakistan. We referred managers and immediate supervisors of the restaurant and hotel industry as leaders and their subordinates, non-supervisory staff and workers as followers. We approached only those managers who were supervising atleast one or two followers at that time

and those followers having atleast one year of work experience. Similarly, only those respondents were contacted who were willing to cooperate on their own consent and questionnaires were completed during their normal working hours. We distributed 450 questionnaires among leaders and followers, from them 397 were returned back to us. We used "Purposive sampling technique (judgmental sampling)" technique to collect data from the restaurants and hotels of Islamabad, Lahore, Multan, Bahawalpur and Sahiwal. We chose this technique because specific criteria or objective of the current study is to observe the exchange relationship of leaders and followers because there is a direct interaction of leaders, followers, and customers in the hospitality sector of Pakistan.

This study compiles three sets of constructs, including dependent, independent and mediator. Leaders were asked to give views about their own personality traits and emotional intelligence to come to know that how much control he/she has on his/her emotions. Similarly, their respective followers were asked to give their views on the perception of leader's transformational leadership and as well as leader's effectiveness. The time span for data collection was about five months starting from August, 2014 to December, 2014. In order to improve the authenticity of the data, we ensured employees that their data will be kept confidential and will be used only for academic purpose.

### **3.1. Measures:-**

#### **3.1.1. Emotional Intelligence:-**

Emotional intelligence (EI) was measured by five point likert scale developed and proposed by Wong and Law (2004), and this scale considered the four sub dimensions also, e.g. (1) use of emotions, (2) regulation or control of emotions, (3) perception of one's own emotions, and (4) perception of others' emotions. The chronbach alpha of all factors of EI is 0.76.

#### **3.1.2. Personality Traits:-**

For evaluating managers' personality a five point likert scale was used, proposed by Goldberg (1999). Chronbach alpha for agreeableness and extraversion is 0.71 and 0.69 respectively.

#### **3.1.3. Transformational Leadership:-**

Manager's leadership traits were measured by MLQ (Multifactor Leadership Questionnaire) through twenty questions that are combined to make transformational leadership dimension, Bass and Avolio (1997) proposed it while Antonakis, Avolio, and Sivasubramaniam (2003) validated it. It is five point likert scale. This scale shows the reliability value of 0.81.

### 3.1.4. Leader's Effectiveness:-

To measure leader's effectiveness, we adopted "Performance Management behavior questionnaire" (PMBQ) questionnaire developed by Kinicki, Jacobson, Peterson, & Prussia, (2013). This questionnaire consists of several sub-dimensions e.g. feedback, communication, coaching and monitoring/establishing performance expectations. Sample items of these four dimensions are "Leader has a communication style that causes others to become defensive, Leader gives others timely feedback about their performance, Leader provides the resources needed to get the job done, & Leader checks work for accuracy and/or quality" respectively. The reliability of leader's effectiveness is .895.

## 4. DATA ANALYSIS AND RESULT

We used SPSS v.16 to perform the preliminary analysis for data screening such as descriptive statistics & normality analysis, Pearson correlation and principal

component analysis on the data set of 395 cases. The initial result of the descriptive statistics & normality analysis reveals that the data is normally distributed e.g. values of skewness and kurtosis for most of the items were non-significant and the associated normality test was significant ( $p < 0.001$ ). Table 1 presents the summary of the results of descriptive statistics and Pearson correlation. This analysis provides the inter-correlations among all the constructs, including independent, dependent and mediator. It is evident from the table that correlation between emotional intelligence (EI) and transformational leadership (TL) (.314), agreeableness and transformational leadership (.301), extraversion and transformational leadership (.333), transformational leadership and leader's effectiveness (.562) is significant at the 0.01 level (2-tailed). This noteworthy relationship supports the hypotheses I, II, III, and IV respectively.

**Table 1: Descriptive Statistics and Inter-Correlation Summary**

Variable	Mean	Std. D	EI	Ag	Ex	TL	LE
<b>1. Emotional Intelligence</b>	3.82	.438	1				
<b>2. Agreeableness</b>	3.89	.611	.417**	1			
<b>3. Extraversion</b>	3.98	.637	.650**	.545**	1		
<b>4. Transformational Leadership</b>	2.49	.693	.314**	.301**	.333**	1	
<b>5. Leader's Effectiveness</b>	3.67	.710	.592**	.547**	.695**	.562**	1

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

After that we carried out principal component analysis (PCA) in order to reduce the data having redundancy with each other. PCA was executed for all the indicators individually and the value of numerous coefficients in correlation matrix was .3 or above. Consequently, the results claims that one item of agreeableness & extraversion, three items of transformational leadership, and four items of emotional intelligence were removed from the data set due to lower weight of components e.g.,  $< 0.40$ . The total variance explained by all variables was: emotional intelligence (68.46%), agreeableness (59.10%), extraversion (45.24%), transformational leadership (50.95%), and Leader's effectiveness (67.11%) respectively. Similarly, the value of "Kaiser Meyer Olkin" (Kaiser, 1974) also exceeds the recommended value (i.e. 0.06), ensuring fewer chances of redundancy among all constructs such as emotional intelligence (0.77), agreeableness (0.75), extraversion (0.63), transformational leadership (0.84), and Leader's effectiveness (0.89). The "Bartlett's test of sphericity"

(Bartlett, 1954) also reached the significant value and it is supporting the factorability of correlation matrix. Thus, it is proved that after removing redundant factors, the data is ready enough for further analysis.

Furthermore, confirmatory factor analysis (Tabachnick & Fidell, 2007; Tabachnick & Fidell, 1996) was performed to assess the relationship between all latent and observed variables. For this purpose, we used covariance-based structural equation modeling (SEM) technique to test the hypotheses, so that measurement error could be reduced. To minimize the attenuation, we tested all constructs in different steps. First, we assessed CFA on all variables, one by one to remove the items having lower factor loadings e.g.,  $< 0.50$ . Subsequently, for the sake of influence and comparison of latent and observed variables, we also examined the full measurement model. The results affirm that one item of emotional intelligence and two items of transformational leadership were detached due to poor factor loadings. Table 2 reports the results of model fit indexes, clarifying that the values of

all indicators lie within the acceptable range. The results also suggest that all the exogenous and exogenous variables have reasonable fit with a significant fit index and chi-square values, close to the limits proposed by

Geffen, Boudreau & Straub, 2000; Hair, Babin, Black, Tatham & Anderson, 2010. We used AMOS v. 16 to estimate the SEM parameters.

**Table 2: Model Fit Indexes of CFA**

Model	CMIN	RMR	CFI	RMSEA	PCLOSE
<b>Emotional Intelligence</b>	2.91	0.05	0.87	0.02	0.95
<b>Agreeableness</b>	1.99	0.03	0.97	0.04	0.08
<b>Extraversion</b>	3.13	0.09	0.81	0.06	0.48
<b>Transformational leadership</b>	2.99	0.06	0.92	1.01	0.79
<b>Leader’s Effectiveness</b>	3.06	0.17	0.96	0.03	1.00
<b>Model Fit</b>	2.95	.066	.985	0.07	0.56

Moreover, to scrutinize the overall reliability of the data set, the standards of convergent validity and discriminant validity are measured through several indicators e.g. CR > .70 (indicates reliability), AVE > .50, CR > AVE (indicates convergent validity), and MSV < AVE, ASV < AVE (indicates discriminant validity). The estimates with poor reliability or validity can seriously endanger the

integrity of the results (Kline, 2011). The results confirmed that all constructs in measurement model have adequate divergent and convergent validity, ensuring the reliability of the data set. The values of convergent validity, discriminant validity and reliabilities of all constructs are given in Table 3.

**Table 3: Validity and Reliability Statistics of the Measures**

Variable	CR	AVE	MSV	ASV	Reliabilities
<b>1. Emotional Intelligence</b>	.73	.70	.42	.50	.756
<b>2. Agreeableness</b>	.76	.64	.45	.19	.628
<b>3. Extraversion</b>	.81	.51	.28	.09	.874
<b>4. Transformational Leadership</b>	.87	.64	.53	.26	.854
<b>5. Leader’s Effectiveness</b>	.69	.63	.49	.02	.626

To test the mediation effect through SEM, we evaluated a new model named as “Structural Regression (SR) model” with direct and indirect paths. Following (Preacher & Hayes, 2004) approach, we used 5000 bootstrapping samples with 95% confidence interval. Firstly, we assessed the direct effect of all exogenous variables, e.g. emotional intelligence (EI), agreeableness,

and extraversion on dependent variable leader’s effectiveness (LE). We interpreted that the values of emotional intelligence (B=.34; p= .000), agreeableness (B=.29; p= .000) and extraversion (B=.41; p= .000) are positive and strong in the absence of mediator transformational leadership, as shown in Fig.1 and Table 4.

**Table 4: Results of Structural Regression Model (SRM) Examining Mediating Role of Transformational Leadership in Relationship of Emotional Intelligence, Personality and Leader's Effectiveness**

Relationship	DV = Leader's Effectiveness		
	Direct Effects without Mediator	Direct Effects with Mediator	Indirect Effect
EI-TL-Leader's Effectiveness	.34 (.000)	-.20 (.464)	Sig. (.000), Full Mediation
Ag-TL-Leader's Effectiveness	.29 (.000)	.18 (.001)	Sig. (.000), Partial Mediation
Ex-TL- Leader's Effectiveness	.41 (.000)	-.09 (.295)	Sig. (.000), Full Mediation
Transformational Leadership		.79 (.000)	

<sup>a</sup> N=400, TL= Transformational Leadership, EI= Emotional Intelligence, Ag= Agreeableness, Ex= Extraversion

Then, we tested second SR model to assess the indirect effect of emotional intelligence, agreeableness and extraversion on leader's effectiveness in the presence of transformational leadership. The findings claim that in the presence of transformational leadership, the considerable beta values of emotional intelligence (B=.39; p= .000), agreeableness (B=.23; p= .000) and extraversion (B=.50; p= .000) are the indications of full and as well as

partial mediation. In the next step, we found that the mediator i.e. transformational leadership (TL) is positively related to a leader's effectiveness (LE) (B=.79; p=.000). Moreover, the model fit indexes of the mediation were also very good and within recommended limits, given in Table 5. Thus, we can conclude that hypotheses V, VI and VII regarding mediation effect are supported.

**Table 5: Model Fit of Structural Regression Models with and without Mediator**

Model	Descriptions	Chi-sq	Df	CMIN	RMR	CFI	RMSEA	PCLOE
1	Hypothesized model without mediator (Direct Effect)	704	262	2.69	.07	.905	.05	.06
2	Hypothesized model with mediator (Transformational Leadership) and Leader's Effectiveness (Direct & Indirect Effect)	251	96	3.01	.05	.969	.07	.09

## DISCUSSION

Our findings suggest that leader's effectiveness (LE) is the direct function of transformational leadership behavior (TL) and indirect function of emotional intelligence (EI), agreeableness and extraversion. We observed that all three exogenous variables that seem to matter for transformational leadership have indirect and significant effect on leader's effectiveness. To our

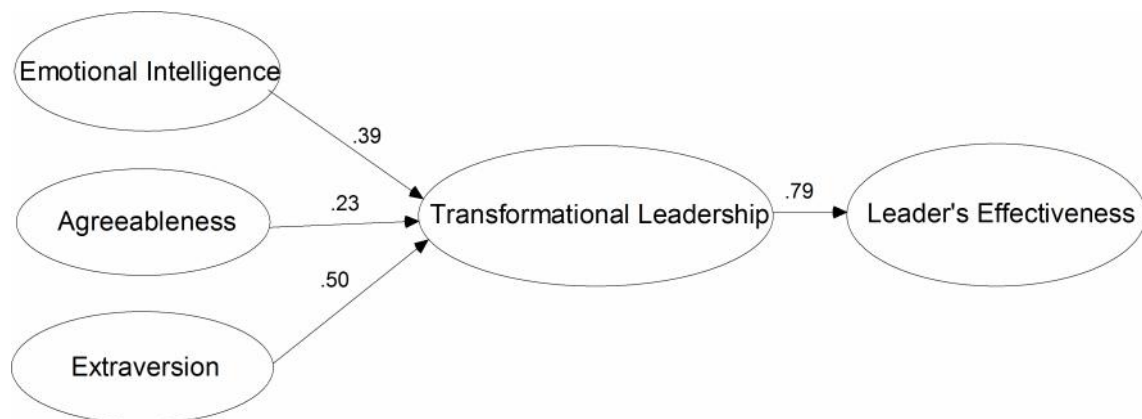
knowledge, this study is the first to examine the relationship of these exogenous and endogenous variables in a sample of managers and their respective subordinates of the hospitality industry of Pakistan. Our findings also contributed to the literature by observing the implications of emotional intelligence, agreeableness and extraversion on leader's effectiveness through the mediating effect of

transformational leadership. Moreover, results of these studies are encouraging and valid as they are free from common method biasness.

With respect to emotional intelligence, the statistical data of current study recommends that transformational leadership style and leader's effectiveness is predicted by emotional intelligence scores. Much written evidences exist on the relationship of emotional intelligence, transformational leadership and leader's effectiveness, but little empirical work is done on this topic. Our study is contributing with much empirical evidence to support this relationship. Managers need not only the effective managerial skills, but also the emotional and social skills. In the domain of emotional intelligence, the focus of the major part of several studies is on the role of emotional intelligence in leader-member dyadic relationship (e.g., Barling et al., 2000; Wong and Law, 2002, Gardner and Stough, 2002). However, a multilevel perspective has been studied by Ashkanas and Jordan (2008). The concept of emotional intelligence is relatively new in many Pakistani public and private sector organizations. Nevertheless, the findings of this study are consistent with leadership and emotional intelligence theories as previously studied by Western scholars. Our research contributes by demonstrating the validity of these theories in eastern culture like Pakistan. The significant correlation between emotional intelligence and transformational leadership ensures the acceptance of hypothesis I and also indicates that these leaders are perceived as highly effective by their employees.

Similarly with respect to personality traits, our research is extended by considering contingent reward behavior. Based on the analysis, extraversion carries more weight for both transformational leadership and effectiveness of leaders than previous studies i.e. Bone and Judge (2000). It is worth noting that the initial results without transformational leadership also claim significant relationship of personality traits with leader's effectiveness, but the presence of transformational leadership reinforces this bond of constructs. The correlation matrix for the association between agreeableness, extraversion and transformational leadership depicts that these values are more than the values found by Judge et al., (2004). Thus, the leaders with the personality traits of agreeableness and extraversion are considered to be transformational and effective to enhance the performance of the organization. This ensures the support for hypothesis II and III respectively.

Furthermore, in accordance to the expectations transformational leadership predicts leader's effectiveness in hospitality sector of Pakistan. Results of pearson correlation indicates that transformational leadership ( $r=.562$ ) has a significant impact on leader effectiveness, providing support for hypotheses IV. Similarly, further results confirm the presence of transformational leadership as a mediator and provide support for hypotheses V, VI and VII.



**Fig. 1. Effects of emotional intelligence, agreeableness and extraversion on leader's effectiveness mediated by transformational leadership**



**LIMITATIONS AND FUTURE****RECOMMENDATIONS**

Although this study has positive methodological strengths (e.g., large sample, multiple data sources), but still some limitations exist. Firstly, we studied only one dimension of leadership and ignored other forms that may affect performance effectively, such as charismatic leadership and transactional leadership. Secondly, we missed the opportunity to analyze the impact of control variables e.g. gender, age, education, organizational context, team size, and experience, etc. These variables may have the impact on the performance of both leader and subordinate. Similarly, on the other hand extraversion may also be associated with conflictual relations (Bono, Boles, Judge, and Lauer, 2002), and in case of dealing with long term projects it may lose its persistence (Beauducel, Brocke, and Leue, 2006). As a result, the organization cannot achieve its long run objectives or goals. Therefore, the future researchers should consider that extraversion may not be beneficial to motivate, inspire and stimulate the skilled employees in more complex organizations. Fourth, our research was limited to a single sector, but the organizational culture of other sectors can also vary the findings in different settings. Finally, the participation was voluntarily and selection effects were found in leader's ratings while collecting data. Although, the employee's participation rate was not as ideal as it should be. It was consistent with the findings of Bono and Judge, (2003), and necessarily it does not identify the nonresponse error (Krosnick, 1999).

**CONCLUSION**

According to previous discussion, it is evident from the findings of the correctly testing model t leaders can apply it practically in their organization to achieve the desired outcome. Both the producers and evaluators of knowledge should be aware that individual differences to predict the leadership require appropriate control to reach the consistent conclusion. Following the recommendations of previous studies, we tried to highlight the impact of some individual attributes on leadership behavior and effectiveness in business administration. The findings ensure that these factors are positively related with each other, but when transformational leadership is taken as a mediator it enhances the validity of overall relationship. In addition, it is recommended that in leadership trainings and teachings sessions, transformational leadership capabilities should be emphasized not only in contexts, but also in the culture of Pakistan. By this way, managers or leaders can draw better decisions when planning development programs.

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