

WHITE PAPER

Emotionally Intelligent Leaders

Hogan EQ as a Predictor of
Leadership Performance



Emotionally Intelligent Leaders:

Hogan EQ as a Predictor of Leadership Performance

In today's dynamic and demanding business environment, emotional intelligence has emerged as a personal attribute that can determine whether a leader succeeds or fails. The extent to which a person is emotionally intelligent is now as important, if not more important in some instances, than attributes such as one's business acumen or general level of intelligence. Perceiving, controlling, and sharing one's own and others' emotions can affect performance outcomes at the individual, team and organisational level. Consequently, this White Paper reinforces the importance of developing their emotional intelligence for the purposes of enhancing leadership effectiveness by exploring the statistical relationships between Hogan EQ scales and 360 leadership ratings.

Emotional Intelligence

The concept of emotional intelligence was first introduced by Salovey and Mayer (1990) but was popularised by Goleman (1995). In brief, emotional intelligence refers to the generation, recognition, evaluation and monitoring of one's own as well as others' emotions to guide thinking and action (Salovey & Mayer 1990; Van Rooy & Viswesvaran, 2004). It concerns getting along with others to get ahead, i.e., the softer people skills that have the potential for solid business success.

Research has shown that emotional intelligence is a credible predictor of many organisationally relevant outcomes as well as success when dealing with people, particularly as a person progresses up the corporate ladder (Chrusciel, 2006). In

particular, meta-analytic research indicates that emotional intelligence is positively correlated with employment performance (operational validity of .24; Van Rooy & Viswesvaran, 2004) and empirical studies indicate that emotional intelligence is predictive of reactions to job insecurity and the ability to cope with high stress and work pressures (Jordan, Ashkanasy, & Hartel, 2002). Additionally, in a recent and updated meta-analysis conducted by O'Boyle and colleagues, the authors distinguished between three types of emotional intelligences (i.e., self-report measures, ability-based models and mixed models of emotional competence) and found that each stream related to job performance at similar levels (corrected correlations ranged from .24 to .30; O'Boyle, Humphrey, Pollack, Hawver, & Story, 2011). From a teamwork perspective, emotional intelligence has been found to be essential for team interaction and productivity because emotionally intelligent team members monitor their emotional expressions and are sensitive to the feedback that other team members provide in relation to the social acceptance of those expressions (Prati, Douglas, Ferris, Ammeter, & Buckley, 2003).

The Relationship between Emotional Intelligence and Leadership

Although much research supports the overall validity of emotional intelligence measures for predicting job performance, the present study focuses specifically on the performance of leaders. The need to predict leadership effectiveness is essential given its positive links with effective organisational performance (Goffee & Jones, 2000). With

respect to leadership outcomes, past research has found that emotional intelligence is positively related to transformational leadership and negatively related to laissez-faire leadership (Gardner & Stough, 2002), is positively related to a leader's potential to exhibit CEO competencies such as leading change and culture (Higgs & Aitken, 2003) as well as various change leadership competencies (Higgs, 2002). Emotional intelligence is also positively related to general leadership effectiveness such as how well a leader achieves business outputs within a financial year (Rosete & Ciarrochi, 2005).

The Present Study

Given the current state of the research literature, the present study aims to replicate the positive relationships between emotional intelligence and 360 ratings of leadership (at the global and sub-dimension levels for both variables). The present study extends past research by (1) examining the relationship between self-reported emotional intelligence and other-ratings of leadership behaviours (see Gardner & Stough, 2002); (2) studying a larger sample of leaders, that is, up to 680 participants (see Higgs & Aitken, 2003); and (3) exploring the relationships between emotional intelligence components and a

variety of leadership indicators (see Rosete & Ciarrochi, 2005).

Participants

The sample consisted of 680 people leaders who were predominantly Australian ($M_{age} = 41.8$; 17% female based off available demographic information). The leaders came from both the private and public sectors across a range of industries (e.g., Accounting, Agriculture Forestry and Fishing, Support Services, Building & Construction, Government Administration, IT & Telecommunications).

Measures

Hogan EQ. The Hogan EQ report provides organisations with a robust scientific tool to identify individuals' potential for managing their own and others' emotions. The report provides an overall EQ score, as well as scores and insight into six critical components of emotional intelligence, as described in Figure 1:

In particular, low and high scores on each of the six components are described below (Hogan Assessment Systems, 2013):

- **Awareness:** Low scorers are detached from themselves and their surroundings.

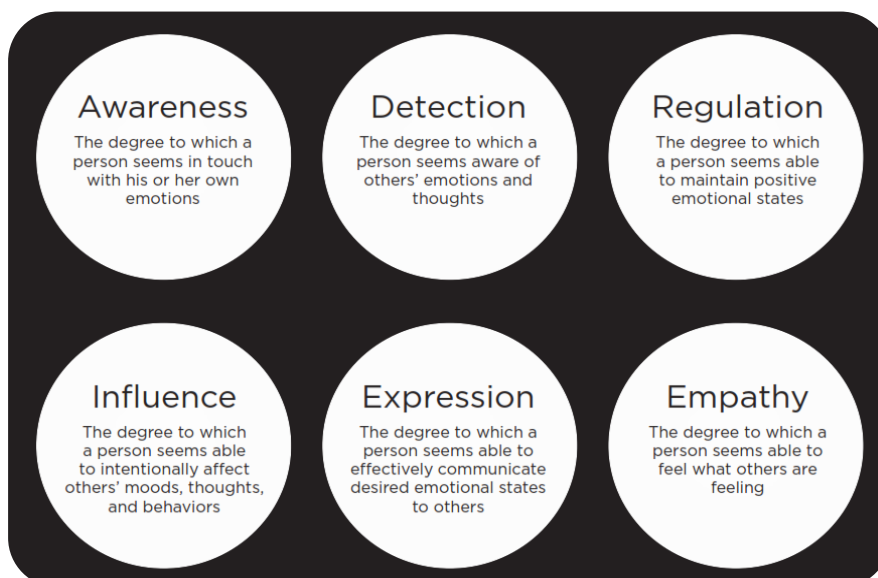


Figure 1. The six emotional intelligence components of the Hogan EQ.

High scorers are responsive and present.

- *Detection*: Low scorers misinterpret others' intentions, actions, and motives. High scorers are perceptive and read people well.
- *Regulation*: Low scorers are reactive and unstable. High scorers are constant and centred.
- *Influence*: Low scorers cannot sway or win people over. High scorers empower and embolden others.
- *Expressivity*: Low scorers tend to guard or mask feelings. High scorers are direct and visibly enthusiastic.
- *Empathy*: Low scorers are insensitive and unconcerned with peoples' situation. High scorers are connected and caring.

Hogan 360. The Hogan 360 (originally developed by Peter Berry Consultancy) is a multi-rater survey that gathers leadership feedback from a variety of key stakeholder groups. The Hogan 360 is made up of scaled questions, ranked-option questions, and open-ended feedback; only the scores from the scaled questions were included in the present analyses. The scaled questions are combined to form four leadership competencies, as shown in Figure 2.



Figure 2. The Hogan 360 Leadership Model.

Each of the Hogan 360 leadership competencies are defined below, and the sub-themes within each competency are also provided:

- *Self-Management*: Refers to personal awareness, self-regulation, stress management, resilience, integrity, transparency and authenticity. Sub themes include Integrity and Resilience.
- *Relationship Management*: Refers to the ability to achieve better results through better relationships. It is about getting along with others in order to get ahead. Sub themes include Communication, People Skills, Team Player and Customer.
- *Working in the Business*: Refers to having the experience, capability and efficiency to consistently deliver great results. Sub themes include Capability, Efficiency, Results and Engaging.
- *Working on the Business*: Refers to adding extra value through innovation and strategic planning, and building motivated, accountable teams. Sub themes include Accountability, Motivation, Strategy and Innovation.

Each target leader (i.e., the leader being reviewed) received ratings from between 7 and 14 raters. Raters were classified as the target leader's manager, peer or direct report, and all three rater groups were aggregated to form an overall "other raters" group. In addition, target leaders provided leadership ratings for themselves.

Typically, an individual who receives high scores on both the *Self-Management* and *Relationship Management* competencies is described as being able to professionally manage oneself and relate appropriately to others to get the best outcomes from teams and stakeholders (i.e., Behavioural Competencies). Alternatively, an individual who receives high scores on both the

Working in the Business and *Working on the Business* competencies is described as being able to use cognitive capability to get the right balance between operational and strategic skills to optimise day-to-day and longer-term results (i.e., Business Competencies). Given the definitions of these combinations, it was hypothesised that the components from the Hogan EQ are positively related to the *Self-Management* and *Relationship Management* competencies compared to the *Working in the Business* and *Working on the Business* competencies.

Procedure

The participants responded to a battery of personality based-assessments, which included the complete set of items that make up the Hogan EQ assessment. Their manager(s), peers, direct reports and the participants themselves also provided ratings on the 360. The Hogan EQ takes approximately 15 minutes to complete and is administered online. The 360 takes approximately 20 minutes to complete for each rater and is also administered online. Correlational analyses were run between the Hogan EQ and 360 scores.

The Findings

Overall, the findings of the present study (see Table 1) support the notion that emotional intelligence is a key determinant of leadership effectiveness. In general, higher emotional intelligence scores were associated with higher Hogan 360 ratings across several leadership competencies. The ratings provided by other raters (i.e., managers, peers and direct reports) support the argument that emotional intelligence is more strongly associated with the Behavioural leadership competencies (i.e. *Self-Management* and *Relationship Management*) than the Business leadership competencies (i.e. *Working in the Business*

and *Working on the Business*). Therefore, leaders who score higher on emotional intelligence are more likely to be described by others as being able to professionally manage themselves and relate appropriately to others to get the best outcomes from teams and stakeholders.

A closer examination of the correlations by rater group reveals that this trend is most apparent in the peer and direct report rater groups. The results suggest that for managers, they are most likely to observe the leader's ability to relate appropriately to others for leaders who are higher on emotional intelligence.

Given that the Hogan EQ is a self-report measure, it was unsurprising that statistically significant correlations were observed between most emotional intelligence components and self-ratings of leadership competencies. Therefore, leaders who are higher on emotional intelligence are more likely to see themselves as possessing higher leadership competencies.

Trends in the Emotional Intelligence Components

The results indicate that there are certain emotional intelligence components that are stronger predictors of leadership competency ratings for particular rater groups. For other raters, *Awareness* was the only emotional intelligence component that yielded statistically significant correlations with all four Leadership Competencies ratings. This suggests that the degree to which a person seems in touch with his or her own emotions is the strongest predictor of overall 360 ratings. *Detection*, the degree to which a person seems aware of others' emotions and thoughts, was another strong predictor for other raters, particularly for peer and direct report raters. For the other raters overall, *Detection* yielded statistically

Table 1.

Correlations between the Hogan EQ Components and the Hogan 360 Leadership Competencies

Leadership Competency	AWA	DET	REG	INF	EXP	EMP	Overall EQ
Other Ratings (i.e., Manager, Peer and Direct Reports)							
Self-Management	.164**	.186**	.233**	.197**	.143**	.257**	.265**
Relationship Management	.244**	.176**	.044	.205**	.115*	.126*	.191**
Working in the Business	.130*	.130*	-.025	.098	.068	.006	.078
Working on the Business	.165**	.097	-.058	.100	.033	.011	.064
Manager Ratings							
Self-Management	.042	.112	.101	.176**	.121	.097	.144*
Relationship Management	.173*	.132*	.053	.272**	.141*	.075	.180**
Working in the Business	.117	.133*	.000	.211**	.111	-.011	.114
Working on the Business	.123	.089	-.003	.201**	.057	.019	.101
Peer Ratings							
Self-Management	.101	.176**	.141*	.147*	.158*	.166*	.193**
Relationship Management	.196**	.227**	.060	.186**	.208**	.133**	.208**
Working in the Business	.094	.193**	.021	.125	.161**	.029	.123
Working on the Business	.125	.126	-.006	.107	.155*	.032	.104
Direct Report Ratings							
Self-Management	.158*	.200**	.248**	.202**	.119	.287**	.276**
Relationship Management	.198**	.209**	.101	.183**	.051	.175*	.200*
Working in the Business	.118	.168*	.033	.098	.017	.058	.103
Working on the Business	.147*	.150*	.037	.101	-.024	.107	.111
Self-Ratings							
Self-Management	.426**	.223**	.427**	.380**	.243**	.466**	.484**
Relationship Management	.430**	.140**	.205**	.333**	.184**	.261**	.337**
Working in the Business	.307**	.114*	.160**	.222**	.178**	.166**	.244**
Working on the Business	.330**	.060	.168**	.229**	.078	.191**	.233**

Note. * $p < .05$; ** $p < .01$; Correlations corrected for criterion unreliability; AWA = Emotional Awareness; DET = Emotional Detection; REG = Emotional Regulation; INF = Emotional Influence; EXP = Emotional Expressivity; EMP = Emotional Empathy.

Statistically significant correlations are in white

significant correlations with the Self-Management, Relationship Management and Working in the Business leadership competencies.

For manager raters, higher scores on the Influence component of emotional intelligence were positively related to higher ratings for all leadership competencies. That is, manager raters provide more positive ratings for leaders who are able to intentionally affect the moods, thoughts and behaviours of other people. This is unsurprising given that transformational leadership theory suggests that effective leaders display certain behaviours that win others over, such as articulating an inspirational vision and encouraging followers to innovate (Kirkbride, 2006).

For peer raters, *Expressivity* was positively related to all four leadership competencies. These strong relationships were not seen for the manager nor the direct report groups. This suggests that peers, in particular, appreciate clear expressions of emotional states from colleagues.

These differences in emotional intelligence components trends between different rater groups, suggest that leaders may be displaying different elements of emotional intelligence to different audiences, either consciously or unconsciously. For a breakdown of the correlations between the leadership competency sub-themes and the emotional intelligence components, see Table 2 in the Appendix.

Concluding Remarks

Given the number of significant positive correlations between the components of the Hogan EQ and the leadership competencies from the Hogan 360, it can be concluded that emotional intelligence is a useful predictor of a variety of leadership competencies, particularly those relating to *Self-Management* and *Relationship Management*. The findings lend support for why organisations should continue to focus on developing the emotional intelligence of their leaders. This is particularly important given that a lack of emotional qualities at top level management (where strategic decisions are primarily made) can lead to considerable losses to both private and public organisations (Suciu, Petcu, & Gherhes, 2010).

Encouragingly, in a recent online article published on the Harvard Business Review website, it was argued that “EQ can increase with deliberate practice and training” (Chamorro-Premuzic, 2013). Academic studies support the findings that emotional intelligence can be improved through appropriate training, which can also improve general health, morale, distress, quality of work life, subjective stress and performance (Slaski & Cartwright, 2003; Prati, 2005). The research findings contained within this White Paper reinforce the need for emotional intelligence training in order to enhance the effectiveness of leaders.

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Appendix

Table 2.
Correlations between the Hogan EQ Components and the Hogan 360 Leadership Sub-Themes

Leadership Competencies	Sub-Themes	AWA	DET	REG	INF	EXP	EMP	Overall EQ
Other Ratings (i.e., Manager, Peer and Direct Reports)								
Self-Management	Integrity	.069	.143**	.104	.104	.092	.118*	.139*
	Resilience	.233**	.207**	.327**	.261**	.175**	.356**	.352**
Relationship Management	Communication	.187**	.179**	.001	.172**	.078	.075	.139**
	People Skills	.265**	.201**	.146**	.248**	.144**	.223**	.266**
	Team Player	.194**	.172**	.024	.150**	.079	.096	.148**
	Customer	.280**	.104*	-.006	.200**	.098	.044	.148**
Working In the Business	Capability	-.015	.121*	-.051	.019**	.015	-.033	.003
	Efficiency	.118*	.112*	-.010	.049	.069	.017	.067
	Results	.055	.123*	-.022	.069	.050	-.012	.047
	Engaging	.234**	.087	-.022	.169**	.111	.051	.128*
Working On the Business	Accountability	.090	.114*	-.097	.039	.018	-.015	.018
	Motivation	.204**	.126*	-.022	.123*	.053	.051	.105*
	Strategy	.129*	.072	-.098	.074	.024	-.049	.018
	Innovation	.173**	.044	-.001	.128*	.028	.047	.086
Manager Ratings								
Self-Management	Integrity	-.042	.074	.033	.128	.082	.018	.065
	Resilience	.118	.135*	.153*	.201**	.143*	.161*	.201**
Relationship Management	Communication	.140*	.173*	.107	.300**	.164*	.126	.219**
	People Skills	.186**	.121	.082	.273**	.162*	.117	.204**
	Team Player	.107	.100	-.026	.187**	.079	-.019	.087
	Customer	.202**	.067	-.049	.183**	.141*	-.040	.098
Working In the Business	Capability	.019	.162*	.017	.161*	.103	-.003	.092
	Efficiency	.110	.075	.036	.193**	.090	.031	.114
	Results	.046	.171*	.006	.187**	.044	-.022	.087
	Engaging	.171*	.065	.015	.190**	.087	.032	.118
Working On the Business	Accountability	.136*	.105	-.040	.183**	.075	.021	.094
	Motivation	.079	.074	-.014	.146*	.043	.003	.069
	Strategy	.101	.082	-.006	.191**	.055	-.006	.086
	Innovation	.117	.061	.042	.196**	.031	.040	.107
Peer Ratings								
Self-Management	Integrity	.022	.126	.032	.072	.133*	.036	.086
	Resilience	.165*	.205**	.232**	.202**	.162*	.273**	.275**
Relationship Management	Communication	.119*	.176**	.004	.121	.117	.074	.121
	People Skills	.209**	.229**	.123	.212**	.207**	.200**	.251**
	Team Player	.128*	.215**	.024	.112	.169**	.083	.148*
	Customer	.236**	.112	-.008	.165*	.125	.021	.133*
Working In the Business	Capability	.010	.197**	.021	.069	.135*	.024	.089
	Efficiency	.040	.154*	.017	.082	.154*	.012	.089
	Results	.049	.226**	.062	.139*	.165*	.058	.141*
	Engaging	.234**	.187**	.050	.209**	.245**	.107	.211**
Working On the Business	Accountability	.046	.130*	-.058	-.003	.083	-.011	.264
	Motivation	.158*	.148*	.022	.130*	.180**	.079	.143*
	Strategy	.093	1.234	.001	.119	.146*	.011	.096
	Innovation	.144*	.057	.014	.128	.144*	.032	.104

Note. * $p < .05$; ** $p < .01$; Correlations corrected for criterion unreliability; AWA = Emotional Awareness; DET = Emotional Detection; REG = Emotional Regulation; INF = Emotional Influence; EXP = Emotional Expressivity; EMP = Emotional Empathy.

Statistically significant correlations are in white

Table 2. (continued)

Leadership Competencies	Sub-Themes	AWA	DET	REG	INF	EXP	EMP	Overall EQ
Report Ratings								
Self-Management	Integrity	.096	.209**	.182**	.171*	.104	.209**	.218**
	Resilience	.201**	.175*	.288**	.214**	.123	.333**	.305**
Relationship Management	Communication	.172*	.219**	.062	.135*	.051	.112	.155*
	People Skills	.201**	.197**	.150*	.215**	.074	.227**	.236**
	Team Player	.151*	.216**	.086	.137*	.017	.150*	.166*
Working In the Business	Customer	.237**	.096	.037	.161*	.058	.094	.146*
	Capability	.012	.169*	.039	.065	-.054	.040	.058
	Efficiency	.096	.202**	-.003	.042	.035	.033	.076
	Results	.058	.126	.049	.078	.015	.036	.078
Working On the Business	Engaging	.208**	.137*	.067	.182**	.046	.144*	.171*
	Accountability	.025	.137*	-.036	.018	-.055	.021	.019
	Motivation	.190**	.184**	.057	.155*	.018	.136*	.160*
	Strategy	.112	.144*	.024	.068	-.012	.068	.082
	Innovation	.204**	.080	.086	.121	-.037	.155*	.136*
Self-Ratings								
Self-Management	Integrity	.325**	.216**	.298**	.300**	.178**	.320**	.362**
	Resilience	.441**	.193**	.465**	.384**	.258**	.510**	.508**
Relationship Management	Communication	.337**	.062	.130*	.209**	.147**	.183**	.229**
	People Skills	.454**	.148**	.266**	.348**	.179**	.318**	.377**
	Team Player	.347**	.147**	.151**	.272**	.080	.202**	.261**
	Customer	.313**	.060	.100	.232**	.107*	.117*	.198**
Working In the Business	Capability	.147**	.061	.058	.110*	.172**	.061	.123*
	Efficiency	.293**	.143**	.223**	.197**	.176**	.219**	.272**
	Results	.211**	.103	.115*	.165**	.125*	.123*	.179**
	Engaging	.320**	.119*	.147**	.298**	.212**	.176**	.272**
Working On the Business	Accountability	.250**	.108*	.098	.154**	.069	.143**	.176**
	Motivation	.373**	.042	.164**	.219**	.074	.219**	.243**
	Strategy	.250**	.057	.130*	.204**	.107*	.130*	.191**
	Innovation	.243**	-.001	.169**	.196**	.018	.154**	.178**

Note. * $p < .05$; ** $p < .01$; Correlations corrected for criterion unreliability; AWA = Emotional Awareness; DET = Emotional Detection; REG = Emotional Regulation; INF = Emotional Influence; EXP = Emotional Expressivity; EMP = Emotional Empathy.

Statistically significant correlations are in white

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