

# Leadership Competencies and Organizational Performance: Review and Proposed Framework

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## **Abstract**

Leadership competencies are the skills of a leader that contribute to superior performance. By developing leadership competencies, organisation can better identify and develop their next generation of leaders. Leadership competencies can be developed by mastering multiple intelligences which are essential to all leaders. In this paper the multiple intelligences is focusses on social intelligence, emotional intelligence, cognitive intelligence, interpersonal intelligence and intrapersonal intelligence. The study is significant to an individual who is a leader of an organization or anyone for improving the leadership skills by mastering multiple intelligences It will also give feedback to the top management of the organisation the extent of their awareness of the impacts of leadership competencies towards the organisational performance.

**Keywords:** Leadership competencies; Social intelligence; Emotional intelligence; Cognitive intelligence; Interpersonal intelligence; Intrapersonal intelligence

## **1. INTRODUCTION**

Leadership helps an organisation to maintain its singular focus on its operations, as too many individuals can affect the smooth running of an organisation as everyone is attempting to make decisions. Leadership impacts on organisational performance can be either negative or positive. Leadership competencies can be developed by mastering multiple intelligence. The theory of multiple intelligence has been introduced by Dr. Howard Gardner (1983).

According to Blaire (2012), intelligence does matter for leader development. The effectiveness of leadership can be measured by the organisational outcomes, and it is a common function of a leader's behaviour. The consideration of substantive factors are will make the intelligence and painstakingness are differ among individual that seems important for transformational leadership and that indirectly impact the leadership effectiveness, that would also affects the organizational performance. Among all suggested intelligence, the author intended to find out suitable intelligence for leadership and its influence to organizational performance. The aim of this paper is to proposed a framework for leadership compencies and organizational performance. In order to achieve this aim, we review previous study on related topics to identify the variables and limitations for the development of the framework. The remaining section in this paper is Section 2 is literature review. Section 3 is conclusion.

## **2. LITERATURE REVIEW**

Not all intelligence proposed by Gardner (1983) suitable for leadership competencies. Aside from the proposed theory, there are many other intelligence that is more suitable in order to develop leadership competencies. This paper intended to create a conceptual framework to relate multiple intelligences that include social intelligence, emotional intelligence, cognitive intelligence, interpersonal intelligence and intrapersonal intelligence; with the organization performance.

### **2.1 Social Intelligence**

The definition of social intelligence as suggested by Canter & Kihlstrom (1987), as being collected information of people and behaviour chronology within particular settings. It comprises the rules that present to the use of information and action planning. There are arguments that successful leaders have a high standard of social intelligence that results in perceptions of social needs accurately and the good choice of appropriate behavioural responses (Kenny & Zaccaro, 1983; Zaccaro, Foti, & Kenny, 1991). Further, a leader with social intelligence is able to give various feedbacks along with situational demands. The stemmed competencies from standard social intelligence are vital both for the interpretation of social problems and for the following generation and execution of effective solutions (Mumford, Zaccaro, Harding, Fleishman, & Reiter-Palmon, 1991).

Bass and Zaccaro (2002) defined social intelligence as the capability to diverse social circumstances by reading and adapting to the situation. Leaders who are socially intelligent need to hold the attributes to discover the required expertise for the task besides making themselves aware to understand social signs, and handle their actions to be appropriate to influence the relevant views of others within the group members. It is stated that “alertness to the surrounding environment and understanding of situations are intimately associated with leadership ability” (1948). Two criteria that need to be possessed by a true successful leader are behavioural flexibility and social perceptiveness. The skills are necessary for a leader in order to responds to the necessary social situations that vary. Bass (2001) stated that a leader who have gained a strong social intelligence would have the traits characteristics and the traits comprise capacity for status, stress tolerance, sociability, self-confidence, oral communication skills, and organizational problem solving social dynamics of understanding (Bass, 2001). Conger and Kanungo has introduced a behavioural model of charismatic leadership. The first step of the model presuppose the status quo of the leader measurement of the existing state of situation. Conger (1999) stated that based on the model, to be a leader with good charisma, one should be able to estimate the “inclinations, abilities, needs, and level of satisfaction experienced by followers” accurately.

### **2.2 Emotional Intelligence**

The topic on emotional intelligence has been popular among leadership researchers. There are many related articles written to study the relationship between emotional intelligence and leadership. The definition of emotional intelligence is the realization and capability to manage the emotions of others, and to understand their emotions (Caruso et al.,

2001; Goleman, 2000). This intelligence consists of the abilities to recognize the internal emotions, facilitate actions using emotions, to get the definition of emotional cues and to understand it, and also to control other people's emotions. Besides that, the definition refers to the traits for instance, sensitivity, awareness, empathy, and conscientiousness of other people requirement (Bass, 2001). Other than that, emotional intelligence has been the centre of study to investigate the connections between exhibition transformational leadership manners and the facets of intelligence.

In general, studies on emotional intelligence found that this intelligence is significant to be a forecaster of transformational leadership methods (Hartsfield, 2003; Sosik and Megerian, 1999, Mandell and Pherwani, 2003; Ashkanasy and Tse, 2000). However, inconsistency in results has been found from the specific facets of transformational leadership. To be more specific, a leader who takes an interest in each staff in an individual level is viewed as individually considerate, in both professionally and personally way, also of the requirement of individual followers. For an effective exhibition of this element, leaders who going to transform the organization must have the capacity to recognize or to relate with others emotionally and furnish instinctive insight and counsel where suitable.

### **2.3 Cognitive Intelligence**

From various opinions, cognitive intelligence is the skills related to intellectual skill and problem solving skill. Leaders must be mentally sharp in orders to inspire people and this is crucial to bring the productive change and solve problem creatively. As a leader, one must have the skill to think critically especially in decision making process. Cognitive intelligence includes aptitudes, for instance, to deal with conceptual abstract and complicated problem solving. In addition, cognitive intelligence appear to be most likely explain a leader's capability to intellectually boost the companions. For an individual to become an effective leader, a strong problem solving skill is needed as to act as a role model who become a successor going through a string of problem solving. Other than that, the skill is needed in order to confront the objective reasoning abilities, and lastly to determine the needed resources to permit work from others innovatively and creatively. To put it differently, a leader himself should possess the cognitive intelligence so that he can encourage a meticulous-problem solving and creativity in his support staffs. It will be hard for a leader to stimulate and challenge others' cognitive ability without having a strong cognitive skills.

Boyatzis (2009) came out with the empirical framework for cognitive intelligence whereby it is the system thinking that perceiving multiple casual relationships in understanding an event. It is said that leaders with high cognitive intelligence are able to make a good decision and can lead the organization to success. According to cognitive intelligence focus, decision making can be good by assembling all the relevant data, analysing it and then using logical reasoning to come up with the best plan of action. It's all about how the way the leader think. Based on Martin Luther's King characteristics, it can be seen that there is a connection between cognitive intelligence and leadership. There are five cognitive factors that has been suggested which are: 1) Openness to experience, 2) farsightedness and conceptual thinking, 3) knowledge of the business group and task, 4) creativity and, 5) insight into people and situation.

## **2.4 Interpersonal Intelligence**

Gardner (1983) defined interpersonal intelligence as the capacity to understand and communicate effectively with others. It involves effective communication either verbally or non-verbally, sensitivity to moods and temperaments, and the ability to understand multiple viewpoint. Interpersonal intelligence is particularly needed by a leader as it is the capability to understand people's intentions, motivations, and desires. This intelligence allows individuals to work well with others. For today's leadership in organization, it is important than ever to have strong interpersonal skills. Several recent studies cite interpersonal skills as a critical element in the selection of leaders in today's organizations. Organizations that used to rely on command and control now rely on empowerment and commitment. Building interpersonal working relationships is discussed.

Interpersonal intelligence is require by a leader to manage the key areas of build a team-oriented employee. There are 3 focuses area which include to get supports from top management for teams, the motivational surroundings for which the leader is responsible, and handling difficulties that about to happen. From the focused area suggested, there are 3 stages to win the executive responsibility to teams is developed. The first stage is to educate the senior officials in the team learning. Secondly is to show them how the work will be done by the teams and last stage is to keep them thoroughly enlightened on the status of the team's work at all times. Interpersonal intelligence or human skill, is the leader's potential to work with other people and this includes all management level such as subordinates, peers, and superiors; they have to skill to help people to work cooperatively toward a common goal of the organization. These skills include motivating employees, communication and active listening, persuasion, and building trust (Kearns et al., 2015).

## **2.5 Intrapersonal Intelligence**

From past study, it has been found that intrapersonal competencies is the companion of interpersonal skills hold by leaders. The professionals have considered that intelligent quotient (IQ), or easily understand with the term general intelligence, grants to less than 25% of one's holistic outcome success. In contrast with leaders' cognitive capabilities, the bigger dimensions to which leaders are able of recognizing and fulfilling job satisfactory needs of the staff can be a noteworthy criteria of their emotional intelligence. Organizational performance can be impacted by the staff's sense of job satisfactions and there is a few research found out that the intrapersonal intelligence of a leader can be a factor that lead to this positively.

Self-acknowledgement is essential for a leader in order to approach their own feelings and for them to be able to distinguish and draw upon a guiding actions in their organisations. More emerging research need to be studies on intrapersonal intelligence of. Intrapersonal competencies give the power to a leader in order to "detect and symbolize complex and highly differentiated sets of feelings" (Gardner, 1983) in enhancing the personal behaviour to inscribe the satisfactory requirement of the staffs. Intrapersonal intelligence also consists of the assessment and knowledge of individual personal feelings (Taylor & Bagby, 2000). There are six keys of interpersonal competencies of collegial leaders identified by Manser (2005). The keys

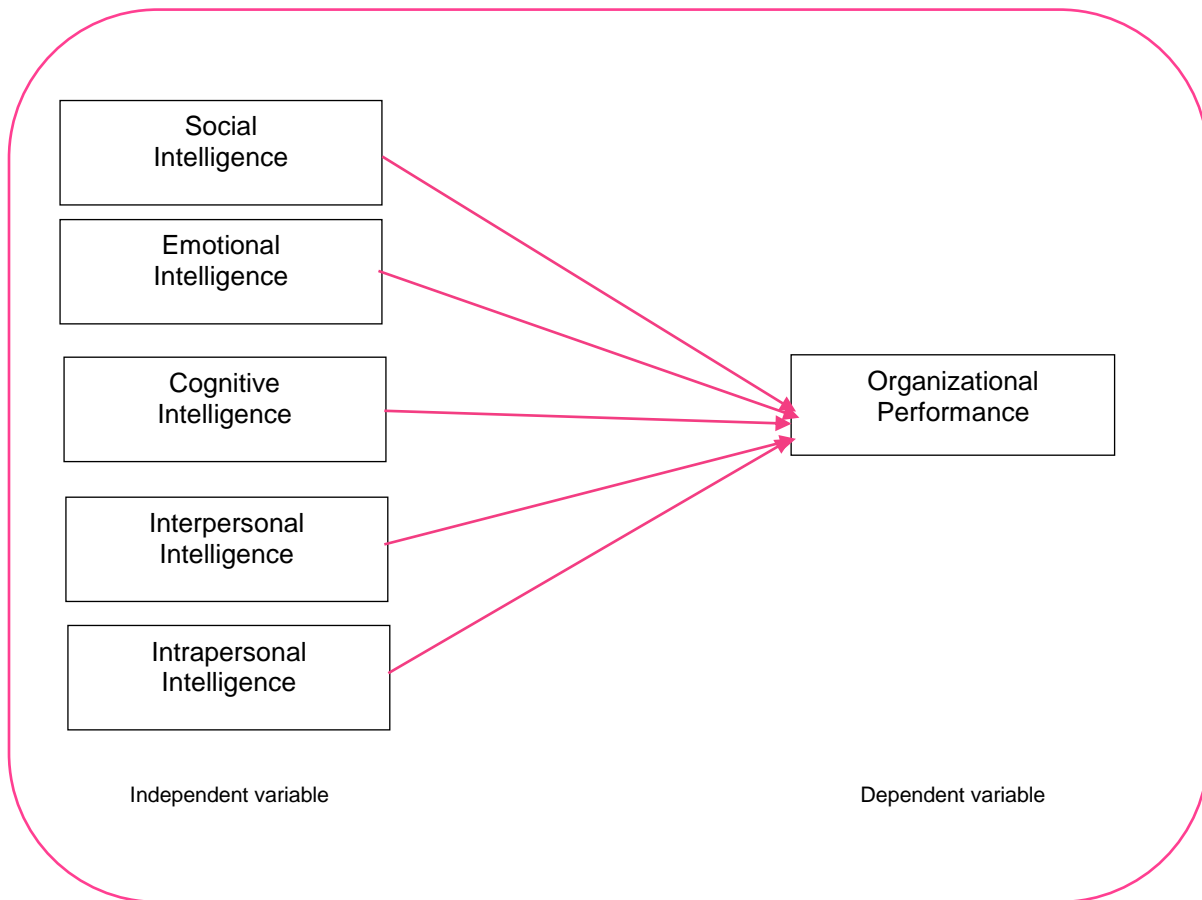
are optimism, self-expression, self-awareness, self-confidence, self-control, and adaptability (Singh, Manser & Dali, 2013).

## **2.6 Organizational Performance**

Academics and practitioners have been attracted by the topics of relationship between leadership and organizational performance and it has been considerably interest from both. Leadership and organizational performances are said to be linked together which is claimed by most of the researchers who have most interest in both area. McGrath & MacMillan (2000) report that there is significant relationship between leadership and organizational performance (as cited by Ojokuku, Odetayo & Sajuyigbe, 2012). Organizational performance is the ultimate dependent variable of interest for researchers concerned with just about any area of management (Richard et al., 2009). The successfulness of an enterprise in term of achieving their objectives is determined by organizational performance (Venkatraman & Ramanujam, 1986; Hamon, 2003). The criteria measured are the efficiency and effectiveness of goal and objective achievement.

Robbins & Coulter (2002) and Schermerhorn et al. (2002) stated that performance refers to the quality and quantity of individual or group work achievement. Garcia-Morales et al. (2010) in their research found that there is a positive relationship between leadership and organizational performance. The leadership style analyses, modifies, and drives systems, designing them to share and transfer knowledge through the process of organizational learning (Senge, 1990). Thus, it is engaged and driven to organizational learning (Senge, 1990), making anything necessary available to overcome the challenges that might impede learning process (Wick & Leon, 1995). The purpose of organizational learning study is to create a path for the experts to obtain aptitudes or competencies that present benefits that can be sustained through innovation (Senge et al., 1994).

The framework in Figure 1 shows the independent variable and dependant variable in this study. The independent variables are assumed to give impact to the dependant variable. In this study, the independent variables are social intelligence, emotional intelligence, cognitive intelligence, interpersonal intelligence and intrapersonal intelligence. On the other hand, the dependant variable is organizational performance.



**Figure 1: Conceptual Framework of Leadership Competencies and Organizational Performance**

### 3. CONCLUSION

Leadership can directly or indirectly impacts organizational performance, depends on the competencies mastered by the leader. A good leader should have all needed leadership in order to direct the organization towards the goals so that the organization can become successful. The development of leadership skills can be done by mastering multiple intelligence. The suggested intelligences needed by a leader are social intelligence, emotional intelligence, cognitive intelligence, interpersonal intelligence and intrapersonal intelligence. The traits of each intelligence can help to build good leadership skills and competencies. Once the intelligences being mastered, it is assumed that the organization will be run well under the management of good leader that can impact the organization positively in future.

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