EMOTIONAL INTELLIGENCE OF LEADERS:
The paradigm of building success

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Abstract: Emotional intelligence (EI) is, today, a paradigm for recognizing and regulating leaders’ emotions, and is a core component of successful leadership. The ability to focus one’s emotions on the closest associates and employees, in the right way and at the right time, is eo ipso feeling for the moment when the organization needs immediate changes and for shaping all aspects of business with the demands of a turbulent environment.

If a leader has a lack of emotions or uses them in an incorrect way, ie does not make the right strategic decision and gives wrong information about it to associates and employees, devastation and dissolution of organizational success and economic parameters can occur.

The leader and his closest associates (co-leaders) must have a high degree of EI in order to properly understand their employees and their emotions, and to be able to choose a leadership method adapted to given situations, and also useful for members of the wider community.

Keywords: emotional intelligence, leadership, logical intelligence, leadership competencies, case studies.

1. INTRODUCTION

Emotional intelligence (EI) is the ability to monitor and distinguish one’s own and others’ feelings and emotions, and to use that information as a guide for reflection and behavior. This is just one of the definitions of emotional intelligence, which in the field of leadership no sooner than the 90s gained a deserved place in scientific research, which revised the previous understandings of intelligence. The subtype of social intelligence from Gardner’s theory of multiplied intelligence and Sternberg’s theory of (practical) intelligence was used as a theoretical basis. However, the foundations of emotional intelligence go back to the 1930s and Thorndike’s theory of social intelligence. Today, one cannot, in any organization that is of international or regional character and with a large number of employees, talk about its success, and not take into account a leader who must have a high level of emotional intelligence in order to understand his associates and their emotions and be able to choose leadership methods adapted to a given situation. If they are not emotionally intelligent enough, leaders might give inadequate direction to their employees and associates.

This kind of wrong approach can be devastating to the success of a given project, task and goal. It is important to understand that being emotionally intelligent does not mean tolerating the reluctance or illicit behavior of followers, but that it is necessary to know your associates and your own people, in order to adjust your approach according to the given circumstances. This type of intelligence contributes to associates being active as well as trusting their leader. The leadership task is to develop, in addition to the development of the emotional intelligence of individuals, the emotional intelligence of teams, ie their citizens, if they are leaders who have political power. Modern leadership is based on teamwork and distributive leadership. Many
studies show that decisions made by teams or through democratic elections are superior to decisions made by individuals.

Unlike intelligence understood in the classical way (IQ), logical intelligence, which can be measured by intelligence tests, and which remains relatively stable and unchanged during the life of individuals, emotional intelligence (EI) can be improved and enhanced. However, there are other opinions that will be discussed later. In addition to logical intelligence and emotional intelligence, in recent years some authors from academic, professional and economic circles, also mention the concept of spiritual intelligence (SQ), to which we would add the concept of analytical intelligence (AI). Effective leaders have clearly developed all forms of intelligence from which a clear conclusion can be drawn that there is a connection between the success of a company, party and society and the level of intelligence of its leaders. Each of these forms of intelligence affects leadership competencies in a special way.

2. HISTORY OF EMOTIONAL INTELLIGENCE

The concepts of intelligence have evolved over the last 100 years. Thomas Kuhn in his significant paper The Structure of Scientific Revolutions (1970), says: The paradigm is an object for further articulations and specifications in new or stricter conditions. According to him, the criteria of the EI paradigm show signs that the state of its scientific maturity has been reached. However, time as a relevant measure of the validity of all business actions in generating goals, shows that the research in that this area, and especially the emotional intelligence of leaders, is just beginning, and that the 21st century will be the period in which academic and professional circles will complete EI as a scientific theory.

It took several decades to reach the current position. In the field of psychology, the roots of EI theory go back to the 1920s. Edward Thorndike (1920), a professor at Columbia University, was one of the first to identify EI and call it social intelligence. He states that individuals have different amounts of different intelligences. Social intelligence is the ability to understand and manage men and women, boys and girls, and to act wisely in human relationships (Thorndike, 1920).

In 1937, Robert Thorndike and Saul Stern attempted to measure social intelligence and identified three different areas:

- a First, it encompasses the attitudes of individuals towards society and its various components: political, economic and values, such as behavior.
- a Second, it includes social knowledge, knowledge of sports, politics, and overall, general knowledge of society. This area is related to information about society.
- a The third area of social intelligence is the area of action of an individual with his introverted and extroverted behavior that can be measured through appropriate questionnaires (Thorndike & Stern, 1937).

In 1926, Stern and Thorndike developed the well-known George Washington Social Intelligence Test questionnaire. It measured, e.g. decisions of individuals in certain social situations, then the ability to identify emotional expression (measured through the ability to read emotions from an individual’s face). Thorndike and Stern concluded that social intelligence is a complex of several different abilities, or a complex of a huge number of specific social habits and attitudes. They started from the assumption that further research, through tests and films, would be closer to real social reactions and would shed more light on understanding the process of managing people.

For the next half century, psychology was the dominant paradigm of behavior on the one hand, and IQ (logical intelligence) on the other. Emotional intelligence was completely neglected. Figure 2.1 shows the evolution of both concepts of intelligence over the last 90 years.

David Wechler (1952) continued to develop his widely accepted model of logical intelligence (IQ), but he also respected affective capacity as part of human behavior and ability (Wechler, 1952). David Wechler wrote in 1943: We cannot expect to measure total intelligence as long as our tests fail to include some measures that that belong to all intelligence factors (Wechler, 1958).

His concept was largely forgotten until 1983 when Howard Gardner set up a model of multiplied intelligence.
Gardner has great credit for the renewed interest of the academic and professional public in emotional intelligence. His model of multiplied intelligence includes two types of personal intelligence, interpersonal and intrapersonal intelligence, which can be viewed as an elaboration of the role of emotions in human behavior. *Gardner* defined seven new categories of intelligence:

- Verbal / linguistic
- Logical / mathematical
- Visual / spatial
- Musical
- Kinetic / physical
- Interpersonal
- Intrapersonal (*Gardner, 1983*).

*Reuven Bar-On* (1988) was the first to attempt to evaluate EI in terms of measuring well-being. In his doctoral dissertation, he used the new term *EC - emotional quotient*, long before this term gained wide popularity under the name of emotional intelligence.

In 1905, *Alfred Binet and Theodore Simon* conducted the first intelligence test with the help of the French government, which was intended to test the intelligence of school-age children (*Strickland, 2001; Wolf, 1961*). In 1916, *Lewis Terman* constructed the Stanford-Bine intelligence scale - the most famous and most used intelligence test in the United States to date. He performed the first major test check in 1918, during the First World War, when IQ testing covered 1.7 million US soldiers - army alpha and army beta test (*Minton, 1988*). In 1958, in addition to the already mentioned WAIS test of intelligence for adults, *David Wechsler* also constructed the WISC test of intelligence for children (*Kaufman, 2009*).

Despite fierce resistance, in 1990 the notion of emotional intelligence of *Mayer and Salovey* was accepted as a pioneering work that would in a long term shake up the previous way of thinking about intelligence.

Obviously, with the appearance of emotional intelligence, the time has come to re-discuss the need to strengthen the leadership role of presidents and board members in global companies, through choice: vision of change, mission, values, corporate goals and strategy. In that way, the task of top management and other management teams would be focused on creating strategic change, ie focusing on change management. Focusing on strategic thinking and implementing change creates the need to find competent members for the board of directors and management teams (*Dželetović, Mašić, Nikolić, 2016*).
3. THE IMPORTANCE OF EMOTIONAL INTELLIGENCE AND THE LEADERSHIP CONTINUUM

Emotions are organized mental responses to an event, which have a psychological, experiential and cognitive aspect. Emotions are also bio-physiological reactions that are activated by a certain stimulus, and occur in the context of the relationship between individuals and other people. As interpersonal relationships between people change, so do the emotional reactions of one person to another.

The concept of emotional intelligence is a continuation of one of two psychological approaches to interpreting the relationship between emotion and logical thinking. According to one point of view, emotions and logical thinking are opposite to each other, that is, emotions interfere, misdirect and generally negatively affect the attempts of rational human functioning. The second view starts from the premise that emotions and logical thinking are part of the same continuum that contributes to rational and emotional functioning in many aspects of human behavior. Emotional intelligence and rational thinking do not exclude each other, but simply represent a combination of both. It is a victory of both heart and head (Mihaïlovic, Ristić, 2011).

The fact is that in phylogenetic and ontogenetic development, emotionality is far older than rationality, but only recently has this relationship entered the focus of study. Until the 90s, psychology mainly focused on only one intelligence - intelligence that refers to the speed and ability to cope with new situations, that is, classical, rational, academic intelligence. Ever since the construction of the first tests (Bine & Simon, 1916), it was considered that the height of the intelligence coefficient (IQ) determines how much success someone will achieve in life and work (Mihaïlovic, Ristić, 2011). The question is, does IQ mean stronger success than EI? Emotional intelligence has become a new measure that determines success and satisfaction in a person’s life. The question we asked can also be of an academic nature, because in life there is always a causality between rational thinking and emotional intelligence. Figure 3.1 shows the further growth and importance of emotional intelligence, both its study in academic circles and its use in practice.

![Increased interest in EI](Source: Dattner, 2007)

The relatively new concept of emotional intelligence underwent many examinations before it was accepted as an equal element in the interpretation of a person’s general intellectual ability. Even today, critical reviews, especially of the justification and inaccuracy of emotional intelligence, have not subsided. But today, no one asks the question whether emotional intelligence exists, but whether it is important in different areas of life.

Even Albert Einstein objected to overestimating the importance of rational intelligence: It is not enough for a person to specialize in something by learning. Through specialization, a person becomes a kind of useful machine, but not a harmoniously developed person. It is necessary for the student to understand what he is learning, to feel the values of beauty and moral good. Specialized knowledge is more appropriate for a well-trained dog. The overemphasis on specialization and the competitive system kills the spirit on which culture is based (Albert Einstein, 1952). In this conversation with one of the New York Times journalists, Benjamin Fine, the famous physicist as early as 1952 assessed the importance of emotional intelligence for...
the future in interpersonal relationships: *We must be careful not to create God out of intellect.* The intellect is certainly powerful, but it is impersonal. It cannot lead but only serve. He goes on to say: *Man must learn to understand the motives of human beings, their illusions and their sufferings, and to build a proper relationship with the people he meets, and with the human community (Albert Einstein, 1952).*

The importance of emotional intelligence for the organization and development of new jobs was also noticed by the US Department of Labor, which uses corporate surveys on emotional competencies as a criterion for new temporary employment. Also, the non-profit global organization Graduate Management Admissions Council, which is a global leader in connecting talents and their aspirations to realize new opportunities, conducts surveys and tests in companies in which emotional intelligence has a dominant influence on advancement. A longitudinal study for Harvard graduates and foreign officers studying in the United States showed that the results of the entrance exam are not a prerequisite for achieving a successful career, but only a basic employment opportunity.

In 1980 Daniel Goleman and consulting firm Hay / McBer conducted a test for a hundred executives in 15 global companies, including Pepsi, IBM and Volvo, and found that 2/3 of executives ’competencies, which are essential to a corporation’s success, come from emotional competencies. Daniel Goleman analyzed 181 jobs in 121 organizations and found that emotional competencies were the best differentiator between excellent and standard work.

The importance of emotional intelligence also stems from the ability to spot disorders, errors, and failures that also occur in organization and employee relationships. The Center for Creative Leadership Study, highly regarded on a global scale, found, in one survey, that rigidity, bad relationships and inability to lead teams are the most commonly identified disorders in leaders.

Egon Zehnder International, an organization for leadership, consulting and leadership strategic service, found in one study that managers who made mistakes in teamwork had a high level of expertise and intelligence, but many of them were arrogant and despised teamwork.

We can conclude that between extremely successful people in high leadership positions and their followers whose results were average, there is about 85% of the difference that can be attributed to emotional intelligence factors rather than logical abilities and expertise. From this it can be understood how important feelings are in everyday situations that leaders encounter, communicating with other people, and most importantly how much emotional intelligence influences decision making.

Simply put, emotional intelligence is the ability to recognize feelings, their clear understanding, the ability to control emotions, their use in the communication process, in which there is special importance expressed by empathy for co-workers, as the bearer of the most positive ideas, leadership vision and mission that are evident from the set goals.

One way to assess the impact of personality traits on leadership is to use emotional intelligence, which has become an important area in the study of leadership behaviors since the 1990s. From that time until today, many research studies have been published on this topic, but also many analysts have researched the specific relationship between emotional intelligence and leadership, especially in large companies (Caruso & Wolfe, 2004; Goleman, 1995; Goleman, 1998; Mayer & Salovey, 1995; Mayer & Salovey, 1997; Northouse, 2016; Mayer & Salovey & Caruso, 2000; Shankamm & Allen, 2008; Nikezić, Dželetović, 2017).

The very notion of emotional intelligence (EI) indicates a connection with our emotions (effective domain) and thinking (incognitve domain) and the representation of the relationship between them. While logical intelligence deals with our abilities - *we learn* information - and its application in life, emotional intelligence refers to our ability to understand emotions and apply them in life.

4. CONTEMPORARY APPROACHES TO THE EI PARADIGM

In 1990, Peter Salovey and John Mayer were the first to expose their theory of emotional intelligence to the public. In their work, as a theoretical basis they used Gardner’s theory of social intelligence, a subtype of his multiple intelligence (Howard Gardner, 1983), and Sternberg’s triad theory of intelligence, which is based on: analytical (sub) theory, creative (experimental) (sub)theory and practical (sub)theory (Sternberg, 1985). Perceptions of multiple intelligences emerged in the 1980s.

The basic model of the structure of the process of emotional intelligence, in Salovey and Mayer, includes the following (Salovey & Mayer, 1990):
a) assessment of the expression of emotions in oneself and in others,
b) regulation of emotions in oneself and in others, and
c) the use of emotions in order to achieve quality interpersonal relationships.

Over the course of further research, in the following decade, theorists generated several different EI models, including the elaboration of their own theory by Salovey and Mayer. The theory formed by Salovey and Mayer (1990), as well as further elaboration by Mayer, Salovey, and Carus (2000a, b), provides a framework for studying EI within the intelligence model.

Reuven Bar-On (1988) explored EI in the context of personality theory, as a specific model of well-being. Goleman formulates EI in terms of performance theory (1998b). His EI model is based on performance theory and has direct applicability in the domain of work and organizational effectiveness, especially predicting excellence in jobs of all kinds, from sales to leadership.

All EI models basically also have a common core of a unique concept. Emotional intelligence, in the broadest sense, refers to the ability to recognize and regulate one’s own emotions and the emotions of others through four main areas of EI: self-awareness, mood management (self-discipline), cognition of social consciousness (society) and management of interpersonal relationships.

Of course, these four main areas, through different periods of new knowledge of EI, had different versions of the names, with different authors.

Gardner (1983) calls self-awareness and self-discipline intrapersonal intelligence, and social awareness and relationship management interpersonal intelligence. Also, with some authors, there is a difference between emotional intelligence and social intelligence starting from EI as personal capabilities of individuals that are reflected through, e.g. impulse control, and social intelligence is viewed as a relationship between acquired skills (Bar-On, 2000).

There are three main models that can be singled out in the interpretation of emotional intelligence (Mihailović, Ristić 2011):

- Emotional intelligence as a model of ability (competence),
- Emotional intelligence as a model of traits (performance), and
- Integrated model of emotional intelligence.

Education programs have sought to use EI using the terms social and emotional learning or SEL (Social-Emotional Learning) (Shayer & Salovey, 1997). The EI model appears to be very influential in psychology as well. The range of psychological fields in the EI model ranges from neuroscience to health psychology. Among the areas with the strongest influence of EI are: developmental, educational, clinical, counseling, social, industrial and organizational psychology (Cherniss & Goleman, 2001, 2011).

EI offers a positive model for psychology and has implications for possible solutions to many of today’s problems—preventive activities in physical and mental health—effective intervention in schools, communities, businesses and organizations (Seligman & Csikszentmihalyí, 2000).

Emotional intelligence can be defined as the ability to perceive one’s own emotions; to use them, to facilitate thinking, to understand emotions, reasons for emotional behavior and to effectively manage our own emotions in relationships with others (Northouse, 2016).

There are several ways to measure emotional intelligence. One of the first and significant is the MSCEIT scale (Mayer-Salovey-Caruso Emotional Intelligence Test). MSCEIT measures emotional intelligence as a set of mental abilities, indicating the ability to perceive, facilitate, understand and manage emotions.

Goleman has a broader approach to emotional intelligence, suggesting that it consists of a series of personal and social competencies. Personal competencies are: self-knowledge and self-discipline, and social are: social awareness and management of interpersonal relationships (Nikezić, Dzeletović, 2017).

Shankman and Allen have developed a practical model of emotional leadership, which suggests that leaders must be aware of three fundamental aspects of leadership: context, self, and others. In the model of emotional leadership, they defined 21 capacities that leaders should pay attention to, including group intelligence, optimism, initiative and teamwork (Shankman & Allen, 2008; Northouse, 2016, Nikezić, 2020).

Even today, there is a debate about the real value and role of emotional intelligence in practice. That is, how much emotional intelligence helps people to be successful in life. Some researchers, such as Goleman, have pointed out that emotional intelligence has a crucial impact on people’s success in their progress. (Goleman, 1995a).
Others, such as Mayer, Salovey and Caruso, attach a little less importance to emotional intelligence in the face of human life and work challenges (Mayer & Salovey & Caruso, 2000b).

As a leadership ability and trait (competencies and performance), emotional intelligence is an important construct. The basic premise suggests that this framework in the organization, party or society, views leaders as emotionally sensitive to their own emotional states, as well as to the emotional states of followers and associates that they can positively or negatively influence. 

Therein lies the power of emotional leadership.

Further research should provide a better understanding of the impact of emotional intelligence on leadership, in order to resolve certain concerns (Northouse, 2016; Nikezić, 2020).

The concept of EI and the promoters of this approach, who emphasized the importance of emotional intelligence in the daily life of an individual and his work, very often had to defend themselves, through their greatest advocates, on a theoretical-methodological approach that tried to correct the shortcomings of logical intelligence. Namely, in the classical tests of intelligence, since Alfred Binet, the following shortcomings have been noticed:

• Neglect of the situational factor; realistic structures in the organization and environment.
• All the necessary information for solving the problem is given in advance, which in practice is not a reality, because the changes are constant and require finding always new long-term goals, through a sustainable vision and mission, in the organization and society.
• There is not only one solution, as it is claimed in the tests of logical intelligence. A high IQ obtained by solving tests is not a prerequisite for success in management and leadership in the highest leadership positions, but only a prerequisite for successfully solving technical problems in the organization.

The theoretical-practical approach to leadership from the position of EI in the 21st century is in the phase of more rational study, after a turbulent period of research, challenge and enthusiastic confirmation during the 90s.

The conceptual approach of EI, therefore, after a time of expansive popularization, entered a phase of a deeper and calmer period of study. Even today, great attention is aroused by the enthusiasm of its creators, especially Daniel Goleman, who suggests, as well as Spencer, the great importance of EI (about 85%) for success in the highest corporate positions (Spencer & Spencer, 1993; Nikezie, Dzeletović 2017). Emotional leadership is, for them, the energy that leads to the fireworks of success or the burning of failure. Anything that is not validly explained by logical intelligence through the IQ test can be explained by EI through the EQ test.

In academic communiy and professional practice, the acceptance of this standard has fewer and fewer a priori critics. Emotional intelligence explains 70% of success in school and life, that is, it explains everything that classical intelligence tests fail to explain (Roberts & Zeidner & Matthews, 2001).

Emotions are important, complex and sophisticated information and thoughts that provide the leader with various opportunities to make effective and efficient decisions through EI, which have a positive effect and permeate all segments of organizational life.

Daniel Goleman provided a unique answer in the field of determining the key criteria for standardization of the scale and the effect of EI on general and specific cases. He has succeeded, from a professional-consulting basis, in global companies, in shaping the EI approach as one of the key factors of leadership.

The most common and most serious objections from opponents of the concept and theoretical approach of EI are:

• Poor reliability of some scales (Mayer-Salovey-Caruso), crucial for measuring EI, especially in explaining complex human traits.
• There is no consensus among key proponents of EI theory about how to use and the level of usefulness of EI in cases of highly positioned leaders on the corporate ladder.

5. ASSESSMENT OF EMOTIONAL INTELLIGENCE: FIVE COMPONENTS OF A JOB

In the context of interpreting leadership skills, Daniel Goleman, through leaders, managers and employees who have a high degree of emotional intelligence, defined five components of emotional intelligence that are expressed at work through: self-awareness, self-control (self-discipline, self-regulation), motivation, empathy and sociability (social skills).
Goleman states: IQ (logical, cognitive intelligence) and technical skills are important, but emotional intelligence is a sine qua non of leadership (Goleman, 1998b). Goleman was the first to introduce the concept of emotional intelligence to the general public (researchers had used this term before him, which we already wrote about at the beginning) in his 1995 book, entitled Emotional Intelligence. Also, in his paper What Makes a Leader? in HBR magazine, he is the first to assess the possibility of applying the concept of emotional intelligence in business practice.

A new controversy among leadership theorists, after the publication of his papers, was about the already mentioned question: is a person born with a certain level of empathy or does it develop with experience?

There is no unambiguity and certainty in the answer to this and similar questions. The proportions of innateness and the acquisition of emotional intelligence will remain in question for a long time to come. Goleman believes that emotional intelligence is a developmental trait of a person and is synonymous with maturity and experience.

In his research in about 200 large, global companies, Goleman found that qualities that are proportionally related and associated with leadership such as: intelligence, firmness, determination and vision, are mandatory for leadership success, but insufficient. Effective leaders are characterized by a high degree of emotional intelligence, which includes: self-knowledge (self-awareness), self-control (self-discipline, self-regulation), motivation, empathy (understanding) and sociability (social skills). Apparently, these qualities (components) sound soft and unprofessional, but through them Goleman found a direct connection between emotional intelligence and measurable business results in organizations. And while emotional intelligence has become a relevant factor for doing a good job, the debate on this topic has continued to this day.

Goleman’s 1998 article in the HBR remains a definitive reference with a description of each component of emotional intelligence and a detailed discussion of how to recognize leadership potentials, how and why they relate to performance and traits, and how they can be learned.

The corporate task in large organizations is to identify individuals who can do the right things, who can be leaders, who possess a scientific and artistic trait, even more artistic than scientific.

Leadership components (competencies) can be developed through formal and non-formal education programs. Within formal education, programs for the development of leadership components in undergraduate studies are underrepresented, even within the faculties of economic, organizational, and managerial orientation; programs are aimed at acquiring knowledge, while the outcomes do not recognize the typical leadership components. The situation at higher levels of education, such as master’s, specialist and doctoral studies, is slightly better, as one can find courses aimed at developing leadership components (competencies). Within non-formal education, there are strategic development programs of companies, which are implemented through seminars, lectures and workshops; then program activities of numerous governmental and non-governmental organizations, as well as foundations (domestic and international); programs that emerge as an integral part of continuous professional development carried out by higher education institutions. In our country, the standardization of leadership components (competencies) is a big problem, because there is no single system of supply intended for the development of leadership competencies and thus there is a kind of chaos, which leads to a decrease in the quality of training. In some countries, such as the USA, England, Australia and Canada, as well as in the former Anglo-Saxon dominions (India, Pakistan, etc.), the situation is much better. (Đzeletović, Šoveljanski, Katić, 2015).

5.1 Five leadership components of emotional intelligence for running companies

Based on the research, Goleman defined five key components or skills that a leader, his associates and employees in companies should use for successful leadership: self-awareness (self-knowledge), self-regulation (self-control, self-discipline), motivation, empathy (understanding) and social skills (sociability), (Table 5.1).
Table 5.1 Five leadership soft components of emotional intelligence for running companies (Source: Goleman, 1998b)

<table>
<thead>
<tr>
<th>EI components</th>
<th>Definition</th>
<th>Key competence elements</th>
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<tbody>
<tr>
<td><strong>Self-awareness</strong> (self-knowledge)</td>
<td>Ability to recognize and understand one’s own moods, emotions and actions; ability to influence other individuals.</td>
<td>Self-confidence, realistic self-judgment, sense of humor on one’s own expense.</td>
</tr>
<tr>
<td><strong>Self-regulation</strong> (self-discipline, self-control)</td>
<td>Ability to control and redirect negatives impulses and moods; the ability to think carefully before making a decision.</td>
<td>Reliability and integrity; trust and wisdom; ability for ambiguity; dignity and wisdom; openness to change and diversity.</td>
</tr>
<tr>
<td><strong>Motivation</strong></td>
<td>A passion for work that transcends the desire for money or status; a tendency to pursue goals with energy and perseverance</td>
<td>Strong desire for success; optimism even in negative situations; organizational commitment.</td>
</tr>
<tr>
<td><strong>Empathy</strong> (understanding)</td>
<td>Ability to understand the emotional state of other people; skill in dealing with people in accordance with their emotional state.</td>
<td>Experience, ability and expertise in building and retaining talent; sensitivity to other cultures; positive attitude and helpfulness towards clients and customers.</td>
</tr>
<tr>
<td><strong>Social skills</strong> (sociability)</td>
<td>Knowledge and relationship management in the company and team building; the ability to find common ground and build closeness.</td>
<td>Effectiveness and efficiency in leading change; ability to persuade; expertise in building and leading teams.</td>
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In the conditions of transition and sale of companies in the Republic of Serbia, the new owners behaved in two ways, using empathy as one of the five soft components of EI in a job:

(a) in a gloomy speech, with a low degree of empathy, some stressed to the already frightened workers that the workers should prepare for dismissal, look for a new job, that they need new people who will know how to work and that this is no longer a failed socialist an enterprise, already new, propulsive capitalist, where reluctance is sanctioned, others, new owners, if they have a high degree of empathy (understanding), will not bring confusion and fear and drive the most talented workers away from themselves. They said that they would need time to adjust to the new situation, that they would inform the workers about their intentions regarding the dismissal, and that they would treat all of them fairly. In that way, they could keep the most talented and best workers and correctly direct the further work of the organization.

Empathy distinguished between these two approaches. The first owners cared only about their fate and were not able to consider the feelings of the anxiously affected workers. Others, intuitively know how these people feel, and have recognized those fears in their words. Owners with a high degree of understanding could become strong leaders, keep the best and most talented workers at work, and increase the performance and productivity of a failing organization. Empathy is the antidote, Goleman says.

Table 5.2 Understanding of emotional competencies (Source: Zurich HelpPoint)

<table>
<thead>
<tr>
<th>EI components</th>
<th>Definition</th>
<th>Features</th>
<th>Example</th>
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<tbody>
<tr>
<td><strong>Self-awareness</strong></td>
<td>Knowing one’s own emotions, strengths, weaknesses, orientations, values and goals and their impact on others.</td>
<td>• Self-confidence, realistic self-assessment, • desire for objective criticism, and • self-acceptance and a sense of humor at one’s own expense.</td>
<td>A manager knows how to get the best out of himself in a short period of time; in a quality way and in advance, plans the time for the work he needs to do.</td>
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<td><strong>Self-regulation</strong></td>
<td>Controlling or redirecting negative emotions and impulses.</td>
<td>• Reliability, • integrity, • persuasiveness with ambiguity and change.</td>
<td>When a team prepares a presentation poorly, its leader has a hard time resisting the urge to protest loudly. Instead, he explores possible reasons for failure. He explains the consequences of such a failure to the team and finds new solutions together with the team.</td>
</tr>
<tr>
<td><strong>Motivation</strong></td>
<td>Perseverance in the desire to achieve high results.</td>
<td>• Passion for work and new challenges, • high energy capacity, • optimism even in case of failure.</td>
<td>The investment manager in the company sees that for the third month now, his fund has been emptied due to the loss of the main client. Instead of blaming the client from an external, market-unpredictable environment, he decides to learn from experience and plan.</td>
</tr>
<tr>
<td><strong>Empathy</strong></td>
<td>Take into account the feelings of others, especially when making decisions.</td>
<td>• Expertise in attracting and retaining talent, • ability to develop others, and • sensitivity to overcome cultural differences.</td>
<td>An American consultant and his team are exhibiting a project for a potential client in Japan. Japanese investors are silent at the meeting after the presentation, and the consultant considers that as a sign of disapproval. One of the consultants’ associates reads the body language of Japanese investors and feels the existence of interest. He warns the chief consultant of this detail, the meeting continues and the job is won.</td>
</tr>
<tr>
<td><strong>Social skills</strong></td>
<td>Relationship management and directing people in the desired path.</td>
<td>• Effectiveness in managing change, • persuasiveness, • extensive networking, • building and developing friendships, and • Expertise in building and leading teams.</td>
<td>The manager wants his company to adopt a better Internet strategy. He looks for those who think the same as him and forms a team whose task is to make a prototype Internet site. At the same time, he convinces and makes alliances in other divisions of the company that they also participate in the project. His company embraces cost-cutting ideas and solutions and expands the company’s business and sets him up to lead a newly established Internet division.</td>
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5.2 The present and future of leaders at work in large companies
- the equilibrium of the components of emotional intelligence

Research has shown that there is a cause-and-effect relationship between a leader’s emotional intelligence and measurable business results. However, today, there is a problem of leadership in the world’s multinational companies. If a company works well and creates managers, it does not mean that it can simultaneously create the critical mass needed as a foundation to promote the leader and his role in creating the changes necessary for any company in unstable, market conditions. Leadership is in a particularly critical phase today. Managers make good use of their financial metrics, and try to do things the right way in their jobs. Using the right tools to measure the performance of each job, results can be easily determined. But leadership in an organization is not a position (function), leadership is an action.

Emotional intelligence describes the strong competencies that a leader has: integrity, passion, self-confidence, a sense of urgency and honesty, most of what a leader needs to build a compelling vision and a better future for himself and the organization. The next step is to look for people who want to participate in creating a new exciting vision together with him. The third step is to create a leadership program to identify future leaders. Table 5.2 provides an overview of emotional competencies with exact definitions, attributive features, and examples from practice.

Leaders, outside the time dimension of the present and the future, are tested on the topics of their own integrity and operations in unclear situations. Ambiguity (paradoxical thinking) is extremely important for leadership work in organizations. Mass production of the creation of excellent products according to the recipe of craft, master work with minimal costs is an example of a leader’s ability to keep two opposite ideas in his head and realize them at the same time; an excellent product with a reduction in unit costs (Arsovski, Nikezić, 2013b).

6. CASE STUDY: ASSESSMENT OF EMOTIONAL INTELLIGENCE OF THE MAYOR AND HIS CLOSEST ASSOCIATES IN THE REPUBLIC OF SERBIA

The assessment of the EI of the mayor and his closest associates in the Republic of Serbia was made on the basis of the results of research on five crucial components or skills of emotional intelligence for the management of municipal affairs and administration.

A Boston questionnaire was used (Clark, 2000; Weisinger, 1998; Chapman, 2003) that follows a five-point model of emotional intelligence. For each question, the field that is closest to the opinion of the tested person is circled. 25 questions were given, five for each component of emotional intelligence with four variations in each answer. The total sum of points shows the emotional and social knowledge and abilities of the tested persons (leaders) and their closest associates (co-leaders) to:
- be aware, understand and express themselves,
- be aware, understand and establish relationships with others,
- exercise their own internal control between strong emotions and their own impulses, and
- adapt to change and solve problems, personal or social in nature (Bar-On & Parker, 2000).

It is suggested to identify emotions, manage them in relationships with others, but also that they represent the basis for change and action, which shows flexibility and ability to solve personal and social problems in the organization and society (Barett, 2006). For leadership in municipalities, emotional intelligence is especially important as a skill in developing strategy, writing and speaking. Emotional intelligence (EI) accounts for 85% of what distinguishes an effective leader or manager with leadership aspirations from others (Gary, 2002).

In this specific study of the relationship between emotional intelligence and effective work in three municipalities in the Republic of Serbia, the task was to determine the level of EI in specific municipalities and how the mayor and his nine closest associates can recognize and use emotional intelligence to effectively regulate general and special needs of citizens. At the center of the research are the five listed, soft competencies of emotional intelligence in a job, taking the influence of each component individually.

As we have already said, the Boston EI questionnaire was used in order to develop a competency model, to help identify and further develop all five components of EI according to the non-formal education program (seminars, lectures and workshops).

The results of the research are given in the following graphs:
Graph 6.1. The results of measuring emotional intelligence in mayors through the quotient of five key components

Graph 6.2. Results of measuring individual components of emotional intelligence in mayors

Graph 6.3. The average results of measuring emotional intelligence over five key components in nine of the president’s associates

Graph 6.4. The average measurement results of the individual components of emotional intelligence of the nine presidential associates in each municipality
Through the analysis of the collected results we can establish the credibility of leaders and co-leaders in the process of efficient and effective management of the organizations, i.e. municipalities. In this case the results show the following:

1. **The mayor 1** has the lowest level of understanding and use of soft emotional competencies at work; in contrast, his associates have the highest score, that is, they have a far greater critical mass of emotional performance - a group of five competencies. The difference between the emotional components of leaders and colliders is in favor of colliders, which is not good for leading and managing the municipality. This municipality is in trouble, which shows the overall result in various activities (which we analyzed): economic, social, human resources management, cultural, sports, investment and financial.

2. **The mayor 1** shows the best result of the five researched components in measuring personal self-awareness (self-knowledge). He knows himself well. A high level of self-awareness enables him to control his emotions, recognize and control his own personality (he also shows a high level of self-control in research) as well as a high degree of sociability. He is aware of his strengths and weaknesses and often uses manipulation as a tool in managing social skills.

3. **The associates of the mayor 1** are aware of his good and bad sides. They have excellent self-control to adjust their behavior to the current leadership requirements in the process of realization of the set tasks, communicating with the president and reacting in the given situation, especially in cases when the mayor is in a bad mood and emotionally tense. Associates of the mayor 1 received the worst results for the component of emotional understanding of others (empathy). They accept the manipulative president of the municipality, but they have no emotional understanding for other people, nor for the citizens. This is one of the main reasons why this incoherent combination of leaders with underdeveloped emotional components at work and highly developed emotional performances of co-workers also exists.

It can be anticipated that this unnatural coalition will keep the municipal administration in its hands for a long time, because with bureaucratic means and manipulations in still insufficiently built democratic institutions, it uses media non-transparency and authoritarianism as something given for use only to a certain number of privileged people.

4. **The mayor of municipality 2** has the most developed emotional components, in relation to the other two presidents. His associates also have a high level of developed emotional components. Both the mayor and his closest associates have the least developed emotional skills, emotional understanding of others (empathy). All other components are at approximately the same level with the mayor and the associates.

5. **The leader and co-leader in municipality 2** lacks understanding for others, instability in building and maintaining tact and sensitivity towards others, reality of self-judgment, ability for ambiguity, strong desire for success, ability to persuade and expertise in building and leading teams.

**Mayor 3** has a better configuration of soft emotional components than his associates; self-awareness, self-control and self-motivation are most pronounced in him. He also has an enviable level of social skills.

The strongest component of associates are self-awareness and self-motivation. The research shows that in the **municipality 3** components of emotional intelligence in a job have a balanced image, creating an equilibrium between leaders and colliders. Comparing the results of the mayor and his closest associates can establish a 10 to 20% difference in effective and efficient leadership in favor of the mayor in relation to his associates, which can be attributed to the researched soft components of emotional intelligence, not cognitive abilities.

A comparison between the mayor 3 and the executors in the average positions in the municipality would probably show a much bigger difference.

Well-known scientist, consultant and researcher **David McClelland**, says that in this constellation of leader-colliders, the mass of emotional capacities in senior executives exceeds the planned tasks by an average of 20%. Leadership emotional competencies must be greater than the emotional components of the collider, but the result must not be drastic, because then there is a leadership-collider misunderstanding, and then the planned results cannot be achieved or transferred.
7. CONCLUSION

In the workplace, as well as in society, emotions should be shared with a high degree of understanding between the leader and his followers. Leaders must be role models to followers. **This means that they must own everything they ask of others. Trust must be mutual.** Numerous researches have shown that trust is the key word among followers that as a component connects them with leaderst. **Without trust, there is no efficiency or effectiveness in business.**

Any authoritarianism results in bad interpersonal relations, mutual conflicts, and the final epilogue is demotivation, decline in productivity, profitability and economy, and devastation of the company, party and other organizations. Humanization of relationships and the presence of emotional intelligence, where followers are seen as a key component of growth and development of the company and society represent the right path for a positive competitive approach to the market, in social relations and the environment as a whole (Nikezić, 2012).

The leadership argument, in itself, is only one part of the equation. Other factors, just as important, are credibility and the ability to create mutual positions of trust with co-workers, activating the right side of the brain, which provides dynamic and linguistic communication as part of a complex system of emotional behavior. Leadership-managerial style, when the situation allows it, can vary, but emotional intelligence allows them to choose the most effective style for a specific situation. Leaders and managers with leadership ambitions should properly assess the situation and in accordance with it choose the most effective and efficient way of leadership and management. Lack of emotional intelligence can lead to communication errors and problems in the corporate culture of the organization, and thus negatively affect the overall stability of the organization, internal and external.

All people are born with a certain level of emotional skills, but in order to move in a certain, desired direction, they must strengthen these abilities thanks to perseverance, practice and feedback from colleagues and coaches. To strengthen emotional intelligence, therefore, one should use practice and feedback from others. In this way, the leader is able to understand and use usefully, for himself and the company, specific skills of emotional intelligence.

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