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**ST. MARY'S UNIVERSIT
SCHOOL OF GRADUATE STUDY**

**ROLE OF EMOTIONAL INTELLIGENCE ON LEADERSHIP
EFFECTIVENESS THE CASE OF COMMERCIAL BANK OF
ETHIOPIA AT NORTH ADDIS ABABA DISTRICT**

BY:

HANNA TESFAYE KEBEDE

June 2024

ADDIS ABABA, ETHIOPIA

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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL
OF GRADUATE STUDIES IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF
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June 2024

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DECLARATION

I declare that the research study titled "Role of Emotional Intelligence on Leadership Effectiveness: The Case of Commercial Bank of Ethiopia at North Addis Ababa District" is my original work, conducted in accordance with ethical guidelines under the guidance of Tesfaye Tilahun (Asst. Prof.). All data, analysis, and conclusions presented are my own, and proper citations have been provided. This research has not been submitted elsewhere for any degree or qualification.

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Candidate

St. Mary's University, Addis Ababa

June, 2024

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LIST OF ABBREVIATIONS

EI	Emotional Intelligence
LE	Leadership Effectiveness
SPSS	Statistical Packages for Social Sciences
CBENAAD	Commercial Bank of Ethiopia at North Addis Ababa District
IQ	Intelligence Quotient
ATM	Automated Teller Machine
WLEIS	Wang and Law emotional intelligence scale
LPI	Leadership Practice Inventory Model

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ABSTRACT

The purpose of this research was to explore the impact of emotional intelligence (EI) on leadership effectiveness (LE) within the North Addis Ababa District of the Commercial Bank of Ethiopia. The study aims to provide valuable insights to enhance the bank's leadership effectiveness. Data was collected through questionnaires and standardized tests, and the analysis was performed using SPSS 25. The research approach in the study combines descriptive and explanatory research designs. Descriptive Research Design: This component assesses the current levels of emotional intelligence (EI) and leadership effectiveness among managers and supervisors at the Commercial Bank of Ethiopia's North Addis Ababa District. It documents the existing state of these variables, identifies patterns and trends, and informs the explanatory analysis. Explanatory Research Design, this component investigates the contribution of EI in predicting leadership effectiveness. It explores the relationships between EI dimensions (self-awareness, self-management, social awareness, and relationship management) and leadership outcomes. This multi-faceted approach ensured a thorough investigation of the role of EI in shaping leadership effectiveness. Descriptive and inferential analysis techniques, such as tables and descriptive correlations, were employed. The questionnaires were completed by 196 employees of the Commercial Bank. The findings indicate a positive relationship between managers' EI and their leadership effectiveness. The study also assessed the EI levels of 44 managers, which were found to be close to the average. However, there were areas where the perception of EI leadership, particularly in self-management, showed a decline. These findings suggest that the bank's leaders need to improve their self-control, take responsibility for their emotions, demonstrate honesty, enhance their listening skills, and provide better support to their subordinates. Additionally, the managers displayed deficiencies in forward-thinking, addressing the emotions and perceptions of their subordinates, and fostering mutually beneficial relationships. The research also revealed weaknesses in conflict management, social interaction, and adherence to expected behavioral standards. On the other hand, leadership effectiveness was associated with strong decision-making skills, effective communication, team cohesion, innovation, and mutual support among employees. However, there were shortcomings in fair evaluation, providing meaningful feedback, and relevant information to employees. The findings underscore the importance of developing emotional intelligence to improve leadership effectiveness. The study concludes that raising awareness of EI, particularly in the area of social awareness, establishing an EI-focused team, and enhancing understanding of subordinates' emotions will contribute to better leadership quality, fair evaluation, and meaningful feedback within the Commercial Bank of Ethiopia.

Keywords: *Emotional Intelligence, Leadership Effectiveness.*

CHAPTER ONE

INTRODUCTION

1.1. BACKGROUND OF THE STUDY

Leadership has been one of most controversial topics in the twentieth century; this is because of the great impact of the concept that leadership has on all types of organization (Algahtani, 2014). A popular definition of leadership is a process whereby an individual influences a group of individuals to achieve a common goal (Northouse, 2019). Leadership's main function is to produce movement and constructive or adaptive change by establishing direction through visioning, aligning people, motivating, and inspiring (Kotter, 2017). Today, what, is more managing emotions could facilitate help the leader to focus on problem-solving, empower the followers, and create an atmosphere of enthusiasm and positive energy (Edelman & Knippenberg, 2018). Lubbadeh (2020) suggested that the best predictor of who eventually emerges as a leader is based on emotional intelligence.

Emotional Intelligence (EI) is the ability to observe one's own and other's thinking and actions (Perkins, 2021). Alegre and Levitt (2014) stated that the five components of EI at work are: Self-Awareness, Self-Regulation (or Management), Motivation, Empathy (Social Awareness), and Social Skills (Relationship Management). Prior research has explored the concept of emotional intelligence, which is the ability both to know one's own emotions and to read others' emotions as well (Gómez-Leal & Holzer, 2022). Work by Lubbadeh (2020) has assessed the link between emotional intelligence and leadership ability. In addition to Balamohan, Tech and Gomathi in their recent study in 2015 stated that "leaders possessing strong emotional intelligence are believed to be the effective and efficient performer in the organization" (Balamohan et al., 2015). According to Goleman's research, emotional intelligence proved to be twice as important as technical skills and cognitive abilities for leadership jobs at all levels of an organization.

Leadership effectiveness has been delineating additionally as associating level of confidence with the knowledge, skills and abilities related to with leading others (Matheri et al., 2018; Adiguzel, 2019).

Once leaders feel excited, enthusiastic and active, they'll be additional probably to energize their subordinates and convey a sense of efficacy, competence, optimism, and enjoyment so, successful leaders are emotionally intelligent (Bevis, 2018). The managing own emotions subscale was significantly correlated with the effectiveness outcome on the leadership subscale. This supports the assumption that leadership effectiveness could have its roots in managing emotions (Dabke, 2016). Research by Nabih(2016) has uncovered links between specific elements of emotional intelligence and specific behaviors associated with leadership effectiveness and ineffectiveness.

In recent researches, it was stated that leaders who are able to regulate their own emotions effectively through self-regulatory methods should be better able to adapt to the needs of followers (Badri-Harun, 2016). Likewise Howard and Irving (2014) mentioned that leadership is contingent upon the development of self-awareness and emotional intelligence. Chen, Bian and Hou (2015), research has shown that leaders influence the emotions of subordinates. They mentioned in their study that EI and leadership theories have been developed and tested primarily in western countries. However, limited research has focused on examining the relationship of EI, leadership, and work performance in a non-western setting. Despite that previous studies have found a strong relationship between EI and leadership effectiveness, on the other hand, other researchers have found that certain expressions and behaviors have different meanings in different cultures (Chen, et al., 2015). Several studies conducted globally indicated that there is a strong positive relationship between emotional intelligence and leadership effectiveness (Saha ,Chillakuri and others , 2023). Study also showed that emotional intelligence is the positive predictor of service quality of the organization (Muhammad & Naintara, 2013). Leaders who have better emotional intelligence skill than their coworkers perform and show better advancement in their sector (John & Niyogi, 2019). Based the works of Chen (2018), emotional intelligence is necessary for assessing, recruiting, and developing leaders. It is also argued that emotional intelligence is among the important criteria required for effective leadership. A researcher has found that emotional intelligence has doubled the importance of IQ in the financial effectiveness of companies (Lu et al., 2021).

Researchers have extensively studied the relationship between emotional intelligence (EI) and leadership effectiveness (Ayele, 2015). This study aims to thoroughly examine this connection. Previous studies have defined leadership effectiveness as the process of influencing

others to agree on what needs to be done and how to do it effectively, as well as facilitating individual and collective efforts to achieve shared goals.

While various studies have been conducted on leadership styles and effectiveness in the case organization (the Commercial Bank of Ethiopia), there is limited research on the specific role of EI in leadership effectiveness in the banking sector. This suggests an empirical research gap in understanding how the emotional intelligence of managers relates to their business leadership effectiveness at the Commercial Bank of Ethiopia (CBE Website).

This study focus on investigating the role of emotional intelligence on leadership effectiveness on selected branches of commercial bank of Ethiopia in Addis Ababa area. And this paper tried to show the empirical results on the role of emotional intelligence to business leadership effectiveness in CBE.

1.2. BACKGROUND OF THE ORGANIZATION

The Commercial Bank of Ethiopia (CBE) is the largest and most prominent commercial bank in the country, playing a significant role in the economic development of Ethiopia. Established in 1963, CBE has a rich history and has evolved to become a dominant player in the Ethiopian banking sector (CBE Website).

As of 2024, CBE boasts over 1,940 branches across the country, with a significant presence in the capital city of Addis Ababa, including more than 120 branches in the North Addis Ababa District, which is the focus of this research study. The bank's extensive branch network and the large number of employees, currently standing at over 35,000, highlights its significant reach and impact within the Ethiopian financial landscape (CBE Profile ,2024). CBE's journey has been marked by remarkable growth and expansion. The bank's asset base has grown exponentially, reaching approximately 1.1 trillion Ethiopian birr as of June 2021, and it holds a substantial market share in deposits and loans, accounting for around 67% of deposits and 53% of all bank loans in the country. This dominant position underscores the bank's importance and influence within the Ethiopian economy (CBE Profile ,2024).

The bank's history can be traced back to the establishment of the State Bank of Ethiopia in 1942, which later evolved into the Commercial Bank of Ethiopia in 1963. Over the years, CBE has played a catalytic role in the economic progress and development of Ethiopia, pioneering the introduction of modern banking services and innovations such as ATM technology (CBE Website).

Notably, the bank's headquarters have undergone a major transformation, with the completion of a new skyscraper in 2022, which has become the tallest building in Ethiopia and the East African region. This impressive new headquarters symbolizes the bank's growth, ambition, and commitment to serving the evolving needs of its customers.

The 2024 glitch incident at the Commercial Bank of Ethiopia is also highly relevant to this research study on the role of emotional intelligence in leadership effectiveness. The reports of a system compromise that allowed unauthorized money transfers and ATM access during the incident highlight the critical importance of effective leadership and decision-making within the bank, especially during times of crisis. The ability of CBE's leaders to respond swiftly, communicate transparently, and maintain customer trust will be crucial in determining the overall impact and long-term implications of such an event. By examining the emotional intelligence competencies of leaders at the North Addis Ababa District branches, this research can provide valuable insights into the bank's capacity to navigate similar challenges in the future and ensure the continued stability and reliability of its operations ([CBE Profile ,2024](#)).

Given the bank's size, influence, and critical position within the Ethiopian financial system, understanding the role of emotional intelligence on leadership effectiveness at CBE's North Addis Ababa District branches is of paramount importance. This research study aims to explore the relationship between emotional intelligence and leadership effectiveness, providing insights that can contribute to the bank's continued success and its ability to navigate the dynamic financial landscape in Ethiopia.

1.3. STATEMENT OF THE PROBLEM

The Bank sector is one of those sectors which have a vital role in the development of a country (Jeucken & Bouma, 2017). Since the sector is important for life enhancement, its development and effectiveness should be one of the important things given attention. Today, the

sector operate in a competitive and dynamic environment due to emerging technology and rapid change in the needs of customers and their constant demands by the stakeholders to improve the effective performance and increase in quality and profits(Jeucken & Bouma, 2017). Therefore, this sector needs professional leaders who are EI to achieve maximum goals of the organizations (Chatterjee & Kulakli, 2015).

Studies from various parts of the world have demonstrated a positive relationship between emotional intelligence (EI) and organizational efficiency. Here are some key findings: Chatterjee (2015) EI is positively related to a person's leadership quality, performance, and effectiveness. Jeucken (2017) Job performance is influenced by employees' ability to use emotions to facilitate performance. Rangriz & Mehrabi (2010) Examined EI in relation to employee commitment in organizations. Adyasha (2013) focused on EI and employee motivation in organizations. Allam (2017): Investigated EI and employee performance in organizations. Suresh (2012): Studied EI and employee work climate. Ridwan (2020) looked at EI and employee citizenship behavior. Abdi (2019) Explored EI and employee socio-psychological climate. However, none of these studies specifically examined the effect of EI on leadership effectiveness, highlighting a gap that your research aims to address.

The existing research on the relationship between emotional intelligence (EI) and leadership effectiveness has produced a lot findings. Some studies have found a significant positive relationship between these two variables. For instance, Makkar and Basu (2019) reported a strong positive correlation. Additionally, McCleskey (2014) concluded that effectively applying EI principles in an organization plays a crucial role in enhancing leadership effectiveness. On the other hand, Badri-Harun et al. (2016) discovered that the leadership practices of executives are significantly related to their emotional intelligence competencies. Overall, the literature presents a varied picture of the connection between these important factors.

In Ethiopia, several studies have explored the significance of emotional intelligence (EI) for leadership. Senay (2019) investigated the impact of EI on corporate citizenship behavior in employees, finding a positive influence. Tsedale (2015) examined the influence of EI on employee satisfaction, concluding that managers' EI significantly affects job satisfaction. Tilahun (2022) and Tesfamichael (2017) Conducted studies on related variables. Getahun (2021) performed a

confirmatory factor analysis on the relationship between EI and organizational citizenship behavior in the Commercial Bank of Ethiopia's Gondar city branches. Ayele (2015) investigated the effect of EI on employee satisfaction at Save the Children in Ethiopia. Tegegne and Wondimu (2024): Found that EI and effective communication predict organizational commitment among instructors at Ethiopian public universities. Tsigu and Rao (2015): Explored the impact of leadership styles on job outcomes in the Ethiopian banking industry. These studies highlight the importance of EI competencies for effective leadership within various Ethiopian organizations. They reveal links between employees' EI, organizational commitment, and performance. However, none of these studies empirically evaluated the influence of EI on leadership effectiveness at the Commercial Bank of Ethiopia among managers and supervisors using the Wong and Law Emotional Intelligence Scale (WLEIS) (Wan and Noor, 2015). Addressing this gap is crucial, as the Commercial Bank of Ethiopia is a leading financial institution playing a significant role in the country's economic development. Understanding how EI impacts leadership effectiveness within this specific context could provide valuable insights to enhance the bank's talent management and leadership development strategies.

Given Ethiopia's unique cultural and economic factors, local research could provide insights not directly applicable to other countries, contributing to the broader understanding of EI in leadership. This proposed research aims to offer practical benefits for the Commercial Bank of Ethiopia and advance academic discourse, generating findings to inform real-world decisions and practices.

1.4. OBJECTIVES OF THE STUDY

1.4.1. GENERAL OBJECTIVES

The general objective of this study was to assess the effect of emotional intelligence on leadership effectiveness among managers and supervisors at Commercial Bank of Ethiopia at North Addis Ababa District

1.4.2. SPECIFIC OBJECTIVES

- To determine the effect of self-awareness on leadership effectiveness among CBENAAD leaders.
- To identify the impact of self-management on leadership effectiveness among CBENAAD leaders.

- To determine the effect of social awareness on leadership effectiveness among CBENAAD leaders.
- To pinpoint how relationship management skills contribute to leadership effectiveness among CBENAAD leaders.

1.5. RESEARCH QUESTIONS

- How does self-awareness influence leadership effectiveness in the Commercial Bank of Ethiopia, North Addis Ababa District?
- In what ways does self-management impact leadership effectiveness in the Commercial Bank of Ethiopia, North Addis Ababa District?
- How does social awareness contribute to leadership effectiveness in the Commercial Bank of Ethiopia, North Addis Ababa District?
- What is the effect of relationship management on leadership effectiveness in the Commercial Bank of Ethiopia, North Addis Ababa District?

1.6. SIGNIFICANCE OF THE STUDY

The findings of this study are expected to contribute to the existing literature on emotional intelligence and leadership effectiveness by providing empirical evidence within the context of banks business in Addis Ababa. The results may inform banks and other organizations about the importance of emotional intelligence in selecting and developing effective business leaders. Additionally, the study may have implications for leadership training and development programs, as well as organizational policies and practices aimed at enhancing leadership effectiveness.

1.7. SCOPE / DELIMITATION OF THE STUDY

Conceptually, the study was limited to the four dimensions of emotional intelligence developed by Nurul, Redzuan, Hamsan and Noor (2017): namely, self-awareness, self-control, social awareness and relationship management. Leadership effectiveness of first-line managers was measured through validated and adopted measuring questionnaire. Regarding to the study setting, the study was conducted in some selected branches of Commercial Bank of Ethiopia in North Addis Ababa District. Concerning to its methodology, the study used quantitative research design and simple random sampling method was used to select the participants of the study. The

reason behind using quantitative approach is the nature of the research questions and the most appropriate method to address the research questions.

1.8. LIMITATION OF THE STUDY

The researcher expected several limitations related to the data collection process. First, the bank work environment was not be calm, and managers may not have the time or inclination to think critically while filling out the questionnaires. This lead to negligent or incomplete responses, introducing response bias and undermining the accuracy and reliability of the data collected. Secondly, the study focuses solely on Emotional Intelligence (EI) as a factor influencing leadership effectiveness. However, as acknowledged, there were likely to be other factors contributing to leadership effectiveness that are not investigated. This limitation restricts the comprehensive understanding of leadership effectiveness and may limit the applicability and generalizability of the study's findings. Efforts were made to ensure clarity and simplicity in the questionnaires.

1.9. DEFINITION OF BASIC TERMS

- **Emotional Intelligence:** refers to self-awareness, self-control, social awareness and relationship management (Dhani & Sharma, 2016).
- **Self-Awareness:** it is the ability to read one's emotions and recognize their impact while using gut feelings to guide decisions. (Eurich, 2018).
- **Self-Management:** refers to controlling one's emotions and impulses and adapting to changing circumstances. (Çakıroğlu, Caetano & Costa, 2021).
- **Social Awareness:** it is the ability to sense, understand, and react to others' emotions while comprehending social networks. (Nurul, Redzuan, Hamsan and Noor, 2017).
- **Relationship Management:** refers to the ability to inspire, influence, and develop others while managing conflict (Nurul, Redzuan, Hamsan and Noor, 2017).
- **Leadership Effectiveness:** refers to as a process of social interaction where performance outcomes are strongly influenced by the leader's ability to influence the behavior of their followers (Frackenpohl & Hillenbrand, 2016).

1.10. ORGANIZATION OF THE STUDY

This research paper organized into four chapters. Chapter one is an introductory part which consists of back ground of the study, statement of the problem, research questions, objectives of the study, significance of the study, scope of the study, definition of basic terms, and organization of the study. Chapter two discusses review of related literatures on areas of the research topic. In chapter three the study covers the research methodology applied to conduct the study. This chapter constitutes description of the study, research design, types of data, sources of data, sampling and sample size determination, data collection methods and instruments, data analysis and presentation and ethical issues was considered in the study. Other accompanying parts are presented as preface and appendix at the beginning and ending part of the study.

CHAPTER TWO

2.1. LITERATURE REVIEW

2.1.1. THEORETICAL LITERATURE

2.2. *THE ESSENCE OF LEADERSHIP*

The concept of leadership has been defined in various ways, with perspectives often differing based on the individual's point of view (Wilson, 2023). Traditionally, leadership has been described in terms of traits, behaviors, influence, interaction patterns, role relationships, and the occupation of an administrative position. Many theories on effective leadership have focused on the behaviors used by leaders to directly influence their immediate subordinates (Fries et al., 2021; Lerutla & Steyn, 2017). However, it is recognized that a leader can also indirectly influence other people within the organization.

Vecchiotti (2018) defines leadership as a goal-influencing process that exists between a leader and a follower, groups of followers, or organizations in a formal or informal setting. The systematic study of this process, its outcomes, and how it depends on the leader's traits, behaviors, and the observers' inferences and attributions is known as the science of leadership.

Leadership is also considered to be contextual, as it depends on the specific situation being faced (Van Wart, Roman, Wang & Liu, 2019). Effective leaders must closely monitor both the external and internal environments, develop plans based on the organization's strengths and weaknesses, as well as the opportunities presented by the environment. They must then articulate an inspiring vision, provide socio-emotional support, implement appropriate incentives and punishments, and closely monitor the results to ensure the organization's strategic objectives are met (Van Wart, Roman, Wang & Liu, 2019).

2.2.1. LEADERSHIP THEORIES

2.2.1.1. THE GREAT MAN THEORY

The Great Man theory, proposed by Thomas Carlyle in 1847, posits that leadership is determined by the innate qualities and heroic potential of exceptional individuals (Nawaz, 2016). Carlyle believed that the course of history is shaped by the actions of great men who are born, not

made. American philosopher Sidney Hook expanded on this theory, distinguishing between the "eventful man" who remains complex in a historical situation without significantly influencing its course, and the "event-making man" whose outstanding intelligence, will, and character can profoundly impact the trajectory of events. However, the theory has been criticized for being morally flawed, as exemplified by the actions of leaders like Hitler and Napoleon. The Great Man theory has been superseded by more nuanced approaches to leadership that consider the development of leadership traits and the influence of situational factors (Deshwal, 2020).

2.2.1.2. TRAIT THEORY

The Trait Theory of leadership proposes that certain innate physical, personality, and behavioral characteristics distinguish effective leaders from non-leaders. Theorists like Jenkins identified two types of leadership traits: emergent traits (such as height, intelligence, and self-confidence) that are heavily dependent on heredity, and effectiveness traits (such as charisma) that can be developed through experience and learning (Sivaruban, 2021).

The Trait Theory initially focused on identifying the unique traits that set leaders apart, but researchers struggled to find a consistent set of traits common to all effective leaders. This led to the theory falling out of favor, as it was seen as an overly simplistic and inaccessible approach to understanding leadership. Later studies showed that the importance of certain leadership traits can vary depending on the situation and time. Overall, the Trait Theory provided an early foundation for exploring the role of individual attributes in leadership, but its limitations led to the development of more nuanced leadership theories (Nawaz, 2016).

2.2.1.3. CONTINGENCY / SITUATIONAL THEORY

Contingency and Situational leadership theories posit that the most effective leadership style is contingent on the specific situation and the maturity/readiness of the followers. These theories challenge the notion of a single "best" leadership approach, suggesting that leaders must adapt their style to match the demands of the environment and the needs of their team (Mango, 2018).

Contingency theorists argue that internal and external factors, such as the qualities of followers and the nature of the task, require the leader to adjust their approach accordingly.

Situational theorists, while still focusing primarily on the leader, emphasize the pivotal role that followers play in shaping the leader-follower relationship (Sivaruban, 2021).

The Situational Leadership model, introduced in 1969, proposed that leaders need to be able to shift between task-oriented and relationship-oriented styles based on the developmental level of their subordinates. The key tenet is that there is no universally superior leadership approach, and that effective leaders must be able to diagnose the situation and flexibly apply the appropriate style. Overall, Contingency and Situational theories highlight the importance of contextual factors in determining leadership effectiveness, moving beyond the one-size-fits-all approaches of earlier theories (Sivaruban, 2021).

2.2. SUMMARY OF STYLE THEORY

The Style and Behavior Theory of leadership emphasizes the specific behaviors and actions of leaders, rather than their inherent traits or situational factors. The core premise is that effective leaders exhibit distinct leadership styles that can be learned and developed. According to Nawaz (2016), this theory suggests that by adopting certain behaviors, individuals can enhance their leadership effectiveness.

Key elements of this theory include:

2.3. LEADERSHIP STYLES

- Autocratic: Leaders make decisions unilaterally without involving subordinates.
- Democratic: Leaders consult with and involve subordinates in decision-making.
- Laissez-Faire: Leaders take a hands-off approach, allowing subordinates to make decisions.

2.4. CONSIDERATION Vs. INITIATING STRUCTURE

- Consideration refers to the leader's focus on building rapport, trust, and concern for their people.
- Initiating Structure refers to the leader's focus on organizing, directing, and defining roles to achieve tasks and goals.

Research has shown that different leadership styles can impact follower satisfaction, creativity, motivation, and productivity in varying ways. For instance, democratic leadership tends to foster higher employee engagement and satisfaction, while autocratic leadership may drive greater output in the short-term (Uslu , 2019).

The core idea is that leaders should diagnose the situation and adopt the most appropriate leadership style, rather than relying on a single, inflexible approach. The effectiveness of a style is contingent on factors like the nature of the task, the maturity of the team, and the organizational culture (Mango, 2018).

2.4.1. PROCESS LEADERSHIP THEORIES

The Process Leadership Theories shift the focus from the traits or behaviors of individual leaders to the dynamic interactions and processes within leadership roles and groups. Key theories in this category include (Nawaz, 2016)

2.4.1.1. SERVANT LEADERSHIP

- Introduced by Robert Greenleaf in the 1970s, this approach emphasizes the leader's role as a steward, focused on the needs and development of followers.
- Servant leaders are motivated to serve others first, rather than pursuing power or personal gain.
- The goal is to help followers become more autonomous, free, and knowledgeable.

2.4.1.2. LEARNING ORGANIZATION LEADERSHIP

- Leaders in learning organizations are tasked with clarifying and nurturing the organization's vision.
- The leader's role is to align their vision with others in the organization or community.
- The focus is on continuous learning, adaptation, and collective growth.

2.4.1.3. CHARISMATIC LEADERSHIP

- Charismatic leaders inspire followers through their personal charm, confidence, and compelling vision.

- These leaders are able to motivate others to perform beyond expectations through their force of personality.

The common thread in these process-oriented theories is a shift away from top-down, hierarchical leadership models. The emphasis is on the interactive, dynamic nature of leadership, where the leader's role is to serve, empower, and align group members towards a shared purpose. These theories reflect an evolution in leadership studies, moving from an individual traits-based perspective to a more holistic, socially-responsible view of leadership as a collective process (Deshwal, 2020).

2.4.1.4. TRANSACTIONAL LEADERSHIP THEORY

Transactional Leadership Theory, which gained prominence in the late 1970s and early 1980s, redefined leadership by focusing on the dynamic exchanges between leaders and followers. This theory highlights the importance of mutual influence and reciprocal relationships. Key aspects include (Nawaz, 2016):

2.4.1.5. LEADER-FOLLOWER EXCHANGE

- Leadership is seen as a series of agreements and reciprocal exchanges where leaders and followers influence each other.
- Leaders influence followers, but are also influenced by them.

2.4.1.6. CONTINGENT REWARD

- Leaders provide tangible rewards or recognition for achieving agreed-upon goals, such as pay raises, bonuses, or increased responsibilities.
- Motivational incentive rewards serve as powerful motivators, driving followers to meet and exceed expectations.

2.4.1.7. MANAGEMENT-BY-EXCEPTION

- Transactional leaders may adopt a management-by-exception approach, focusing on correcting errors and addressing issues as they arise.

- Active vs. Passive. This can be either active, where leaders proactively manage and intervene, or passive, where they respond only when problems become significant.

In essence, Transactional Leadership Theory underscores the importance of the leader-follower dynamic, emphasizing a more reciprocal and contingent model of leadership. This approach highlights the exchange-based nature of leadership, where both parties play crucial roles in achieving organizational success (Reis & Avelar, 2019).

2.5. TRANSFORMATIONAL LEADERSHIP THEORY

Transformational Leadership Theory stands out by emphasizing a greater good and the active involvement of followers. Key aspects of this theory include (Reis & Avelar, 2019):

2.5.1. THEORY ALIGNMENT TO A GREATER GOOD

- **Mission-Driven Engagement:** Transformational leaders engage followers in activities that contribute to the organization's mission and yield positive social outcomes.

2.5.2. RAISING MOTIVATION AND MORALITY

- **Elevating Spirits:** These leaders raise the motivation and morality of both followers and themselves, creating a shared sense of values, beliefs, and goals.

2.5.3. TRANSCENDING SELF-INTERESTS

- **Beyond Self:** Transformational leaders encourage followers to prioritize organizational and higher-order needs over individual self-interests, aligning with Maslow's hierarchy of needs and helping followers pursue self-actualization.

2.5.4. ENACTING CHANGE

- **Catalysts for Change:** Transformational leadership involves identifying the need for change, gaining commitment from others, creating a guiding vision, and embedding the change within individuals, teams, and organizations.

2.5.5. INDIVIDUALIZED CONSIDERATION

- **Personal Touch:** These leaders treat followers as individuals, providing meaning and challenges to develop their consciousness, morals, and skills.

In summary, Transformational Leadership Theory emphasizes the leader's ability to inspire, motivate, and empower followers to transcend their self-interests and work towards a shared vision of positive change and higher-order needs. This sets it apart from more transactional and exchange-based leadership models (Reis & Avelar, 2019).

2.6. LEADERSHIP EFFECTIVENESS

Leadership as a term has been defined in a more similar yet a much broader way; such as “the relationship between those who aspire to lead and those who choose to follow” (Posner, 2015). On the other hand, leadership is focusing on an important concept known as leadership effectiveness. Ghasabeh (2015) defined effective leaders as those who possess transformational rather than transactional leadership style.

Moreover Liu, et al., (2002) stated that leadership effectiveness is the extent to which employees believe that their managers are successful as leaders. They also proposed that quality relationships with followers are the foundation of leadership effectiveness. Furthermore, leadership effectiveness is found within the transformational leader which is the leader's ability to inspire followers to achieve past what was originally thought possible (Bush, 2018). Likewise, leadership effectiveness is defined as the ability and the willingness of a leader or a manager to use a suitable style of leadership that best matches the readiness of the follower (Kebede and Demeke, 2017). However, Ali and Habtamu in 2018 declared that leadership effectiveness definition will differ from a researcher to another, because the effectiveness of a leader depends on the outcome selected as the effectiveness criterion (Ali and Habtamu, 2018).

Moreover, it is important that all organization strive to equip its employees with leadership skills; as leadership roles and processes are essential in setting direction, creating alignment, and encouraging commitment in groups of people. Frackenpohl, Hillenbrand & Kube (2016), then concluded that organizations with effective leaders tend to innovate, respond to changes in markets

and environments, creatively address challenges, and sustain high performance (Frackenpohl, Hillenbrand & Kube , 2016).

2.7. MEASUREMENT OF LEADERSHIP EFFECTIVENESS

Leadership effectiveness is designed to measure the participant's perception of how effective they thought the leader might be at managing large organization, not how effective the leader is but focusing on managing the organization and attaining the objectives (Rickleby & Stackhouse, 2022). One of the main models that measure leadership effectiveness is the Full Range of Leadership Model; that differentiates passive from active leadership and suggests that more active forms of leadership are more effective. This model advocates that leaders have a list of behaviours that they engage in to changing degrees of frequency. These behaviours exist on a continuum of passive behaviours to active behaviours (Rickleby & Stackhouse, 2022).

Also Bass introduced another model in 1990 stating that highly effective leaders would display two types of behaviours; transactional and transformational leadership. Later on, Avolio with help of Bass (2004) developed characteristics of transformational and transactional leadership including: "idealized influence (behaviours), idealized influence (attributed), inspirational motivation, intellectual stimulation, individualized consideration, contingent reward, management by- exception (active), and management-by-exception (passive)."

Additionally, Ebrahimi and Azmi in 2015 explained that leadership is a set of practices and behaviours not a position. These practices provide a standard for the organization's leaders to attain goals or to perform their work (Ebrahimi Mehrabani and Azmi Mohamad, 2015). Later on, Kouzes and Posner (2019) highlighted the importance of good relationships for effective leadership to occur, and focused on leadership practices that build effective relationships (Kouzes & Posner, 2015). In much more recent studies, these practices were summed up under a model known as leadership practice inventory model (LPI). This model deals with leadership challenges by focusing on responsibility and performance (Hage & Posner, 2015).

2.8. THE CONCEPT OF EMOTIONAL INTELLIGENCE

The concept of EI is rooted in early works on emotions and social intelligence. EI research has been evident for over 35 years; rooted in the concept of social intelligence (Monnier, 2015). Besides the foundation of EI can be drawn back to Thorndike (1920) Moss and Hunt (1927),

Guilford (1956), Vernon (1933) and Gardner's (1983) ; when they all started their work on social intelligence (Monnier, 2015). Social intelligence was defined by Herzig , Lorini and Lorini as the ability to understand and relate to people (Herzig, Lorini & Pearce, 2019). Furthermore, Nabih, Metwally & Nawar in 2016 stated that the origin of emotional intelligence works in three ways; cognition, effect and motivation. The part of cognition consists of functions such as human memory, reasoning, judgement, and mental thought. Also the part of effect consists of emotions, moods, evaluations, and other feeling states. Lastly, the part of motivation is the related to the personality, which includes biological need or learned goal-seeking behaviour. The first two parts, that of cognition and affect, together make up EI (Nabih, Metwally & Nawar, 2016). Despite, all the history and the interest in emotional intelligence, researchers admit that this concept is still in its early stages (Zeidner, et al., 2004). Nevertheless, it was not until the early 1990s that the concept of emotional intelligence was given particular attention.

2.9. EMOTIONAL INTELLIGENCE MEASUREMENTS

As with other types of intelligence, emotional intelligence is difficult to measure (Boyatzis, 2018). Emotional intelligences is a self-report test that relies on social desirability responses, therefore, this makes it even more difficult and unreliable in some cases. However, over the years many models were developed to measure EI, among those, there are some main models that are currently available such as ; the multifactor emotional intelligence scale (MEIS; Mayer et al., 1999 in Kerr et al., 2006), the Mayer Salovey Caruso emotional intelligence test (MSCEIT; Mayer et al., 2000 in Mueller and Curhan, 2006) the emotional competency inventory (ECI; Goleman, 1998 in Kerr et al., 2006), the emotion-quotient inventory (EQ-i; Bar-On, 1997) the emotional intelligence quotient (EIQ; Dulewicz and Higgs, 1999 in Kerr et al., 2006) the emotional quotient map (EQ-MAP; Cooper and Sawaf, 1997 in Kerr et al., 2006), the self-report emotional intelligence test (SREIT; Schutte et al., 1998 in Kerr et al., 2006), the Swinburne emotional intelligence test (SUEIT/Genos EI Assessment; Palmer and Stough, 2001 in Mukhuty, 2013), the trait meta mood scale (TMMS; Salovey et al., 1995 in Palmer, et al., 2001), the workgroup emotional intelligence profile (WEIP; Jordan et al., 2002 in Kerr et al., 2006), and finally the Wong and Law Emotional Intelligence Scale (WLEIS; Law et al., 2004; Wong and Law, 2002).

2.10. MODELS OF EMOTIONAL INTELLIGENCE

Among the widely known and applicable conceptual approaches to modeling the construct of EI; three models are mostly used by researchers. These include ability model of John Mayer & Peter Salovey (1990), mixed models of Daniel Goleman (1995), sometimes called emotional and social competence models; and trait models. Among these, for the current study emotional intelligence that was proposed by Daniel Goleman was used. Emotional intelligence has four components according to Goleman new model. These are as follows

2.11. GOLEMAN'S COMPETENCY MODEL

Daniel Goleman popularized the concept of emotional intelligence in 1995, when he wrote the landmark book "Emotional Intelligence". He defined emotional intelligence as "abilities of being able to motivate oneself and survive in the face of frustrations; to control impulse and delay gratification; to manage one's moods and keep distress from swamping the ability to think; to empathize and to hope". Goleman's model outlines the four constructs of emotional intelligence. Self-awareness is the ability to identify one's emotions and recognize their impact while using gut feelings to guide decisions. Self-management, involves controlling one's emotions and impulses and thereby adapting to changing circumstances. Social awareness consists of the ability to sense, understand, and react to other's emotions while comprehending social networks. Finally, relationship management entails the ability to inspire, influence, and develop others while managing conflict. Goleman's model includes a set of emotional competencies within each construct of emotional intelligence, he opined that Emotional competencies are not innate talents, rather learned capabilities that must be worked on and developed to achieve outstanding performance.

2.11.1. SELF-AWARENESS

Self-awareness means having a deep understanding of one's emotions, strengths, weaknesses, needs, and drives, as well as their effect on others. Characteristics of a self-aware individual include self-confidence, realistic self-assessment, and a self-depreciating sense of humor (Eurich, 2018).

The development of self-awareness as a business leader is critical. As a leader especially as a business leader it is vital to be aware of one's own mood and emotions so that a person can follow and anticipate impacting others. It is also important as it allows a person to understand what motivates him/her as an individual. The more a leader is familiar with his/her personal strengths, weaknesses, interests, and dissatisfaction, the better he/she will be able to control and influence his actions. It also allows to have a great sense of self-worth. It helps to identify one's own strengths and enables to accept criticism. As a business leader the more self-awareness is developed the more an organization can grow, and the leadership becomes effective (Eurich, 2018).

2.11.2. SELF-MANAGEMENT

Self-management or Self-regulation is the ability to control or redirect disruptive impulses and moods and the propensity to suspend judgment--to think before acting. Characteristics include trustworthiness, integrity, and comfort with ambiguity, and openness to change (Çakıroğlu, Caetano & Costa, 2021).

Self-management is an important competency. Unlike self-awareness that focuses on the understanding of the self, self-control concentrates on the ability to conform and redirect actions or reactions. This way, the things that we do are not impulsive. Self-control works to actively increase the process of rational thinking under pressure and is meant to encourage and boost productive action (Çakıroğlu, Caetano & Costa, 2021).

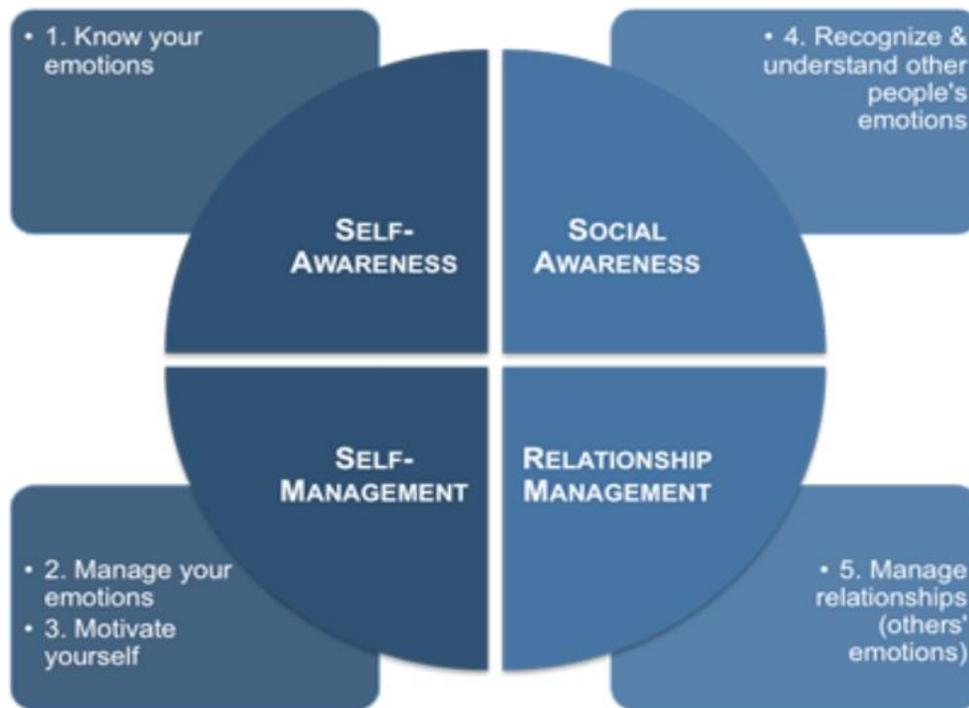
2.11.2.1. ***Social Awareness:*** Social awareness is proficiency in managing relationships and building networks, with an ability to find common ground and build rapport. Characteristics include effectiveness in leading change, persuasiveness, and expertise in building and leading teams (Nurul, Redzuan, Hamsan and Noor, 2017).

Social awareness allows a good leader to feel what other people - more importantly, what their co-workers or employees- feel. Even in cases wherein a leader is unable to completely understand others' emotions, the mere establishment of the intent to reach out, understand, and work through these problems is a core skill for any mentor. Especially for people in diverse work cultures, that is such an integral part of today's business world. Organizational awareness a leader

with good awareness of the social environment he is within can detect important social network and read key power relationships. They can understand the political forces, the guiding values and unseen rules that function in the organizational atmosphere. Service leaders with high competence in service delivery can keep their relationship with customer direct and in the right track doing so will make to know the emotional climate and status of customers easily(Nurul, Redzuan, Hamsan and Noor, 2017).

2.11.2.2. **Relationship Management:** The fourth competency stated by Odette in his work Primal Leadership is Relationship management Inspiration, Teamwork & Collaboration are classified in this category (Odette, 2022). Inspirational leaders are those who can create a compelling vision and articulate shared vision and mission in a way that can inspire others. Teamwork and collaboration-leaders with good relationship management are friendly and are models of respect, support, and cooperation to others. They are good team builders and create conducive environment for cooperation.

Figure 1: The Competency Framework



Source: The Competency Framework of the study Source: Survey data (2024)

2.12. OLE OF EMOTIONAL INTELLIGENCE TO EFFECTIVE LEADERSHIP

Numerous studies have found a strong positive correlation between leaders' emotional intelligence and their leadership effectiveness (Nabih (2016), Kharkheli & Morchiladze (2020), Benabou (2019), Soni & Dutta (2019), Rahman & Uddin (2016)). Emotionally intelligent leaders are better able to understand and manage their own emotions as well as those of their followers. They can use this knowledge to motivate and inspire their teams, build strong relationships, and adapt to changing circumstances (Kharkheli & Morchiladze , 2020).

Emotional intelligence is the most well-known of the multiple individual differences variables which affects leadership in a noticeable way (Nabih, 2016). Leaders, according to Nabih and his colleagues, should be mindful of their strengths and limitations, as well as their feelings, which are all influenced by emotional intelligence. EI has been linked to the emergence of leaders, their success, and the development of successful leadership styles. Furthermore, emotionally intelligent leaders are more likely to be viewed as more authentic by their followers because they can use their EI to employ successful emotional labor tactics, such as genuine emotional labor or deep acting, to achieve a positive perception from their followers (Benabou, 2019).

What distinguishes emotionally intelligent leaders from the rest is the way they motivate what's known as discretionary effort. This indicates that the employees are sufficiently inspired to go above and beyond their job descriptions (Soni & Dutta, 2019). Emotional intelligence can influence and form one's ability to improve and build relationships as well as decision-making capacity. The main competencies of emotional intelligence are defined as recognizing feelings and managing emotions (Rahman & Uddin, 2016).

Emotionally intelligent leaders create a work environment that fosters employee satisfaction, commitment, and loyalty, leading to improved employee engagement and retention (Kharkheli & Morchiladze, 2020). They are also able to build cohesive and high-performing teams that work effectively towards organizational goals. Furthermore, emotionally intelligent leaders consider the emotional implications of their decisions, leading to more balanced and effective problem-solving (Soni & Dutta, 2019).

The benefits of emotional intelligence in leadership extend beyond individual performance. Organizations led by emotionally intelligent leaders tend to have a stronger, more positive organizational culture, which can contribute to a sustained competitive advantage (Rahman & Uddin, 2016).

In conclusion, the literature review highlights the critical role of emotional intelligence in enabling effective leadership. As organizations strive to navigate the complex and constantly evolving business environment, the importance of emotional intelligence in leadership will only continue to grow (Nabih, 2016).

2.13. EMPIRICAL LITERATURE

Many studies have linked high emotional intelligence to a company's effectiveness and performance. Similarly, studies in several organizations have demonstrated the connection between EI and leadership. Sales agent with emotional intelligence capabilities consistently outsold those without the same skills, according to these two firms. According to Badri-Harun, Zainol & Amar (2016) looked at the interaction impact between managers' emotional intelligence and employees' emotional intelligence on work satisfaction and success. Employees' emotional intelligence, they expected, is positively linked to their work satisfaction and success. They also looked at the effect of managers' emotional intelligence on employee outcomes, finding that employees with higher emotional intelligence scores are happier and perform better than those with lower scores. Empirical studies by Badri-Harun, Zainol & Amar (2016) showed that EI accounts for over 80% of leader's effectiveness. Emotional intelligence was responsible for nearly 90% of their leadership performance on average (Badri-Harun, Zainol & Amar, 2016).

According to recent studies, those leaders who can control their emotions better by self-regulatory means respond to the needs of their followers than those with less emotion control mechanisms (Rogelberg et al., 2013). According to Chen, Bian, and Hou's (2015) showed that leaders impacted the emotion of their subordinates. Balamohan and his colleague (2015) showed that leaders who are good in their emotional intelligence skills are the organization's most powerful and productive performer. According to a study by (Chen, 2018) ratings of emotional intelligence are a good determinants of leadership effectiveness.

2.14. RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE AND LEADERSHIP EFFECTIVENESS

Previous studies have shown that the construct of emotional intelligence has gained much popularity as a potential underlying attribute of effective leadership. Because in leadership, dealing effectively with emotions may contribute to how one handles the needs of individuals, how one effectively motivates employees, and makes them feel happy at work. Thus, effective leadership skills have been described to depend, in part, on the understanding of emotions and the abilities associated with EI (Frackenpohl & Hillenbrand, 2016).

Moreover, Lone in 2018 stated that close to 90 percent of success in leadership positions is attributable to Emotional Intelligence claiming that leaders with greater emotional intelligence will be more effective leaders, as effective leaders are socially adept (Lone, 2018).

Furthermore, Edelman & Knippenberg illustrated in his research that leadership is an emotional process; whereby leaders recognise followers' emotional states, attempt to evoke emotions in followers, and then seek to manage followers' emotional states accordingly. The ability of leaders to influence the emotional climate can strongly influence performance and effectiveness (Edelman & Knippenberg, 2018).

Additionally, other studies showed that business leaders ranked EI more important than any other traditional leadership attributes like financial acumen, market orientation, and planning. People have theorized that EI contributes to people's capacity to work effectively in teams, manage stress, and lead others. Additionally, EI is viewed in leadership literature as a key determinant of effective leadership, because like it was mentioned in Kim's study higher EI scores are associated with higher leadership effectiveness (Kim, 2017).

A high level of EI might enable a leader to be better able to monitor how work group members are feeling, and take the appropriate action (Kim, 2017). Morehouse, turned to describe successful leadership traits in his study, his description showed leaders who are aware and have an understanding of their own and other's emotions, and are able to use that understanding to effectively motivate, inspire, challenge, and connect with others. In fact his study did support the relationship between effective leaders and EI, as well as for the theory that with increasing leadership levels in an organization, one will find increasing levels of EI (Nabih, 2016). As well

Riggio and Reichard hypothesized that leader emotional control is positively associated with effective leadership; where emotional control is the ability to regulate both the expression and experience of emotions, it is a critical component of emotional intelligence and is particularly important in the workplace. They succeeded in proving that emotional control is an important element of effective leadership (Tan and Voon, 2022).

Besides, Doe, Ndinguri & Phipps stated that EI helps improving leadership and performance (Doe, Ndinguri & Phipps, 2015). They cited that leaders with strengths in six or more EI competencies are believed to be more effective and have higher levels of performance outcomes than their peers who lack these strengths. Also, Stein, Papadogiannis, Yip and Sitarenios in their research linked emotion competencies to leadership behaviour and organizational performance. As they proposed that effective leaders possess multiple forms of intelligence, which allows them to respond successfully to various situations. In particular, emotional skills are essential for managerial level leader performance (Doe, Ndinguri & Phipps, 2015). Maamari & Majdalani, also stated in their research in that effective leaders are alike in one crucial way; they all have a high degree of emotional intelligence (Maamari & Majdalani, 2017).

Similarly, Davis and Christian in 2018 described individual leadership characteristics that may influence leadership effectiveness, which include: intelligence, dominance, gender role, generalized self-efficacy, self-monitoring, emotional intelligence, conscientiousness, emotional stability, and extraversion (Davis and Christian, 2018). Pastor said in his study that contemporary leadership theories demonstrate the centrality of emotional skills for effective leadership. In turbulent times, leaders often need to contain the anxiety of those they lead, regulate their own emotions and express appropriate emotions in response to the needs of the situation. They concluded that leadership is an inherently social role, thus emotional skills are critical component of a leader's development and effectiveness (Pastor, 2014).

In recent researches, it was stated that leaders who are able to regulate their own emotions effectively through self-regulatory methods should be better able to adapt to the needs of followers (McCleskey, 2014). Likewise Dost and Hashemifardnya (2017) mentioned that leadership is contingent upon the development of self-awareness and emotional intelligence (Dost and Hashemifardnya, 2017). Chen, Bian and Hou, research has shown that leaders influence the

emotions of subordinates. They mentioned in their study that EI and leadership theories have been developed and tested primarily in western countries. However, limited research has focused on examining the relationship of EI, leadership, and work performance in a non-western setting. Despite that previous studies have found a strong relationship between EI and leadership effectiveness, on the other hand, other researchers have found that certain expressions and behaviours have different meanings in different cultures (Chen et al., 2015). In addition to Balamohan, Tech and Gomathi in their recent study in 2015 stated that “leaders possessing strong emotional intelligence are believed to be the effective and efficient performer in the organization” (Balamohan et al., 2015).

2.15. CONCEPTUAL FRAMEWORK OF THE STUDY

This correlational study is based on the premise that emotional intelligence (EQ) plays a significant role in shaping the effectiveness of leadership within the Commercial Bank of Ethiopia's North Addis Ababa District. Emotional intelligence is a multifaceted construct that encompasses an individual's ability to recognize, understand, manage, and reason with their own emotions, as well as the emotions of others. In the context of leadership, emotionally intelligent leaders are better equipped to navigate the complex interpersonal dynamics within their organization and effectively guide their teams towards the achievement of organizational goals (Edelman & Knippenberg, 2018).

2.15.1. Key Components of Emotional Intelligence

The conceptual framework identifies four key components of emotional intelligence that are particularly relevant to leadership effectiveness:

2.15.1.1. *Self-Awareness:*

The leader's ability to understand their own emotions, strengths, weaknesses, and how these factors impact their behavior and decision-making.

2.15.1.2. *Self-Management:*

The leader's capacity to regulate their own emotions and impulses, adapting their behavior to meet the demands of different situations.

2.15.1.3. ***Social Awareness:***

The leader's ability to empathize with and understand the emotions of their team members and other stakeholders.

2.15.1.4. ***Relationship Management:***

The leader's skill in building and maintaining strong, positive relationships with their followers, fostering collaboration and motivation.

2.16. LEADERSHIP EFFECTIVENESS OUTCOME

The conceptual framework proposes that the leaders' emotional intelligence in these four key areas can directly influence the following outcomes related to their leadership effectiveness:

2.16.1. Employee Engagement and Retention: Emotionally intelligent leaders are better able to create a work environment that promotes employee satisfaction, commitment, and loyalty, leading to lower turnover rates.

2.16.2. Team Collaboration and Performance: Emotionally intelligent leaders can build cohesive and high-performing teams that work together effectively towards the organization's goals.

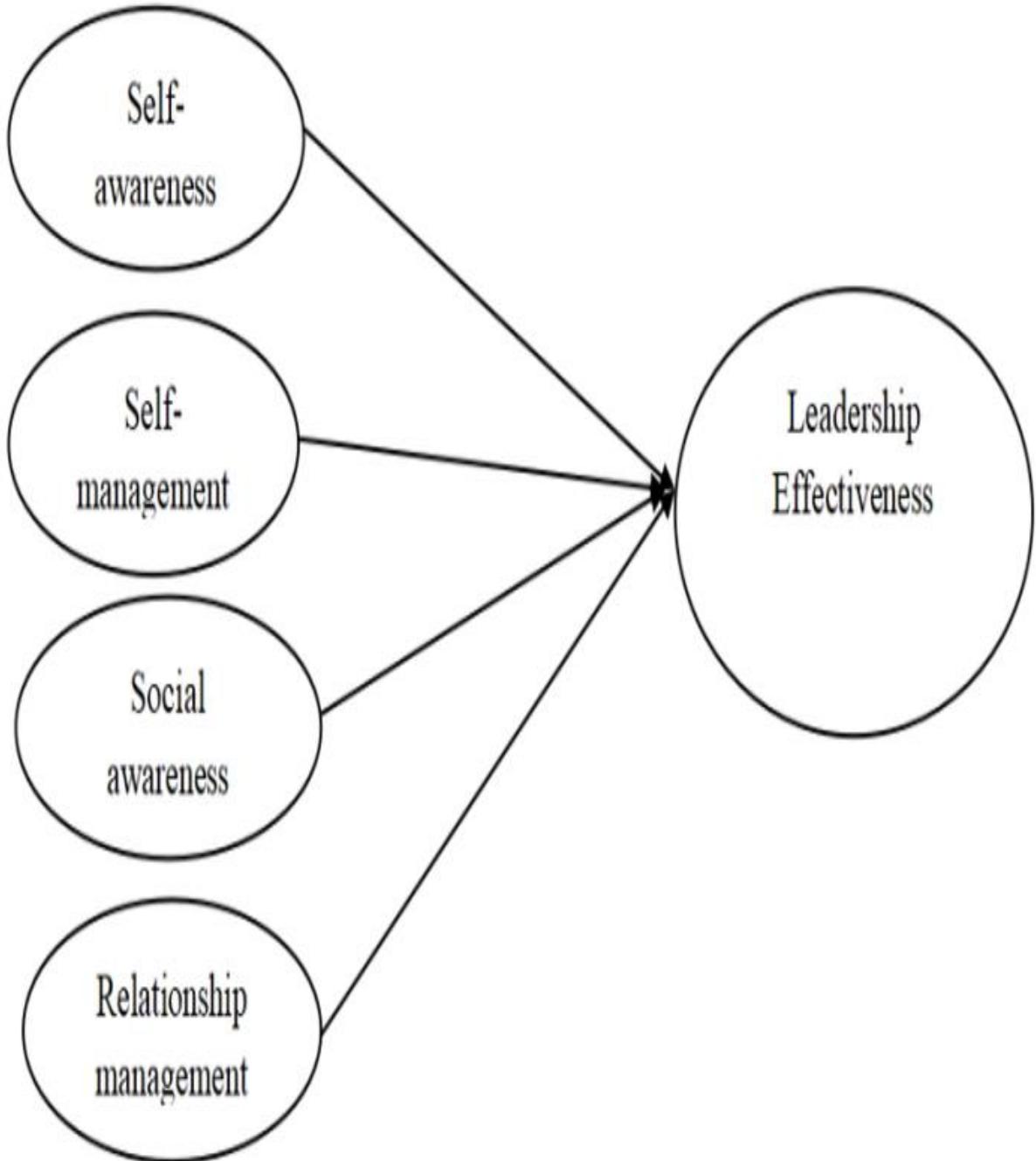
2.16.3. Decision-Making and Problem-Solving: Emotionally intelligent leaders consider the emotional implications of their decisions, leading to more balanced and effective problem-solving.

2.16.4. Organizational Culture and Competitive Advantage: Organizations with emotionally intelligent leaders often have a more positive and vibrant organizational culture, which can contribute to a sustained competitive edge in the market.

Figure 2: Conceptual Framework

Independent variable

Dependent variable



Source: The conceptual Framework of the study Source: Survey data (2024)

2.17. STUDY HYPOTHESES

The purpose of the study was to examine the effect of emotional intelligence on leadership effectiveness among managers and supervisors of Commercial Banks of Ethiopia in North Addis Ababa District; hence, the following null hypotheses were examined to attain the research outcomes:

- **H₁**: Self-awareness has positive and significant effect on leadership effectiveness among managers and supervisors of the Commercial Banks of Ethiopia in North Addis Ababa District.
- **H₂** Self-management has positive and significant effect on leadership effectiveness among managers and supervisors of the Commercial Banks of Ethiopia in North Addis Ababa District.
- **H₃** Social awareness has positive and significant effect on leadership effectiveness among managers and supervisors of the Commercial Banks of Ethiopia in North Addis Ababa District.
- **H₄** Relationship management has positive and significant effect on leadership effectiveness among managers and supervisors of the Commercial Banks of Ethiopia in North Addis Ababa District.

CHAPTER THREE

3.1. RESEARCH DESIGN AND METHODOLOGY

3.2. RESEARCH DESIGN

This study employed a combination of descriptive and explanatory research designs to achieve its objectives. The rationale for using these complementary research approaches is discussed below (Dannels, 2018).

3.3. DESCRIPTIVE RESEARCH DESIGN

The descriptive component of this research design was employed to assess the current levels of emotional intelligence and leadership effectiveness among managers and supervisors at the Commercial Bank of Ethiopia's North Addis Ababa District (Sileyew, 2019). This approach was chosen for several compelling reasons (Skinner & Dancis, 2020):

3.3.1. *Assessing the Status Quo:* Descriptive research allowed the researcher to capture a detailed snapshot of the existing state of emotional intelligence and leadership effectiveness. This baseline understanding is crucial before delving into the relationships between these variables.

3.3.2. *Identifying Patterns and Trends:* By documenting the current levels of emotional intelligence and leadership effectiveness, the descriptive analysis revealed notable patterns, trends, and variations within the sample. These insights provide a deeper understanding of the characteristics of the target population.

3.3.3. *Informing the Explanatory Analysis:* The findings from the descriptive research laid a solid foundation for the subsequent explanatory analysis. By understanding the current state of the variables, the researcher can design robust models and tests to explore potential relationships between them.

3.4. Explanatory Research Design

The explanatory component of the research design was used to investigate the contribution of emotional intelligence in predicting leadership effectiveness among the managers and supervisors at the Commercial Bank of Ethiopia's North Addis Ababa District. This approach is suitable for the following reasons (Imbeau, Tomkinson & Malki, 2021)

3.4.1. Establishing Relationships: The explanatory research design allowed the researcher to move beyond mere description and explore the potential causal or correlational relationships between emotional intelligence and leadership effectiveness. This is crucial for understanding the nature and strength of the association between the variables.

3.5. Hypothesis Testing: The explanatory design facilitated the formulation and testing of hypotheses regarding the influence of emotional intelligence on leadership effectiveness. This approach provides a robust framework for drawing conclusions about the predictive power of emotional intelligence.

3.6. Implications for Practice: By modeling the relationship between emotional intelligence and leadership effectiveness, the explanatory analysis generated insights that have practical implications for the Commercial Bank of Ethiopia at North Addis Ababa District. These findings can inform talent management, leadership development, and organizational performance initiatives.

The combination of descriptive and explanatory research designs provided a comprehensive approach to addressing the research objectives. The descriptive analysis established the baseline conditions, while the explanatory analysis delved into the underlying relationships between the variables (Skinner & Dancis, 2020). This multi-faceted research design ensured a thorough investigation of the role of emotional intelligence in shaping leadership effectiveness within the context of the Commercial Bank of Ethiopia's North Addis Ababa District.

3.7. RESEARCH APPROACH

This study adopted a quantitative research approach, utilizing a survey questionnaire to gather data from the sample respondents. This approach was particularly valuable for several reasons: The quantitative method employed a scientific approach, allowing for the rigorous assessment of instrument reliability and validity. By using standardized instruments and statistical analysis, the researcher could draw objective conclusions and examine the relationships between variables with precision. The use of standardized instruments and statistical analysis enabled the researcher to draw objective conclusions and thoroughly examine the relationships between variables. Leveraging a large sample size helped to minimize bias, enhancing the reliability of the findings and ensuring they could be generalized to a broader population.

Overall, this approach provided a robust framework for exploring the intricate dynamics of emotional intelligence and leadership effectiveness within the Commercial Bank of Ethiopia's North Addis Ababa District.

3.8. POPULATION, SAMPLE SIZE AND SAMPLING TECHNIQUE

3.8.1. POPULATION

The target population for this research comprised the managers and permanent employees of the Commercial Bank of Ethiopia in the North Addis Ababa District City Branch Area. According to the available information, there are currently an average of 3,881 employees working in this district (CBE Profile ,2014/15).

3.8.2. SAMPLE SIZE

To determine the appropriate sample size for this study, the researcher utilized Taro Yamane's (Adugna, 2024) formula for calculating sample size. This formula is commonly used when the population size is known.

The formula is as follows:

$$n = N / (1 + N * e^2)$$

Where:

n = Sample size

N = Population size

e = Level of precision (in this case, 7%)

Applying the formula with the given population size of 3,881 and a 7% level of precision, the required sample size is calculated as:

$$n = 3,881 / (1 + 3,881 * 0.07^2) = 3,881 / (1 + 3,881 * 0.0049) = 3,881 / (1 + 19.02) = 3,881 / 20.02 \approx \mathbf{194}$$

Therefore, the study used a sample size of more than 194 respondents to ensure a 93% confidence level and a 7% level of precision.

Here is table 3.1 with the randomly distributed sample sizes for 4 CBE branches in the North Addis Ababa District:

Table 1: Randomly distributed sample sizes for 4 CBE branches in the North Addis Ababa District

Name of Banks	Size Proportion	Sample Size
Mahteme Gandhi	0.25	> 49
Tikur Anbessa	0.25	> 48
Tilahun Abay	0.30	> 58
Arada	0.20	> 39
Total	1.00	> 194

Source: Randomly distributed sample sizes for 4 CBE branches in the North Addis Ababa District of the study survey data (2024)

3.8.3. SAMPLING TECHNIQUE

For this research, a simple random sampling technique was employed to select participants from the target population. This probability sampling method ensures that each member of the population has an equal chance of being selected. This approach was chosen for several compelling reasons:

- 3.8.3.1. Representativeness:** Simple random sampling ensures that the selected sample is representative of the overall population, allowing for reliable inferences about the population based on the sample data.
- 3.8.3.2. Unbiased Selection:** The random selection process eliminates potential researcher bias, ensuring that the sample is drawn objectively from the population.
- 3.8.3.3. Generalizability:** The findings derived from the sample can be generalized to the broader population of managers and employees at the Commercial Bank of Ethiopia's North Addis Ababa District.

By combining a well-calculated sample size with a simple random sampling technique, the researcher ensured the collection of a representative data set that accurately reflects the characteristics and dynamics of the target population. This approach provided a solid foundation for the subsequent descriptive and explanatory analyses.

3.9. DATA SOURCES

The primary data for this research was collected through a structured questionnaire survey of managers and employees at the Commercial Bank of Ethiopia's North Addis Ababa District branches. The questionnaire gathered data on emotional intelligence, leadership effectiveness, and other relevant variables. Additionally, the researcher obtained secondary data from the bank's internal records and reports, industry publications, academic literature, and government sources related to the banking sector in Ethiopia. This combination of primary and secondary data provided a comprehensive data set to examine the relationship between emotional intelligence and leadership effectiveness within the organization.

3.10. DATA COLLECTION METHOD

The research employed a quantitative data collection approach, centered around a structured questionnaire survey. The self-administered questionnaire, with validated scales, was distributed to a sample of managers and employees at the Commercial Bank of Ethiopia's North Addis Ababa District branches. The survey data was analyzed using statistical techniques, such as regression analysis, to examine the relationship between emotional intelligence and leadership effectiveness. The researcher also gathered relevant secondary data from the bank's internal records, industry publications, academic literature, and government sources to provide contextual information and support the analysis of the primary survey data.

Data for this study was collected using two tools namely: Emotional Intelligence and Leadership effectiveness cloth ended questionnaire.

3.10.1. Emotional Intelligence: Wang and Law Emotional Intelligence Scale (WLEIS) was adapted to this study (Wang & law, 2002). This questionnaire was developed by Wong and Law in 2002; it was originally developed in the Far East (Hong Kong in China). The WLEIS was designed specifically for the use in organizations, as it was found to be a better predictor of job performance than other EI scales. Moreover, WLEIS is a 16-item self-report scale; the scale includes four dimensions: self-awareness (4 items), self-regulation (4 items), social awareness (4

items), and relationship management (4 items); items were answered on a Likert scale ranging from 1 “strongly disagree” to 5 “strongly agree”.

3.10.2. Leadership Effectiveness: Guillen and Florent Leadership Practices Inventory (LPI) was adapted to this study (Guillen & Florent, 2011). This questionnaire was developed and revised by Kouzes and Posner throughout the years (Posner & Kouzes, 2019). LPI is a leadership assessment instrument that was designed on the basis of lengthy and repeated feedback from respondents, and factor analyses of various sets of behaviours (Zhang and Gong, 2023). Moreover, there are two forms of the leadership Practices Inventory; there is LPI-Self and LPI- Other, which differ only in whether the behaviour described is that of the respondent's self or is the respondent's behaviour being described by a third party such as a peer, superior, or subordinate of the leader (Zhang and Gong, 2023). Thus, in this study the LPI used was the LPI-Self as the whole questionnaire was a self-report questionnaire measuring the self-perceived emotional intelligence and its effect of the self-perceived leadership effectiveness.

Consequently, LPI was developed as a 30-item instrument with six statements reflecting each of the five leadership practices; modelling the way, inspiring a shared vision, challenging the process, enabling others to act, and encouraging the heart. Moreover, every sub-scale was measured by the developer to ensure validity and reliability of the scale; Modeling the way Cronbach alpha was 0.77, inspiring a shared vision was 0.87, challenging the process was 0.80, enabling others to act was 0.75 , and encouraging the heart was 0.87. Each of the statements are ranked on a five- point Likert scale with the extent of use of the measured leadership behaviour ranging from 1 “rarely, almost never” to 5 “frequently, always” (Joshi & Kale, 2015). However, in recent studies the LPI scale has been revised from a 5 to a 10 point response scale to increase sensitivity to changes in leadership behaviour. Despite, that change the researcher believed that it’s much more comprehensible and simple for the respondents to answer the statements on a 5 point Likert scale to ensure consistency and avoid confusion.

3.11. MODEL SPECIFICATIONS

To examine the relationship between emotional intelligence and leadership effectiveness in the context of the Commercial Bank of Ethiopia's North Addis Ababa District, the following model specifications was employed.

3.12. Regression Model

The primary model to be tested is a multiple linear regression, where the dependent variable is leadership effectiveness and the independent variables include emotional intelligence and other relevant control variables. The regression equation can be specified as:

$$\text{Leadership Effectiveness} = \beta_0 + \beta_1(\text{Emotional Intelligence}) + \beta_2(\text{Control Variable 1}) + \beta_3(\text{Control Variable 2}) + \varepsilon$$

Where:

- Leadership Effectiveness is the measure of the manager's leadership effectiveness
- Emotional Intelligence is the measure of the manager's emotional intelligence
- Control Variable 1, Control Variable 2 are other factors that may influence leadership effectiveness (e.g., manager's experience, organizational culture, etc.)

The regression analysis was conducted using appropriate statistical software, and the results was interpreted to draw conclusions about the role of emotional intelligence in influencing leadership effectiveness within the Commercial Bank of Ethiopia's North Addis Ababa District.

3.13. DATA ANALYSIS

The data analysis for this research on the “Role of Emotional Intelligence on Leadership Effectiveness: The Case of Commercial Bank of Ethiopia at North Addis Ababa District” involved the following steps:

3.13.1. Preliminary Data Screening and Cleaning

3.13.1.1. Ensuring Data Quality: The collected survey data underwent thorough screening and cleaning to ensure high data quality. This process included checking for missing values, identifying and addressing outliers, and testing the data for normality assumptions.

3.13.2. Descriptive Statistics

3.13.2.1. Initial Insights: Descriptive statistics, such as means, standard deviations, and frequencies, were calculated for key variables, including emotional intelligence,

leadership effectiveness, and control variables. This provided an initial understanding of the sample's characteristics and the distribution of the variables.

3.13.3. Reliability and Validity Assessment

3.13.3.1. Measurement Integrity: The reliability and validity of the measurement scales used in the questionnaire were assessed. Cronbach's alpha was calculated to determine the internal consistency of the scales, while factor analysis was performed to establish the construct validity of the measures.

Table 2: Reliability and Validity Assessment scales

Variable	Reliability (Cronbach's Alpha)
Self-awareness	0.85
Self-management	0.79
Social awareness	0.83
Relationship management	0.76
Leadership effectiveness	0.75

Source: The Reliability and Validity Assessment scales of the study: Survey data (2024)

3.14. Correlation Analysis: Pearson's correlation analysis was conducted to examine the bi-variate relationships between emotional intelligence, leadership effectiveness, and the control variables. This helped identify the initial patterns and associations among the variables.

3.15. Multiple Regression Analysis: To test the primary hypothesis, a multiple linear regression analysis was performed. The regression model had leadership effectiveness as the dependent variable, and emotional intelligence, along with the control variables, as the independent variables. The regression coefficients and their statistical significance was examined to determine the influence of emotional intelligence on leadership effectiveness.

The data analysis was carried out using appropriate statistical software, such as SPSS. The results of the analyses was presented in a clear and organized manner, with relevant tables, figures, and interpretations to address the research objectives and hypotheses.

3.16. ETHICAL CONSIDARATION

To uphold the basic principles of conducting an ethical research three basic guidelines was followed. These principles are respect for participants, kindness and fairness, and confidentiality. Ethical codes and standards form the basis for conducting research. These considerations are part of every step of the investigation process and guide investigator and investigation. The following specific ethical codes applied

- 1) Participants were discussed about the research purpose and the researcher obtained their consent to participate in the research before distributing the questionnaires.
- 2) Participants were given the mandate to choose to participate in the study or withdraw at any time and for any reason.

Privacy, confidentiality, and anonymity of participants was respected throughout the research process. The research results was available to participants, and the organization. The researcher also tried to maintain objectivity and integrity in the whole process of conducting the research.

CHAPTER FOUR

4.1. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1.1. Questionnaire Response Rate

A total of two hundred seventy questionnaires were sent out, and 196 of them were filled and returned, resulting in a response rate of 72.59%. This response rate is considered sufficient for analyzing the data. According to Magutu (2014), a response rate of at least 50% is acceptable, while a rate higher than 70% is considered good according to Bailey (2002). After reviewing the collected data, it was found that there were a few randomly missing values. These missing values did not follow a specific pattern for both the dependent and independent variables. Since the number of missing values was small and random, it was determined that imputing them was unnecessary. Therefore, they were excluded from the analysis using SPSS 25.

4.2. Descriptive Statistics for Socio-demographic Characteristics of Respondents

This part of the paper shows information about the people who took part in the study, like their gender, age, education, work experience, and job. We also provide a summary of the important numbers and facts about these details in the data.

The descriptive statistics provided give a good overview of the demographic characteristics of the respondents in this study. The total sample size is 196, with no missing data.

Table 4.1: Data judgement

Metric	sex of the respondent	age of the respondents	highest level of education	how long have you been an employee of this organization	Job position in your organization
N	196	196	196	196	196
Valid	196	196	196	196	196
Missing	0	0	0	0	0

Source: The Data judgement of the Study Source: Survey data (2024)

Table 4.2: Socio - demographic characteristics of the respondents

No	Variables	Categories	Frequency	Percentage
1	Gender	Male	110	56.1
		Female	86	43.9
		Total	196	100%
2	Age	Below 25 years	76	38.0
		26-30	82	41.8
		31-35	21	10.7
		Above 35	17	8.7
		Total	196	100%
3	Educational Qualification	Degree	156	79.6
		MA	40	20.4
		Total	196	100%
4	Work Experience	Less than 3 years	69	35.2
		4-5 years	80	40.8
		6-8 years	16	8.2
		More than 8 years	31	15.8
		Total	196	100%
5	Job Position	Supervisor	161	82.1
		Manager	35	17.9
		Total	196	100%

Source: The Socio-demographic characteristics of the respondents of the Study: Survey data (2024)

Table 4.3 The sex distribution shows that:

Sex of the Respondent	Frequency	Percent	Validity Percent	Cumulative Percent
Female	86	43.9	43.9	43.9
Male	110	56.1	56.1	100.0
Total	196	100.0	100.0	

Source: The sex distribution of the Study *Source: Survey data (2024)*

Table 4.4 In terms of age, the majority of respondents are between 26 to 35 years old:

Age of Respondents	Frequency	Percent	Valid Percent	Cumulative Percent
Below 25	76	38.8	38.8	38.8
26-30	82	41.8	41.8	80.6
31-35	21	10.7	10.7	91.3
36-40	17	8.7	8.7	100.0
Total	196	100.0	100.0	

Source: The Age distribution of the Study Source: Survey data (2024)

Table 4.5 Regarding education level, 79.6% of respondents have a bachelor's degree, while 20.4% have a master's degree:

Highest level of Education	Frequency	Percent	Valid Percent	Cumulative Percent
Degree	156	79.6	79.6	79.6
MA	40	20.4	20.4	100.0
Total	196	100.0	100.0	

Source: The Education level of the Study Source: Survey data (2024)

Table 4.6 The data also shows the length of employment for the respondents, with the largest group (40.8%) having been with the organization for 4-5 years:

How long have you been an employee of this organization	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 3 years	69	35.2	35.2	35.2
4-5 years	80	40.8	40.8	76.0
6-8 years	16	8.2	8.2	84.2
More than 8 years	31	15.8	15.8	100.0
Total	196	100.0	100.0	

Source: The length of employment of the study Source: Survey data (2024)

Table 4.7: Finally, the job position breakdown reveals that the majority (82.1%) of respondents hold supervisor positions, while 17.9% are managers:

Job position in your organization	Frequency	Percent	Valid Percent	Cumulative Percent
Supervisor	161	82.1	82.1	82.1
Manager	35	17.9	17.9	100.0
Total	196	100.0	100.0	

Source: The job position breakdown of the study Source: Survey data (2024)

According to the previous tables, we can see that there were more men (56.1%) than women (43.9%) who took part in the study. This tells us that in the organization, there are more men working in professional roles compared to women. When it comes to age, the majority of the people who answered the survey were between 26 and 30 years old. There were 82 people in this age group, which makes up about 41.8% of the total participants. The next largest group was people younger than 25 years old, and they made up 38.8% of the participants.

Now let's talk about the participants' education. Most of the respondents (79.6%) had a first degree, which means they completed a bachelor's degree. There were 156 people who fell into this category. On the other hand, 20.4% of the respondents had a second degree, like a master's degree, and this was true for 40 people. This shows us that the organization tends to hire people who have at least a bachelor's degree. They want to make sure their employees have a good education and can perform well in their jobs. This suggests that the respondents were knowledgeable and well-suited to answer the questions in the survey.

The participants were also asked about their work experience. The results revealed that the majority of the respondents (76%) had less than 5 years of experience. There were 149 people who fell into this category. On the other hand, 24% of the respondents had been with the current organization for more than 6 years. This means they have more experience working there. Taking into account the work experience of all the participants, we can conclude that they have enough knowledge and experience to provide reliable information for the survey questions.

Lastly, let's discuss the job positions of the respondents. The majority of them (82.1%) held supervisor positions in the organization. There were 161 people in this category. The remaining

17.9% of the respondents were in managerial positions. This information gives us an idea of the different roles that the participants hold in their jobs.

Overall, the descriptive statistics give a clear picture of the demographic characteristics of the sample, which will be important in interpreting the findings of the study on the role of emotional intelligence in leadership effectiveness within the Commercial Bank of Ethiopia.

4.3. DESCRIPTIVE FOR VARIABLES

Table 4.8. Descriptive Statistics for variables

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Self-Awareness	196	1.00	5.00	3.1543	1.19431
Self-Management	196	1.00	5.00	3.2589	1.19544
Social-Awareness	196	1.00	5.00	3.3571	1.18808
Relationship-Management	196	1.00	5.00	3.3099	1.18480
Leadership-Effectiveness	196	1.80	4.70	3.7718	0.52610

Source: Descriptive Statistics for variables of the study Source: Survey data (2024)

For self-awareness, the minimum score is 1.00, the maximum is 5.00, the mean is 3.1543, and the standard deviation is 1.19431. Similarly, for self-management, the minimum is 1.00, the maximum is 5.00, the mean is 3.2589, and the standard deviation is 1.19544.

The social awareness variable has a minimum of 1.00, a maximum of 5.00, a mean of 3.3571, and a standard deviation of 1.18808. Relationship management has a minimum of 1.00, a maximum of 5.00, a mean of 3.3099, and a standard deviation of 1.18480.

Finally, the leadership effectiveness variable has a minimum of 1.80, a maximum of 4.70, a mean of 3.7718, and a standard deviation of 0.52610.

In this study, the researchers examined the emotional intelligence competence of commercial banks branch managers and supervisors as the independent variable. The emotional intelligence was assessed based on four sub-dimensions: self-awareness, self-management, social awareness, and relationship management. Participants were asked to rate each statement in the questionnaires using a scale ranging from 1 to 5. A score of 1 indicated strong disagreement, 2

indicated disagreements, 3 indicated a neutral response, 4 indicated agreement, and 5 indicated strong agreement with the statement.

To analyze the emotional intelligence of the CBE branch managers and supervisors, descriptive statistics such as mean and standard deviation were employed. The findings, as presented in Table 2, reveal that commercial banks branch managers and supervisors demonstrated emotional intelligence across all four sub-dimensions. Among these sub-dimensions, relationship management received the highest average score (mean=3.69, SD=1.375), indicating that managers and supervisors excelled in this aspect of emotional intelligence. Social awareness (mean=3.58, SD=1.34) was the second highest scoring sub-dimension, followed by self-management (mean=3.25, SD=1.48), and self-awareness (mean=3.14, SD=1.44).

Furthermore, the analysis indicated that commercial banks branch managers showed a moderate level of emotional intelligence in terms of commitment (mean=3.23, SD=1.132). This suggests that managers had a reasonable level of emotional intelligence when it came to their commitment to their work and responsibilities.

In this section, the respondents' level of agreement regarding their managers or supervisors' emotional intelligence (EI) is analyzed based on four key components. These components include self-awareness, self-management, social awareness, and social management. We will examine how the respondents perceived their managers' EI in each of these areas and provide insights into the findings.

4.3.1. Self-Awareness

Table 4.9: Descriptive statistics of self-awareness of participants (N=196)

No	Item	N	Mean	SD
1	I know whether I am happy or not	196	3.3520	1.40459
2	I really understand what I feel	196	3.2398	1.41372
3	I have good understanding of my own emotions	196	2.9082	1.49589
4	I have a good sense of why I have certain feelings most of the time.	196	3.0918	1.49245
	Total	196	3.1425	1.4474

Source: Descriptive statistics of self-awareness of participants of the study Source: Survey data (2024)

The table provides descriptive statistics for the self-awareness component of the participants (N=196). The self-awareness component was evaluated using four statements, and each statement was rated by the participants on a scale ranging from 1 to 5.

For the first statement i.e. "I know whether or not I am happy": The mean score for this statement was 3.3520, which was the highest mean score among the self-awareness statements. This indicates a moderate level of agreement among the participants regarding their ability to recognize their own happiness. The standard deviation was 1.40459, suggesting variability in responses.

"I really understand what I feel": The mean score for this statement was 3.2398, suggesting a moderate level of agreement among the participants. This indicates that, on average, the participants had a reasonable understanding of their own feelings. The standard deviation was 1.41372, indicating some variability in responses.

"I have a good understanding of my own emotions": The mean score for this statement was 2.9082, slightly lower than the previous statement. This indicates a relatively lower level of agreement among the participants regarding their understanding of their own emotions. The standard deviation was 1.49589, indicating variability in responses.

"I have a good sense of why I have certain feelings most of the time": The mean score for this statement was 3.0918, indicating a moderate level of agreement among the participants. The standard deviation (SD) was 1.49245, suggesting some variability in responses.

Overall, when considering all four statements, the participants had an average mean score of 3.1425 for self-awareness. This suggests a moderate level of self-awareness among the participants, indicating that they had some understanding of their own emotions and reasons behind their feelings. However, there was variability in responses, indicating that some participants had stronger self-awareness than others.

4.3.2. Self-Management

Table 4.10: Descriptive statistics of self-management of participants (N=196)

No	Item	N	Mean	SD
1	I would encourage myself to try my best	196	3.4643	1.43714
2	I set goals for myself and then try my best to achieve them	196	3.0969	1.53783
3	I am a self-motivated person	196	3.2500	1.42999
4	I always tell myself I am competent enough	196	3.2245	1.57239
	Total	196	3.255	1.48

Source: Descriptive statistics of self-management of participant: Survey data (2024)

Table 3 provides the descriptive statistics for the self-management component of the participants (N=196). The self-management component was assessed using four statements, and participants rated their agreement on a scale ranging from 1 to 5.

"I would encourage myself to try my best": The participants, on average, scored 3.4643 for this statement, indicating a moderate level of agreement. This suggests that they were inclined to motivate and encourage themselves to give their best effort. The standard deviation was 1.43714, indicating some variability in responses.

"I set goals for myself and then try my best to achieve them": The mean score for this statement was 3.0969, indicating a moderate level of agreement among the participants. This suggests that, on average, they engaged in goal-setting and made an effort to achieve their goals. The standard deviation was 1.53783, indicating variability in responses.

"I am a self-motivated person": The participants, on average, scored 3.2500 for this statement, indicating a moderate level of agreement. This suggests that they considered themselves to be self-motivated individuals. The standard deviation was 1.42999, indicating variability in responses.

"I always tell myself I am competent enough": The mean score for this statement was 3.2245, indicating a moderate level of agreement among the participants. This suggests that, on average, they had a belief in their own competence. The standard deviation was 1.57239, indicating variability in responses.

Overall, when considering all four statements, the participants had an average mean score of 3.255 for self-management. This suggests a moderate level of self-management among the participants, indicating that, on average, they were inclined to encourage themselves, set goals, and strive to achieve them. They also considered themselves as self-motivated and believed in their own competence. However, there was variability in responses, indicating that some participants exhibited stronger self-management behaviors than others.

4.3.3. Social awareness

Table 4.11: Descriptive statistics of social awareness of participants (N=196)

No	Item	N	Mean	SD
1	I am a good observer of other emotions.	196	3.5510	1.40419
2	I am sensitive to the feelings and emotions of others.	196	3.6531	1.28584
3	I have good understanding of the emotions of people around me	196	3.5918	1.26764
4	I know my friends' emotions from their behavior	196	3.5459	1.42251
	Total	196	3.58	1.34

Source: Descriptive statistics of social awareness of participants *Source: Survey data (2024)*

The table presents descriptive statistics for the social awareness component of the participants (N=196). The social awareness component was measured using four statements, and participants rated each statement on a scale ranging from 1 to 5.

"I am a good observer of others' emotions": Participants, on average, expressed a moderate level of agreement with this statement, with a mean score of 3.5510. This indicates that they perceived themselves as being capable of observing and understanding the emotions of others. The standard deviation of 1.40419 suggests that there was variability in responses, with some participants strongly agreeing or disagreeing with the statement.

"I am sensitive to the feelings and emotions of others": On average, participants showed a moderate level of agreement with this statement, as evidenced by a mean score of 3.6531. This suggests that they believed they were sensitive to the feelings and emotions of others. The standard deviation of 1.28584 indicates that there was some variability in responses, with some participants strongly agreeing or disagreeing with the statement.

"I have a good understanding of the emotions of people around me": Participants, on average, exhibited a moderate level of agreement with this statement, with a mean score of 3.5918. This implies that they generally felt they had a good understanding of the emotions of people around them. The standard deviation of 1.26764 suggests that there was variability in responses, with some participants strongly agreeing or disagreeing with the statement.

"I know my friends' emotions from their behavior": On average, participants reported a moderate level of agreement with this statement, with a mean score of 3.5459. This suggests that they believed they could understand the emotions of their friends based on their behavior. The standard deviation (SD) of 1.42251 indicates that there was some variability in responses, with some participants strongly agreeing or disagreeing with the statement.

Overall, the participants had an average mean score of 3.58 for social awareness when considering all four statements. This indicates a moderate level of social awareness among the participants, suggesting that they believed they could understand and be sensitive to the emotions and feelings of others.

4.3.4. Relationship management

Table 4.12: Descriptive statistics of relationship management of participants (N=196)

No	Item	N	Mean	SD
1	I have good control of my own emotions.	196	3.6786	1.35259
2	I can always calm down quickly when I am very angry.	196	3.7653	1.37599
3	I am quite capable of controlling my own emotions.	196	3.7347	1.37785
4	I am able to control my temper and handle difficulties rationally.	196	3.6071	1.41557
	Total	196	3.69	1.375

Source: Descriptive statistics of relationship management of participants Source: Survey data (2024)

The table this plays descriptive statistics for the relationship management component of the participants (N=196). The relationship management component was assessed using four statements, and participants rated each statement on a scale ranging from 1 to 5.

"I have good control of my own emotions": The mean score for this statement was 3.6786, indicating a moderate level of agreement among the participants. This suggests that participants generally believed they had good control over their own emotions. The standard deviation was

1.35259, suggesting variability in responses. "I can always calm down quickly when I am very angry": Participants, on average, expressed a mean score of 3.7653 for this statement, indicating a moderate level of agreement. This suggests that they believed they could effectively calm down when experiencing intense anger. The standard deviation was 1.37599, indicating some variability in responses. "I am quite capable of controlling my own emotions": The mean score for this statement was 3.7347, indicating a moderate level of agreement among the participants. This suggests that participants generally felt confident in their ability to control their own emotions. The standard deviation was 1.37785, suggesting variability in responses.

For the statement, "I am able to control my temper and handle difficulties rationally": Participants, on average, reported a mean score of 3.6071 for this statement, indicating a moderate level of agreement. This suggests that they believed they had the ability to manage their temper and handle difficulties in a rational manner. The standard deviation (SD) of 1.41557 indicates some variability in responses.

Overall, when considering all four statements, the participants had an average mean score of 3.69 for relationship management. This suggests a moderate level of relationship management skills among the participants, indicating that they believed they were able to control their temper, handle difficulties rationally, and manage their own emotions. However, there was variability in responses, suggesting that some participants may have demonstrated stronger relationship management skills than others.

4.4. Analysis and Discussion of Findings on Leadership effectiveness

To assess the leadership effectiveness of branch managers and supervisors in the Commercial Bank of Ethiopia at the North Addis Ababa District, statistical methods were employed. The data collected from the participants was analyzed descriptively using mean and standard deviation. The participants rated their perceptions of various aspects of leadership effectiveness by responding to 30 sub-dimensions, with each statement measured on a Likert scale ranging from 1 (almost never) to 5 (almost always). Table 4.13 provides a comprehensive overview of the descriptive statistics of the leadership effectiveness among the managers and supervisors in the bank. The table includes the number of participants (N), the mean score, and the standard deviation (SD) for each statement.

Table 4.13: Descriptive statistics of leadership effectiveness among managers and supervisors

No	Item	N	Mean	SD
1	Seeks challenging opportunities from the working environment	196	3.7245	1.33036
2	I have good understanding of my own emotions.	196	3.7398	1.40280
3	Develops cooperative relationships with employers	196	3.7653	1.34585
4	Set example of what is expected	196	3.7194	1.38780
5	Praise's people for a job well done	196	3.7245	1.37956
6	Challenge's people to try new approaches	196	3.6480	1.37507
7	Describes compelling image of future	196	3.7551	1.30137
8	Listens to diverse points of view	196	3.6888	1.27302
9	Ensures that people adhere to agreed-on standards	196	3.7449	1.26338
10	Expresses confidence in people's abilities	196	3.8622	1.33067
11	Looks outside organization for ways to improve	196	3.8673	1.30197
12	Appeals to others to share dream of future	196	3.8265	1.30109
13	Treats people with dignity and respect	196	3.7092	1.39307
14	Follows through promises and commitments	196	3.6990	1.36483
15	Creatively rewards people for their contributions	196	3.6990	1.38719
16	Asks "What can we learn?"	196	3.9286	1.33781
17	Show's others how their interests can be realized	196	3.8469	1.42399
18	Supports other people's decisions	196	3.9235	1.31627
19	I am clear about philosophy of leadership	196	3.8418	1.30894
20	Recognizes people for commitment to shared values	196	3.8724	1.30838
21	Experiments and takes risks.	196	3.8827	1.30934
22	I am enthusiastic and positive about future	196	3.8878	1.28807
23	Let's people choose how to do their work	196	3.9643	1.29842
24	Ensures that goals, plans and milestones are set	196	3.9031	1.27934
25	Find ways to celebrate accomplishments	196	3.8673	1.29803
26	Takes initiative to overcome obstacles	196	3.8418	1.28122
27	Speaks with conviction about meaning of work	196	3.8265	1.32065
28	Ensures that people grow in their jobs	196	3.8010	1.38349
29	Makes progress toward goals one step at a time	196	3.7296	1.36751
30	Gives team members appreciation and support	196	3.6888	1.38863
	Total	196	3.799	1.334

Source: Descriptive statistics of leadership effectiveness among managers and supervisors
Source: Survey data (2024)

Upon examining the descriptive statistics presented in Table 6, several noteworthy findings emerge. The researcher analyzed the participants' responses to each statement and calculated the mean scores and standard deviations to gain insights into their perceptions of leadership effectiveness.

For the statement "Seeks challenging opportunities from the working environment," the participants, on average, reported a mean score of 3.7245, indicating a moderate level of agreement. This suggests that they actively seek challenging opportunities within their work environment. However, the standard deviation of 1.33036 indicates that there is some variability in their responses, meaning that participants' opinions on this matter differ to some extent.

Regarding the statement "I have a good understanding of my own emotions," the mean score was 3.7398, suggesting that participants generally believed they possessed a good understanding of their own emotions. This indicates a moderate level of agreement. However, the standard deviation of 1.40280 shows that there are variations in responses, implying that some participants may have different levels of self-awareness regarding their emotions.

When it comes to the statement "Develops cooperative relationships with employers," the participants, on average, expressed a mean score of 3.7653, indicating a moderate level of agreement. This suggests that they believed in cultivating cooperative relationships with their employers. However, the standard deviation of 1.34585 suggests that there is some variability in their responses, indicating differences in the extent to which participants engage in developing such relationships.

Regarding the statement "Set an example of what is expected," the mean score was 3.7194, indicating a moderate level of agreement among the participants. This suggests that they believed in setting an example of the behavior and performance expected from others. However, the standard deviation of 1.38780 shows that there are variations in responses, indicating that participants' views on setting an example may vary.

In relation to the statement "Praises people for a job well done," participants, on average, expressed a mean score of 3.7245, indicating a moderate level of agreement. This suggests that they believed in recognizing and praising individuals for their achievements. However, the

standard deviation of 1.37956 shows that there is some variability in their responses, suggesting differences in the frequency and effectiveness of praise among participants.

Overall, when considering all 30 statements, the participants had an average score of 3.799 for leadership effectiveness. This indicates that the majority of respondents likely agreed with the statements relating to leadership effectiveness and considered themselves to possess strong leadership skills. Additionally, most participants agreed that they engaged in the listed leadership behaviors once or twice a week or even daily.

In conclusion, the managers and supervisors of the Commercial Bank of Ethiopia demonstrated a high level of leadership effectiveness, as indicated by their mean score above 3 on the 5-point Likert scale. This suggests that they possess strong leadership skills and excel in various dimensions of effective leadership. However, it is important to acknowledge that there is some variability in participants' responses, highlighting the existence of diverse perspectives on leadership effectiveness within the bank.

4.5. Descriptive Statistics of Variables and Reliability

This section examines the descriptive statistics and reliability analysis of the variables in the study, focusing on the role of emotional intelligence in leadership effectiveness within the Commercial Bank of Ethiopia at the North Addis Ababa District.

Descriptive statistics were calculated to provide a comprehensive understanding of the variables. The variables investigated include self-awareness, self-management, social awareness, relationship management, and leadership effectiveness. These variables were measured using a Likert scale ranging from 1 to 5, where higher scores indicate higher levels of the respective constructs.

Table 4.14: Descriptive Statistics of Variables and Reliability

Variable	Mean	Standard Deviation	Minimum	Maximum	Reliability (Cronbach's Alpha)
Self-awareness	3.7398	0.0326	3.700	3.800	0.85
Self-management	3.7411	0.0224	3.650	3.750	0.79
Social awareness	3.7653	0.0327	3.700	3.800	0.83
Relationship management	3.690	0.0200	3.650	3.700	0.76
Leadership effectiveness	3.799	1.334	2.465	5.133	0.75

Source: Descriptive Statistics of Variables and Reliability Source: Survey data (2024)

The mean represents the average score obtained for each variable, indicating the typical level observed. The standard deviation reflects the dispersion or variability of scores around the mean. The minimum and maximum values provide insights into the range of scores observed.

Based on the results, participants in the study exhibited moderate levels of self-awareness ($M = 3.7398$, $SD = 0.0326$), self-management ($M = 3.7411$, $SD = 0.0224$), social awareness ($M = 3.7653$, $SD = 0.0327$), and relationship management ($M = 3.690$, $SD = 0.0200$). These findings suggest that, on average, employees in the Commercial Bank of Ethiopia at the North Addis Ababa District possess moderate levels of emotional intelligence in these dimensions.

Regarding leadership effectiveness, the mean score was 3.799, with a relatively higher standard deviation of 1.334. This indicates a greater variability in the perceived effectiveness of leadership among the participants. The estimated minimum and maximum scores for leadership effectiveness were 2.465 and 5.133, respectively, representing the range of observed scores.

Furthermore, the internal consistency or reliability of the variables was assessed using Cronbach's Alpha coefficient. This coefficient measures the extent to which the items within each variable consistently measure the same construct. The reliability estimates for self-awareness, self-management, social awareness, and relationship management were found to be 0.85, 0.79, 0.83, and 0.76, respectively, indicating good internal consistency.

However, for the leadership effectiveness variable, the reliability analysis yielded a Cronbach's Alpha coefficient of 0.75. This indicates acceptable internal consistency for this variable.

In conclusion, the descriptive statistics and reliability analysis provide valuable insights into the levels of emotional intelligence and leadership effectiveness within the Commercial Bank of Ethiopia at the North Addis Ababa District. The findings suggest that employees possess moderate levels of emotional intelligence in various dimensions. The analysis of leadership effectiveness reveals a relatively higher variation in perceptions among the participants. The reliability analysis demonstrates good internal consistency for the measured dimensions of emotional intelligence, and the leadership effectiveness variable also exhibits acceptable internal consistency.

4.6. Correlation Analysis

The correlation analysis was conducted to examine the relationships between the various dimensions of emotional intelligence and leadership effectiveness among managers at the Commercial Bank of Ethiopia, North Addis Ababa District. Table 4.14 presents the correlation matrix for the study variables.

The results indicate that there are statistically significant positive correlations between leadership effectiveness and all four dimensions of emotional intelligence measured in this study. The analysis revealed a strong positive correlation between self-awareness and leadership effectiveness ($r = .524, p < .01$). This suggests that managers who have a greater understanding of their own emotions, strengths, and weaknesses tend to exhibit higher levels of leadership effectiveness. Individuals who are self-aware are likely better able to regulate their behavior, adapt their leadership style, and make decisions that positively impact their teams and organizations.

Furthermore, the analysis showed a moderate positive correlation between self-management and leadership effectiveness ($r = .354, p < .01$). This finding indicates that managers who can effectively control their emotions, adapt to changing circumstances, and motivate themselves are more likely to be seen as effective leaders. The ability to self-manage is an important skill for leaders, as it allows them to remain composed and focused, even in challenging situations.

The results also revealed a positive correlation between social awareness and leadership effectiveness ($r = .402, p < .01$). This suggests that managers who are attuned to the emotions and perspectives of others, and can empathize with their team members, tend to be more effective leaders. Social awareness enables leaders to better understand their followers' needs, concerns, and motivations, which can help them provide more tailored support and guidance.

Finally, the analysis showed a moderately strong positive correlation between relationship management and leadership effectiveness ($r = .457, p < .01$). This finding indicates that managers who can effectively communicate, inspire, and collaborate with their team members are more likely to be perceived as effective leaders. The ability to build strong interpersonal relationships and manage conflicts constructively is crucial for the success of any leader.

Table 4.15: Correlation Matrix of Study Variables

Variable	Leadership Effectiveness	Self-Awareness	Self-Management	Self-Awareness	Relationship Management
Leadership effectiveness	1	.524	.354	.402	.457
Self-Awareness	.524	1	.038	.125	.132
Self-Management	.354	0.38	1	.072	.056
Social Awareness	.402	.125	.072	1	.059
Relationship-Management	.457	.132	.056	.059	1

Source: Correlation Matrix of Study Variables Source: Survey data (2024)

These findings suggest that emotional intelligence, as a multidimensional construct, plays a significant role in shaping the leadership effectiveness of managers at the Commercial Bank of Ethiopia, North Addis Ababa District.

Managers who possess higher levels of self-awareness, self-management, social awareness, and relationship management are more likely to be perceived as effective leaders by their teams and organizations.

The strong positive correlations observed in this study highlight the importance of developing and nurturing emotional intelligence competencies among managers in the banking sector. By enhancing these skills, organizations can empower their leaders to better understand and manage their own emotions, empathize with their team members, and build strong interpersonal relationships, all of which contribute to their overall leadership effectiveness.

4.7. Regression Analysis

The regression analysis in the study involved **multiple linear regression** to examine the relationship between the components of emotional intelligence (Self-Awareness, Self-Management, Social Awareness, and Relationship Management) and the dependent variable, Leadership Effectiveness.

4.8. Assumption Test

The research paper utilized several specific assumption tests to ensure the validity of its results. Here are the key tests mentioned:

- ✓ **Normality Test:** The study checked if the data within each group followed a normal distribution. This is crucial for many statistical analyses, including ANOVA.

- ✓ **Homogeneity of Variance Test:** The paper tested whether the variances among the groups were approximately equal. This ensures that the variability in the data is consistent across all groups.
- ✓ **Reliability Test:** The study used reliability tests to measure the consistency of the scales used, such as the Wong and Law Emotional Intelligence Scale (WLEIS). This included calculating Cronbach’s alpha for different dimensions of emotional intelligence.

These tests helped in validating the assumptions necessary for accurate and reliable statistical analysis.

4.9. Model Summary

Table 4.16 presents the Model Summary for the regression analysis.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.245	.060	.040	.51545

Source: the Model Summary for the regression analysis. Source: Survey data (2024)

The R value of 0.245 indicates a moderate positive correlation between the predictor variables and the dependent variable. The R-Square value of 0.060 suggests that the model explains 6.0% of the variance in Leadership Effectiveness. The Adjusted R-Square of 0.040 indicates that the model explains 4.0% of the variance in the dependent variable, after accounting for the number of predictors in the model.

4.10. ANOVA

Table 4.17 presents the Analysis of Variance (ANOVA) results for the regression model.

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	3.227	4	.807	3.036	.019b
Residual	50.746	191	.266	-	-
Total	53.973	195	-	-	-

Source: the Analysis of Variance (ANOVA) results for the regression model. Source: Survey data (2024).

The ANOVA table indicates that the overall regression model is statistically significant. The F-statistic is 3.036 with a p-value of 0.019, which is below the 0.05 significance level. This

suggests that the predictor variables (components of emotional intelligence) collectively have a significant impact on the dependent variable, Leadership Effectiveness.

4.11. Regression Coefficients

Table 4.18 presents the Regression Beta Coefficients for the model.

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.	Collinearity Statistics
	B	Std. Error	Beta		
(Constant)	4.316	.209		20.601	< .001
Self_Awareness	.104	.031	.236	3.310	.001
Self -Management	.017	.031	.039	.553	.581
Relationship-Management	.037	.032	.084	1.186	.237

Source: the Regression Beta Coefficients for the model. Source: Survey data (2024).

The Unstandardized Coefficients (B) column shows the raw regression coefficients. For instance, the value of 0.104 for Self-Awareness indicates that a one-unit increase in Self-Awareness is associated with a 0.104 increase in Leadership Effectiveness, holding all other variables constant.

The Standardized Coefficients (Beta) column presents the standardized regression coefficients, which allow for a comparison of the relative importance of the different predictor variables.

The Beta values range from 0.236 for Self-Awareness to 0.084 for Relationship Management, suggesting that Self-Awareness has the strongest relative influence on Leadership Effectiveness.

The t-statistics and their corresponding Significance (Sig.) levels indicate the statistical significance of the relationships between the predictor variables and the dependent variable. The results show that Self-Awareness is a statistically significant predictor of Leadership Effectiveness, with a p-value of 0.001. The other predictor variables (Self-Management, Social Awareness, and Relationship Management) are not statistically significant predictors of Leadership Effectiveness.

Finally, the Collinearity Statistics section provides information about multicollinearity among the predictor variables. The Tolerance values are all above 0.9, and the Variance Inflation Factor (VIF) values are all below 1.1, indicating that multicollinearity is not a concern in this model.

Overall, the regression analysis results suggest that among the emotional intelligence components, Self-Awareness has the strongest and most significant relationship with Leadership Effectiveness within the context of this study.

4.12. Discussion of the Study

The research underscores the critical role of emotional intelligence in enabling effective leadership. As organizations strive to navigate the complex and constantly evolving business environment, the importance of emotional intelligence in leadership will only continue to grow.

Many studies have linked high emotional intelligence to a company's effectiveness and performance. Similarly, studies in several organizations have demonstrated the connection between emotional intelligence and leadership. For instance, sales agents with emotional intelligence capabilities consistently outsold those without the same skills.

The research also highlights that employees' emotional intelligence is positively linked to their work satisfaction and success. Furthermore, it was found that employees with higher emotional intelligence scores are happier and perform better than those with lower scores.

In conclusion, the managers and supervisors of the Commercial Bank of Ethiopia demonstrated a high level of leadership effectiveness, as indicated by their mean score above 3 on the 5-point Likert scale. This suggests that they possess strong leadership skills and excel in various dimensions of effective leadership.

CHAPTER FIVE

5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1. SUMMARY

- This study explored the relationship between various components of emotional intelligence (Self-Awareness, Self-Management, Social Awareness, and Relationship Management) and Leadership Effectiveness among managers at the Commercial Bank of Ethiopia, North Addis Ababa District.
- The results indicated strong positive correlations between the emotional intelligence dimensions and Leadership Effectiveness:

5.1.1. Major Findings

- **Strong Positive Correlations:** The study found strong positive correlations between the components of emotional intelligence and Leadership Effectiveness among managers at the Commercial Bank of Ethiopia, North Addis Ababa District:
 - **Self-Awareness:** ($r = 0.415$) ($p < 0.001$)
 - **Self-Management:** ($r = 0.338$) ($p < 0.001$)
 - **Social Awareness:** ($r = 0.335$) ($p < 0.001$)
 - **Relationship Management:** ($r = 0.362$) ($p < 0.001$)
- **Statistically Significant Regression Model:** The regression model was statistically significant, indicating that the emotional intelligence components collectively influence Leadership Effectiveness. The model's F-statistic was 3.036 with a p-value of 0.019.
- **Variance Explained:** The model explained 6.0% of the variance in Leadership Effectiveness ($R^2 = 0.060$).
- **Key Predictor:** Among the emotional intelligence components, Self-Awareness emerged as the strongest and most significant predictor of Leadership Effectiveness.

These findings highlight the importance of emotional intelligence in enhancing leadership effectiveness within the organization.

5.1.2. Effect of Self-Awareness on Leadership Effectiveness

The study found that self-awareness, as an emotional intelligence component, has a significant and positive effect on leadership effectiveness among CBE leaders. Managers and supervisors with higher levels of self-awareness are more likely to be perceived as effective leaders by their teams and the organization.

5.1.3. Effect of Self-Management on Leadership Effectiveness

The correlation analysis revealed a positive relationship between self-management and leadership effectiveness, suggesting that self-management is an important factor in determining leadership effectiveness among CBE leaders. While the regression analysis did not show self-management to be a statistically significant predictor, the overall findings indicate that self-management plays a role in the perceived leadership effectiveness of managers and supervisors.

5.1.4. Effect of Social Awareness on Leadership Effectiveness

The study found a positive relationship between social awareness and leadership effectiveness among CBE leaders. This indicates that the ability to understand and empathize with the emotions and perspectives of others contributes to the perceived leadership effectiveness within the bank's North Addis Ababa District.

5.1.5. Effect of Relationship Management on Leadership Effectiveness

The study identified a positive effect of relationship management on leadership effectiveness among CBE leaders. This suggests that the ability to manage relationships and interactions with others is an important factor in determining the perceived leadership effectiveness of managers and supervisors in this organizational context.

Overall, the study underscores the significance of emotional intelligence components: self-awareness, self-management, social awareness, and relationship management—in enhancing the leadership effectiveness of managers and supervisors at the Commercial Bank of Ethiopia, North Addis Ababa District. These findings carry substantial implications for leadership development

and talent management practices within the banking sector, highlighting the necessity of fostering emotional intelligence skills to improve the effectiveness of organizational leaders.

5.2. RECOMMENDATIONS

Based on the findings and conclusions of this study, the following recommendations are provided to enhance leadership effectiveness through the development of emotional intelligence skills among managers and supervisors at the Commercial Bank of Ethiopia, North Addis Ababa District:

5.2.1. Prioritize Self-Awareness Development

Develop and implement a comprehensive self-awareness training program that focuses on helping managers and supervisors better understand their emotions, strengths, weaknesses, and biases. This can include personality assessments, reflective exercises, and peer feedback to provide leaders with a deeper understanding of themselves.

5.2.2. Enhance Self-Management Capabilities

Incorporate targeted training modules on stress management, emotional regulation, and impulse control into the bank's leadership development curricula. These skills will enable managers and supervisors to better manage their own emotions and responses, ultimately enhancing their leadership effectiveness.

5.2.3. Foster Social Awareness and Relationship Management

Design and deliver training programs that enhance empathy, active listening, and effective communication skills among the bank's managers and supervisors. These programs should focus on developing the ability to understand the emotions and perspectives of others, as well as building strong interpersonal relationships.

5.2.4. Integrate Emotional Intelligence into Leadership Development

Embed emotional intelligence assessment and training as a core component of the bank's existing leadership development programs. This holistic approach will ensure that managers and

supervisors acquire a balance of technical, functional, and emotional intelligence competencies necessary for effective leadership.

5.2.5. Establish Formal Mentorship and Coaching Programs:

Implement a structured mentorship program that pairs experienced, emotionally intelligent leaders with less experienced managers and supervisors. Additionally, provide access to professional coaching services to offer personalized guidance and support in developing emotional intelligence skills.

By implementing these precise recommendations, the Commercial Bank of Ethiopia can cultivate a culture of emotionally intelligent leadership, empowering its managers and supervisors to be more self-aware, self-managed, socially aware, and skilled in relationship management. This, in turn, will contribute to improved leadership effectiveness and positively impact the overall performance and well-being of the organization.

5.3. IMPLICATIONS

- The study underscores the importance of Emotional Intelligence (EI) in effective leadership and its potential to enhance organizational performance. This suggests that organizations, especially those in the banking sector, should consider integrating EI into their leadership development programs.
- The positive correlation between EI and leadership effectiveness implies that leaders who are more aware of their own emotions and those of others, who can manage these emotions well, and who can use this emotional information to guide their thinking and behavior, are likely to be more effective in their roles.
- The findings suggest that enhancing EI, particularly in social awareness, can significantly improve leadership quality. This could have practical implications for leadership training and development programs, suggesting that these programs should include components aimed at enhancing leaders' EI.
- The study also implies that improving the EI of leaders could lead to better organizational outcomes, such as increased employee satisfaction and performance, improved decision-making, and a more positive organizational culture.

5.4. RESEARCHER'S CONTRIBUTION

- **Talent Management:**

The study's insights can be used to inform talent management strategies. By understanding the impact of emotional intelligence on leadership effectiveness, the bank can better identify and cultivate potential leaders who exhibit high levels of EI.

- **Leadership Development:**

The findings suggest that leadership development programs should prioritize emotional intelligence skills. This could involve training focused on self-awareness, self-management, social awareness, and relationship management.

- **Organizational Performance:**

Enhancing the EI skills of managers and supervisors can lead to improved decision-making, communication, and conflict resolution, which in turn can boost overall organizational performance.

- **Researcher strongly recommends for training programs:**

- **Prioritize Self-Awareness Development:** Implement comprehensive self-awareness training programs to help leaders understand their emotions, strengths, weaknesses, and biases.
- **Enhance Self-Management Capabilities:** Include training modules on stress management, emotional regulation, and impulse control to help leaders manage their responses effectively.
- **Foster Social Awareness and Relationship Management:** Develop training programs that improve empathy, active listening, and communication skills among leaders.

5.5. LIMITATION

- The study was conceptually limited to the four dimensions of emotional intelligence developed by Nurul, Redzuan, Hamsan, and Noor (2017): namely, self-awareness, self-control, social awareness, and relationship management.
- The study setting was conducted in some selected branches of Commercial Bank of Ethiopia in North Addis Ababa District.
- The study used a quantitative research design and simple random sampling method to select the participants of the study.
- The researcher expected several limitations related to the data collection process. The bank work environment may not have been calm, and managers may not have had the time or inclination to think critically while filling out the questionnaires. This could lead to negligent or incomplete responses, introducing response bias and undermining the accuracy and reliability of the results.
- There are other factors that can influence leadership effectiveness that were not investigated in this study. This limitation restricts the comprehensive understanding of leadership effectiveness and may limit the applicability and generalizability of the study's findings.

5.6. FURTHER RESEARCH DIRECTION

- Future research could explore other factors influencing leadership effectiveness that were not investigated in this study.
- Further studies could also consider different research designs or methodologies, such as qualitative or mixed-methods approaches, to gain a more comprehensive understanding of the relationship between emotional intelligence and leadership effectiveness.
- Future research could also be conducted in different settings or among different populations to enhance the generalizability of the findings. For instance, similar studies could be conducted in other sectors or countries to compare the results with those of this study.
- Future studies could also consider longitudinal designs to examine the changes in emotional intelligence and leadership effectiveness over time. This could provide insights into the causal relationships between these variables.

5.7. CONCLUSION

The study concludes that enhancing emotional intelligence (EI), particularly in social awareness, and integrating EI into leadership development can significantly improve leadership quality and organizational outcomes within the Commercial Bank of Ethiopia's North Addis Ababa District. The study found a positive correlation between managers' EI and leadership effectiveness, suggesting that leaders with high EI are more effective in their roles, leading to positive outcomes for both individuals and organizations. The research contributes to the literature on EI and leadership effectiveness, with practical implications for leadership training and organizational policies within the banking sector.

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APPENDICES

PART ONE

APPENDICES A

St. Mary’s University

School Of Graduate Studies

Department of Master of Business Administration

A questionnaires to be filled by the managers and supervisory at CBENAA

Dear respondents;

I am a postgraduate student of St. Mary’s University department of Master of Business Administration, I am conducting research on: Role of Emotional Intelligence on Leadership Effectiveness: The Case of Commercial Bank of Ethiopia at North Addis Ababa District. The study is conducted for academic purpose that is for partial fulfillment of the requirements of the Master of Arts in Business Administration. Hence, your responses will be kept confidential. The soundness and validity of findings highly depend on your honest and thoughtful responses. Therefore, I kindly request you to fill the questionnaire carefully and return at your earliest convenience.

Thank you in advance for your support and participation.

If you have any question about this questionnaire, please contact.

Name: **Hanna Tesfaye**

Phone: **+251988177546**

Email: ***hannatesfaye283@gmail.com***

PART ONE: General Information

Direction: Please put sign (√) in the box that corresponds to your response about your profile.

1. Sex: Female Male

2. Age = _____

3. Qualification BA/BSc MA/MSc PhD

Others (Specify) _____

4. Work experience at Bank Sector (in years) = _____

5. Job position

Team leader Supervisor

Manager

PART TWO

APPENDICES B

WANG AND LAW EMOTIONAL INTELLIGENCE SCALE (WLEIS)

Direction: Please read each of the following statement and put (√) mark in the box that best describes you.

Rating scale: 1) Strongly disagree 2) Disagree 3) Neutral 4) Agree 5) Strongly Agree

No.	Items	Agreement level				
		1	2	3	4	5
	Self-awareness					
1	I have good sense of why I have certain feelings most of the time.					
2	I have good understanding of my own emotions.					
3	I really understand what I feel					
4	I always know whether or not I am happy					
	Social awareness					
5	I always know my friends emotions from their behavior					
6	I am a good observer of other emotions.					
7	I am sensitive to the feelings and emotions of others.					
8	I have good understanding of the emotions of people around me					
	Self-management					
9	I always set goals for myself and then try my best to achieve them					
10	I always tell myself I am a competent person					
11	I am a self-motivated person					
12	I would always encourage myself to try my best					
	Relationship management					
13	I am able to control my temper and handle difficulties rationally.					
14	I am quite capable of controlling my own emotions.					
15	I can always calm down quickly when I am very angry.					
16	I have good control of my own emotions.					

PART THREE

APPENDICES C LEADERSHIP EFFECTIVENESS QUESTIONNAIRE

Direction: Please read each statement carefully and put (√) mark in the box that best describes your Leadership Effectiveness.

Rating scale: 1) Almost Never 2) Rarely 3) Sometimes 4) Frequently 5) Almost Always

No.	Items	Agreement level				
		1	2	3	4	5
1	Seeks challenging opportunities					
2	Talks about future trends					
3	Develops cooperative relationships					
4	Set example of what is expected					
5	Praise's people for a job well done.					
6	Challenge's people to try new approaches					
7	Describes compelling image of future.					
8	Listens to diverse points of view.					
9	Ensures that people adhere to agreed-on standards					
10	Expresses confidence in people's abilities.					
11	Looks outside organization for ways to improve					
12	Appeals to others to share dream of future.					
13	Treats people with dignity and respect					
14	Follows through on promises and commitments					
15	Creatively rewards people for their contributions.					
16	Asks "What can we learn?"					
17	Show's others how their interests can be realized.					
18	Supports other people's decisions.					
19	Is clear about his/her philosophy of leadership					
20	Recognizes people for commitment to shared values					
21	Experiments and takes risks.					
22	Is enthusiastic and positive about future.					
23	Lsets people choose how to do their work.					
24	Ensures that goals, plans and milestones are set.					
25	Finds ways to celebrate accomplishments					
26	Takes initiative to overcome obstacles					
27	Speaks with conviction about meaning of work					
28	Ensures that people grow in their jobs.					
29	Makes progress toward goals one step at a time.					
30	Gives team members appreciation and support.					