

Transactional Leadership Style and Organizational Performance: The moderating role of emotional intelligence

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Abstract

The basic purpose of this paper is to examine the relationship and impact of transactional leadership (TL) style on organizational performance adopting the moderating role of emotional intelligence (EI). Attainment of higher level of performance is not only possible through pre-defined goals and objectives rather also through achievement of emotional maturity. Survey response of 220 mid-level managers in the manufacturing sector of Nepal were collected. This study used two step Structural Equation Modelling (SEM) technique for data analysis. Findings of this study showed that TL insignificantly and negatively influence organizational performance (OP). Further, the overall results revealed the weak moderating role of EI in TL-OP relationship. Additionally, recruiters and managers should invest resources in management of impulsive feelings, sentiments and emotions in organization. Employees loaded with good level of Self-Management abilities can contribute towards better financial outcomes.

Keywords: Transactional leadership, Emotional Intelligence, Organizational performance, Manufacturing Companies, Structural Equation Modelling

Introduction

Leadership provides the right path in which leaders and superiors coordinate with each other to accomplish the corporate objectives. Leadership is built over the foundational stone of followers (Wilson, 2020). Right leadership can

create positive and direct effect on organizational performance (Coetsee, 2022). To determine the leader's effectiveness, performance of outputs, are to be measured. Stakeholder's appreciation, comparative performance, financial soundness are

few indicators to determine outputs (Thai, Anh, & Farhad, 2019). On a higher level, the performance of the country is also related to the strength of the manufacturing sector. Individuals having high Emotional Intelligence show trait to behave appropriately at tough situations and ability to act prosocial (Raugh, Michelle, Harrison, & Stephan, 2016). Employees at manufacturing sector are expected to operate at maximum pressure, they need to focus on the outputs generated and targets achieved. In addition to the expectations of organization, they need to maintain healthy relationship with superiors and other stakeholders, they are expected to possess high levels of EI (Subhashini & Shaju, 2016). Despite the tough working environment due to pandemic and crisis, employees possessing high EI displayed highest level of work performance. On the contrary, employees with low EI encountered high stress at work (Gomez, Max, & Bresó, 2021). COVID-19 has created serious effect on employees social and mental health thus leading to the “psychological pandemic”. Accordingly, meditation and stress therapy technique were proposed to tackle this condition (Sher, 2020). EI is regarded as the influencing psychological determinant which may have crucial role in pandemic situation.

Goleman (1995) focused on ability to understand emotions and regulate those emotions to promote intellectual growth. EI is an ability how we perceive, access and generate emotions so as to develop our corresponding thoughts. At workplace, employees with high level of EI indicate attractive

behavior and thoughts with high degree of professionalism (Angelidis & Ibrahim, 2011). Furthermore, Mittal & Sindhu, (2012) explained effective communicator, positive attitude, flexible thoughts and emotionally balanced are characters of effective leaders. In this context, EI is described as a special capability to deal with emotions at work place. It comprises of self-awareness, self-management, social awareness and relationship management (Goleman, 1995). Study in different scenario has revealed that EI fosters effective leadership (McCleskey, 2014). There is ongoing interest in the area of EI and OP. Abundant amount of literature explored relationship between TL, EI and OP. However, majority of research focused on education sector but limited of such studies have been carried out in manufacturing sector of developing economies (Jorfi, 2010; Molero, et al., 2019). The primary aim of this study is to highlight the influence of TL on OP adopting the moderating role of EI in manufacturing companies.

Literature Review

These days organizations seem worried about relationship, empathy and problem-solving training programs; hence they prefer investment on EI. These traits later can be utilized to address critical situation and communicate requirement in the transparent and specific way (Pearman, 2011). EI as a moderating variable resolves issues with work-life balance and increases the employee participation and boost work outcomes (Abraham, 2003). Findings revealed

positive and significant relation of EI to job satisfaction. Moreover, the effect of EI on OP can be seen at the interpersonal communications (Mulla, 2010). Person with high EI levels are good communicators at the interpersonal interaction with employees in an organization. However, the findings differ according to the dimension of the questionnaires. For instance; Schutte used 33 item questionnaire comprising appraisal of emotion, social skills, utilization of emotions. It leads to the different conclusion on EI and job performances (Shi & Wang, 2007).

EI helps to improve the work capabilities of employees and makes them, organizational goals and objectives oriented through teamwork and trust (Arfara & Samanta, 2016). Those people who are emotionally intelligent possess better thinking, positive attitude, focused, loyal and dedicated towards their profession which in turn creates a favorable environment for improved job performance (Miao, Humphrey, & Qian, 2017). Employee burnout can be controlled with the ability to regulate and manage emotions (Arfara & Samanta, 2016). As there is lower burnout in an organization, it improves the employee engagement which builds the habit of consistent focus on the task and lead towards the higher degree of motivational performance. Recruiters need to be aware about the traits of EI especially self-awareness and regulation (Lee, 2018). EI determines the level of performance of an employee in organization; high EI signifies better performers while low EI produce average/low performers (Molina, Mercedes, & Deniz, 2019). Similarly,

organizational culture is also regarded as an influencing factor in determining the emotional capability of employees (Saad, Sulphrey, Delany, & Adow, 2021)

Findings suggested that EI has a positive significant relationship with recruitment (Blank, 2008). Candidates with high EI would lead to reduce the requirement of basic training (job stress, burnout, work life balance). Initially, it contributes towards the reduction in cost of training and also unlock the opportunity to focus on alternative training and workshops. Research asserts that emotionally intelligent people tend to be more controlled and stay focused in negative situation (Subhashini P., 2008), which leads to higher level of satisfaction, commitment and loyalty (Miao, Humphrey, & Qian, 2017). This claim seems similar to the Goleman's (1995) findings which put emphasis on the identifying the moods and emotions in the job to ensure the maximum performance (Singh, 2007). Future recruiters are more aware about the application of EI

Organizations directly dealing with clients/customers tends to encounter work pressure. So, the role of EI in these customers centric business would ensure the increment in the quality of services (Deshpande, Joseph, & Shu, 2005). Managers who are aware about EI have better relationship and tend to be more cooperative and better at conflict resolution (Nicholas, 2010). EI is an inseparable part of performance (Gomez & Bresó, 2020). It contribute towards the management of emotions during stress and survive organizational

change (Lopes, Grewal, Kadis, Gall, & Salovey, 2006). People having higher EI levels tend to tolerate stress and enhance their competencies at work.

In contrary, few research studies claim no/negative relationship of EI with transformational leadership (Flavia, Moreno, & Hickmann, 2012). These type of findings has created a dilemma for the development of strong scientific base for EI (Stefan & Sabie, 2020). Although there are few exceptions, but EI plays crucial role in leadership effectiveness (Rahman S., Ferdausy, Amin, & Akter, 2020). Organization should incorporate EI as a part of recruitment, commitment and employee retention which can contribute towards the interpersonal communication and performance.

Theoretical Framework

Transactional Leadership

Transactional leaders are seen outcome-based type of leadership. There appears the exchange of resources; could be it monetary or non-monetary between followers and leaders. They believe in mutually beneficial exchange but not necessarily to develop an enduring relationship (Northouse P., 2019). This type of leadership considers contract, agreement or any type of exchange conducted between leaders and followers. (Avolio B., 1999). They are strongly focused on the outcome. As these leadership believes in exchange, there is give and take relationship established between leaders and followers.

Avolio & Bass, (2002) mentioned about the two components of transactional leadership

Contingent Reward

Leaders at this phase promises rewards or actual rewards others for carrying the assignments satisfactorily. This type of rewards can be material one such as bonus and psychological like praise. (Antonakis, Avolio, & Sivasubramaniam, 2003; Rahman, Ferdausy, & Karan, 2012). It excites people to achieve higher level of performance.

Management by Exception (Active)

It is categorized into two types, active and passive. If active, leaders monitor deviances from standards, mistakes and errors but if passive, watch deviances, mistakes and errors occur and initiate to correct it. (Northouse P. G., 2016)

Emotional Intelligence

Emotions involve excitement of mind feelings and passions (Stephen & M., 2021). Initially, the concept of emotional intelligence was defined by the term Intelligence Quotient (IQ), social intelligence which means to monitor one's own and others emotion. Later on, Daniel Goleman further outlined four main emotional intelligence constructs. Self-awareness is the first construct which explains on an ability to read emotion and identify the impact on persons sentiments and decision making. Second constructs, self-management, is an ability to manage disruptive emotions and impulses under control. In the same way third construct social awareness, is the skill at sensing other people's emotions and understanding their perspective and taking an active interest

in their concerns. Lastly, relationship management focuses on ability to de-escalate disagreements and weird situation (Goleman, 1995).

Organizational Performance

Taking financial facts and figures which shows the profit of organization is an easy financial indicator to assess organizational performance (Kaplan, 2010); however, these metrics have been disputed. As they were chastised because they promote a short-term outlook, rewarded short-term results and produced management problems in long term. These indicators do not supply appropriate information about the customer expectations and competitor performance quality which creates a strategic dilemma. At overall, there are multiple groups of stake holders inside or outside the company that can influence the organization's performance.

Kaplan & Norton, 1996, mentioned two types of performance

Financial Performance;

Organization Performance measurement can be regarded as the undeniable part of the business (Mahdeen, Dmour, Obeidat, & Tarhini, 2016). It measures the financial state and outcomes of an organization. Hence, financial performance portrays the financial health of an organization directly (Wei & Wright, 2011). EVA (Economic value added), Revenue generation, profit, Cash flow etc. are included for financial measures. Moreover, financial performance suffer limitation.

Non- Financial Performance;

Traditional financial performance measures are not sufficient to handle firm and market (Ramezan, Sanjaghi, & Baly, 2013). Profit, cash flow, turnover is inadequate to define business performance (Tseng, 2010). Hence, the use of non- financial performance measures has gained importance. It measures long term success of the organization like customer satisfaction, efficiency, innovation, employee satisfaction etc.

Hypothesis

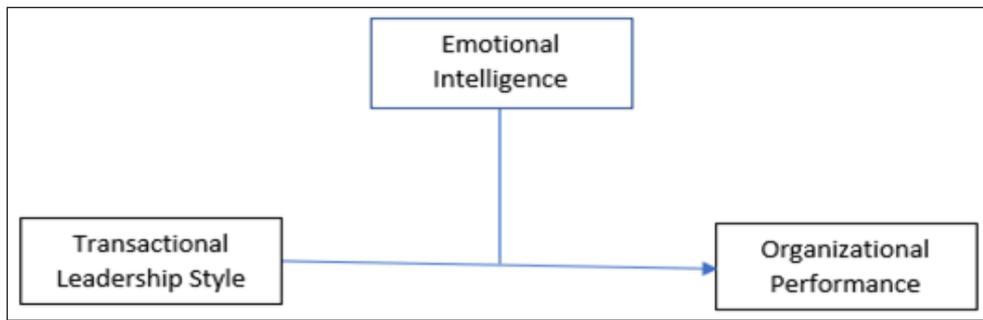
Empirical Studies show positive relationship between EI, OP and leadership (Anand & Suriyan, 2010; Esther, et al., 2012). There is high degree of association between transactional leadership and organizational performance (Wei, Yuan, & Yang, 2010). Furthermore, EI acts as a mediatory between performance and leadership effectiveness and leading to effective OP (Hee, Berg, & Wilderom, 2011). Empirical Studies indicate there is positive relationship between EI and OP. EI as a moderating variable resolves issues with work-life balance and increases the employee participation and boost work outcomes (Abraham, 2003). Hence, three hypotheses were proposed

H₁; There is positive significant relationship between transactional leadership and organizational performance.

H₂; There is positive significant relationship between employees Emotional Intelligence and organizational performance.

H3; Emotional Intelligence moderates the relationship between transactional leadership and organizational performance.

The research model is presented in Figure 1



Proposed Research Model

Research Methodology

Data and Sample

5 Point Likert scale questionnaire were used to collect data from Nepalese Manufacturing Industries. To avoid the data deviances and errors while developing the questionnaire the instruments used for data collection was reviewed by the different experts. They were asked to translate the questionnaire into native language i.e., Nepali and again retranslate it into English language for reliability. Constructive feedback was admitted and modification was done accordingly. The population of this study includes all employees working at the managerial/ supervisory levels working at the ten different manufacturing companies located at the Terai region of Nepal. The sample size of this study was determined on the basis of the requirement for using AMOS 23.0 so as

to generate the reliable and valid results. Byrne, (2016) suggested collection of more than 200 samples before using the SEM model. The response rate was 65%, after eliminating the incomplete and inappropriate survey answers, our sample size reached 220 which adequately meets the minimum requirement of Byrne, (2016).

Research Methods and Data Collection;

Hypothesis testing is done with the help of Structural Equation Modelling (SEM) technique such that causal relationship existing in between leadership and organizational performance. AMOS 23.0 is employed. Broadly, SEM is divided into two processes; validating the model and conducting model fit. CFA helps to validate the model and for model fit, we need to study path analysis (Byrne, 2016). Using this two-step approach can help to assures constructs in the model.

Field study was done to collect the feedback from respondents. Five-point Likert-scales anchored by “strongly disagree” and “strongly agree”. Moreover, before considering each construct prior research were reviewed. Similarly, the constructs selected are withdrawn from the previous research. The questionnaire was formulated according to the constructs. Their reliability and validity have been successfully tested by previous

researchers and peer reviewers.

The factors for TL are taken from the Bass and Avolio Model. The items for emotional intelligence i.e., self-awareness, self-management, social-awareness and relationship management were derived from Salovey & Mayer, (1990); Goleman, (1995) and 20 Scale Items of Organizational Performance developed by Zeitz, et al., (1997). Close-ended questions were used to develop the questionnaire.

Table 1; Demographic Profile of study sample

| | Gender | Age | Marital Status | Qualifications |
|-----------------|--------|-----|----------------|----------------|
| Male | 150 | | | |
| Female | 70 | | | |
| 21-30 | | 93 | | |
| 31-40 | | 17 | | |
| 41-50 | | 18 | | |
| 51-60 | | 92 | | |
| Married | | | 92 | |
| Single | | | 90 | |
| Unmarried | | | 38 | |
| Bachelors | | | | 107 |
| Masters | | | | 109 |
| Doctorate (PHD) | | | | 4 |

Brief explanation was done the by the researcher so as to minimize the biases and errors. Respondents were made assured that the information would not be disclosed. Series of discussion were conducted with managers and supervisors before proceeding for data collection. Moreover, the leisure time between the work was used to fill the questionnaire.

As shown in the table 1, 68.20% of people are male and remaining 31.80% are female. 50 % of the sample considered are of the active age i.e., up to 40 years old. Next, 41.80 % are married, 38% unmarried and 40.90 % are single. Similarly, about half of the samples i.e., 48.63 % are of bachelor degree holders working at the various manufacturing companies. 49.50 % had master degree and 1.81% possess doctorate degree.

Data Analysis

Table 2 displays the information related to mean, standard deviations, skewness and kurtosis of the data.

These information shows the positive displacement towards the items. All 52 items questionnaire were successfully tested

Table2; Descriptive data of variables

| | Mean | SD |
|----|-------|-------|
| TL | 4.101 | 0.708 |
| EI | 4.302 | 0.813 |
| OP | 4.201 | 0.755 |

Note; TL, Transactional Leadership; EI, Emotional Intelligence; OP, Organizational Performance

With the help of SEM technique, authors studied the effect of TL on OP. For conduction of SEM technique, overall fit of the model should be checked. Table 3 represents the Goodness of Fit (GIF) Indices which explain how well the set of observation matches. Factor loading of final measurement model

meets the requirement of ≥ 0.50 and RMSEA value less than 0.10 (Hair J., Marko, Christian, & Siegfried, 2017) except TL₁, TL₆, LG₁, LG₂, LG₃, IP₃, IP₄, IP₅, F₁, F₃, SH₁, SH₄, SH₆, SA₃, SA₄, SA₅, SM₄, SM₅, SM₆, SM₇, SM₈, SOA₄, SOA₅, SOA₆, RM₃, RM₅ which has a loading of ≤ 0.5 . After excluding those values for further analysis, our measurement model exhibits better model fit to the data (as per Table 3)

Table 3; Measurement Model fit Indices

| Model | X ² | df | p | X ² /df | IFI | TLI | CFI | RM-SEA |
|-------|----------------|----|---|--------------------|-------|-------|-------|--------|
| Final | 231.011 | 57 | 0 | 4.05 | 0.901 | 0.903 | 0.910 | 0.09 |

Table 4; Measurement model properties for TL

| Variables | Indicators | St. Loading | AVE | Cronbach's Alpha | Composite Reliability (CR) |
|-------------------------------|-----------------|-------------|-------|------------------|----------------------------|
| Transaction- al Leadership | TL ₂ | 0.882 | 0.780 | 0.859 | 0.946 |
| | TL ₃ | 0.863 | | | |
| | TL ₄ | 0.844 | | | |
| | TL ₅ | 0.848 | | | |

Table 5; Measurement model properties for EI

| Variables | Indicators | Std. Loading | AVE | Cronbach's Alpha | Composite Reliability (CR) |
|-----------|------------|--------------|-----|------------------|----------------------------|
|-----------|------------|--------------|-----|------------------|----------------------------|

| | | | | | |
|-------------------------|------------------|-------|-------|-------|-------|
| Self-Awareness | SA ₁ | 0.852 | 0.637 | 0.797 | 0.687 |
| | SA ₂ | 0.805 | | | |
| | SA ₆ | 0.731 | | | |
| | SA ₇ | 0.800 | | | |
| Self-Management | SM ₁ | 0.792 | 0.611 | 0.781 | 0.667 |
| | SM ₂ | 0.741 | | | |
| | SM ₃ | 0.810 | | | |
| Social-Awareness | SOA ₁ | 0.882 | 0.656 | 0.808 | 0.702 |
| | SOA ₂ | 0.750 | | | |
| | SOA ₃ | 0.793 | | | |
| Relationship Management | RM ₁ | 0.833 | 0.657 | 0.810 | 0.703 |
| | RM ₂ | 0.792 | | | |
| | RM ₄ | 0.806 | | | |

Standard Loading below 0.5 are ignored as these values does not contribute towards the construct of the variable. Hence, TL₁ and TL₆ were omitted items for further study. As suggested by Hair, et al., 2017, Table 4 shows value of CR (0.946) and AVE (0.780) are above the cutoff-value. Furthermore, to measure the reliability and consistency of the scale, Cronbach's alpha is employed which should cross the suggested value of 0.60 (George & Mallery, 2003). Table 4 represents the value of Cronbach's alpha (0.859) which indicate good consistency of data. Moreover, the motive behind calculation of Average Variance Extracted (AVE) was to establish convergent validity.

In the same way, Table 5 also omits the standard value below 0.5. Three items of Self Awareness (SA₃, SA₄, SA₅), five

items of Self-Management (SM₄, SM₅, SM₆, SM₇, SM₈), three items of Social Awareness (SOA₄, SOA₅, SOA₆) and two items of Relationship Management (RM₃, RM₅) are omitted for further study. Additionally, the value of Cronbach's alpha ranged from 0.781 to 0.810 (SA= 0.797, SM= 0.781, SOA= 0.808, RM= 0.810) which proves the sufficient reliability and consistency. Next, CR value of constructs ranges from 0.667 to 0.703 (SA= 0.687, SM= 0.667, SOA= 0.702, RM= 0.703) and AVE values ranges from 0.637 to 0.657 (SA= 0.637, SM= 0.611, SOA= 0.656, RM= 0.657). As these all values were above the permitted limit and used for further analysis. Furthermore, Table 6 represents the comparison of AVE in diagonal and square of correlation between constructs.

Table 6; Measurement model properties for OP

| Variables | Indicators | Std. Loading | AVE | Cronbach's Alpha | Composite Reliability |
|---------------------|-----------------|--------------|-------|------------------|-----------------------|
| Learning and Growth | LG ₄ | 0.830 | 0.604 | 0.675 | 0.601 |
| | LG ₅ | 0.662 | | | |

| | | | | | |
|-------------------------|-----|-------|-------|-------|-------|
| Internal Process | IP1 | 0.799 | 0.674 | 0.933 | 0.675 |
| | IP2 | 0.843 | | | |
| Financial Perspective | FP2 | 0.870 | 0.839 | 0.828 | 0.833 |
| | FP4 | 0.960 | | | |
| Stakeholder Perspective | SH2 | 0.870 | 0.709 | 0.888 | 0.701 |
| | SH3 | 0.784 | | | |
| | SH5 | 0.870 | | | |

Table 6; Comparison with AVE and Square of Correlation between Constructs

| Con-struct | FP | IP | LG | SH | SA | SM | SOA | RM |
|------------|-------|--------|--------|--------|--------|--------|-------|-------|
| FP | 0.837 | | | | | | | |
| IP | 0.257 | 0.875 | | | | | | |
| LG | 0.137 | 0.34 | 0.815 | | | | | |
| SH | 0.235 | 0.128 | -0.077 | 0.855 | | | | |
| SA | 0.144 | 0.887 | 0.351 | -0.053 | 0.868 | | | |
| SM | -0.06 | -0.114 | -0.208 | -0.082 | -0.014 | 0.859 | | |
| SOA | 0.231 | 0.315 | 0.042 | 0.089 | 0.35 | 0.463 | 0.961 | |
| RM | 0.949 | 0.229 | 0.142 | 0.166 | 0.175 | -0.006 | 0.234 | 0.855 |

Note; Diagonal Values are AVE extracted for five different constructs. Off-diagonal values represents squared correlation between constructs.

Testing Hypothesized Structural Model Moderation Analysis

Three hypotheses were proposed for test in this study. H₁ assumes the positive influence of TL on OP but through regression analysis, we found TL did not show direct and significant influence on OP ($\beta = 0.143$, $p = 0.421$). Hence, H₁ is not supported. Similarly, H₂ assumes positive influence of EI on OP. While conducting the regression analysis EI has a significant influence upon OP ($\beta = 0.613$, $p = 0.024$), Hence H₂ is supported.

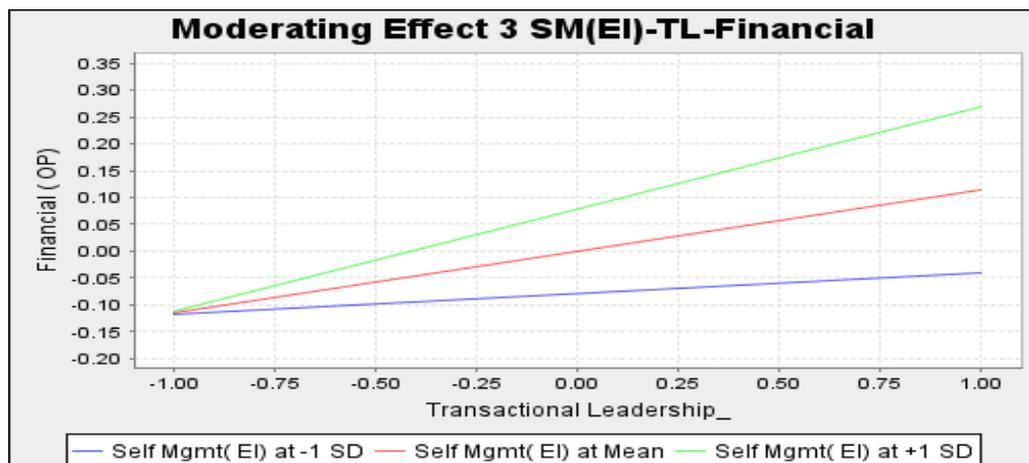
To explain the moderating role of EI on TL- OP relationship, we applied bootstrapping method (Hayes & Preacher, 2013). Analysis was done on 95% confidence interval with 5000 bootstrapping samples. Hypothesis 3 assumes EI moderates the relationship between TL and OP. Findings anticipated that EI moderates the relationship between TL and OP such that the association is more insignificant ($\beta = 0.128$, sig. = 0.334). Hence, H₃ is not supported.

Results and Discussions

The main aim of this study was to identify the relationship between TL, EI and OP. Three different hypothesis were proposed and overall results shows negative and insignificant effect of TL on OP. EI has a weak moderation over the TL-OP relationship. Generated results were found to be consistent with prior results where EI has weak/negative effect on OP (Harms & Crede, 2010; Fannon, 2018). This findings helps us to confirm the weightage of EI towards the organizational performance. As per figure 1, Self Management (EI) positively moderates the direct relationship between TL-OP (Financial) ($\beta = 0.075$, $p = 0.018$) but Relationship management (EI) does not moderates the relationship between TL-OP (Learning and Growth) ($\beta = -0.014$, $p = 0.663$), Self-Awareness (EI) does not moderate the relationship between TL-OP (Stakeholder) ($\beta = 0.035$, $p = 0.069$), Similarly, Self-Awareness (EI) also does

not moderate the relationship between TL-OP (Internal Process) ($\beta = -0.019$, $p = 0.586$). There is the inverse relationship between Relationship Management (EI) and Learning & Growth (OP) and also Self Awareness (EI) and Internal Process (OP). In the same way, Transactional leadership style is creating negative and insignificant impact on financial outcomes (OP) ($\beta = 0.012$, $p = 0.699$), Internal Process of Business (OP) ($\beta = -0.206$, $p = 0.541$), Stakeholder (OP) ($\beta = -0.115$, $p = 0.604$) but positive and significant impact on Learning and Growth ($\beta = -0.437$, $p = 0.020$). The positive effect of transactional leadership style on learning and growth but negative effect on financial outcomes, Internal Process and stakeholder signifies that overall outcome of transactional leadership style towards the performance is negative but still transactional leaders possess potential to boost employee skills and abilities

Figure 1; Moderating Effect of Self-Management(EI) on Financial Perspective (OP)



The positive significant effect of Self-Management on Financial perspective signifies that transactional leaders should be in position to control the impulsive and hyper behaviors, manage emotions through commitments and adjust with changing circumstances which can effect on financial performance of organization. While making the financial decisions, transactional leaders should be aware about management of emotions. Individuals having high level of self-management bears capability to understand the limitations and weakness of self and team members/department which helps them to identify the training needs and skills required to boost the performance to next level.

Contributions

Its' obvious that investors/managers to be worried about performance of business. Numerous factors influence organizational growth (Bello, 2001), among them OP holds vital position. This study provides crucial implication to the management practitioners. Hiring manager/staff possessing high level of self-management tend to provide better financial performances. EI has a positive influence on Jobs performance. (Manag, 2020). As Self-management is only one factor that is creating positive effect on financial performance of an organization, this study motivates the higher level of managements to control impulsive feelings and behaviors and manage emotions in healthy ways before taking any financial decision which can create favorable work environment in longer run.

Research Limitations and Future Direction

Apart from employing latest statistical tools and techniques this research still suffers certain limitations. Authors considered employee reported responses for the purpose of analysis hence future researcher may also chose supervisor reported response into consideration and measure deviations. Secondly, this research chose cross-sectional design for data collection, even though there appears scope for longitudinal mode of research on exploring the relationship between TL-OP. Thirdly, future researcher may retest the model on other sector as well like telecom, tourism, retail which can overcome the current sectoral restrictions. Finally, apart from developing countries like Nepal, researcher can choose other countries and also explore other intervening, mediating variables like motivation, Organization citizenship behavior (OCB) existing in between the TL-OP relationship. Furthermore, researcher may choose standard scale of Emotional Intelligence such as SSEIT, MSCEIT and compare and identify the variations behind it.

Conclusion

This study revealed that there exists the weak relationship between transactional leadership and organizational performance. This study helps to determine the moderating role of Emotional intelligence that could poorly contribute to boost organizational performance at overall. In organization managers are found to be more adaptive to change

(Munir, Lestari, Reza, & Usman, 2021). This research suggests hiring and development of managers and staff having considerable Self-Management can contribute towards financial performance. In conclusion our study suggest that Transactional Leadership style creates a more negative impact on organizational performance with the weak moderating role of Emotional Intelligence. In detail, Transactional leadership style produced negative

impact on financial outcomes, Internal process and stakeholder but positive impact on learning and growth of organizational performance.

EI acts as a weak catalyst to boost the relationship between TL-OP. Hence, emphasis should be given to identify the other moderating/intervening variables which can boost the organizational performance.

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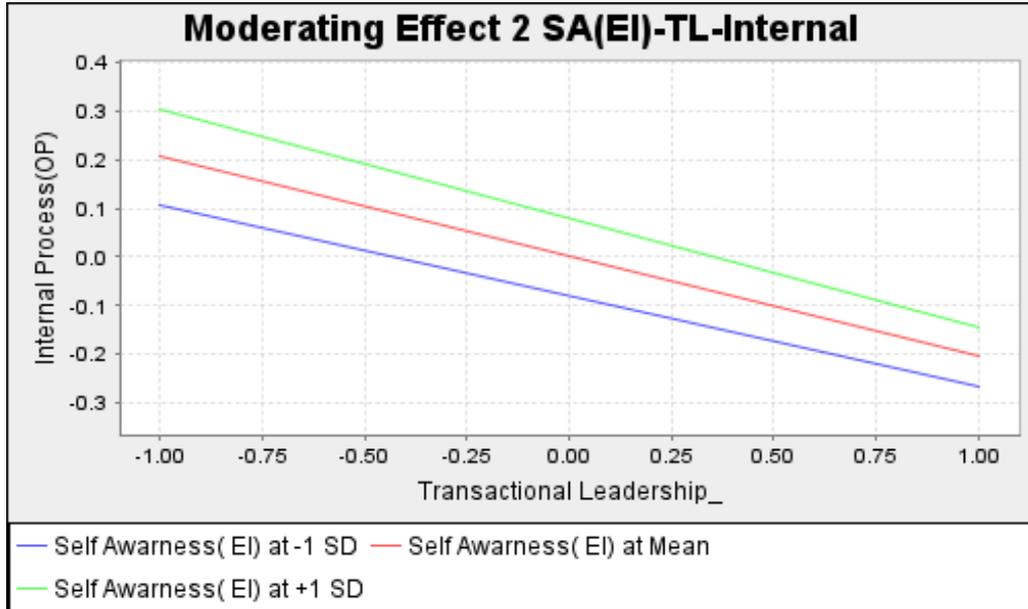
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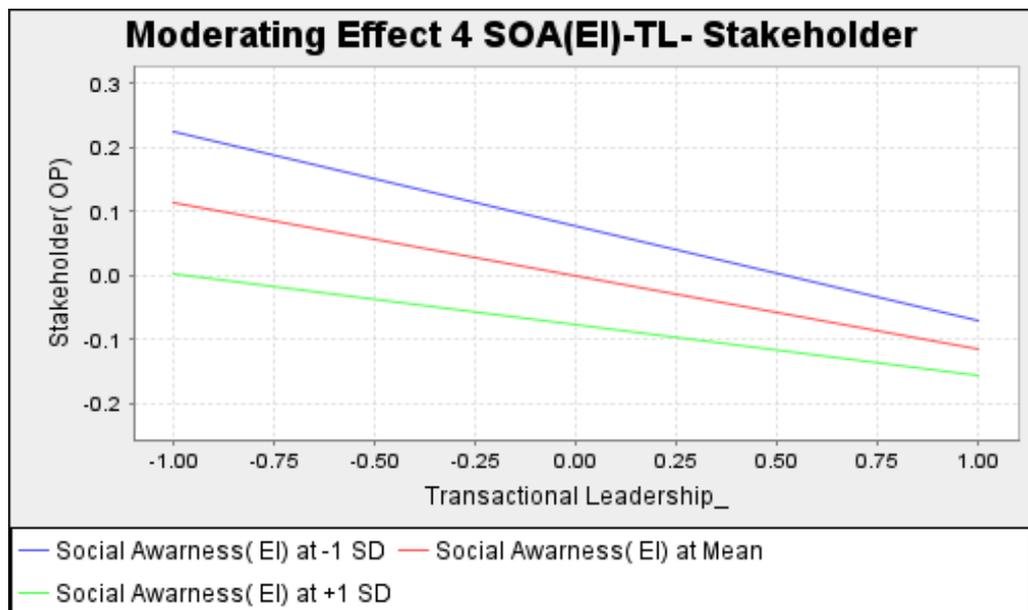
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Annexure

Moderating Effect of Self Awareness (EI) on Internal Perspective (TL)



Moderating Effect of Social Awareness (EI) on Stakeholder Perspective (OP)



Moderating Effect of Relationship Management (EI) on Learning Perspective (OP)

