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Pécs University

Faculty of Business Management

PhD Dissertation

*A Comparative Study of Emotional
Intelligence, Decision-Making Styles and
Job Performance of Men and Women
Branch Managers of One Israeli Bank*

Yaron Krauss

Tutor: Prof. Susan Karoliny

2007-2008

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ABSTRACT

In contemporary management theories, managerial skills (Stewart, 2001), and in particular the ability to cultivate relationship assets (Galbreath, 2001), are acknowledged to be vital for achieving and sustaining a competitive edge in today's global markets (Mullins, 2002). Deriving from this line of reasoning is the interest in emotional intelligence in connection with managerial job performance (Goleman, 1998; Harrison & Cooper, 1997; Zaccaro, 2001). Some research findings support the notion of such a connection (Kelly & Kaplan 1993; Dulewicz & Higgs, 2000).

One of the major responsibilities of the manager is decision making (Bazerman, 1998), especially in light of the risky conditions of today's markets. Modern theories, from Reddin's (1971) to the more recent ones (Ancona et al, 2007), suggest that the manager ought not to be the sole player in the decision-making process and that team work and team decision should be employed in order to enhance the effectiveness of the decision-making process and its implementation. A participative style of decision making necessarily involves more adequate relationship skills than the solo style, and hence the assumed conceptual link between decision making style, emotional intelligence and managerial success.

The first aim of the present research was to investigate the relations between emotional intelligence and decision-making styles (the independent variables) and managerial job performance (the dependent variable) of local branch managers in the banking sector in Israel. *The second aim* of the present research was to investigate whether there is a *gender effect* involved in the assumed interactions between these three variables. While Goleman (1998) claims that there is no decisive evidence of material differences between the EI scores of men and women, gender managerial-styles research in the business context has yielded mixed results and Wajcman (1998) argues that organizational features rather than personal characteristics of the manager account for managerial style. But other studies show that such a link does exist (Rosner, 1990; Rigs & Sparrow, 1994; Voelck, 2000; Rutherford, 2001), as well as the relation between EI and styles of leadership (Mandell & Pherwani, 2003).

The research sample initially consisted of 55 local branch managers of a major Israeli bank (permission was not granted to the researcher to conduct the study in other banks), out of whom 48 subjects - 38 male subjects and 10 female subjects - completely filled the questionnaires and were therefore included in the final statistical analysis. For measuring emotional intelligence (*EI*), the Hebrew version of the Schutte et al. (1998) questionnaire was used, based on the EI model of Salovey and Mayer (1990). The job performance (*JP*) self-reported tool was especially devised for the purpose of the present research, based on Reddin's 3-D model (1971) of task orientation, people orientation (divided in the present research into orientation towards clients and towards employees) and effectiveness. Decision-making style (*DMS*) was also investigated by a self-reported tool formulated in accordance with Reddin's 5 levels of participation, ranging from solo decision to consensual decision.

The seven hypotheses of the research were partly confirmed. The main findings of the present research show a gender effect in the interactions between emotional intelligence, decision-making styles and managerial job performance.

Within the whole sample, a higher level of EI was found to be related to better JP (except for task orientation), as well as to a more participative DMS, confirming H1 and H2. In contrast to the proven predictive power of emotional intelligence in the entire sample (regardless of gender), DMS was not found to predict JP and H3 was rejected, yet this variable added to the interaction between EI and one dimension of JP (people orientation - towards clients), thus only partly confirming H4.

However, *the above results do not apply equally to the male and female subjects of the present research*. The women branch managers were found to have a significantly higher level of emotional intelligence in all EI dimensions (confirming H5). The more participative DMS scores of women did not reach statistical significance (rejection of H6), but the gender difference was in the hypothesized direction. These two findings might explain the higher mean score of the women managers in one dimension of JP: orientation towards employees (gender differences in JP were not initially hypothesized but were tested in light of the above findings). Confirming H7, *a significant gender effect in the relations between EI, DMS and JP was found: emotional intelligence was found to predict the job performance of male managers only, only within this sub-sample was there a significant correlation between EI and DMS, and only among the male subjects DMS added to the correlation between EI and JP*. Several interpretations of these findings were offered, including a possible "ceiling" effect in the women subjects' high EI scores. It is suggested that possibly the female subjects already have the optimal level of emotional intelligence needed for the execution of their managerial role, and therefore intra-personal differences in EI within this group could not predict JP. Another explanation might be the smallness of the female sample, which makes statistical significance hard to obtain even if the results seem to be in the hypothesized direction.

Non-hypothesized statistical tests revealed that the variance in *age*, and not only in gender, can explain certain inter-personal differences in EI, DMS and JP: the levels of EI (except for emotional expression) and of participative decision making (DMS adjusted score) are lowest in the oldest age group, as is the case with effective job performance according to the subjects own assessments. However, as the oldest (50+) age group consists exclusively of men subjects and even in the 46-50 years group there is only one female subject, it seems reasonable to deduce that the findings showing lower levels of EI, DMS and JP's Effectiveness in the older age groups pertain almost exclusively to male managers. A statistical testing of the gender-plus-age interaction was not done in the present research.

In addition, the qualitative-textual analysis of open questions dealing with employee and client feedback revealed important information with regard to the subjects' managerial attitudes and relationship skills. Here, too, a gender plus age effect could be detected, though not statistically tested, as the non-responsive subjects (25% of the sample) were found to be male, with only one woman among them.

The findings of the research contribute to our understanding of the ways in which emotional intelligence and decision-making patterns interact with the job performance of men and women bank managers and suggest that beside the proven gender effect there is a possible age effect as well. The present research also indicates the greater utility of the EI tool for predicting the job performance of male bank managers as compared with the lesser predictive value of the DMS tool, which can be used as an additional tool.

It is recommended that subsequent studies will investigate the reliability and validity of the JP and DMS tools devised for the present research, and will also employ objective tools for assessing these variables and job performance in order to substantiate the present research findings which were based on the subjects' own assessments. Besides, as mentioned above, the interaction of both gender and age with to the research variables also needs to be fully investigated. A limitation of the present research is the homogeneity of the sample: all the subjects are branch managers of the same Israeli bank (other banks did not grant permission to conduct this research in their local branches). This fact, and the small number of the female subjects who participated in the present study, restrict the generalizing implications of the results and it is recommended that a similar research will be done in other banks and in other sorts of businesses as well, in Israel and abroad.

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I. INTRODUCTION: MANAGEMENT AND RELATIONSHIP SKILLS IN THE 21ST CENTURY

It is generally claimed that the economic reality of the last two decades can be distinguished by several major phenomena: on the one hand, globalization, large-scale mergers and fierce competition of the market; on the other hand, rapid technological changes and the electronic revolution that have made management in this information-rich world a unique challenge (Simon, 1997). For the more conservative industries such as banks, the transformations described by Crone (1995) - a shift from paper to electronics and a shift from branches to e-banking - have posed a considerable problem. Moreover, as new agents entered the intermediation market and the processing services, drastic erosion in the banks' market share has been witnessed, from 75% in 1950 to 30% in the mid-90s.

Not only banks, however, need to adjust to the new economic reality. Even the more innovative industries (e.g., hi-tech enterprises, in which the development and marketing of new products are part and parcel of the business and the pace of technological changes is extraordinary) constantly face the risk of losing their market value. According to Frick and Torres (2002), while in 1993 a typical company in the high-tech "top 100" had maintained its position for seven years, by the end of the 90s the average tenure decreased to three years and 32 of the firms dropped off the list altogether.

How to keep pace with the changing technical and economic conditions, sustain the competitive edge and become "the leader of the pack" (Cook, 1998), this question has been the main concern of many industries throughout the world, yet the answers recently given by experts are quite surprising.

A review of the relevant literature reveals that, contrary to what might have been expected, what characterizes the current approach to business management is the concern for people and the emphasis on *human assets* as part of the broader concept of intellectual capital, and not on technical capabilities and production, (Mullins 2002).

Competitive advantage is achieved, maintain Roos et al. (1997), when the organization promotes and channels the various components of its intellectual capital according to its goals. Intellectual capital is a comprehensive "umbrella term," covering a wide range of non-tangible assets such as knowledge (Sveiby, 1997) and managerial skills (Stewart, 2001). Both Sveiby and Stewart apply the word "wealth" in the titles of their respective books (apparently resounding Adam Smith's "Wealth of the Nations") in order to highlight the role they ascribe to intellectual assets. In addition, of special value is the ability to create and sustain maximum market value by employing a set of 21 management rules directed at cultivating relationship assets (Galbreath, 2001).

Therefore, keeping a competitive advantage at times of change by enhancing human capital implies the need for a new kind of manager. Besides being experienced, knowledgeable and well trained (the "traditional qualities"), modern managers should possess certain personal traits which would enable them to become "change masters," according to Kanter-Moss (1996). Kanter-Moss, former

editor of *Harvard Business Review*, has been since the 80's a leading advocate of more humane managerial styles, or, in McGregor's words, "the human side of enterprise" (1987). Similar reasoning can be found, for example, in Goleman's approach (1998) which underlines the significance of emotional intelligence in business management and its relation to excellent leadership.

Typical to this view and to the linkage between innovation management and human-related skills is also the body of research focusing on the role of creativity in managing organizational change (Locke & Kirkpatrick, 1995; Amabile, 1998; Cook, 1998; Andriopoulos, 2001).

* * *

The present research is based on the above conceptual and research developments and their implications for contemporary management theory and practice, seeking to further investigate their inter-relations and thus to advance our knowledge concerning the ways in which aspects of job performance are linked to personal traits and managerial styles of men and women bank managers of local branches.

Chapter A of the following literature survey sets the grounds for the next four chapters by expounding the relevant theories and research which deal with the nature of management and with the changes that have occurred in management thought during the last decades. Managerial and leadership styles emphasizing people-orientation, which are considered to be compatible with demands of today's social and business climates, are extensively described.

Branching from the modern relationship approach to management is the recent interest in emotional intelligence. In *Chapter B* of the literature survey, special attention is given to the concept of EI, its historic evolvement and usages as a

research tool competing with, and even substituting, the accustomed cognitive IQ tests for predicting success, including in management in the corporate context.

Another line of development in management thought, which also reflects the shift from tangible to human assets, is evident in the new decision-making theories discussed in *Chapter C* of the literature survey. The decision-making function is a vital part of the manager's performance, and of special relevancy for the present work are the DM models which take into account employee concerns and motivation and the need to maximize the employee's potential contribution to the organization by adopting more participative styles of decision making. These styles are discussed at length in *Chapter D*. The literature reviewed in the fourth chapter makes it clear that actually there is a cluster of interacting concepts relating to the issue of participation: delegation, team work, employee's involvement and employee empowerment.

Are these innovative models of management equally applicable to men and to women? Is there a gender difference in managerial styles, including in decision-making patterns? These questions are quite new in management theory and are addressed in the last chapter of the literature survey, *Chapter E*, culminating in the discussion of the results obtained in a series of studies and showing that thus far, there is no conclusive empirical evidence that can determine the above questions and that therefore there is room for further research – as is the aim of the present work.

II. LITERATURE SURVEY

A. Management, leadership and people-orientation

A.1 *The nature of management*

A.1.1 Functions of management

According to Foyol's classic analysis (in Gray, 1988) there are five basic components of management:

- a) Planning – forecasting needs and development options.
- b) Organizing – providing resources (material and human) for the accomplishment of goal-related tasks.
- c) Command – getting employees to perform their tasks.
- d) Coordination – of efforts for achieving organizational goals.
- e) Control - establishing procedures of performance and of evaluating the results.

Are Foyol's five elements still relevant for management in the 21st century?

Moorcroft (2000) argues that they are, but suggests and details ten additional components:

- a) Management of information.
- b) Management of change as a constant process.
- c) Implementation of new techniques.

- d) Relationship skills.
- e) Investment in training and development.
- f) Setting goals of excellence.
- g) Considerations of the global markets.
- h) Unity of decision.
- i) Equity, fair treatment of employees.
- j) Initiative efforts.

Another perspective is suggested by Mullins (2002), who maintains that management is an integrative role aiming to coordinate the efforts of all members of the organization toward set goals (Mullins, 2002). Management takes place within a structured organizational setting and has particular rules. Three features characterize managerial activity according to this approach:

- a) It is directed towards attaining aims and goals.
- b) It is achieved through the efforts of others.
- c) It uses facilities and procedures in a systematic manner.

In all the above definitions it is evident that beside fulfilling technical *task-oriented* functions (e.g., defining and supervising the attainment of production goals), efficient management should also deal with *people-oriented* functions (Reddin, 1971; McGregor, 1987), whose degree of centrality depends on the nature of the organization.

High-level managers are also responsible for establishing diverse channels of communication among all the other levels of the organization, including its owners and the board of directors (Rubach, 1999), and between it and external nets of relationships (Galbreath, 2001): customers, suppliers, community representatives,

etc. Top managers are "the principal 'interfaces' of the company with the outside world, discovering the needs for change and innovation that arise from external opportunities and threats" (Simon, 1997, p. 177). They need to consider the larger social context (Turnbull 1997) and encourage all stakeholders/constituents to participate in the decision making process.

A.1.2 People management: Personnel management and Human Resources Management

The most basic activities of people management includes the promotion of a structured system of feedback and rewards for ensuring employee job satisfaction and the designing of a suitable working environment Long before the currently popular people-oriented management theories were developed, personnel management had been recognized as an indispensable function for most organizations/firms, either as a separate department (in larger organizations) or as part of the duties of the line managers (in smaller businesses).

Traditional personnel activities used to include (Mullins, 2002):

- a) Recruitment and staffing.
- b) Salary and wages administration.
- c) Training.
- d) Implementation of employee legislation (welfare and health benefits, work conditions).

Common to the execution of these functions are the assumptions that:

- a) Sound personnel policies are vital for ensuring the commitment and cooperation of the workers as a means for attaining optimal performance for the benefit of the organization.
- b) The employer has certain social and moral duties toward the employee.

Contemporary theories of Human Resource Management (HRM) that were developed during the 1990s share these assumptions, but usually have wider conceptual scope and targets, although several writers doubt whether there are material differences between conventional personnel management and HRM.

Horowitz (1991) regards HRM as a managerial strategy aiming to achieve organizational goals by optimizing cooperation and loyalty through direct management-employees relations and employee involvement.

Legge (1994) suggests three differences between personnel management and HRM, but says that of these two are differences in emphasis and not in substance:

- a) HRM is directed at both the managerial level and the employees, focusing on the need for professional development and team work, while conventional personnel management is an activity of the management towards the employee.
- b) HRM, in comparison with personnel management, is more concerned with organizational culture, values and long-term strategy.
- c) Medium- and line managers play a greater role in carrying out and monitoring human resources policies in HRM than in traditional personnel management.

Goss (1994) adds three features that characterize HRM and distinguish it from other people-oriented managerial models: an emphasis on human-relations psychology, strategic leaning, and principles of quality management.

Crainer (1998) too sees the strategic role of HRM, while Torrington and Hall (1998) suggest that HRM is resource-centered, involving planning and monitoring at all levels of the organization (including interim management levels themselves) on the basis of organizational objectives to start with. Personnel management, according to these writers, is workforce-centered, emphasizing the employees' rights and needs which sometimes do not coincide with those of the management.

Beardwell and Holden (2001) add that whereas HRM has some roots in personnel management and industrial relations, still it is more managerially focused, deriving from strategic organizational agenda, stressing the role of the individual development of employees and managers alike.

A research study of 100 medium-size manufacturing firms in the UK shows the positive relation between effective people management and certain measurable outcomes such as productivity and profitability. The contribution of people management to the success of the business was found to exceed that of technology, competitive strategy, and Research & Development (Summers, 1998).

A.1.3 Management development

In contemporary business management, the planning and management of change processes demand that the whole organizational structure and particularly managerial skills be constantly renewed. "Renewal and nimbleness have become paramount necessities" (Heller, 1997).

The advancement of managerial knowledge, skills and personal qualities should be a prime goal for contemporary organizations and firms which seek to maintain an excellent level of performance. It is the duty of the organization to provide its members with tools for development and hence to device proper training programs.

However, professional development does not stop after the initial stage of training. The modern manager, claim Peder et al. (1994), need not rely only on the training offered by the work place, but is advised to seek self development and make use of every opportunity for further learning. In that sense, a manager who is open to receiving feedback from colleagues, subordinates and customers is more likely to take advantage of such feedback instances (occasional or contrived and structured) as learning experiences instead of as a personal offence.

The self-development of managers, however, cannot be achieved through individual efforts. There should be an appropriate organizational climate to promote change and initiative, open communication and upward feedback cycles (from employees to the management). A manager who seeks self-development is also a better coach for those working under him/her, and this factor adds to the improvement of his/her managerial efforts (Farren, 2000).

Management development ought to be carried out on two levels:

- a) *On-the-job learning*, using techniques such as self-appraisal procedures, individual coaching from seniors or external professionals; and
- b) *Off-the-job learning* which usually includes planned activities outside the work place, short external courses, simulation workshops, incentives for further formal academic studies, etc.

In planning external training, three areas of advancement should come to the fore: technical competence, human and social skills, and conceptual abilities. The planner should bear in mind the old dilemma between theory and practice and consider the situational diversity of each participant in the course, bearing in mind that there is no safe road from learning to implementation (Mullins, 2002).

A unique approach to management development is *action learning* (Revans, 1983; Iglis & Lewis, 1994). Revans regards managerial learning as a combination of "know-how" and "know that," based on both programmed knowledge and questioning insights. An action learning course involves a small team working together on a project simulating real-life organization-based situations. There is a high level of cooperation and support between tutors and learners and among the learners themselves. The course aims to cultivate flexibility of thought and initiative, to facilitate the working out of diverse solutions and to make the learner review and investigate accustomed managerial modes of functioning. In this respect, the tutors act more as catalysts using case study analysis rather than as authoritative leaders of traditional training

A.1.4 Management and feedback mechanisms

Inter-personal feedback is considered in social sciences to be the "give-and-take" cornerstone of human relations in general, and an important and effective tool in management (Redpath, 1996). In contemporary theories, the management of human resources is thought to be vital for the success of the business, and in this context, the managers' feedback to the workers and vice versa serves two purposes (Mullins, 2002). For the employees, a positive feedback from the manager, accompanied sometimes by tangible rewards (promotion, salary raise, bonuses) is a measure for advancing employee satisfaction, increasing productivity, etc. A negative feedback is intended to correct undesirable work routines and when it is made public it serves also as a warning for other employees. For the manager, initiating and encouraging feedback from the employee helps to build trust and increases employee involvement and motivation.

Feedback is an essential ingredient in communication processes. It either affirms our perception or makes us review and correct them. In the workplace, feedback can refer to personal-social aspects, or be performance-related. In the latter case, the feedback should be informative, relevant to clearly defined (preferably quantified) goals and given within reasonable time after performance.

Feedback in relation to motivation and goal-setting was investigated, for example, by Locke E.A. (1975) and McClelland (1988). Lock's approach is similar to the theory of management by objectives. After specific performance goals, challenging yet realistic, are identified and communicated to the workers, an accurate feedback of the results should be given in due course to provide a basis

for correcting the individual's or the group's performance, as well for a revision of goals at the management level.

Feedback is also considered in the literature in the context of job enlargement and satisfaction, such as in the model developed by Hackman and Oldham (1980). The model postulates five job-related dimensions potentially enhancing work motivation: skill variety, task identity, task significance, autonomy and feedback from the management to the employees as to the effectiveness of their job performance.

Wiley (1996) suggests that organizational surveys might fulfill the following purposes: to diagnose issues and organizational climate, to anticipate potential problems, to assess teamwork and management styles as perceived by the employees and to measure the effect of organizational change.

In models of organizational development, survey research and feedback from workers to the management serve as intervention strategies (Mullins, 2002). A structured process is carried out at various levels of the organization concerning its functioning. The processed results of the survey are fed to the management, and then to teams who interpret the results and consolidate recommendations for change.

One of the most common usages of feedback is in appraisal processes. In many organizations, appraisal of the staff is carried out on a formal once-a-year basis. Yet for organizations which operate in dynamic environments, there is a need for more frequent evaluations. The same holds true for the appraisal of newly

recruited members and of those employees whose job description and the entailed areas of responsibility have changed.

The more recent approach to appraisal offers a broader perception of the areas which should be covered in the evaluation process, as well as more flexible techniques. Underlying the *360-degree feedback method* is the idea that all the staff, managers and subordinates alike, should take part in it, and in many cases external agents too, such as customers and suppliers. The appraisal achieved through the 360-degree feedback is not limited to technical issues, quality of production or service, but also includes the evaluation of issues such as teamwork, leadership, and decision-making procedures. This feedback technique is not adequate for highly hierarchal, centralized organizations, maintains Redpath (1996), because subordinates might fear the consequences of their negative assessment of the management.

Another feedback technique is the *upward feedback* that involves a one-way appraisal done by the employee with regard to the managerial level. In order to succeed, this kind of feedback requires careful planning and an experienced manager who would be open enough and sure enough of himself/herself in order to receive the subordinates' criticism in a professional way.

Well conducted two-way feedback is itself an act of power sharing and can promote management-employees relations and build up trust and cooperation. A positive two-way feedback is the one that focuses on strengths and successes rather than on failures.

Another sort of feedback used in business management is the one that comes from the customers, either spontaneously or as a result of premeditated polls/surveys. Client surveys can include many topics, ranging from the quality of products or of services to general attitudes presumably related to consuming trends.

It should be noted that not only the *results* of the survey might benefit the business (for instance, changing production goals or products' specification, marketing venues or targets of advertisement), but also the very *participation* of the customers in the survey can advance the business regardless of their actual views. Answering a market survey is a voluntary act, and by taking part in it, the customer, knowingly or unintentionally, becomes more involved.

A.2 Managerial styles

The literature concerning management styles is quite extensive. Likert (1961) proposes a four-fold model of managerial systems, based on the answers to a questionnaire filled out by executives in over 200 organizations and on the analysis of performance characteristics of various types of organizations. In Likert's model there are four management styles that apply to the organization as a whole: a) Exploitive-authoritative; b) Benevolent-authoritative; c) Consultative and d) Participative.

All of the four styles are people-oriented and describe manager-employee interactions and the decision making patterns characteristic of each category.

The three-dimensional model of management suggested by Reddin (1971) differs from Likert's in that it regards the interpersonal factor alongside two other, more

traditional components. Reddin's model describes eight managerial styles along three dimensions: a) Task orientation (TO); b) Relationship orientation (RO); and c) Effectiveness (E).

According to Reddin (1971), successful management results from employing an adequate managerial style in accordance with the specific character and conditions of the organization.

The third dimension was extensively discussed in an earlier work of Reddin (1970) and later by Drucker (1988). In Drucker's approach, *efficiency* is about the manager's execution of managerial functions – an *input* process, while *effectiveness* relates to *output*, that is to managerial achievements. Achievements sometimes are difficult to define, and hence to measure in simple terms of productivity or profitability – especially so in service and education organizations.

The *Managerial Grid*, first published by Blake and Mouton in 1964 later on revised and enlarged by Blake & McCauley (1991), is not only a research tool but a learning device as well. It provides a framework in which managers can identify, study, and review their patterns of behavior. Sometimes managers borrow elements from different styles, remark Blake and Mouton (1985), but usually each manager has a distinct style. At the top of the Grid there is the 9,9 team manager who believes in promoting a working environment in which employees can fulfill their own needs through commitment to the goals of the organization. There are three proven advantages of this type of management: "the 9,9 style ...correlates positively with bottom line productivity; 9,9 oriented managers enjoy maximum career success; there is...correlation between extreme grid styles of management and mental and physical health" (Mullins, 2002, p. 214). This model of excellent

managerial performance is currently re-evaluated on the grounds that no single person can possess all the qualities ascribed to a 9,9 manager. Instead, the phrase "an incomplete leader" is proposed alongside another innovative concept, distributed leadership, pointing to a different managerial style characterized by self-awareness. This type of manager is aware of his/her own weaknesses and the abilities of others and is willing to collaborate with them for the benefit of the organization (Ancona et al., 2007).

Further contribution to the discussion about management styles is made by writers who argue that different organizations at different times need different kinds of leadership. Clarke and Pratt (1985) suggest, in a metaphorical phrasing, four types of managerial leaders, each one of them is relevant for a certain stage of the organization's development.

- a) The "champion" is the kind of dynamic manager needed when a new venture evolves into regular business. The champion should be able to motivate his/her subordinates and is required to possess a large variety of managerial skills, to establish work routine and to learn from experience in a trial-and-error process while remaining open-minded and flexible.
- b) The "tank commander" is the type of manager needed at the growth stage, the builder of a strong supportive team, ready to exploit new market possibilities and to strive constantly for better outcome.
- c) The "housekeeper," or the regulator, is needed in the phase of maintenance and stabilization, when the emphasis is on careful planning, cost control and development of sound personnel policies.



- d) The "lemon squeezer" is the right type of manager at the mature stage of the firm, a stage which might last many years, at the end of which there is either a renewal or a decline. The manager needed at this phase should be able to preserve previous achievements and to make the best of the current situation and possibilities by cutting costs, reorganizing resources, etc.

Few managers, according to Clarke and Pratt (1985), are flexible enough to shift their managerial styles.

Similarly, Roderigues (1988) describes three stages in the development of organizations: the problem-solving stage, the implementation of the solutions stage, and the stable stage. The leader at each stage needs to employ different skills in order to perform effectively. Roderigues summarizes these skills in three clusters typifying three kinds of managers:

- a) The innovator – is the best kind of manager at the first, problem-solving phase of organizational development. The innovator is competitive, ready to look for and apply new ideas, a risk taker who spots and makes use of opportunities.
- b) The implementer – the most suitable manager at the second stage, has a strong urge to control the work environment and production and is ready to take responsibility for decision making, and has the ability to get the workers to finish assignments, as well as the ability to systematic planning.
- c) The pacifier – puts an emphasis on creating a friendly work environment and on social interactions, using decentralized decision-making procedures

based on previous feedback. This kind of leadership suits organizations in the phase of stability, when a less controlling managerial style is needed.

A.3 Management as leadership: The uses of power and control

An essential ingredient of management can be termed as leadership. This concept suggests that management has much to do with interactive interpersonal processes (French & Raven, 1968) and with achievements gained through the efforts of others (Kanter-Moss, 1996) by exerting managerial power and authority (Kotter, 1979). The terms "power" and "control" are alternatively used in connection with leadership and management, and sometime their definitions and usages overlap. Kotter (1979) studied the management patterns of 26 different organizations, ranging from financial institutions to public agencies, and interviewed over 200 managers. His conclusions, therefore, are applicable in many organizational settings regardless of their specific activity and can be generalized to include new industries.

Kotter uses the term "power" in three contexts: *power* serves as a measure of a person's potential to get others do what he/she wants them to do; *power-oriented behavior* indicates individual actions aimed primarily at acquiring or using power; *power dynamics* refers to interactions that involve power-oriented behavior. There are situational differences in the acquisition and exertion of power, according to Kotter, meaning that its amount and direction is job-dependent and not merely affected by personality differences. In this respect it is worthwhile to go back to Weber's (1964) distinction between traditional, charismatic, and legal-rational

types of authority, which are assumed to be related to different types of organizational environments.

McClelland and Burnham (1976) make a distinction between two kinds of power as a motivational need. Power as a positive motivation typifies the effective manager and is social in essence. This kind of manager uses his/her power for the benefit of the organization and does so through influencing and helping members of the organization attain goals. Negative power has a personal basis, e.g., it satisfies a personal need of the manager who uses tight control of subordinates. This type of manager, according to Gretton (1995), is not likely to get optimal performance from the workers in today's social climate, in which a certain amount of employee empowerment is expected and carried out in most organizations.

Control systems have been considered a necessary part of the process of management (for instance, Foyol's classic definitions, in Gray, 1988)). Control implies various managerial functions:

- a) Planning, clarification of aims, objectives defined in measurable terms.
- b) Setting standards of performance.
- c) Monitoring actual performance, using feedback mechanisms for improving performance, detecting deviations from the planned targets.
- d) Using corrective measures.

According to Hicks and Gullett (1976), effective control systems in management have, or should have, several characteristics:

- a) The purpose of the control system is understood by those who are supposed to comply with it.

- b) The information contained in it is relevant to the employees and is supplied by the manager who is directly responsible for specific areas of activity.
- c) There are built-in mechanisms for monitoring performance and for detecting deviations from the desired standard.
- d) There is a focus on activities which are essential for the success of the organization.
- e) The control system is adopted and practiced according to changes in major organizational variables and is subject to continued review.

The implementation of a control system within the organization in order to achieve the compliance of the workers requires, on the one hand, the use of managerial power, and, on the other, a degree of employee involvement (Etzioni, 1975).

Managerial power, according to Etzioni (1975), can be:

- a) Coercive (using sanctions);
- b) Remunerative (manipulation of material resources);
- c) Normative (conferring esteem and prestige).

These three kinds of managerial power interact with the degree of employee involvement and commitment to the organization, thus creating a matrix of possible kinds of relations between the organization and its members.

The optimal match occurs when the management exercises normative power while subordinates have a sense of moral involvement and are committed to the goals of the organization. In business organizations, the usual match is between the managerial remunerative power (control of salaries, promotion, bonuses or other benefits) and compliance of workers based on self-interest.

Thirty years after the publication of Etzioni's work, management literature updated the perspectives on the issue of management-workers relations and has much to say about intrinsic motivation and involvement of employees, and about the management style best suited to encourage them. It is the sharing of power through empowerment processes and finding of the right balance between control and autonomy that are advocated in contemporary management theory.

Stewart (1991) argues that this balance – between too tight and too loose control – equals the balance between order and flexibility. Direct control by giving orders and monitoring closely the performance of the employee as well as a clearly defined set of rules and regulations are necessary for the management of new recruits and at times of crisis. This type of control is behavioral. Less tight control is expressed through professional guidance and the establishing of professional standards aiming to decentralize control and enable employees to fulfill their jobs in a more autonomous way. A more advanced level of control is achieved by influencing the way people think about what they should do and how they should do it. It is an attitude change assumed to have long-term results.

Management and leadership can be linked, as Mullins (2002) does, by the term "managerial leadership," and yet the two concepts do not completely overlap. In certain managerial areas, for example where the administrative or the maintenance components are dominant, there is little room for a managerial leader in the role of the developer or innovator, but according to Murphy and Pirozzolo (2003), effective leadership includes the ability to respond adequately to a wide range of situations. Managerial leadership, according to Mullins (2002), be it formal or informal, is a personal quality which influences job performance at all levels, and

especially at times of transition. Kotter (1990) distinguishes between management and leadership - the latter is assumed to be related to long-term vision and to decision-making abilities necessary for conducting major changes, while Bass (1990) defined this type of leadership as "transformational."

Recent theories of management have begun to treat the issue of leadership in a wider conceptual context. Bass and Avolio (1994) consider the influence of the leader's *vision* in inspiring a sense of mission among the employees of the organizations as it provides new perspectives and goals. Vision is a meta-goal reflecting what the future of the organization should be. It is a mandatory tool, according to Locke and Kirkpatrick (1995) when managing innovative, creative individuals. Cook (1998) proposes that managers as leaders should communicate a vision conducive to creating formal and informal venues of progress, and Amabile (1998) suggests that effective leadership should strive to maximize a sense of positive challenge. Recently, Hatcher (2003) proposed that deep and even passionate involvement and commitment might enhance the manager's performance.

These notions are supported to some extent by empirical findings. For instance, Dulewicz and Higgs (2000) reported that three sub-categories in the personal competencies inventory used in their research were highly correlated to job advancement of "star" managers: strategic perspective, risk taking, and creativity.

Several studies concerning *creativity* in organizational settings were reviewed by Andriopoulos (2001). In today's business environment, global competition forces companies perpetually to seek ways of improving their services/products. Whereas creativity is often regarded on the individual level, Andriopoulos (2001) identified

five factors which foster creativity on the organizational level: a) Climate; b) Leadership style; c) Organizational culture; d) Resources and skills; and e) Structure and system.

A.4 Leadership styles

The leadership style of the manager who supervises the activities of the work group affects the behavior of the group as a whole (Belbin, 1993). In this context, two issues are involved: *power* and *decision making*

For the authoritarian manager, he/she alone embodies and exercises power and control over the group's activities as a figure-head in the relationship pyramid. This sort of managerial leadership is evident in decision-making procedures characterized by vertical rather than horizontal lines of communication between the group's members and the manager, in the allotment of tasks, etc.

The democratic leader-manager, on the other hand, is willing to share power, to delegate responsibilities, to allow more inner communication inside the group without being the sole provider of information, and eventually to perceive himself/herself to some extent as a member of the group while retaining a superior professional and decision-making standing. The third style of group leadership is evident when the manager delegates authority and allows the group greater freedom of action (autonomous work groups), but remains available for consultation and support. But an extreme *laissez-faire* managerial style might endanger the effectiveness of the group, leading its members to feel neglected and

gives rise to disruptive conflicts within the group. The concept of autonomous work teams is not applicable to all organizations.

In a similar vein, Belbin (1993) defines two major styles of managerial leadership, particularly in industrial settings. The solo leader is self-reliant, expects compliance from subordinates, and uses a directive style of communication, in which specific tasks are defined. This style seems to be effective when clear and immediate decisions should be formed and executed without much discussion. At other times, such as during a more stable mature phase of the organizational development, the team leader, according to Belbin, should do well to limit his/her role on purpose and to prefer the sharing of vision to dictating operative procedures. Whereas there is a degree of mistrust of people in the solo style, the team leader seems to be more trusting and respects subordinates' ability to perform their jobs without undue interference from him/her.

Belbin's (1993) approach echoes McGregor's well-known demarcation between two basic managerial approaches-inclinations, which are supposed to be the foundation of the various leadership styles: the *Theory X* and the *Theory Y* (McGregor, 1985). Theory X is more traditional and had been in practice before people orientation was developed. McGregor termed the two styles as *theories* because, in his view, they represent two polar pre-conceptions/philosophies regarding human nature in general and not necessarily in the business management context

A Theory X sort of manager does not have much confidence in people's ability to judge responsibly and make their own decisions. What follows from this assumption is a solo and rather dictatorial style of management, perhaps suitable

for production-line management in some industries but certainly not when the workers' initiative, intrinsic motivation and creativity are vital for achieving organizational goals.

The Theory Y manager represents the opposite philosophy of human nature and assumes that for most people, self-actualization through work is an important need, and that when properly motivated and rewarded, workers can identify with the organization and strive to achieve set goals. This kind of manager does not believe that it is his/her responsibility to coerce but rather to inspire, motivate and develop the professional potential of the workers.

McGregor's Theory Y management does not remain a philosophical outlook, but is accompanied by pragmatic analysis of the implications for management training and development, policies concerning salaries and rewards, and participative decision-making procedures.

Leadership styles in this context have been especially discussed in the literature. A democratic, *participative style* of leadership is conducive to promoting employees creativity, according to Nystrom (1979), and is of special importance when managing novelty effectively (Bowen & Fry, 1988; Vroom & Jago, 1988). It was also found that a participatory style of managerial decision making encourages creativity within the working environment (Kimberley & Evanisko, 1981) and is more likely to help the organization recruit and maintain its staffing resources in an effective way (Blake & Mouton, 1985; McGregor, 1987). Amabile (1998), who has long been investigating creativity in the corporate surroundings, adds two more qualities required of the leader: the ability to manifest support and empathy.

These characteristics coincide with the notion of emotional intelligence as described by Goleman (1998) and others.

The human-relations interactive aspect of leadership is also discussed by Collins (2001). His model combines Reddin's 3-D model and the distinction between TO and RO types of leaders, while putting a greater emphasis on a unique combination of personal traits. The "level 5" top leader, according to Collins, exhibits both humility and professional will. He/she knows how to relate to people and inspire them and cultivates human resources, yet remains resolved to achieve professional targets according to set standards. Level 5 leader is capable of self-criticism and at the same time never forgets to give credit for good performance to those who share the success.

In an earlier study, Bass (1990) established *trust* to be an additional characteristic of leaders who succeed in gaining the respect of their peers and followers.

Bass and Avolio (1994) differentiate between two kinds of leadership:

- a) *Transactional leadership* that is behaviorally manifested when the leader rewards or disciplines, delegates assignments or emphasizes work standards;
- b) *Transformational leadership* which occurs when the leader stimulates interest in his colleagues and makes them look beyond their narrow interests.

Subsequent studies have proven the utility of the two-fold classification offered by Bass & Avolio as connected to EI, but its significance for predicting job

performance remains unclear (Mandell & Pherwani, 2003) and is open to further investigation.

The relation between leadership styles and effective job performance was investigated in an extensive world-wide research conducted by the consulting firm May/McBar and reported by Goleman in 2000. Based on Goleman's analysis of emotional intelligence, six leadership styles were identified among the 3871 executives who took part in the research.

- a) Coercive leader – the emphasis is on the workers' compliance, on setting regulations and on using punitive measures.
- b) Authoritative leader – is the kind of leader who motivates people to respond and work together for the attainment of a vision set by him/her.
- c) Affiliating leader – fosters positive humanized social climate and interpersonal relations.
- d) Democratic leader – seeks to reach consensus by using a participative style of decision making.
- e) Pacesetter leader – sets goals of excellent achievement and motivates workers to self-direction.
- f) Coaching leader – is mostly involved in training and instructing with the purpose of preparing the workers for future goals.

Out of these six styles, the coercive and the pacesetter styles were found to have a negative impact on the organization. The coercive leader-manager seems to lack the flexibility needed when dealing with the employees, whose antagonistic responses and unwillingness to cooperate can be expected as an outcome. The pacesetter leader-manager often sets too high standards which cause low morale

among the workers. Regarding the other, positive four styles, Goleman (2000) remarks that in the effective executive, a combination of them can always be found to some degree; the proportional share of the style which is actually employed depends on the requirement of specific situations.

The most recent development in management thought offers a somewhat dissenting outlook concerning leadership styles and skills. "It's time to end the myth of the complete leader", claim Ancona et al (2007), suggesting a new terminology: 'the incomplete leader' and 'distributed leadership'.

Incomplete leaders understand their own weaknesses as well as their strengths and fill in the gaps in their knowledge with others' skills. The incomplete leader has both confidence and humility and is able to recognize unique talents and innovative ideas throughout the organization and utilizes them for attaining organizational goals.

Distributed leadership stems from this new perception of the leader and consists of four dimensions: sense-making, relating, visioning and inventing. As these dimensions require a complex set of capabilities, no single leader-executive can possess them all. While *sense-making* is the cognitive ability to identify, analyze and map contextual factors, *relating* means inter-personal skills resulting in trust-building through inquiring (listening with intention), advocating (explaining one's own point of view), and connecting (establishing a network of allies who can help a leader accomplish his or her goals). *Visioning*, too, according to Ancona et al (2007), is a collaborative process that articulates what the members of an

organization want to create, and *inventing* involves developing new ways to translate this vision into operative terms.

* * *

It can be summarized that management thought of the last four-five decades, which ascribes a central role to relationship assets and to people orientation as manifested in certain managerial and leadership styles, has considerably evolved and become more and more elaborated since the conceptual break-through earlier made by Likert (1961), for instance. Reddin (1971), whose 3-dimensional model of managerial performance established the basis for this broader approach, argued that an adequate managerial style (conforming to one of the model's dimensions) should be applied in accordance with the unique character and conditions of the organization. The organizational context and the stages of the organization's development in relation to compatible managerial styles were discussed, among others, by Clarke & Pratt (1985) and by Roderigues (1988). Although management necessarily involves the exercise of power and authority (Kotter, 1979), it has been acknowledged (Stewart, 1991) that there should be a balance between too tight and too loose managerial control, or, in other words, between a well-regulated work environment and operative flexibility ("nimbleness" in Heller's terms, 1997), in order to promote a sense of positive challenge among all members of the organization and maximize its performance (Amabile, 1998). However, a less controlling and more democratic style seems to be more effective in most organizations in light of today's social climate, and some research findings discussed in this chapter also show (Goleman, 2000) the significance of

relationship-oriented managerial styles in industrial settings and their impact on productivity.

The next chapter of the literature survey continues to follow the basic assumptions underlying the people/relationship approach and describes the roots of the concept of emotional intelligence and its implications for contemporary management. Goleman's and other researchers' contribution to this trend will be explored and empirical evidence will be presented, supporting the linkage between EI, leadership traits and successful managerial performance in various organizational contexts.

B. Management and emotional intelligence

B.1 The human factor in managerial skills

The emphasis on the human skills required in modern management, as described in the previous chapter, finds a pronounced expression in the recent interest in *emotional intelligence (EI)* and its implications within the corporate context. This factor, argues Goleman (1998), is what makes the difference in the higher levels of the company, where there are but small differences in technical skills: "EI is the *sine qua non* of leadership...without it, a person can have the best training in the world, an incisive analytical mind and an endless supply of smart ideas, but still he won't make a great leader" (p. 93).

The concept of emotional intelligence was first in use in the educational field and even its implementation in management studies, although quite new, has already yielded important results. Goleman (1998) describes five aspects of emotional intelligence in his reply to the question: "What makes a good leader?" a) Self awareness; b) Self regulation; c) Motivation; d) Social skills and e) Empathy.

The last aspect might appear not business-like and out of place, considering the fierce competition of the contemporary market; we expect it in a friend, but not in an executive, says Goleman, who is one of the prominent researchers in this field. Yet empathy is needed in order to promote team work and retain the loyalty of talented workers - two managerial goals which have become especially important in the competitive world of the 21st century.

B.2 The evolution of the concept and the definitions of emotional intelligence

Throughout the larger part of the 20th century, ever since the development of quantitative standard measures of academic intelligence (the Simon-Binet scales at the beginning of the century and the Wechsler test in the 1930s), success in life was considered to be related to cognitive IQ score (Ree et al., 1994; Mandell & Pherwani, 2003) as a general factor. This notion prevailed for many decades and was adopted by professionals and laymen alike, although Thorndike, as early as 1920, was the first scholar to postulate the existence of additional emotional and social dimensions of intelligence. His model was later enlarged by Guilford (1967), who suggested a multifaceted construct composed of 102 types of intelligence.

Two approaches mark the departure from the above-described notion of cognitive IQ supremacy. The first development argues that IQ scores are too abstract and suggests the use of specific competencies for predicting performance (Ree, Earles & Teachout, 1994). The second approach remains within the framework of traditional IQ, but proposes enlarging the concept and including in it abilities that have not previously been considered as relevant.

Job performance has usually been investigated in connection with either general ability - the *g* factor, or with specific expertise - the *s* factor (Ree et al., 1994), following Spearman's classic distinction formulated in 1904. In wide practice is the use of the IQ test as predictor of JP, while specific competencies sometimes serve as a supplement or replacement. Ree et al. (1994), who investigated this controversy with regard to USA air-force trainees, have shown the advantages of *g*

measures for predicting job performance, while *s* measures in this study provided a statistically significant addition to the prediction, but the addition was too small for practical uses

In 1971, Shanely, Walker and Foley hypothesized that social intelligence is distinct from academic intelligence, but could not find empirical evidence to support their claim. Two decades later, Salovey & Mayer concluded that the reason for the lack of research evidence was that in previous studies, social intelligence was defined too broadly. They suggested supplementing the term with the branching concept of emotional intelligence which might be easier to distinguish from general intelligence.

Salovey and Mayer (1990) define EI as: "the ability to monitor & use one's own and others' feelings and emotions, discriminate among them and use this information to guide one's own thinking and actions" (p. 189). Bar-On (1997) regards EI as: "an array of non-cognitive capabilities, competencies and skills that influences one's ability to succeed in coping with environmental demands and pressures" (p. 14). A similar concise definition of emotional intelligence was suggested by Martinez (1997).

Further contribution to this field was made by Mandell and Pherwani (2003). Their approach makes a distinction between two models of emotional intelligence:

- a) The ability model views EI as a cluster of abilities that involve perceiving and judging on the basis of feelings (for instance, Mayer, Caruso & Salovey, 1999);

b) The mixed model regards EI as an ability consisting of social behavior, traits, and competencies (Goleman, 1995, 1998; Bar-On, 1997).

Based on the above definitions, Mayer and Salovey (together with Caruso) and Bar-On developed measurement tools of emotional intelligence: the first one is the MSCEIT (1999) and the second one is the Emotional Quotient Inventory (1997). Bar-On's EQ-I tool divides emotional intelligence into five major components: intra-personal traits, inter-personal skills, adaptability, stress management and general mood.

B.3 Research findings: Emotional intelligence, leadership and successful management

In contrast to the more traditional theories of management (even in Reddin's 3D model, relationship-orientation characterizes only one type of manager), proponents of the contemporary approach argue (Bar-On, 1999) that social and emotional intelligences are better predictors of success in life than academic IQ and that they play a major role in all branches of management, especially in the organizational setting (Zaccaro, 2001). Harrison (1997) claims that emotional intelligence is vital for developing the organization's competitive advantage and that therefore it should be cultivated in every manager, even if his/hers avowed duty is technical in essence. Cooper (1997) quotes N. Zeniuk, former leader of an executive team at Ford Motor Company, who maintained that emotional intelligence is the hidden competitive advantage, the "soft stuff" (intangible asset) that should be enhanced on purpose. The "hard stuff" (tangible assets), argued Zeniuk, will eventually take care of itself... Although this claim seems too radical

for pragmatic purposes, as unguided transformations too often go wrong (Mullins, 2002), Zeniuk made a point worth considering.

Both emotional intelligence and its precursor, social intelligence, have been investigated in connection with leadership and management styles and success.

Bass (1990) maintains that a review of early leadership studies reveals the positive contribution of EI to leadership success, while a more updated research study (Mandell & Pherwani, 2003), by employing the differentiation between transactional and transformational styles of leadership, established the link between the latter and EI components such as empathy, motivation, self-confidence and self-awareness.

Another type of research done in this field has also shown that emotional intelligence is a better predictor of managerial job performance than cognitive intelligence tests. Kelly and Kaplan (1993), in a study conducted at the Bell Laboratories, found that EI could distinguish between good and poor performers. All the subjects were managers with very high IQ, but it was still their non-cognitive competencies that made the difference. Dulewicz and Higgs (2000) present a similar conclusion and their findings support the results obtained in a previous study done by Dulewicz (1996, 1999). The career progress of 100 general managers was tracked during seven years and proved to be related to the personal-emotional attributes that were found to differentiate between average and outstanding managerial performance. Still, according to Dulewicz and Higgs (2000), there are not, as yet, enough studies of the relations between EI and job performance in the corporate/industrial context, and they suggest that further research should be done in this direction.

When chapters A and B of the literature are considered as a whole, a conceptual framework emerges, showing consistent attempts to change and update management thought in two main directions. The first direction involves the broadening of previous models of management by incorporating into them additional factors and by giving a greater – but not an exclusive – weight to people-oriented managerial functions. Blake & Mouton's Managerial Grid (1964) and Reddin's 3-D model (1971) are two prominent examples of this theoretical stance. On the other hand, the second innovative direction seeks to re-formulate former management tenets and even, to some degree, to substitute them with new perspectives and alternative descriptions of the managerial role in light of the unique characteristics of contemporary society and economy. Typical to this trend are the suggestions to regard management within the context of leadership (Mullins, 2002) and the development of diverse models of leadership styles, as well as the pronounced emphasis on non-technical managerial skills such as vision (Bass & Avalor, 1994), creativity (Dulewicz & Higgs, 2000) and emotional intelligence, considered by Goleman (1990) to be the most important personal trait of the successful manager in all kinds of organizations, be they people-oriented by definition (such as educational organization) or businesses striving to maximize profitability.

These new perspectives are especially evident in management theories dealing with decision making – one of the most important functions of the manager's role. The next chapter describes the transition from the classic models of decision making to non-linear, non-mathematical and intuitive models, as well as the shift from "solo" to team decision making.

C. Recent trends in managerial decision-making theory

C.1 The process of decision making

Decision making is considered to be a most significant feature of modern management (Jennings & Wattaman, 1994; Eisenhardt & Zbarcki, 1992; Bazerman, 1998) due to the understanding of its role in today's risky market conditions (Hammond, Keeney and Raiffa, 1998). As a consequence, managers as decision makers are required to possess an extensive body of updated information, deal effectively with its implications, and even foresee the impending change and be prepared in advance, rather than just react to it. Styles of decision making have been examined in many studies, as well as the variables presumably affecting them: culture, dimensions of the task at hand, level of risk, etc.

Decision making primarily involves the evaluation of alternatives and the choosing of the one venue considered to be the most productive for attaining a certain goal (Simon, 1997). Contrary to the traditional utility theory and to mathematical paradigms, in Simon's view even a calculated, rational choice is influenced by the cognitive limitations of the decision maker - "limitations of both knowledge and computational capacity" (p.291) - and is prone to inconsistencies. Whereas for Cyret and Hendrick (1972), for instance, the maximization principle is the main factor in the decision-making processes of the firm as a competitive economic system, Simon termed his model *bounded rationality* and ever since the 1950s has sought to theorize and find evidence for behavioral decision-making procedures that take into account the actual operations and capacities of the human mind.

Russo and Schoemaker (1989) studied the same issue from a practical angle and investigated the decision-making patterns of a thousand executives in major US firms. Their findings lead to a formulation of ten "decision traps" which hamper efficient decision making, from hasty rushing into the process and choosing the wrong problem to start with, to over self-confidence or the opposite - over-reliance on group judgment.

How decision traps can be avoided? Interesting answers to this question are given in recent DM models proposed by Martin (2007) and by Snowden & Boone (2007). Martin (2007) suggests four stages of decision making as a process of consideration and synthesis performed by leaders who are endowed with integrative thinking. In the first stage, a full analysis and definition of the problem is being done, going beyond salient and obvious features of the situation. Secondly, multidirectional and nonlinear relationships between the identified features of the problem, and not just linear ones, are investigated. In the third stage, an evaluation is formed concerning the whole problem and how the parts fit together. Only then, in the fourth stage of the decision-making process, creative and integrative thinking is applied to resolve the tensions between opposing ideas and generate new alternatives. This model obviously stays away from the "jumping into conclusions" trap, described by Russo and Schoemaker (1989).

Even the most successful leadership styles and decision-making procedures might fail when circumstances change, maintain Snowden & Boone (2007), and therefore different contexts call for different kinds of response. Their model is based on the concept of complexity and offers executives a contextual typology that provides a categorization of five frameworks for decision making

Simple contexts refer to stable circumstance characterized by well-known cause-and-effect relationships. Decision making requires straight-forward assessment of facts which directly leads to the response, often the only right one and a self-evident one. A clear relationship between cause and effect also exist in *complicated contexts*; it is the multiplicity of possible right responses that demarcate between these contexts and the single-answer simple DM framework. In certain circumstances, however, unknown factors play a greater part in decision making. *Complex* contexts - in which many contemporary businesses operate - do not at all provide immediate right answers, and certainly not a single right answer, and the decision making process entails a sort of small-scale trial-and-error experimentation prior to the leader's final, large-scale decision.

Uncertainty increases in *chaotic* contexts, usually following catastrophic events. Under these circumstances, cause-and-effect relationships constantly shift and known manageable patterns of decision making are no longer viable for lack of past experience and/or sufficient current information. Major long-term decisions must be put aside until some ad-hoc order is restored and the situation is transformed from chaos to complexity. The fifth context, *disorder*, implies a "meta" decision process preceding regular decision making. Such a two-stage sequence needs to be employed when it is unclear which of the other four contexts is predominant. The first DM procedure aims to determine this question by analyzing the components of the situation and the degree of their fitness into one of the four contexts. Once the context issue is settled, the leader can make decisions and intervene in contextually appropriate ways.

Certain components of the decision making process, previously investigated in many studies, have recently gained more prominence, such as the sharing of knowledge, team work, and risk taking. Some studies discuss other decision-making related factors which have not been empirically regarded before in the economic context: intuition and creativity (Schramm-Nielsen, 2001). In today's business environment and global competition, maintains Andriopoulos (2001), companies aspire to become more creative and capitalize on the benefits of creativity, not only on the individual level, but on the organizational level as well.

C.2 Decision making in relation to personal traits of the manager

Several studies (Agor, 1989; Keegan 1984; Andersen, 2000) investigated managerial decision-making styles in connection with unique personality traits, such as Jung's four-type thinking-intuition and feeling-sensing dichotomies. The research of managerial decision making in relation to intuition has become quite prevalent in the last two decades (Novicevic, Hench and Wren, 2002, Patton, 2002). Novicevic et al. (2002) in their review of the conceptual development of this line of research, ascribe special importance to the historic contribution of Barnard's seven-step decision-making model and to his subsequent work. According to Barnard (1986), one of the founding fathers of decision-making analysis in management theory and an experienced executive in his own right, there are two parallel, complementary courses in decision making: the logical process, based on information gathering and on reasoning, and non-logical mental processes. Decades later, this notion has regained the attention of researchers, as is evident in abundant studies (Burke and Miller, 1999).

Lately, a combination of analytical cognitive qualities and creativity was suggested as characterizing the decision-making patterns of successful executives (Martin, 2007). After extensive interviews with more than 50 top executives, Martin discovered that most of them have in common a particular decision making style and a way of thinking described as "integrative". Integrative thinking means the ability to evaluate two opposing ideas at the same time and then to form a new idea containing elements of each but is superior to both. In this model, the tension between conflicting ideas serves to enrich managerial decision making and the two processes, of analysis and comparison and of synthesis, complete each other in a creative way.

C.3 From solo to team decision making

Although decision making is often considered to be one of the main responsibilities of the individual manager, team work and team decisions are recommended as well in order to enhance the organization's effectiveness. Reddin's model of decision-making (1971) differentiates between five DM methods:

- a) One-only method - the top member makes the decision and announces it;
- b) One-one method - the top member's decision is aided by suggestions received from another team member;
- c) One-team method - the top member encourages all members of the team to put forward suggestions on the basis of which he decides;
- d) Majority method - the decision is put to a vote to all members of the team;

e) Consensus method - the team is regarded as one unit, there is a sharing of ideas and suggestions and the decision is reached only by consensus.

In effect, Reddin's model (except for the first method) describes a progressive decision-making process along the participation continuum, basically similar to the "system 4" model suggested by Likert (1961). Participation in organizational decision making and influencing its results, argues Pfeffer (1981), is one way of acquiring power on the part of individuals and groups; but it might also be beneficial for the good of the organization, claim Goldsmith & Clutterbuck, 1990 (in Mullins, 2002, pp.780-781). People are more willing to contribute ideas in a creative way and share the responsibilities resulting from managerial decisions, and even risk making their own decisions and abide by them, when less control is exerted by the top management. Ancona et al. (2007) go one more step along the participation direction and advise high-level executives to adopt a model of distributive leadership, as they term it, as an outcome of a manager's self-awareness of his/her shortcomings and the willingness to recognize others' abilities.

A dissenting outlook on the usefulness of workers participation as a generalized DM model, and particularly in connection with job performance and productivity, is given by Heller (1999), whose arguments have a practical angle combined with a differentiating analysis of structural-organizational factors: in reality, participation is hardly applicable at the lower levels of the organization because the job requirements leave little room for autonomous decision making of the workers. At the upper levels, the implementation of participative managerial methods is possible, but it should be carefully planned in advance, taking into

consideration specific goals, and should be integrated systematically into the existing practices in order to become "a feature of organizational governance."

* * *

Contemporary models of decision making mark a significant departure from previous management thought: they go beyond the individual manager as a decision maker and begin to consider the organizational context and various venues of employee participation in the decision-making process. The literature survey presented above also shows how Simon's concept of bounded rationality formulated in the 1950's formed the basis for later theory and research investigating creativity and intuition in managerial decision making.

The following chapter, Chapter D, offers a more detailed discussion of the issue of manager-employee relationships in modern management and makes a comparison between several models of management in which these relationships play a central role. The concepts of delegation, team work and employee empowerment will be explored in connection with the broader concept of employee participation.

D. Management-employee relationship: Modern trends in decision-making models

People approach, which advocates a less controlling style of management and favors a more cooperative style, has had an impact on several areas in modern management theory and practice. The conceptual development of this approach is expressed in various terms – team work, participation, involvement, and empowerment – but has prior roots in the concept of delegation. All these terms signify a transition from focusing almost solely on the *manager's* capabilities, performance and contribution to the success of the organization to regarding the manager-employee relationship as the key for enhancing the *employee's* contribution as well. An updated human-assets theory takes into account both partners of the manager-employee relationship and defines the conditions under which it can operate most effectively, especially in DM processes, for the attainment of organizational goals.

D.1 Delegation

Delegation of authorities and responsibilities in the organizational context has always been an integral part of the manager's role. In other words, management as an activity aims to "get the job done" through the efforts of others and therefore it must include the delegation of responsibilities connected with the assigned tasks to the workers who are supposed to perform them.

From another angle, delegation involves inter-personal skills, or, in other words, people-related managerial skills: assessing candidates for delegation, training,

setting the terms of reference and channels of communication, and supervision (not to be confused with undue interference and control).

Delegation, when well planned, can promote the job performance of the employees, enhance trust and cooperation between the managerial level and the workers, and relieve the work-load of the manager, thus leaving him/her more time and energy for developing a larger vision, long-term strategies, training programs, etc. The manager's mistrust of the workers' ability and an exaggerated self-reliance approach are two main obstacles to effective delegation, claims Newman (1956).

Crainer (1998) maintains that the organization's ability to delegate authority effectively on a continuous basis as a prime managerial tool is critically important for the attainment of both short- and long-term goals. Delegation is especially evident in decision-making processes and necessitates a mutual obligation of the parties involved: the manager who confers authority and the subordinate who needs to take on a higher degree of responsibility and accountability. There are several pre-conditions for delegation: mutual trust, effective communication and similar ethical codes.

D.2 Teamwork

Teamwork is more than just a catch-word in fashionable management theories. The attention to the dynamics of work groups has a long history in social sciences, with the understanding that "the whole is more than the sum of its parts" and that teamwork is a major feature of organizational life. Most activities of the organization require a degree of cooperation through the operation of group work

(Mullins, 2002). In industrial and business organizations, the concept gained a prominent place following the shift from an emphasis on production and technology, and generally on tangible assets, to an emphasis on human assets and people orientation, (as previously discussed in this work), which are thought to have unique importance at times of organizational change (Kotter, 1990; Bass, 1990).

Work is group-based in most organizations and it is generally acknowledged that there are certain characteristics of the group that influence organizational performance. Workgroups can operate on a permanent basis, or on an ad-hoc basis with assigned specific tasks.

A psychological definition of the group is offered, for example, by Schein (1988). The definition regards as group a body of people who: a) Interact with each other; b) Are aware of each other; and c) Perceive all members as constituting a group.

This definition applies to formal task teams as well as to socially-based groups within the organizations, whether labeled as such (formal clubs of sorts) or not. For work groups, Adair (1986) adds several important features, such as a sense of shared purpose, interdependence for the execution of tasks and an ability to act in a unitary manner.

Every work team, like any other group, has typical behavioral patterns and differential roles (leader, mediator, follower, etc.); but at work, the way a team behaves depends to a large degree on the leadership of its direct manager. Heller (1997) maintains that making teamwork really effective should be the key strategy of managers, given today's ever-changing business environment and tough

competition. This objective should be implemented, according to Heller, at all levels of the organization to create an *organizational climate of teamwork*.

D.3 Employee involvement

Employee involvement is a similar but not an identical term used for advocating greater employee participation. Whereas the concept of worker participation is usually applied in concrete situations, mainly in decision-making contexts (as discussed in the previous chapter), involvement (Coupar, 1994) suggests broader implications, psychological in nature, which have to do with the self-perception of the employee vis-à-vis the management and the entire organization. This concept is closely linked to motivation, self-regulation, commitment and cooperation. Employees who feel themselves informed of the organizational goals, who feel that they are treated fairly and that their contribution is recognized and rewarded, that their ideas and wishes are attended to, and that they have a measure of influence in decision making – such employees are supposed to have more cooperative relations with the management and with their team. The outcome of cooperation through involvement might bring about improved productivity, better customer service and reduced staff turnover.

Employee involvement can be achieved in several channels: information-sharing and manager-workers joint consultation, financial participation (bonuses) and investment in training and development. Gollan (2000) remarks that worker involvement should be imbued in the organizational culture and be implemented systematically, and not remain a sporadic effort. Mullins (2002) summarizes a report issued by the Department of Employment in Britain, which details the

benefits to the organization that can be gained by effective worker involvement. At the top of the list are improved performance, higher productivity and improved service to customers, followed by mediating components such as a more cooperative organizational atmosphere, reduced staff absenteeism and disputes and maximization of the workers' expertise.

D.4 Empowerment

Another contemporary term related to employee participation and involvement is that of worker *empowerment*. As is the case with workers' participation and involvement, proponents of promoting employee empowerment as a managerial tool aim to bring forth and utilize the professional potential inherent in human resources for the benefit of the work place through increased commitment and motivation (Pickard, 1993). The implications of employee empowerment for the manager are the adoption of a more cooperative style, the loosening of tight control, the delegation of authority and a re-designing of the job requirements of the workers. Pickard (1993) describes a meaningful impact on job satisfaction and productivity due to adopting a consistent empowerment approach.

Lashley (1995) integrates the concept of empowerment with the concepts of involvement, participation and involvement and commitment and describes four venues of empowerment:

- a) Empowerment through participation in decision making.
- b) Empowerment through involvement, which can be achieved if the manager regards the employee as a helpful source of ideas, suggestions, and expertise.

- c) Empowerment through commitment, which can be formed by increasing job satisfaction.
- d) Empowerment through delegating, e.g., by re-structuring managerial hierarchy in order to reduce layers in the organization.

In this context, an important view is presented by Stewart (1994), who claims that the empowerment of employees requires the manager to regard himself/herself and actually to behave more as a facilitator than as a leader-controller. Empowerment also requires the delegation not only of responsibilities but also of resources. Mullins (2002) defines certain conditions necessary for the success of a participation/ empowerment plan.

- a) *The worker should be willing* to take on extra responsibility and *able* to perform the job competently.
- b) Empowerment programs require a sound basis of *mutual trust* between the manager and the worker prior to the implementation of the program. Side by side with the issue of trust there is the issue of confidentiality to be considered, as the empowered worker will probably gain access to more information.
- c) *Teamwork* is another factor influencing empowerment endeavors. Both the manager and the empowered employee should have the ability to work together cooperatively and effectively; empowerment does not mean that the manager completely "abandons the field" nor does it imply that the worker assumes the full load of responsibility.

* * *

The above four chapters of the literature survey, proposing new models of management (including new DM models) which put an emphasis on non-tangible, human assets and on the relationship aspect of the manager's role, do not offer gender-based differentiations. Moreover, the same non-differentiating stance is evident not only in theories but in former research trends as well. Almo-Metcalfe (1987), summarizing the management literature up to the late 1980's, remarks that a vast majority of the research of that period relied on male samples only, while the interpretations were presented as applying to both male and female managers. To some extent, this methodological limitation can be explained merely in technical terms; that is to say as reflecting the reality of that time and the paucity of women managers.

But the as the reality of women under-representation in management is gradually changing, and as relationship assets gain more prominence in management theory, a body of gender studies has emerged, proposing several lines of research: the causes of gender discrimination (be it overt or covert) which influence women's careers; gender differences in leadership and DM styles and their possible impact on managerial performance; and, lately, EI studies in relation to gender. The following chapter presents the rationale and the findings of this new line of research.

E. Gender and management studies

E.1 Career progress of women

The study of gender in relation to work, career, occupation choices, etc, is relatively new in management theory and research. Alban-Metcalf (1987), for instance, remarks that surveying the management literature of that period reveals a vast majority of management research relying on male samples only, while the findings were interpreted as applying to both male and female managers.

In the last twenty years or so, however, a body of gender management research has evolved, showing the impact of gender and especially of gender-based stereotyping on the career development of women as compared with men, starting with recruitment and selection procedures, formal or informal, and on-the-job discriminatory attitudes, which often do not come into play formally; on the contrary, external pressures from social organizations and from legislation have, on the face of it, changed organizational policies.

"Homosociability" is the term suggested by Kanter-Moss (1977) to describe discriminatory networks within the organization which advance male employees to higher managerial positions through informal discussions and social gatherings, thus limiting women's access to information and power. The "glass ceiling" phenomenon is another term widely used in reference to gender biases obstructing women's progress to high managerial positions, especially in businesses. Yet even in the field of education, traditionally regarded as women's natural domain, two decades after Kanter-Moss's important insights, McLay and Brown (2000) still found women to be under-represented in senior managerial positions in secondary

schools in Britain. Wheatcroft (2000) says that a woman top executive is still a rarity, while Maume (1999) describes the downward organizational mechanisms which negatively influence women's (and colored managers of both sexes) career advancement, in comparison with the upward mechanisms which promote white men.

According to recent studies, what might overcome gender biases concerning women's career progress is not legislation by itself, but an attitude change due to developments in management theory, that is, the new emphasis on people orientation and consequently on participative and facilitative styles of management, and on managerial qualities such as sociability, inter-personal communication, etc., characteristics which presumably women have to a higher degree. What follows from this assumption is a new conceptual move which does not ignore sex differences but harnesses them for the benefit of the organization/firm.

Along this line argues Evetts (2000), proposing to change the prevailing criteria for career progress (of men and women alike) on the grounds that they are too stiffly linear and hierarchal and do not consider unsalaried activities within the family and the community. Evetts's suggestion comes close to an innovative model of career progress which endorses a "portfolio" basis for recommendations concerning career development (Arnold, 1997).

E.2 Gender and leadership/management styles

Earlier studies (Powell, 1988) did not find conclusive evidence regarding gender differences in management/leadership styles. More recent surveys of research findings suggest a tendency (Alimo-Metcalfe, 1995) of women managers to be more communicative, to share information and to have a more inclusive approach, summing up to a more transformational style. But Alimo-Metcalfe (1995) also adds a cautionary remark concerning possible influences of hidden biases on the assessment of managerial styles.

The suggestion that women's style of leadership-management is unique is questioned by Due, Billing and Alvesson (2000), who doubt the validity of the term "female leadership" and critically review the gender labeling of leadership in its simplistic form. Instead, they propose a multidimensional matrix which takes into consideration organizational attitudes towards gender similarities/differences that interact with ethical-political concerns in general (on issues such as equality, workplace humanization) as well as with efficiency concerns.

Another criticism of the over-generalized interpretation of the female-leadership concept comes from Hamilton (1999). Reporting the results of a study of top female managers in Britain, Hamilton claims that inter-personal differences among the research (female) group were by far larger than the similarities and defies common personal gender portraying.

The investigation of gender-oriented managerial decision-making styles has become more prevalent since the 1970s (Kanter-Moss, 1977), partly for political reasons (the rise of the feminist movement) and partly due to the new interest in

certain "feminine" qualities such as teamwork, inter-personal sensitivity and intuition. These non-cognitive dimensions have become a focal point of interest in management studies (Klenke, 2003). Other directions in gendered management research deal with a variety of aspects, from disciplinary styles (Bisking et al., 2003) to ethics (Dawson, 1995). Several studies summarized by Voelck (2000) investigated gender differences in management styles in academic settings. In a qualitative and quantitative study of 28 academic library managers, Voelck found that female managers significantly tend to adopt a more connective style as against the directive style characterizing male managers. The connective style includes certain communication and management patterns such as participatory decision making, teamwork and consensus building, whereas the directive style typical of male managers is distinguished by more competition orientation, self reliance, and power. Rosner (1990) maintains that women's leadership style includes participation orientation, motivating employees by inclusion, and gaining power by charisma. Also, according to Rosner (1990), women's better communication skills have become a meaningful asset in contemporary businesses.

Rutherford (2001) investigated the relations between gender and managerial styles in different divisions of the same major British airline: finance, cabin services, marketing, cargo, and human resources. The findings were based on structured questionnaires and on semi-structured interviews, both directed at five areas: decision making, work characteristics most awarded, leadership traits, hierarchal vs. non-hierarchal structure of the division, and importance of status and seniority. A general question was also included: Do you think that women manage differently from men, and if so, in what way? The research sample consisted of

135 managers. Rutherford (2001) found that 74% of the total sample answered that women's management style is different from men's, and that women managers are more relationship-oriented, more empathic, more concerned with the human aspects of given situations and less concerned with status, more consensus-oriented and collaborative, and better able to find original solutions and to adapt their style to team work. More women managers than men answered along these lines (84% as against 55%), a finding which might testify to the women's better perception, and/or to the men's bias.

Rutherford (2001) also found that job characteristics in different divisions were linked to the degrees of the gender differences, which might imply that either women managers adjust their management style to the job requirement, or to their own perception of the style required in a particular managerial position, or that the selection of certain women managers to a particular job already took into account their personality traits.

Yet on the whole, the results of gender management studies are not conclusive, sometimes due to obvious methodological limitations, mainly the low representation of women in business and industrial management. Wajcman (1998) concludes that organizational characteristics and constraints rather than individual personality traits or inherent gender differences determine management styles, and that gender differences are less obvious in top managerial positions.

The paucity of top-level women managers was already mentioned by Kanter-Moss (1977), who also described the stereotypical discriminative attitudes expressed by male managers toward their female colleagues. Another line of explanation for the inconsistency of gender management research might be that either feminine

attributes such as people-orientation and intuition-based decision making have been gradually integrated into "new-age" management, or that women executives (especially at higher levels) tend to adopt the so-called masculine, rationale-oriented managerial styles, presumably in order to offset the negative stereotypes.

Even within the field of emotional intelligence, the gender effect is unclear. While in some studies no material differences in the distribution curves of men and women were found, and Goleman (2001) claimed that there is huge overlapping of the scores, yet Mandell and Pherwani (2003) found significantly higher EI scores among women managers as compared with men (although no similar results were obtained for transformational leadership scores). Therefore, it seems that more research should be conducted in corporate/business settings in order to clarify the issue of gender in management.

III. RATIONALE AND AIMS OF THE PRESENT RESEARCH

On the basis of contemporary management thought and the derived research reviewed in the above literature survey, it can be concluded that the recent emphasis on human-related skills and on non-cognitive managerial traits has significant implications. Of special consequence are theoretical models and empirical findings that emphasize:

- a) The role of emotional intelligence and relationship skills in modern management, and their relations to –
- b) Styles of managerial decision-making which include non-linear aspects such as intuition and creativity, on the one hand, and a participative-team stance, on the other hand.

At the same time, an analysis of the studies reviewed in the present work reveals the need for further investigation of these managerial trends in the business context, and especially with regard to job performance. Another variable to be taken into account seems to be gender, as previous studies have not supplied conclusive evidence concerning its interaction with managerial styles.

This line of reasoning constitutes the rationale of the present research which seeks to contribute to the field of contemporary management theory by studying possible interactions between personality traits, styles of decision making and gender, focusing on job performance in the business context (banking). Accordingly, the

present study aims to investigate the relations between two independent variables - emotional intelligence (EI) and methods of participative decision making (DMS) - and the dependent variable of job performance (JP) of male and female bank managers. It is expected that the results will add to the body of knowledge obtained in previous studies that were done in various organizational settings, and might serve to advance certain implications for the selection and training of business managers.

IV. METHODOLOGY

A. Sample

55 branch managers of one of the largest banks in Israel participated in the research (the researcher's application to another bank was not approved), out of which seven were excluded from the statistical analysis due to missing personal data, such as sex, age. Of the 48 subjects included in the statistical analysis, 10 were women and 38 men. The size of the sample was considered to be sufficient as studies of management styles and gender, which used a homogenous sample, for example of academic library managers (Voelck, 2000), presented significant results. Moreover, the size of the sample is also justified due to the main tool that was employed, EI questionnaire, which has been proved to be of high validity and reliability. Studies using this tool have yielded significant findings with similar-size samples (for instance, Mandell & Pherwani, 2003).

B. Procedure

After obtaining written permission from the central bank, the questionnaires were sent to the subjects, with an accompanying letter which presented the research in disguised terms as part of a PhD thesis designed to investigate economic and managerial attitudes. The subjects' anonymity was guaranteed. There was also an addressed and stamped envelope attached, to be sent to the researcher directly. A

brief personal questionnaire asked the subjects to give the following information: gender, age, years of experience on the job, education, place of birth and year of immigration to Israel.

C. Tools

C.1 Emotional Intelligence

The EI questionnaire, developed by Schutte et al. (1998) and translated into Hebrew by Zeidner (2000), relies on the model suggested by Salovey and Mayer (1990). The EI questionnaire consists of 33 statements and the subject is asked to mark the answers most closely reflecting his/her self evaluation on 1-5-point scales (higher score means assent; in the statistical coding lower scores mean higher EI). Thirteen statements are meant to reflect the subject's ability to assess and express feelings (items nos. 5, 8, 9, 11, 15, 18, 19, 22, 25, 26, 29, 32, 33) – for instance, “I am aware of my feelings while experiencing them.” Ten items examine the ability to regulate and control feelings (items nos. 1, 4, 10, 12, 13, 14, 16, 21, 24, 30), for example, “When experiencing a positive feeling, I know how to make it last”. Ten items evaluate the ability to use feelings for problem solving (items nos. 2, 3, 6, 7, 17, 20, 23, 27, 28, 31), such as the statement “When encountering difficulties, I recall past experiences which I successfully overcame.” The three EI factors are marked in the present study as EI EXP, EI CONT, EI PROB. On the basis of the scores in the separate three factors, an average total EI scores is also calculated (EI AVE).

Schutte et al. (1998) conducted several studies to assess the reliability and validity of the questionnaire, obtaining highly significant results. Factor validity was

determined by analyzing the 62 items of the initial questionnaire, out of which the 33 items included in the final version were selected. Schutte's EI factors were found to be highly correlated with the model proposed by Salovey and Mayer (1990). Concurrent validity has been proved by significant negative correlations between emotional intelligence and pessimism, depression and impulsiveness, and by positive correlations between EI and optimism, emotional clarity, emotional attentiveness and mood repair. Schutte's EI questionnaire was also proved to differentiate between male and females subjects, as well as between psychotherapists, alcoholic patients and prisoners participating in rehabilitation programs. Reliability tests show inner consistency (Cronbach alpha 0.90). Test-retest reliability (two-week interval) is 0.78.

C.2 Decision-making style

Decision-making style was assessed in four items (marked DMS in the final scoring). The questions devised for this research reflect Likert's 1961 concept of participatory management combined with Reddin's (1971) five DM styles, ranging from "solo" to consensual. The subjects were presented with a short scenario describing a failure of a local branch of the bank in marketing new saving accounts, and were asked to describe in their own words what measures they, as managers, would have taken in a similar situation. In the next question the subjects were asked to rate their decision-making style on a five-point-scale. A higher score means a more participative style (basic DMS score are marked as DMS BASE). Two further questions checked the frequency of using this style and whether the subjects would recommend it to other managers (three-point answer

scales). The answers to these two questions were coded as bonus scores, ranging from +1 to -1, to be added to or subtracted from the basic DMS score, thus forming the adjusted DMS score (DMS ADJ).

C.3 Job performance

Job performance was assessed by the subjects' answers to four questions (marked JP in the final scoring) especially composed for this research, based on Reddin's (1971) differentiation between three dimensions of managerial styles. Each subject was asked to rate his/her managerial performance on 1-5- point scales vis-à-vis *task orientation* (TO), *people orientation* (PO) divided into orientation towards *employees* (PO EMP) and *clients* (PO CLI), and *effectiveness* (Eff). All the JP questions were phrased in positive terms. Higher scores denote assent and reflect better self-reported job performance. One answering scale (PO EMP) was reversed on purpose in the questionnaire (lower self-reported score denoting higher PO EMP) in order to break down a possible automatic pattern of replies. This score was later reversed in the coding phase of the statistical testing.

Beside the structured "closed" questions, there were also two open questions concerning the uses of feedback from clients and employees. The answers to these questions were analyzed and graded on additional scales ranging from -1 to +1 and were added to, or subtracted from the scoring of the two people-orientation questions. Therefore, while the scoring of task orientation and effectiveness range from 1 to 5, the final scoring of the two people-oriented dimensions range from 1 to 6.

C.4 Decoy questions

In order to disguise the real purpose of the research, several decoy questions were installed in between the JP, DMS and EI questionnaires, beginning with five items dealing with general economic attitudes and banking policies in the Israeli context in particular. Four additional open questions appeared later on. One question dealt with possible differences between business accounts and house-hold "private" accounts. The second question presented a situation in which the branch was unable to provide a certain service to a customer and it was asked how the manager should respond. In the third open question a short scenario was presented, describing the failure of a branch to market new saving accounts, and it was asked how the manager should react, especially as in the previous year, the branch excelled. In the last open item the subjects were asked to mention the publicity venue most suitable, to their minds, for promoting the bank's products (mass media, personal contacts, etc.) The answers to all the decoy questions but one – the scenario question – were not included in the present research, but will be presented to the bank as a courtesy. The replies to the scenario question were textually analyzed and incorporated into the findings regarding the uses of feedback mechanisms in management.

D. The study assumptions

The theoretical models of management and the empirical evidence discussed in the above literature survey provide the background for the following assumptions:

Assumption 1: Both emotional intelligence (EI) and decision-making style (DMS) are involved in managerial performance, especially in areas where human-related skills are central.

Assumption 2: Gender differences are more pronounced in management styles employing people-orientation and might find expression in job performance.

E. The study hypotheses

H1: There will be a significant correlation between the EI scores and the job performance scores of the entire sample.

H2: There will be a significant correlation between EI and DMS scores of the entire sample.

H3: There will be a significant correlation between the DMS scores and the job performance scores of the entire sample.

H4: DMS scores will add significantly to the correlation between EI and job performance.

H5: There will be a significant gender difference in EI scores; the female subjects will have a higher level of emotional intelligence as compared with the male subjects.

H6: There will be a significant gender difference in DMS scores; the female subjects will have a higher level of participative decision-making style as compared with the male subjects.

H7: There will be a significant gender interaction between EI scores and DMS scores correlated with job performance.

F. Quantitative statistical testing of the hypotheses and of a non-hypothesized age effect

The statistical testing of the hypotheses was performed in three stages. Several background characteristics of the sample's subjects – gender, age group, work experience – were descriptively analyzed first. Following that stage, means and standard deviation scores of the research variables were calculated for the whole sample and according to gender. The statistical testing of the hypotheses (Pearson correlations, multiple regressions, MANOVA) was carried out at the third stage. The fourth stage included an additional statistical testing of the results with regard to a possible age effect, not hypothesized in the initial research paradigm.

G. Qualitative-textual analysis: Employees' and clients' feedback

The subjects' replies to two open questions dealing with the uses of employees' and clients' feedback were categorized according to content and descriptively analyzed. (Prior to the qualitative analysis, the feedback questions, as mentioned above in Tools, were also utilized to elaborate the people orientation dimension of job performance).

H. Qualitative/textual analysis: DMS practices – the scenario

question

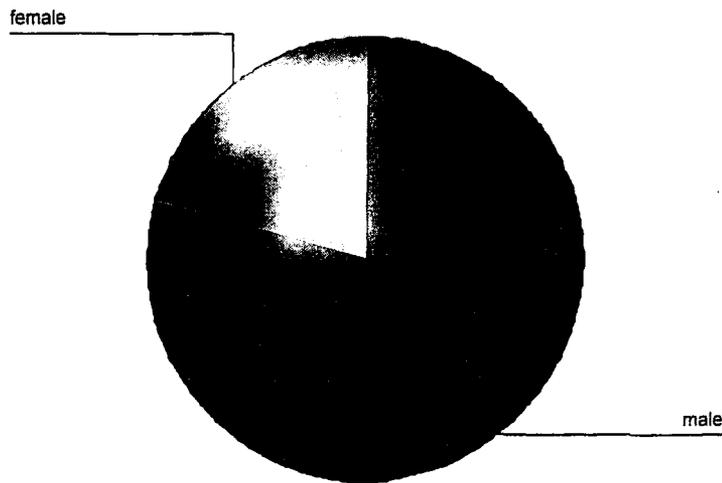
It was suggested in the literature that managers' perception is more accurate when the stimulus is concrete rather than abstract and general (Mezias & Starbuck, 2003). Therefore, following the four job performance items, which were phrased in general terms, a short imaginary scenario, depicting a real-life situation, was presented, describing the failure of a branch to market new saving accounts. The subjects were asked how they as the managers of this branch would react and what measures should be adopted to rectify the situation. A considerable space was left for the subjects' answers, hinting that an extensive reply was expected.

V. THE STUDY RESULTS

A. Background characteristics of the sample: gender, age group, experience

Gender: After omitting seven incomplete questionnaires, the final sample consisted of 48 bank managers, chosen randomly – 10 women and 38 men. As can be seen below in Figure 1, the percentage of male managers (79%) is higher than that of the women's (21%).

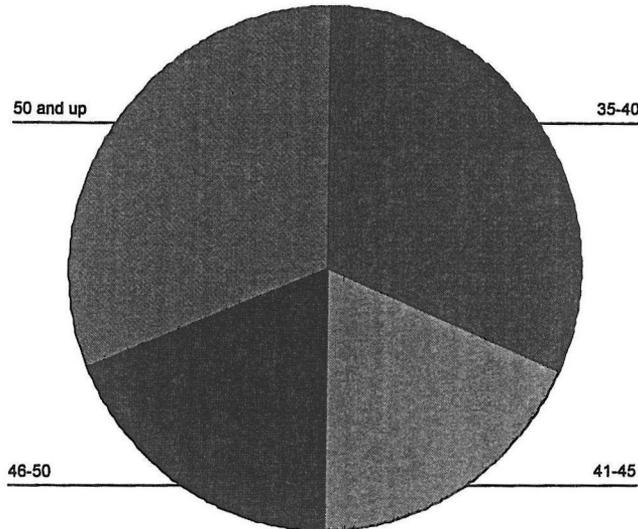
Figure 1: The distribution of male and female subjects



Age: The most prevalent age groups are: 35-40 years (15 subjects, 31%) and 50+ years (15 subjects, 31%). In each one of the age groups of 41-45 years and 46-50

there are 9 subjects - 9%. As can be seen in Figure 2, most of the sample subjects are either 35-40 years old or over 50.

Figure 2: Age distribution in the whole sample



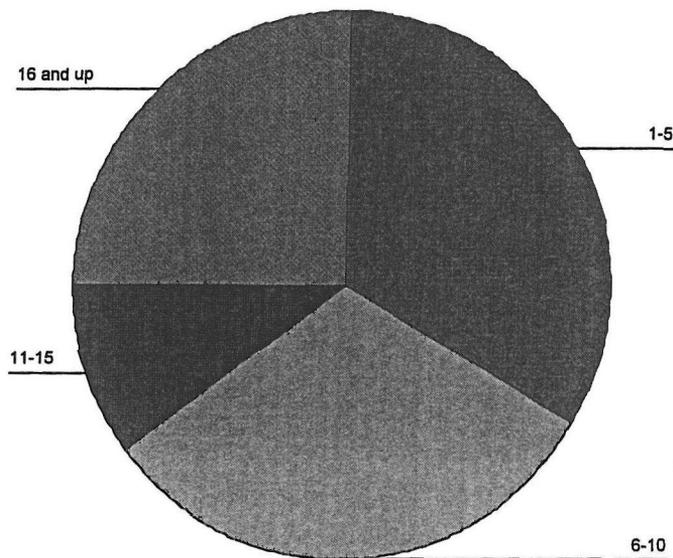
Sub-division within the age group according to gender: The distribution of female and male subjects between the four age groups is not proportionally equal to the gender distribution of the subjects in the entire sample.

The majority of *female* subjects - 6 women (60% of the female sub-sample of 10 subjects) – can be found in the youngest (35-40 years) group. There are only 3 women (30%) in the 41-45 years group and 1 (10%) female manager in the 46-50 years group. *None* of the women subjects is over 50 years old.

Contrary to the age distribution of the female subjects, the largest age group of *male* managers is the oldest group (50 years and more) in which there are 15 subjects (almost 40% of the male sub-sample of 38 subjects). The rest of the male sub-sample (23 subjects) is divided between the other age groups: 9 (23%) men subjects in the 35-40 years group, 6 (16%) subjects in the 41-45 years group and 8 (21%) male subjects in the 46-50 years group.

Years of experience on the job: 16 subjects (33% of the total sample of 48 subjects) were found to have from 1 to 5 years of experience, 15 subjects (31%) from 6 to 10 years, 5 subjects (10%) have work experience of 11-15 years and 12 subjects (25%) worked as bank managers for 16 years and more (Figure 3). As can be seen from Figure 3, most of the study subjects have between 1 and 10 years of experience as branch managers.

Figure 3: The sample's distribution by experience on the job



B. Means and standard deviation scores of the research variables

Tables 1-3 present the means and the standard deviation scores of the three variables investigated within the hypothesized paradigm, for the whole sample and separately for men and women. The scoring for emotional intelligence in the three EI factors and the total EI average score range from 1 to 5- lower scores indicate a higher level of EI. It can be seen that women subjects tend to have lower EI scores - that is a higher level of emotional intelligence, in all the three EI dimensions

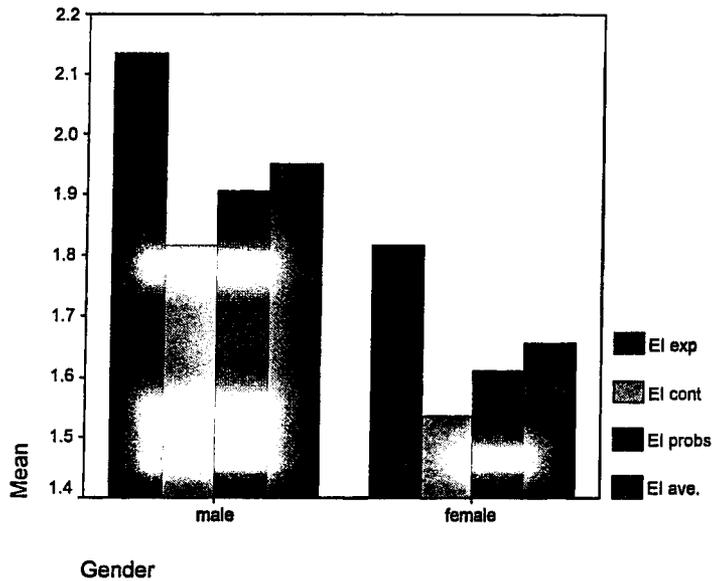
(Table 1). Female subjects are also more inclined to have higher DMS scores (on 1-5 scale), indicating a more participative decision-making style (Table 2). As for job performance, the female subjects' mean scores (1-5 point scales for the TO and E dimensions, 1-6 scales for the two people oriented dimensions) are higher than the men's in all JP dimension except for task orientation. It seems that the women managers tend to be especially focused on human relations with regard to their employees (Table 3).

Table 1. Means and standard deviation scores of emotional intelligence

Gender		EI ave.	EI probs	EI cont	EI exp
Male	Mean	1.9512	1.9053	1.8153	2.1332
	N	38	38	38	38
	Std. Deviation	.27491	.35179	.39890	.39046
Female	Mean	1.6543	1.6100	1.5360	1.8170
	N	10	10	10	10
	Std. Deviation	.20046	.35730	.16754	.25591
Total	Mean	1.8894	1.8438	1.7571	2.0673
	N	48	48	48	48
	Std. Deviation	.28642	.36953	.37918	.38652

Lower scores denote a higher level of emotional intelligence.

Figure 4. Means of Emotional Intelligence measures among males and females



As can be seen from Figure 5, in all EI dimensions the level of emotional intelligence among the female subjects is higher (lower scores).

Table 2. Means and standard deviation scores of decision making styles

Gender		DMS adj	DMS base
male	Mean	3.5921	3.5000
	N	38	38
	Std. Deviation	1.03228	.72597
female	Mean	4.1900	3.9000
	N	10	10
	Std. Deviation	1.03005	.73786
Total	Mean	3.7167	3.5833
	N	48	48
	Std. Deviation	1.04989	.73899

Higher scores denote a more participative DM style

Figure 5. Means of Decision Making Styles among males and females

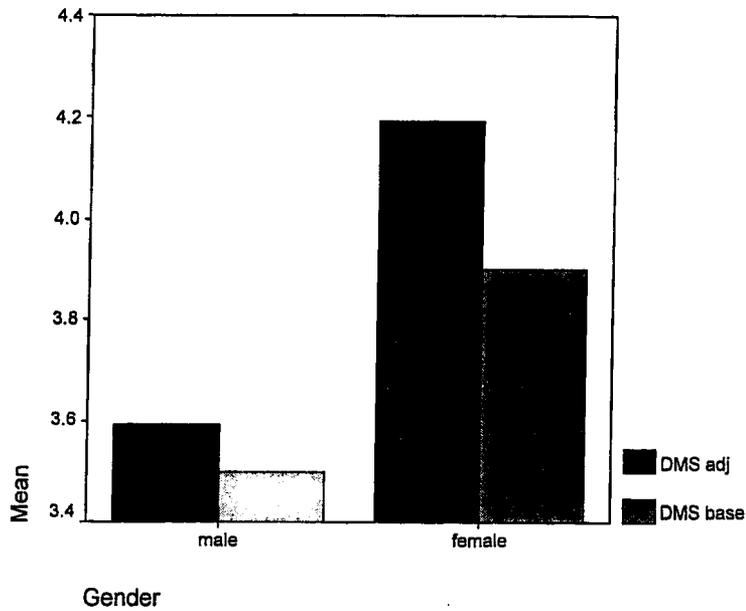


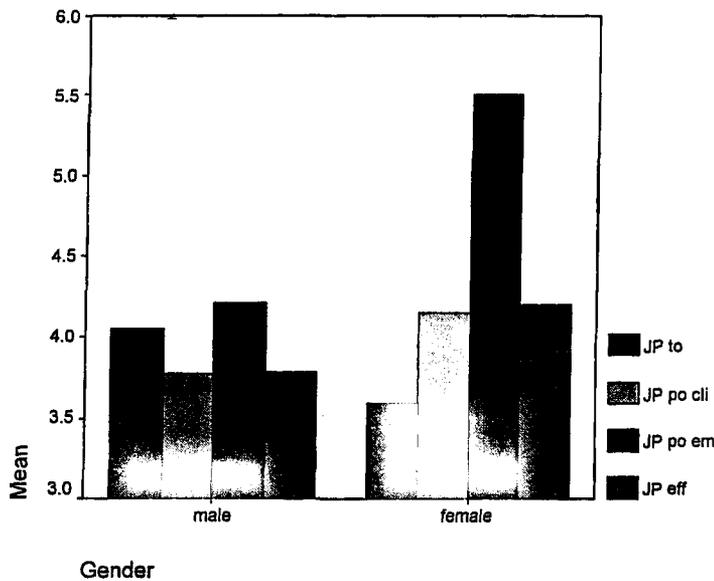
Figure 6 indicates that the mean scores of participative decision-making styles are higher among the female subjects.

Table 3. Means and standard deviation scores of job performance

Gender		JP eff	JP po emp	JP po cli	JP to
male	Mean	3.7895	4.2105	3.7763	4.0526
	N	38	38	38	38
	Std. Deviation	1.04385	1.22271	1.29811	.76925
female	Mean	4.2000	5.5000	4.1500	3.6000
	N	10	10	10	10
	Std. Deviation	.63246	.57735	1.52843	1.07497
Total	Mean	3.8750	4.4792	3.8542	3.9583
	N	48	48	48	48
	Std. Deviation	.98121	1.23322	1.34068	.84949

Higher scores denote better job performance.

Figure 6. Means of Job Performance measures among males and females



As can be seen from Figure 7, the women subjects scored higher than the men in three out of four JP dimensions, and this gender apparent difference is especially marked in the women's higher people orientation towards employees. Men subjects scored higher the women in one JP dimension, task orientation. Table 3 and Figure 7 also point to more differences between the four JP dimensions within the female group, in which the effectiveness dimension seems to be lower and employee orientation much higher.

C. Testing of the hypotheses

H1) Hypothesis 1 claimed that there would be a significant correlation between emotional intelligence and job performance.

Hypothesis 1 was confirmed for most EI and JP scales, when the sample is taken as a whole, except for task orientation, which has no significant relation to any EI dimension.

**Table 4. Correlations between emotional intelligence and job performance
for the whole sample (N=48)**

		JP eff	JP po em	JP po cli	JP to
EI exp	Pearson Correlation	-.260	-.436**	-.287*	-.233
	Sig. (2-tailed)	.074	.002	.048	.111
EI cont	Pearson Correlation	-.343*	-.355*	-.355*	-.205
	Sig. (2-tailed)	.017	.013	.013	.162
EI probs	Pearson Correlation	-.354*	-.273	-.197	-.103
	Sig. (2-tailed)	.013	.060	.179	.488
EI ave.	Pearson Correlation	-.421**	-.470**	-.371*	-.239
	Sig. (2-tailed)	.003	.001	.010	.101

* Significant correlation at 0.05 (2-tailed).

** Significant Correlation at 0.01 (2-tailed).

A negative correlations mean a positive relation, as EI and JP scores go in opposite directions.

When the sample is taken as a whole, it can be seen that a positive relation exists between the total score of emotional intelligence and job performance (except for the task orientation dimension of JP). Expression of feelings and emotional self-regulation are positively related to people orientation (towards clients and employees). Emotional control is also related to effective job performance, while the problem-solving dimension of EI is only related to the JP effectiveness. None of the EI dimensions was found to be related to task orientation in the sample as a whole. Because of the apparent differences in the mean EI and JP scores of male and female subjects (Tables 1 and 3), Pearson correlations between EI and JP were also calculated separately for the men and women subjects.

Table 5. Gender Pearson correlations between EI and JP

Gender			JP eff	JP po em	JP po cli	JP to
Male N=38	EI exp	Pearson Correlation	-.205	-.374*	-.231	-.283
		Sig. (2-tailed)	.216	.021	.164	.085
		N	38	38	38	38
	EI cont	Pearson Correlation	-.343*	-.252	-.349*	-.330*
		Sig. (2-tailed)	.035	.127	.032	.043
		N	38	38	38	38
	EI probs	Pearson Correlation	-.335*	-.179	-.193	-.111
		Sig. (2-tailed)	.040	.283	.247	.507
		N	38	38	38	38
	EI ave.	Pearson Correlation	-.406*	-.375*	-.360*	-.341*
		Sig. (2-tailed)	.011	.020	.026	.036
		N	38	38	38	38
Female N=10	EI exp	Pearson Correlation	-.353	.056	-.493	-.639
		Sig. (2-tailed)	.317	.877	.148	.047*
		N	10	10	10	10
	EI cont	Pearson Correlation	.197	-.471	-.423	-.220
		Sig. (2-tailed)	.585	.169	.224	.542
		N	10	10	10	10
	EI probs	Pearson Correlation	-.256	.000	-.095	-.422
		Sig. (2-tailed)	.476	1.000	.795	.224
		N	10	10	10	10
	EI ave.	Pearson Correlation	-.247	-.107	-.384	-.584
		Sig. (2-tailed)	.491	.768	.274	<u>.076</u>
		N	10	10	10	10

* Significant correlation is at 0.05 (2-tailed).

The negative correlations mean a positive relation, as EI and JP scores go in opposite directions.

It can be seen that the largest share of significant correlations between EI and JP are to be found within the male group only. In this group, a greater ability to express feelings seems to be related to better ability to deal well with employees, while emotional self-control is connected with effectiveness, orientation towards clients and focusing on the task. Also, for male bank managers, the usage of feelings for problem solving was found to be related to the goal-attainment aspect of job performance (effectiveness). *It should be noted that in the male group, the general EI score was found to be related to all the dimensions of job performance, including task orientation which, in the whole sample, has no significant correlation with any of EI factors.*

In contrast to these findings, most EI scores were not found to have significant correlations with JP scores among women bank managers (only EI EXP was found to be related to task orientation).

The above analysis suggests that although HI was confirmed with regard to the relation between emotional intelligence and job performance as was found to exist within the sample as a whole, there are indications of a gender effect (as will be shown hereby).

H2) Hypothesis 2 claimed that a significant correlation would be found between emotional intelligence and decision-making style.

Hypothesis 2 was confirmed, for the sample as a whole, as is seen in Table 6. All of EI factors as well as the total EI score were found to be significantly correlated with the adjusted DMS scores. The same direction of findings was found to exist

when the correlations used DMS base scores, with one exception: the non-significant correlation between DMS base score and emotional self-control (EI cont.).

Table 6. Pearson correlations between emotional intelligence and decision making styles

		EI ave.	EI probs	EI cont	EI exp
DMS base	Pearson Correlation	-.398**	-.306*	-.273	-.325*
	Sig. (2-tailed)	.005	.035	.060	.024
DMS adj	Pearson Correlation	-.465**	-.345*	-.366*	-.344*
	Sig. (2-tailed)	.001	.016	.011	.017

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

The negative correlations mean a positive relation, as EI and DMS scores go in opposite directions.

In light of apparent gender differences in the mean DMS scores (Table 2), Pearson correlations between EI and DMS were also calculated separately for the male and female subjects.

Table 7. Gender Pearson correlations between emotional intelligence and decision-making styles

Gender			EI ave.	EI probs	EI cont	EI exp
Male N=38	DMS base	Pearson Correlation	-.432**	-.296	-.298	-.341*
		Sig. (2-tailed)	.007	.071	.069	.036
		N	38	38	38	38
	DMS adj	Pearson Correlation	-.498**	-.340*	-.395*	-.342*
		Sig. (2-tailed)	.001	.037	.014	.036
		N	38	38	38	38

(cont.)

Gender			EI ave.	EI probs	EI cont	EI exp
Female N=10	DMS base	Pearson Correlation	.126	-.080	.428	.128
		Sig. (2-tailed)	.729	.826	.217	.725
		N	10	10	10	10
	DMS adj	Pearson Correlation	.037	-.099	.323	.014
		Sig. (2-tailed)	.920	.785	.363	.970
		N	10	10	10	10

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

The negative correlations mean a positive relation, as EI and DMS scores go in opposite directions.

The findings show that the relation between emotional intelligence and decision making style - when calculated by Pearson correlations separately for men and women subjects - is confined to the male subjects only (as was the case when gender correlations were calculated for testing the relation between EI and job performance, and probably for the same reasons: smallness of the female sample, optimal level of EI among women bank managers). It can also be seen that the adjusted DMS score is a better predictor of JP than the base DMS score.

H3) Hypothesis 3 claimed that a significant correlation would be found between decision making style and job performance.

Hypothesis 3 was not confirmed. None of the correlations between DMS and JP reached a significant level. (As all correlations were non-significant, no table of results is presented).

H4) Hypothesis 4 claimed that DMS would strengthen the correlation between emotional intelligence and job performance. To test this hypothesis, Multiple Regression was employed (EI was included in the first step, then DMS), with each of the four dimensions of JP as the dependent variable.

Hypothesis 4 was confirmed for only one of the JP dimensions - orientation towards clients. When orientation towards clients was taken as the dependent variable and DMS was added to EI in the regression, the model's prediction power was improved – from explaining 15% of the variance (non-significant) to accounting significantly for 28% of the variance ($F(5, 42)=3.25; p<0.05$).

Hypotheses 5, 6 and 7 deal with the effect of gender.

H5) Hypothesis 5 claimed that there would be a significant gender difference in EI scores, with females having a higher level (lower scoring) of EI than male managers.

H6) Hypothesis 6 claimed that there would be a significant gender difference in DMS scores, with females scoring higher than male managers.

In order to test the statistical significance of the gender differences in the mean scores, a multi-variable analysis MANOVA was applied.

Hypothesis 5 was confirmed. There is a significant difference between the male and female subjects in all the factors of emotional intelligence as well as in the average total score of EI:

(F(1, 47)=6.05; p<0.05) emotional expression;

(F(1, 47)=4.55; p<0.05) emotional control;

(F(1, 47)=5.76; p<0.05) problem solving;

(F(1, 47)=10.35; p<0.01) general EI score.

These results support the gender differences in EI mean scores (Table 1) which show that the women subjects have a higher level (lower scoring) of emotional intelligence.

Hypothesis 6 was rejected. No significant gender differences were found in the decision-making styles of the men vs. the women subjects, although the mean scores presented in Table 2 show a *tendency* of women to have higher DMS score (more participative style).

Following these findings, a possible gender effect was also tested with regard to the dependent variable, *job performance* (non-hypothesized). A significant gender effect was found in one dimension of job performance – orientation towards employees.

(F(1,47)=10.6; p< 0.01). It can be seen in Table 3 that the women subjects' mean score in this dimension is indeed much higher than that of the male subjects.

H7) Hypothesis 7 claimed that there would be a significant gender interaction between EI and DMS scores correlated with job performance.

Hypothesis 7 was confirmed. The relations between the two independent variables (EI and DMS) and the dependent variable (JP) are significant within the male group only $F(5,32)=4.79$; $p<0.01$) and not in the female group ($F(5,3)=.74$; *n.s.*).

D. Additional statistical testing: Non-hypothesized relations between age and the research variables

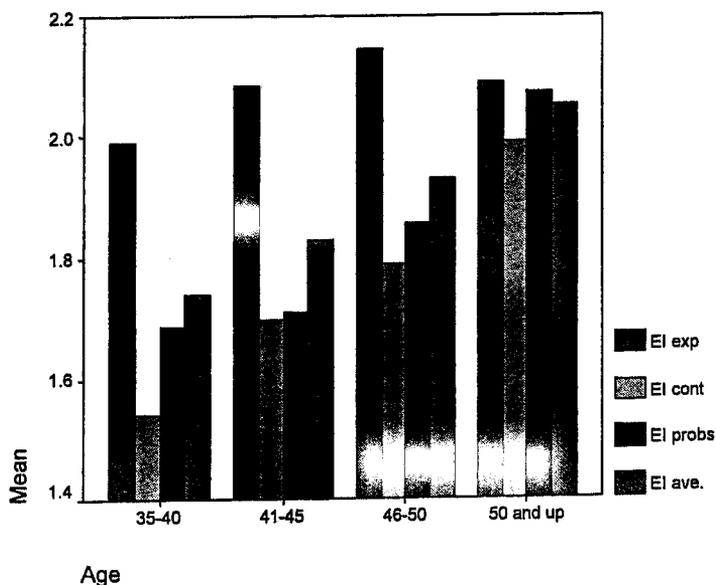
Figure 2 above indicates that the research sample is not homogenous with regard to *age* and that apparently there are considerable differences in this background variable among the subjects, ranging from 35 to almost 60 years. Therefore it was decided to conduct an additional, non-hypothesized testing in order to see whether age is related to differences in the research variables. A MANOVA test was executed using the division to four age groups. The results show a lower level (higher scores) of emotional intelligence in the older age groups (Table 8), except for the emotional expression dimension. Decision-making style (Table 9), adjusted score, tends to be less participative in the older age groups. As for job performance, effectiveness (self-reported) is significantly lower in the 41-45 group and even more so in the oldest group (Table 10).

Table 8. Means and standard deviation scores of EI according to age groups

Age		EI ave.	EI probs	EI cont	EI exp
35-40	Mean	1.7389	1.6867	1.5400	1.9900
	N	15	15	15	15
	Std. Deviation	.29826	.38520	.25579	.45605
41-45	Mean	1.8296	1.7111	1.6956	2.0822
	N	9	9	9	9
	Std. Deviation	.18464	.16159	.20044	.37389
46-50	Mean	1.9300	1.8556	1.7889	2.1456
	N	9	9	9	9
	Std. Deviation	.31561	.43906	.45674	.34388
50 and up	Mean	2.0513	2.0733	1.9920	2.0887
	N	15	15	15	15
	Std. Deviation	.23308	.30111	.40297	.36762
Total	Mean	1.8894	1.8438	1.7571	2.0673
	N	48	48	48	48
	Std. Deviation	.28642	.36953	.37918	.38652

Higher EI scores indicate a lower level of emotional intelligence

Figure 7. Means of Emotional Intelligence dimensions according to age groups



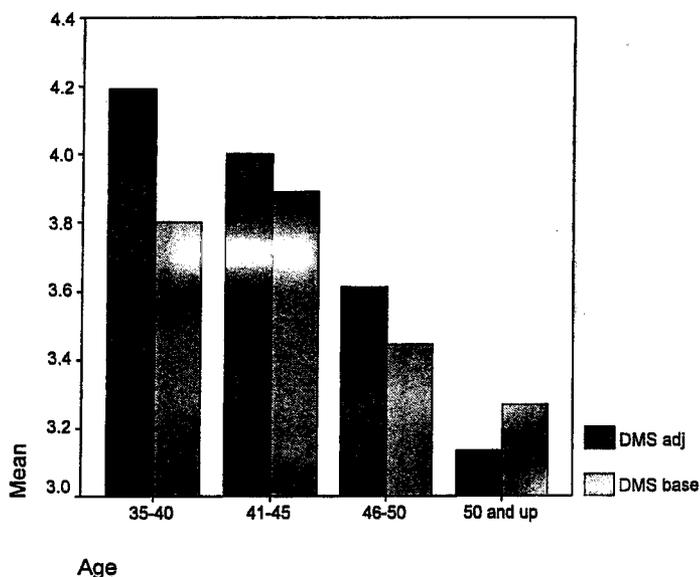
It can be seen that the mean scores of two dimensions of emotional intelligence- self-control and problem solving - but not emotional expression, increase with age. As higher scores imply a lower level of EI, the findings mean that the highest levels of EI-CONT and EI-PROB are in the 35-40 years and the 41-45 age groups.

Analysis of variance (MANOVA) – significant differences between the age groups were found in emotional self-control and problem solving ($F(3, 45)=4.55$; $p<0.01$), as well as in EI general score ($F(3, 45)=3.74$; $p<0.05$).

Table 9. Means and standard deviation scores of DMS according to age groups

Age		DMS adj	DMS base
35-40	Mean	4.1933	3.8000
	N	15	15
	Std. Deviation	.81720	.56061
41-45	Mean	4.0000	3.8889
	N	9	9
	Std. Deviation	1.17260	.92796
46-50	Mean	3.6111	3.4444
	N	9	9
	Std. Deviation	1.16667	.72648
50 and up	Mean	3.1333	3.2667
	N	15	15
	Std. Deviation	.89576	.70373
Total	Mean	3.7167	3.5833
	N	48	48
	Std. Deviation	1.04989	.73899

Figure 8. Means of Decision Making Styles according to age groups



It can be seen that adjusted DMS mean scores are highest among the younger subjects (35-40 years group and 41-45 years group). A lower level of participative style is more pronounced among the oldest subjects (50 years and more).

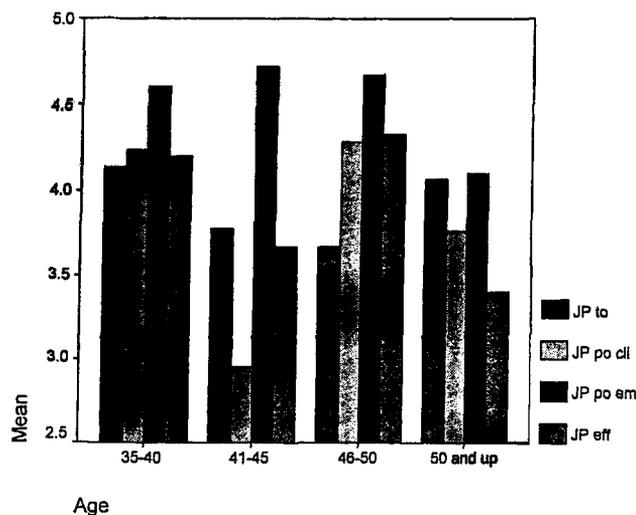
Analysis of variance (MANOVA) - there are significant differences between the age groups in adjusted DMS scores $F(3, 45)=3.27; p<0.05$.

Table 10. Means and standard deviation scores of JP according to age groups

Age		JP eff	JP po em	JP po cli	JP to
35-40	Mean	4.2000	4.6000	4.2333	4.1333
	N	15	15	15	15
	Std. Deviation	.56061	1.37840	.96115	.83381
41-45	Mean	3.6667	4.7222	2.9444	3.7778
	N	9	9	9	9
	Std. Deviation	.86603	1.06393	1.57012	.66667
46-50	Mean	4.3333	4.6667	4.2778	3.6667
	N	9	9	9	9
	Std. Deviation	.50000	1.39194	1.60295	.70711

50 and up	Mean	3.4000	4.1000	3.7667	4.0667
	N	15	15	15	15
	Std. Deviation	1.35225	1.10518	1.19323	1.03280
Total	Mean	3.8750	4.4792	3.8542	3.9583
	N	48	48	48	48
	Std. Deviation	.98121	1.23322	1.34068	.84949

Figure 9. Means of Job Performance according to age groups



The dimension of focusing on effectiveness in goal attainment is highest among the age groups of 35-40 and 46-50 and lowest in the oldest age group. The differences between the age groups with regard to task orientation are less marked. The dimension of focusing on the clients is lower in comparison with the dimension of orientation towards employees in all the age groups.

The results of the variance analysis MANOVA show significant age differences in effectiveness $F(3, 45)=3.16; p<0.05$). These differences, judging by the mean scores above, do not follow a regular linear pattern because both the 41-46 years group and the 50 years and more age group scored lower than the other groups in

effectiveness. But still the lowest level of focusing on goal attainment (effective JP) was reported by the oldest subjects.

It can be summarized that emotional intelligence (except for the expression of feelings) and a participative style of decision making are lowest in the oldest age group, and so is efficient job performance according to the subjects' own assessment. But because there are no women subjects in the 50 years and more age group, and only one female subject in the 46-50 age group, it seems that the age effect findings can be ascribed to the men subjects only. The possible combined effect of gender and age was not hypothesized nor statistically tested in the present research.

E. Qualitative analysis: Attitudes towards employees' and clients' feedback

The issue of managers' attitudes toward employees' and clients' feedback, mentioned in Chapter A of the literature survey in the context of managerial practices, was not included in the research hypotheses. Yet the textual qualitative analysis of the subjects' replies to the two open feedback items was found to be a valuable source of information, revealing managerial attitudes which can be linked to the variables investigated, that is, to the two people-oriented dimensions of job performance, toward employees and toward clients, and to DMS patterns.

E.1 Distribution of the feedback replies according to degree of responsiveness

The content analysis of the subjects' attitudes towards the uses of clients' and employees' feedback as a part of managerial practice is based on the replies given by 75% of the research sample. It can be seen in the diagram below that out of the whole sample of 48 subjects, 12 subjects showed various degrees of *unresponsiveness*. The distribution of non-replying subjects is as follows: 5 subjects chose not to answer the client feedback question, 4 did not answer the employee feedback question, and 3 did not answer either question. An evasive answer (such as, "I use employees' feedback only for evaluating general processes") was considered as a non-reply.

When gender, age and years of experience were also considered, it was found that *the non-answering group consisted mainly of men managers (11 subjects), with only 1 woman* among them; in other words, the male subjects' representation in the non-responsive group is much higher than their proportional representation in the whole sample. Also, the non-responsive subjects belong to one of the extreme age/experience categories: the minority of them are rather young (under 40 years old) – 3 subjects – and have only a few years of experience as branch manager, or, in most cases, they are the oldest (age 50 and upward) – 9 subjects – and usually have 15 and more years of experience on the job.

It can be tentatively suggested that male branch managers who are "old hands" do not tend to use client and/or employee feedback as compared with most female managers and with other age/experience subgroups of male managers.

E.2 Textual analysis: Clients' feedback

The textual analysis shows that the many managers put an emphasis on the *negative* aspects of feedback, and that dealing with clients' complaints (mainly complaints about the quality of the branch's services) seems to them to be a necessary part of their routine. That is to say, a negative feedback from a customer is perceived as a "red light" pointing to a weakness in the branch's performance, and therefore it is not taken lightly. In many instances described by the subjects, a negative feedback from a customer led to corrective measures vis-à-vis a certain employee, or even caused structural and/or procedural changes in the functioning of departments within the branch.

One of the reasons for this managerial practice, although based on negative client feedback, stems from an understanding of the contribution of clients' satisfaction to the successful performance of the branch. Moreover, a satisfied client might recruit new clients. This attitude is clearly demonstrated by the vast majority of replies to an additional open question which was not included in the research paradigm (but was inserted as a decoy device to disguise the real purpose of the research) – the question concerning the best promotion venues for marketing the bank's products (personal contacts, advertisement in the branch, large-scale publicity in the media). Most of the subjects replied that good relations with the branch's clients are the basis for the most useful venue – word of mouth (or in the subjects' own words - "a friend brings a friend", a popular Israeli slogan often used in various contexts). In fact, many subjects only quoted this slogan in their reply without adding more explanations as if it summed up their opinion.

However, notwithstanding this widely-accepted attitude not many subjects in the feedback-responsive group described instances of using *positive* client feedback. Only a few of those who did so also mentioned that they use this sort of feedback for strengthening the customers-friendly behavior patterns of the praised employee and/or for setting such practices as a desired model for the whole staff.

Yet another aspect of the branch managers' attitude toward client feedback was exposed in our study. It can be concluded from the replies of many subjects that clients' feedback is often initiated by a dissatisfied or a customer. Only few managers wrote that they themselves take the lead and conduct regular client surveys on their own initiative, nor do they use a follow-up mechanism. Also, only one manager mentioned the rationale and the benefits of clients' feedback: "The idea is right, because what counts is not what the supplier of the service [the branch] thinks but how the customer perceives it." The same manager also shared his experience concerning the need for a follow-up procedure: "There were instances in which clients were given presents as compensation, and it was felt in the branch that the problems were solved, but only later on, by using a follow-up telephone survey, it was found that some of them were still angry and resentful about what had happened."

E.3 Textual analysis: Employees' feedback

Staff meetings seem to be, for many branch managers, the right forum for receiving and discussing their employees' feedback, while others restrict this procedure to meetings with the senior staff only. The answers of the first group of managers are often characterized by the phrase "an open-door policy", and less

often by a full description of the employee feedback process used by them, including a definition of the rationale: "Dealing with members of the staff and their problems is part of my daily routine. Each response is heard and my door is always open to them; they are also heard in senior staff meetings (once a week) and in general staff meetings (once a week). The employees can bring up issues for discussion, some of which might be solved on the spot, and for some problems I ask them to define the solution process most acceptable to them and to bring back to me the final conclusion. Employees who participate in decision making are more involved in the implementation!"

Other managers' replies show a more personal approach to employee feedback: "[I use it] in personal meetings with each employee. I specifically ask them about their expectations and about issues that should be changed from their own point of view." Another manager wrote: "From time to time I invite each employee to meet me in private in order to discuss what's on his/her mind or in his/her heart. [In these meetings] I also encourage the employee to comment upon issues which relate to the staff as a whole".

It cannot be concluded in the framework of the present research whether or not the more concise answers testify to a lesser degree of willingness to use employee feedback. After all, less eloquent answers, by themselves, might only reflect the subject's style of writing and not a deeper attitude. A more reliable conclusion requires using tools other than the managers' own reports (for example, a structured employees' survey about their manager's feedback practices).

F. Qualitative-textual analysis: Feedback and decision-making practices

The answer of one of the subjects to the employee feedback question, as quoted above – "employees who take part in decision making are personally involved in the implementation of the solution" – can serve as the motto of the participatory managerial style.

Although the quantitative analysis of the relation between decision-making styles and job performance in the present research did not yield significant statistical results, still DMS was proven to contribute to the interaction between emotional intelligence and job performance. Therefore it is of interest to analyze the subjects' open-ended answers to a short script, given in the questionnaire prior to the DMS structured (closed) scales, in order to see how they perceive themselves reacting in a situation requiring managerial leadership and decision-making. The script describes the failure of a branch in the marketing of two out of three new saving accounts, a failure which caused much disappointment among the employees, especially as in the previous year the branch had achieved an excellent performance level.

Following the script, the subjects were asked what steps he/she as the branch manager would have taken. It should be noted that the phrasing of the script and of the question was such as to suggest for consideration at least two directions: the task-oriented level and the employees-oriented level. Ample space was given for the answer, hinting that a detailed response was expected.

Table 12 summarizes the distribution of the subjects' responses to the script according to eight categories and specifies the number of subjects belonging to each category. The categories are:

- No response;
- General, non-committed response;
- Operative response;
- Non-operative, general encouragement to the employees;
- Learning from the success and the failure;
- Learning from failure;
- Learning from failure and encouraging the employees;
- Learning from success.

Two answers were unclear and were not included in the analysis.

Table 11. Categories and frequencies of replies to the DMS script

Category	No. of replies
No response	5
General, non-committed response "to have a discussion..."	6
Operative response "to know the products better..."	2
Non-operative, general encouragement to the employees	6
Learning from both success & failure	11
Learning from failure	8
Learning from failure+ encouragement to the employees	4
Learning from success	2

It can be seen that 11 subjects (almost 1/4 of the sample) chose not to answer the script question, or to give general, non-committed replies which basically can be interpreted as a sort of non-responsiveness. As this proportion of no answer resembles the proportion of non-responsiveness to the feedback questions, the feedback answers of the script non-responsive subjects were checked again. Out of the 11 subjects classified in the "no response" and in the "general response" script categories, 8 were found to be also either non-responsive to at least one of the two open feedback questions or else to give limited answers. There was only one female manager in this subgroup.

These findings seem to indicate that perhaps there is a link between certain managers' attitudes toward the benefits of feedback (especially feedback from their employees) and the way these branch managers handle specific situations. This possible link needs to be clarified on the basis of quantitative evidence and analysis in subsequent studies.

On the other hand, the same number of subjects (11) out of the total of 48 fully addressed in their answers the two major components of the script: the success and the failure, and suggested both operative-technical corrective measures and employees-oriented measures (letting the staff express their feelings, re-motivation). Another angle for consideration is the large distribution of the answers to the script in as much as an attempt to narrow down the number of categories would not have yielded an accurate picture. This sort of variety probably implies that the pre- or the on-the-job training of the branch managers did not give many of them the professional tools needed for dealing with complex situations such as the one described in the script.

VI. DISCUSSION

A. Summary of the results against the background literature

Managerial skills in general, and in particular the manager's ability to cultivate relationship assets, have replaced in modern management thought the traditional emphasis on tangible assets and on technical aspects of managerial capabilities and expertise. This theoretical stance was gradually developed from the late 1970's (McGregor, 1978) to the present times (Stewart, 2001; Galbreath, 2001). Dissenting opinions (such as Styre's, 2004), arguing that an excessive weight is given today to non-quantifiable factors, seem to be a minority.

Branching from the new approach to management is the interest in *emotional intelligence* in connection with managerial skills. It was propounded, for example, by Harrison (1997) and Cooper (1997) and extensively investigated by Goleman (1998). Management as leadership is also proposed in modern management thought. Bass (1990) and Mandell & Pherwani (2003), among others, discuss the contribution of emotional intelligence to leadership success and transformational leadership style.

Contemporary management theory advocates new methods of *decision-making*, which is recognized as an indispensable part of the manager's responsibilities (Bazerman, 1998). Ever since Reddin's (1971) participative DM model was proposed, it has been argued that managers ought not to be the sole players in the decision-making process and that teamwork and team decision should be

employed in order to enhance the effectiveness of the DM process and its implementation. This theoretical stance finds expression in a cluster of concepts beside participation: employee empowerment (Pickard, 1993), delegation (Crainer, 1998), team work (Heller, 1997) employee involvement (Golan, 2000), and distributed leadership (Ancona et al, 2007).

As emotional intelligence by definition includes an inter-personal dimension (Salovey & Mayer, 1990; Bar-On, 1997), and as a more participative style of managerial decision-making requires adequate relationship skills (Mullins, 2002), hence the hypothesized relations between *emotional intelligence, decision-making style and managerial job performance* investigated in the present research and discussed hereby in Chapter B.

Within the entire sample, Hypotheses 1 and 2 were confirmed, showing the value of EI for predicting JP and the relations existing between EI and DMS. But DMS was not found to be related to JP when tested in the sample as a whole (rejection of H3), and it only partly contributed to the interaction between EI and JP (H4).

However, such presentation of the research findings is misleading, as a gender effect was found, making it necessary to analyze and discuss the relations between EI, DMS and JP separately for the male and the female sub-samples.

Gender in relation to the research variables was investigated in the present research in Hypotheses 5-7. Formerly, most management research paradigms did not include reference to gender and the implications of the results which were based on male samples only tended to be regarded as applying to managers of both sexes (Almo-Metcalf, 1987). But in the last two decades, a rise in the number of

gender studies is evident. This research trend can be attributed, on the one hand, to the increased number of women in management due to changes in the social climate, although women are still under-represented (McLay and Brown, 2000), especially in top managerial positions (Wheatcroft, 2000); and, on the other hand, to the "new age" emphasis on non-tangible assets, communication skills and people orientation.

Among the works showing gender differences in management styles either with or without relation to EI, as detailed in the Literature Survey chapter, are the studies done by Rosner (1990), Rigs & Sparrow (1994), Mandell & Pherwani (2003), (Voelck, 2000), Rutherford (2001); while according to Goleman (1998) there is a considerable overlapping of the EI distribution curves of men and women, Wajcman (1998) maintains that gender differences are less obvious among top executives and that organizational characteristics and constraints rather than individual personality, acquired or inherent, determine management styles, and Hamiton (1999) argues that inter-personal differences within the research group of women executive were much larger than the similarities and it was impossible to reach a common gender portraying.

However, not many studies were conducted in the business sector with the aim to test the relation between gender and job performance, and the existing gendered research yields mixed results (Mullins, 2002).

This is not the case with the findings of the present research. Contrary to Goleman's claim, a significant gender effect was found in EI (confirming H5). And although a similar gender effect with regard to DMS was not found to reach statistical significance (rejection of H6), still gender as an independent background

variable significantly contributed to the interaction between EI, DMS and JP, confirming H7.

The present research's findings with regard to the gender effect are discussed in Chapters B-E. In addition, the results pertaining to *age effect*, non-hypothesized, and to *age interacting with gender*, are discussed in Chapter F.

B. Interactions between EI, DMS and JP within the whole sample

Hypotheses 1 and 2 were confirmed (for most of the subscales) with regard to the relations between EI and JP and between EI and DMS when the research sample of branch managers was taken as a whole.

A higher level of *emotional intelligence* (lower EI scores) was found to be significantly correlated with better JP (*job performance*) scores, confirming H1. It was also found that not all EI factors equally explain the variance in the JP dimensions investigated in the present research, and task orientation was not found to be correlated at all with any of EI factors (Table 4), nor with the average total EI score, perhaps as a result of its more technical nature. But it cannot be concluded that EI is linked only to non-technical, relationship-oriented aspects of management because effectiveness in attaining goals, and not only people orientation, was also found to be predicted by the average total EI score as well as separately by two EI dimensions: emotional self-regulation and the ability to use inner emotional sources for problem solving. On the other hand, for predicting people orientation, especially towards employees, the EI factor of emotional expression is most valuable, presumably because its direct emphasis on the

interactive, inter-personal aspects of EI such as empathy and sensitivity to others' feeling. These findings give further support to Goleman's claim (1998) concerning the role of EI in management and to other previous research findings, such as the findings of Kelly & Kaplan (1993). Similarly, Dulewicz & Higgs (2000) found that personal-emotional attributes distinguished between medium and excellent managerial performance.

When the research sample was taken as a whole, it was also found that a higher level of emotional intelligence was related to a more participative decision-making style (Table 6), conforming H2. The EI-DMS correlations are higher when based on the adjusted DMS score, a finding which can be explained by the fact that the adjusted scores take into account the subjects' answers to the additional feedback questions and thus better reflect people orientation and relationship attitudes than the base DMS scores.

Hypothesis 3 was rejected. The *DMS variable*, be it more or less participative, was not found to be significantly correlated with job performance within the entire sample of branch managers. This finding might have seemed to contradict the literature surveyed in previous chapters of the present work –for instance, McGregor's Theory Y approach which assumes basic humane attitudes to be manifested both in the personal and inter-personal attributes of the manager *and* in certain managerial practices – were it not also been found in the testing of H4 that the DMS tool has, after all, some predictive value and it did add to the correlation between EI and one of JP dimensions (people orientation), accounting for 28% of the variance and *partly confirming Hypothesis 4*.

But as mentioned above in Chapter A of the Discussion, *the gender effect that was also found in the present research restricts the implications of the results pertaining to Hypotheses 1-4*. A comprehensive analysis and discussion of the gender effect in relation to EI, DMS and JP is presented in the next chapters.

C. Gender and emotional intelligence

The most salient finding of the present research study is the significant relation between gender and emotional intelligence (for a comparison of the mean scores, see Table 1), and the unequivocal confirmation of H5 contrary to Goleman's assertions (1998). This finding is especially meaningful considering:

- 1) The inner consistency of the results for all the three factors of EI;
- 2) The smallness of the female sample, which usually makes sound statistical results hard to obtain. Yet the 10 women bank managers in our study scored significantly better (lower scores denote higher levels of EI) than their 38 male colleagues on all the three EI scales – emotional expression, emotional self-control, and emotional problem solving ($p < .05$ in all the three cases). For the total average EI score, the level of significance was even higher, $p < .01$;
- 3) The inconclusive findings of previous gender EI studies in the business context.

In the present study, it was found that women branch managers as compared with men managers are more aware of their emotions and are more able to express them in an adequate manner, and that at the same time they are more empathic and

sensitive to the feelings of others and more capable of discerning the others' emotional state by non-verbal means (observation of behavior, facial expression, tone of speech). The female managers in our sample also expressed a higher level of emotional self-regulation and they tend to use more frequently and effectively their inner emotional world for problem solving. They handle and adjust to shifts in moods better and are more inclined than men managers to overcome difficulties by relying on their inner resources and past experiences.

When evaluating these results, we should bear in mind that the EI scores were obtained by a self-report questionnaire, and that even when filled anonymously, still a social-desirability stereotyped bias might have been expected. That is to say, that the men managers in our sample, whatever may be their level of emotional intelligence in "real life" – be it more or less conforming to a stereotyped "macho" self-image – perhaps would not have liked to confess, within an academic research done in the contemporary new-age climate advocating inter-personal sensitivity, that they have a disregard for the feelings of others or deficient self-awareness.

On the other hand, our female subjects, who occupy managerial positions in a financial sector, probably might not have wished to present themselves as fulfilling the traditional feminine role, which emphasizes personality traits such as emotion-orientation, intuition and empathy.

In the first case, the impact of the bias should have resulted in a higher EI level of the male managers; in the second case – in a lower EI level of the female subjects. Either way, the outcome of biased answers should have resulted in a considerable overlapping of the EI distribution curves (just as Goleman suggested) and subsequently in the refutation of our H5. But in fact, no such overlapping was

found. On the contrary, there were significant differences in emotional intelligence between the two groups and the subsample of women managers was found to have a significantly higher level of EI. Therefore, we can conclude that either no such biases as described above came into play in the replies of either group, or that if social-desirability biases did operate then they probably cancelled each other.

What now remains to be analyzed is the implications of the gender differences in emotional intelligence and their linkage to the job performance of our male and female subjects.

D. Gender, emotional intelligence and job performance

As can be seen in Table 4 (in the Results chapter), three of the four JP dimensions were found to be significantly related to EI total score *within the whole sample*: efficiency in attaining goals (E), people orientation toward clients (PO-CL.) and people orientation toward employees (PO-EM). The levels of statistical significance ranged from .003 to .001 and to .01. Only task orientation, which reflects technical expertise more than relationship skills, seems to be unrelated to the subjects' emotional intelligence.

When the gender variable is taken into account, the findings concerning the relations between EI and JP take a noticeable turn. There seems to be a triple interaction, between gender, emotional intelligence and job performance, to the extent that the results which confirmed the predictive value of emotional intelligence with regard to job performance, can be ascribed almost exclusively to the *male group* (see Table 5).

Moreover, when the correlations between emotional intelligence and job performance were calculated separately for the subsample of male managers, another finding emerged. It was found that within this group (as against the whole sample), the relation between the total EI scores of the men subjects and the scores of the task-oriented dimension of job performance was significant, too – whereas the correlation itself (-.341) is close to the correlations between EI Total and people-oriented JP dimensions (-.375 for PO Employees and -.360 for PO Clients). Therefore it can be concluded that for the male sample of branch managers who participated in the research, the average total score of emotional intelligence is a significant predictor of all the dimensions of job performance, be they technical in nature (task orientation), human-oriented or reflecting efficiency in attaining goals, while EI factors by themselves contributed to JP in various degrees.

A comparative analysis of the gender results obtained separately for each of the factors of emotional intelligence shows that within the male group, as was the case within the whole sample, emotional self-control has more power for predicting job performance than the two other EI dimensions. In the male group, emotional self-regulation was found to be significantly linked to efficiency, clients-orientation and task-orientation, but not to employees-orientation (for which the correlation was in same direction but did not attain the required level of statistical significance). It also can be seen in Table 5 that mainly emotional self-control contributed to the correlation between total EI and task orientation. These findings seem to support the factorized approach to emotional intelligence (Salovey & Mayer, Bar-On) as against a general factor *g* approach, and also to justify the present research's reliance on Reddin's 3-D model (1977).

In sharp contrast to the male group, all the correlations (but one) between emotional intelligence and job performance within the female subsample of branch managers were not found to be significant. The only significant and rather high correlation between EI and JP in this group was between emotional expression (EI EX) and task-orientation. This result perhaps implies an impact of a mediating variable, for instance self-confidence, which might enhance both the ability to express feelings and the degree of determination and persistence involved in the execution of managerial functions.

The findings, or indeed the lack of findings, within the female group can be explained in two ways. On statistical grounds it can be argued that the small number of female subjects (10 out of a total sample of 48 subjects) made statistical significance hard to achieve. This line of explanation does not seem to be sound enough, as significant gendered results were obtained with the same small female group with regard to the EI variable itself. Therefore another explanation is suggested. It may well be that the women subjects, who were found to have higher emotional intelligence than the male subjects, already attained a good-enough to optimal level of emotional intelligence needed for the performance of their job-related functions as branch managers, and that therefore inter-personal differences among them in EI scores could not contribute to the prediction of job performance.

E. Gender, decision-making style and job performance

Using the MANOVA test, gendered differences in DMS were not found in and H6 was rejected. In this case, the above explanation with regard to the small number of female subjects presumably preventing statistical significance might serve its purpose here, because a comparison of the DMS mean scores of the men and the women subjects (Table 2) does show a gendered tendency – the women's DMS adjusted mean score is apparently higher than the men's, indicating a more participative style.

At the same time, there is another source of evidence for the existence of a gendered effect in relation to participative DM– *when DMS is added to EI in the prediction of JP*. It was found that in the framework of this triple interaction, the gender effect is significant in as much as the interaction was found to be significant within the male sub-sample only (confirmation of H7). Judging from certain previous studies (Rosner, 1990; Voelck, 2000; Rutherford, 2001), such an interaction was expected.

F. Age effect

Non-hypothesized statistical tests revealed that the variance in *age*, and not only in gender, can explain inter-personal differences in EI, DMS and JP *within the whole sample*: the levels of EI (except for emotional expression) and of participative decision making (DMS adjusted score) tend to decrease with age. Certain age-related differences in job performance that were found to be statistically significant did not yield a similar clear-cut linear pattern. However, as the oldest

(50+) age group consists exclusively of men subjects and even in the 45-50 years group there is only one female subject, it seems reasonable to deduce that the findings showing a decrease in EI and DMS in the older age groups pertain almost exclusively to male managers. A statistical testing of the gender-plus-age interaction was not done in the present research. The concepts of life-cycles or life-span development are known in the literature (Baltes & Schaie, 1973), and it might be of use to investigate their implications for management theory.

VII. CONCLUSIONS AND RECOMMENDATIONS

FOR FURTHER RESEARCH

The present research contributes to our understanding of the ways in which relationship skills, styles of decision making and the job performance (self-reported) of men and female bank managers interact. The research findings lead to several conclusions presented hereby, followed by recommendations for subsequent studies on the basis of the methodological limitations of the present work or the implications of the findings.

1) It can be concluded, first and foremost, that a possible gender effect should be considered in subsequent management studies, preferably with larger women samples. Job performance, by itself, was *not* found to be predicted by gender - except for people orientation with regard to employees, nor does gender explain differences in the attitudes of the research subjects regarding employee participation in managerial decision making (there was a tendency for women to be more inclined to participation, but the results did not reach statistical significance).

But gender clearly makes a difference in the level of emotional intelligence, found to be higher in the female sub-sample, and a gender effect is evident in the interactions between EI and DMS as well as between EI and JP, which were found to exist almost exclusively within the male sub-sample.

In other words, men branch managers with a higher level of emotional intelligence tend to employ a more participative style of decision making and also to perform better in the various dimensions of their managerial role, and these findings have implications for the selection and training of male branch managers, and probably also of men managers in other business sectors.

2) Bearing in mind the issue of gender, the findings also imply the greater advantages of EI as compared with the DMS for predicting the job performance of male managers, at least in the business sector – banking – investigated in the present research. (As mentioned above, neither variable was found to predict women's job performance).

3) DMS is not to be dismissed altogether as an *additional* predicting tool (not replacing EI). In the whole sample DMS was found to add to the interaction *between EI and one dimension of JP*, and within the male group it contributed to the correlations between EI and *all JP* dimensions. Based on a theoretical model and devised especially for the present research, the findings perhaps imply that there are certain weaknesses in the DMS tool and not necessarily testify to a lesser degree of importance of a participative DM style in contemporary management. Further research should be done for testing the reliability and validity of the present DMS tool before a more definite conclusion concerning the role of decision making styles will be reached.

4) As for the EI tool, the findings show its usefulness and indicate that not only the average total EI score but also the separate factors should be regarded in connection with JP.

5) It is recommended that subsequent studies using the same research paradigm would also employ objective tools for assessing job performance in order to substantiate our findings which were based on the subjects' own assessments.

6) Another limitation of the present research is the homogeneity of the sample - a fact which limits the generalized implications of the results. As all our subjects are branch managers of the same central bank, it can be argued that the results reflect this specific bank's policies (selection criteria, training of branch managers, degree of emphasis on feedback procedures, etc.) rather than general trends. It is recommended that that a similar research be conducted in other banks as well, in Israel and abroad, and also in other business sectors.

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Appendix 1: Study Questionnaire

(Decoy questions+ Managerial Style + Job Performance)

The following questions deal with various aspects of bank management. Please mark the answers most closely reflecting your opinion.

1) The electronic revolution marked a significant change in banking services. On your view, to what extent have the expectations concerning its profitability been fulfilled?

(5) (4) (3) (2) (1)

To a large extent partially not at all

2) Do you consider the prosperity of the baking system vital for the improvement of the current economic situation?

(5) (4) (3) (2) (1)

Very much so in some respects marginally

3) Should the banks' involvement in non-financial businesses be restricted?

(5) (4) (3) (2) (1)

Yes to some extent no

4) Do you agree with the claim that the growing profitability of the banks in the last year might adversely affect the gaps within the Israeli society?

(5) (4) (3) (2) (1)

6) How would you define good banking services – to private customers and to the business sector? On your view, should there be a material difference between them?

.....
.....
.....

7) How would you rate your managerial performance with regard to financial expertise?

(5)	(4)	(3)	(2)	(1)
Satisfactory				outstanding

8) How would you describe your attitude towards clients and employees?

(5)	(4)	(3)	(2)	(1)
Practical and correct				considerate and friendly

9) How would you assess your ability as a manager to achieve set goals?

(5)	(4)	(3)	(2)	(1)
Highly efficient				as required

10) In 2004, three new investment venues were offered by the bank but only one of them was successfully marketed in your branch, while the other two were a complete failure. These results were a great disappoint to you and to your staff, especially in light of the fact that in the previous year, the branch had been awarded a prize for excellent performance. How would you react in this situation?

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.....
.....

11) In the above-mentioned case, would do you tend to seek your employees' participation and opinion before deciding what measures should be taken for improving the branch's performance?

A) I would rather make an independent decision based on my own professional considerations and experience.

B) I would consult with the head of the investments department, but the final decisions should be my own.

C) I would encourage the various departments to participate in the analysis of the case and would take their recommendations into account when making my decision.

D) I would conduct brain-storming sessions with representatives of all the staff in order to reach a decision based on majority opinion.

E) I would prefer a consensual decision based on team discussions.

Please explain the reasons for your preference:

.....
.....

12) Do you usually adopt this managerial approach?

(5)	(4)	(3)	(2)	(1)
Not very Often		depending on circumstances		quite often

13) Do you recommend your preferred decision making approach as a rule for other bank managers?

(5)	(4)	(3)	(2)	(1)
Yes		depending on the issue at hand		only for experienced managers

14) It is often claimed that the customers' feedback (be it positive or negative) contributes to the success of businesses. Judging from your experience, in what ways can this feedback be utilized? Have you actually encountered instances which demonstrate (or refute) this claim?

.....
.....
.....

15) How would deal with a situation in which a client demands certain banking services that your branch is unable to provide?

.....
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16) In your opinion, what is the most efficient venue of publicity for banking services (personal contact, advertising in newspapers, the internet, telephone survey, etc.)?

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