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Relationship Between Emotional Intelligence and Servant Leadership in Banking

Curtis J. Gregory
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Walden University

College of Management and Technology

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Curtis Gregory

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Walden University
2016

Abstract

Relationship Between Emotional Intelligence and Servant Leadership in Banking

by

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MA, Antioch University McGregor, 2003

BA, University of Cincinnati, 1984

Dissertation Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Philosophy

Applied Management and Decision Sciences

Walden University

November 2016

Abstract

U.S.-based financial institutions have experienced significant failure rates since the mid-1980s. The problem within the U.S.-based banking industry is that the focus of leadership development has been primarily on cognitive abilities, whereas interpersonal skills, such as emotional intelligence, have been neglected. Research has focused on U.S. bank failures from a risk mitigation, economic, or legislative perspective, creating a gap in research on leadership behavior. The purpose of this correlation study was to determine whether a significant relationship exists between emotional intelligence and servant leadership among leaders in the U.S. small business banking industry. The theoretical framework compared intelligence types to leadership styles to explain leadership behavior. A convenience sample of leaders within the Qualtrics database of small business-bankers was surveyed from a composite survey for levels of servant leadership and emotional intelligence simultaneously. Pearson's correlation coefficient was performed to test the hypothesis. A statistically significant relationship was found between servant leadership and emotional intelligence. Social change implications of this study include improving employee engagement and retention, along with stakeholder engagement through the identification of leaders high in servant leadership style and emotional intelligence. Positive economic, social, and environmental benefits could be gained through improved organizational performance of U.S.-based banks by improving the selection and development of leaders in small business lending willing to embrace a stakeholder management theory.

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Dedication

To my wonderful daughter, Leah, let my academic work be your inspiration to change the world. “Education is the most powerful weapon which you can use to change the world” - Nelson Mandela

My parents, Ronald and Anne Gregory, my sister, Carol Gregory, and my extended family who have continuously demonstrated through words and through action the importance of education and learning. Additionally, I dedicate this work to those who paved the way for my scholastic journey and for those who might be inspired to follow by my example. Finally, to Gregory L. Dees who saw me through my darkest hours with his wit and poetic articulation of life in general.

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There are a few additional people I would like to thank for their contributions in guiding me towards my doctoral journey. Barbara Gellman-Danley, PhD, while serving as president of Antioch University McGregor (Midwest) helped me to realize my desire to learn and hunger for intellectual stimulation. Dr. Gary Quinlivan, dean of the Alex G. McKenna School of business, economics, and government at Saint Vincent College McKenna School, was gracious enough to offer my first opportunity as an adjunct professor, which helped stimulate my desire to teach. RC Caldwell convinced me a long time ago of my desire to learn starting with my master's degree.

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Chapter 1: Introduction to the Study

Globalization has not only increased the pace of information flow and consequently decision-making, but it has created the need for unconventional leadership (Harvey & Buckley, 2002; Hope, 2011; Yeung, 2011). Leaders in the 21st century are expected to place value on the intangible aspects of an organization, and emotional intelligence is needed in a global environment (Batool, 2013; Reilly & Karounos, 2004). Salovey and Mayer (1989) defined *emotional intelligence* as composed of (a) knowing one's emotions, (b) managing emotions, (c) motivating oneself, (d) recognizing emotions in others, and (e) handling relationships (as cited in Goleman, 1995).

The need to acknowledge and recognize emotional intelligence in addition to cognitive abilities has been well documented and researched (Goleman, 1995). Leadership is no longer defined exclusively by tangible effectiveness as often measured by financial statements, but through a more balanced description that elucidates moral and ethical obligations (Emery & Barker, 2007; Hogan & Kaiser, 2005; Ismail, Mohamad, Mohamed, Rafiuddin, & Zhen, 2010; Washbush & Clements, 1999). Application opportunities continue to evolve where sustainability metrics and ethical safeguards are put in place to prevent a repeat of the U.S. financial crisis (Zohny, 2010).

Starting in the 1970s, corporations were able to accumulate profits and increase their political and social influence through legislative acts that enhanced their ability to grow (Bakan, 2004; Tombs & Whyte, 2015). Tombs and Whyte found that globalization by definition represented increased concentrations of corporate power with oligopolistic influences within certain industries. Deregulation and privatization reduced the legal

constraints on corporations and allowed them free reign to influence “areas of society from which they had previously been excluded” (Bakan, 2004, p. 139). The wake of the financial crisis of 2007–2008 has not produced a restructuring in the control of the corporate sector or financial sector (Tombs & Whyte, 2015). Tombs and Whyte found that “Despite the proliferation of fraudulent schemes in the run-up to the crash, there have been just a handful of criminal charges brought against senior executives of banks in the U.S. and none in the U.K. financial sector” (p. 4).

The 1990s ushered in an environment of 60 hour workweeks and management styles that emulated a “get tough, get results, or get out” mentality (Lee & Zemke, 1993, p. 21). The job culture of the 1990s was one of insecurity as effort was discounted and longevity became a nostalgic ideal (Lee & Zemke, 1993). This culture created a need to rethink the ideal of great leadership as role models such as Lee Iacocca and Donald Trump appeared to topple as a new model of leadership began to emerge (Kiechel & Rosenthal, 1992).

Marques (2015) suggested that contemporary leaders must understand that the short-term objective of profitability and increased shareholder revenue will not ensure long-term success or sustainability. Organizations are now faced with meeting social and environmental objectives that incorporate sustainability objectives (Bendell & Little, 2015). Stakeholder management theory places value on employees, customers, suppliers, financiers, and competitors while increasing shareholder value (Parmar, Freeman, Harrison, Wicks, de Colle, & Purnell, 2010).

Negative leadership and *destructive leadership* are terms that expand the definition of leadership beyond the more traditional definitions of leaders as positive change agents (Algahtani, 2014). Washbush and Clements (1999) stated that *leadership* has historically been defined as doing the right thing and that this ethically weighted definition prevents seeing the darker sides or negative aspects of leadership. The literature review will reveal certain behaviors such as altruistic versus egoistic behaviors that may derive from emotional intelligence. Because these behaviors are difficult to measure, the focus of the study was on personality characteristics that could influence these behaviors.

The former chairperson of the Federal Deposit Insurance Corporation (FDIC) Sheila Bair described a meeting that took place on October 12, 2008, in the book *Bull by the Horns* (Bair, 2012). This meeting was chaired by Henry Paulson, then treasury secretary of the United States, to tell nine bank chief executive officers (CEOs) that they were going to have to accept \$125 billion of taxpayer money along with laying out the terms and conditions of the distributions (Bair, 2012). Of particular interest was the reaction of Thain, former CEO of Merrill Lynch & Co., Inc., who immediately inquired about the restrictions on executive compensation (Bair, 2012). Thain's statement perhaps provided insight into his priorities, as concern for his own compensation supersedes thoughts about the welfare of his organization.

The reaction from Thain suggested that self-interest was outweighing the objectives of the organization in his thought process. If Thain had a high level of emotional intelligence, it makes sense that self-awareness, self-regulation, or at least

empathy might have altered the initial reaction (Batool, 2013). Leaders can make problematic decisions daily and perhaps Thain was having a difficult decision-making day, but I will hypothesize that the lack of emotional intelligence might contribute to self-interests that outweigh what is best for the organization as an explanation of this leader's behavior.

Background of the Study

A review of the literature established a connection between emotional intelligence and transformational leadership style (Batool, 2013; Alegre & Levitt, 2014; Yunus & Anuar, 2012). Researchers have started to focus on the relationship between leader and follower as recognition has been made that transformational leadership style does not adequately address the moral or ethical objectives of positive change (Dierendonck, 2011; Stone, Russell, & Patterson, 2004; Whetstone, 2002). Falk and Blaylock (2012) found that specific personality characteristics such as hubris, hypocrisy, or a lack of humility lead to negative leadership behaviors.

Managers in the 21st century increasingly need to exhibit the creative, innovative, and improvisational aspects of the right side of the brain (Einarsen, Schanke-Aasland, & Skogstad, 2007; Pink, 2006). Metaphorically speaking, leaders of the 20th century were trained and promoted based on the use of the left side of their brain, as cognitive ability was deemed more important than the soft interpersonal skills of management (Einarsen et al. 2007). In an unpublished manuscript found within the archives of the Greenleaf Center, Greenleaf (1995) stated that leaders lack imagination that inhibits the ability to discern effective ideas when they are presented (as cited in Spears, 1995, p. 30).

Altruistic behavior has been characterized as putting aside one's own self-interests for the benefit of others (Wispé & Thompson, 1976). Servant leadership requires leaders to exhibit altruistic behavior by placing followers' needs over organizational objectives as well as the leader's self-interests (Dierendonck, 2011; Northouse, 2013; Sendjaya & Sarros, 2002; Stone et al. 2004; Whetstone, 2002). This distinction is crucial, as critics of servant leadership have said that the application of a servant leadership style is not appropriate for certain organizations such as a prison guard (Whetstone, 2002).

Servant leadership and transformational leadership both emphasize the followers needs to obtain organizational objectives, but the servant leader prioritizes the needs of the followers over organizational objectives (Stone et al. 2004). Characteristics such as empathy, healing, stewardship, commitment to the growth of people, and building community (Spears, 1995) are only some of the traits that appear to parallel ethical leadership (Dierendonck, 2011) with additional alignments to stakeholder management theory (Parmar et al. 2010) and service-oriented leadership (Ehrich, Ehrich, & Knight, 2012).

Nelson Mandela and Mahatma Gandhi are recognizable examples of servant leadership in practice. Mandela lead by example with demonstrations of service, motivation, altruistic behavior, and he continuously connected with people at an intimate level (Nwagbara, 2013). In a review of Mandela's book *Conversations with Myself* (2011), Nwagbara (2013) suggested that this autobiography was not intended to simply be a compilation or catalogue of events the person has experienced, but rather serves as a roadmap for others to follow to achieve their desired goals. Mandela's intention with the

autobiography appeared to be to provide a prescription for African political leaders to embrace service, honesty, and connectedness as opposed to personal enrichment, self, and inhumanity as he prescribed political leadership through a servant leadership style (Nwagbara, 2013).

Another example of servant leadership style is Mohandas Karamchand Gandhi, commonly known as Mahatma Gandhi. Gandhi's leadership example started from the transformation of practicing law in South Africa for profit, to practicing law to serve those in need (Barnabas & Clifford, 2012). I use the word *transformation* intentionally here because Gandhi is often credited with the transformation of India through peaceful resistance but it is his servant leadership style that provided basis for referencing this particular leader.

Senjaya, Sarros, and Santora (2008) created the Servant Leadership Behavior Scale (SLBS), which identifies more than 20 themes that measure servant leadership style from six main dimensions as cited by Barnabas and Clifford (2012). Gandhi was found to demonstrate the dimensions of voluntary subordination, authentic self, covenantal relationship, responsible morality, transcendental spirituality, and transforming influence consequently demonstrating application of a servant leadership style based on the SLBS (Barnabas & Clifford, 2012).

Transformational leaders can encourage employees to embrace altruistic behavior and to look beyond their own self-interests for the good of the organization (Peng & Rode, 2010). A transformational leadership style can also be used to manipulate followers toward an immoral objective (Van Wart, 2014; Whetstone, 2002). The reason

that I concentrated on a possible relationship between emotional intelligence and servant leadership, because servant leadership is the only leadership style with an expressly moral component. A leader can transform an organization or country without moral or ethical consideration.

Adolf Hitler is one of the world's most notorious leaders but much can be learned from destructive or negative leadership behavior (Einarsen et al. 2007; Schilling, 2009). Ignoring for a moment the atrocities associated with Hitler's leadership, the suggestion might be made that Hitler spoke to the hopes of the German people and transformed Germany thus suggesting a transformational leadership style (Ciulla, 2014; Whetstone, 2002). Friedman and Friedman (2013) conducted a review of literature regarding quotations from Hitler with the predisposition of learning from negative leadership behavior as opposed to positive leadership behavior.

Through rhetoric and persuasive abilities, Hitler was able to create the perception of a transformational leadership style even though history has shown narcissistic behaviors (Friedman & Friedman, 2013). Intelligence and charisma are personality characteristics that are commonly linked to good leaders. The former dictator of the Sierra Leone used these traits to manipulate and coerce (Hogan & Kaiser, 2005). The study by Friedman and Friedman (2013) lacked empirical data to support the authors' assumptions, but their commentary on how contemporary leaders now hide behind a transformational style, while demonstrating negative or destructive leadership behaviors, strengthens the need for servant leadership to be considered as the next aspirational level

of leadership. The manipulation and coercion of followers suggest egotistic driven behavior as opposed to altruistic driven behavior.

McClelland described egoistic power as using others for personal gain (as cited in Washbush & Clements, 1999, p. 146). Perhaps the behavior by Thain was egoistic. Dominance describes a leadership approach in which power is obtained through force or manipulation of the organizational resources (Maner & Mead, 2010). Thain might have been performing under a flawed definition of leadership, which is to say that *leadership* was defined as a manipulation of organizational resources for personal gain. Dominance motivated and egoistic behaviors are synonymous. The theoretical foundation for the study was to understand if there is a correlation between emotional intelligence and servant leadership style with empathy as a potential moderating variable to explain leadership behavior.

Problem Statement

Since the mid-1980s, 3,400 U.S.-based financial institutions have failed with 99.7% representing banks that rely heavily on retail and commercial banking as their core products (Parsons, 2013). The recession of 2007 consequently damaged consumer confidence, reputation, and public relations for the U.S. banking industry (Falk & Blaylock, 2012). Through a review of publicly available information such as annual board reports, interviews, and press releases, patterns or personality characteristics emerged among key leaders within the U.S. banking industry (Falk & Blaylock, 2012). Falk and Blaylock found that the recession of 2007 was affected by certain personality characteristics as an explanation for leadership behavior.

The general problem that I addressed in this study is that cognitive and technical abilities have been the primary focus of leadership development in the U.S. banking industry and emotional intelligence and leadership style has taken a secondary role. Leadership behaviors as observed by Bair (2012) could indicate a potential lack of emotional intelligence or altruistic intentions. The specific problem is that the lack of emotional intelligence is influencing leadership behavior away from the altruistic ideologies of a servant leadership style.

The professional development of leaders has been ineffective, with research demonstrating that 75% of organizations do not find their leadership development programs to be effective (Jinadasa, 2015). Goleman (1995) demonstrated a direct correlation between emotional intelligence, employee retention, and performance. Personality characteristics such as humility, honor, and honesty (Falk & Blaylock, 2012) are synonymous to the trait-based definition of emotional intelligence (Harmes & Crede, 2010). The lack of emotional intelligence along with a follower needs focused leadership style among leaders within the U.S. banking industry could be influencing organizational performance.

This study may start the process of identifying the type of leaders that can transform the industry into one that cites emotional intelligence and servant leadership style as a key component in leadership development. The identification of leaders with high levels of emotional intelligence and servant leadership styles might strengthen the U.S. banking industry for global competitiveness, as employee engagement, retention, and performance are improved consequently enhancing shareholder value.

Purpose of the Study

The purpose of this quantitative correlational study was to examine whether a convenience sample of leaders within the U.S. banking industry demonstrating strong servant leadership attributes, also exhibit high levels of emotional intelligence. *Leaders* was defined as individuals with supervisory responsibility within small business lending. Small business lending was chosen as the targeted area of banking due to the economic effect of small business owners and their ability to access capital (Kahle & Stulz, 2013). Social change could be affected as minority and women owned businesses have demonstrated a heavy reliance on debt capital (Robb & Marin Consulting, 2013). The identification of leaders with high emotional intelligence can lead to creating resonant, emotionally intelligent, and sustainable cultures within organizations such as commercial banks (Boyatzis, Smith, Van Oosten, & Woolford, 2013).

Two quantitative survey instruments were used for small business banking leaders to self-report their perceived levels of servant leadership and emotional intelligence. The dependent variable of emotional intelligence was tested against the independent variable of servant leadership. Section A will test for emotional intelligence as validated by Carson, Carson, and Birkenmeier (2000). Section B will test for servant leadership using the Servant Leadership Questionnaire (SLQ) as validated by Barbuto and Wheeler (2006). I combined the two surveys into a composite survey synonymous to a study that researched emotional intelligence as an antecedent to servant leadership (Barbuto, Gottfredson, & Searle, 2014).

The impairment of access to capital has been researched as a theory for creating the recession of 2009 as well as a result of the recession (Kahle & Stulz, 2013; Robb & Marin Consulting, 2013). In a report to the Office of Advocacy, the United States Small Business Administration, it was reported that minority-owned firms and women-owned firms have demonstrated a heavy reliance on debt capital relative to equity capital (Robb & Marin Consulting, 2013). The impairment of capital has significantly affected minority and women-owned firms' abilities to obtain capital (Robb & Marin Consulting, 2013).

Research Question(s) and Hypotheses

Research Question

I used the following research question to guide my study: What, if any, correlation exists between levels of servant leadership style and emotional intelligence among leaders within the U.S. commercial banking industry?

Hypotheses

I operated with the following hypotheses:

H1: There is a significant correlation in levels of servant leadership style and emotional intelligence among leaders within the U.S. commercial banking industry.

H₀₁: There is no significant correlation in levels of servant leadership style and emotional intelligence among leaders within the U.S. commercial banking industry.

The sample population completed a composite survey that obtained basic demographic information and assessed levels of servant leadership and emotional intelligence. The survey consisted of two main sections. Section A included the self-report measurement tool for assessing the level of servant leadership behavior (Barbuto &

Wheeler, 2006), whereas Section B consisted of a self-report measurement tool (Carson et al. 2000) for assessing the level of emotional intelligence for those participants who score high in servant leadership. The demographic information captured was ethnicity, gender, and age to facilitate the usage of descriptive statistics for qualitative variables (Leedy & Ormrod, 2013).

Through inferential and descriptive statistical analysis, I compared emotional intelligence to servant leadership elements as defined by Barbuto and Wheeler (2006) to determine whether a significant correlation exists between emotional intelligence and servant leadership style among leaders within the U.S. banking industry. I used the SLQ for its convergent validity with other leadership measures such as transformational leadership and leader-member exchange (Barbuto & Wheeler, 2006; Dierendonck & Nuijten, 2011).

The Emotional Quotient-Inventory measures many of the personality characteristics of emotional intelligence (Batool, 2013) as well as leadership characteristics (Falk & Blaylock, 2012). Dawda and Hart (1999) tested the Bar-On Emotional Quotient-Inventory (EQ-i) for validity and reliability and found the tool to be valid and reliable. Personality characteristics such as self-actualization, empathy, flexibility, self-awareness, and adaptation (Bar-On & Parker, 2000) align with Batool's (2013) characteristics of emotional intelligence, as well as H-Factor leadership characteristics (Falk & Blaylock, 2012).

Administration of the EQ-i is controlled by the Multi Health Systems organization (2016) making access to the actual survey difficult. Carson et al. (2000) developed an

instrument with 30 self-report items that include the subscales of empathetic response, mood regulation, interpersonal skills, internal motivation, and self-awareness. The subscales also align with the leadership characteristics of Falk and Blaylock (2012) as well as many of the personality characteristics of emotional intelligence as defined by Batool (2013). I made the determination to use the emotional intelligence measure (EIM) developed by Carson et al. (2000) for its construct validity, reliability, and convergent validity.

Theoretical Framework

The theoretical framework for the study includes Maslow's hierarchy of needs (2000), Greenleaf's servant leadership (1977), Wigglesworth's spiritual intelligence (2012), and Goleman's emotional intelligence (1995). Maslow's hierarchy of needs was compared to various types of intelligence and leadership styles. Wigglesworth demonstrated a relationship between Maslow's lower levels of need such as physiological and safety with physical intelligence and cognitive intelligence. Wigglesworth continued by aligning emotional intelligence with love/belonging and self-esteem with spiritual intelligence introduced in alignment with self-actualization. The study builds on the theoretical framework of comparing types of intelligence to leadership style as a way to explain or predict leadership behavior.

The EIM measures many of the personality characteristics of emotional intelligence (Batool, 2013) as well as leadership characteristics such as humility, honor, and honesty that align with the qualitative work of Falk & Blaylock (2012). The SLQ was shown to have convergent validity with the Servant Leadership Survey, which includes

measures such as forgiveness, courage, empowerment, standing back, accountability, authenticity, humility, and stewardship (Dierendonck & Nuijten, 2011). The convergent validity makes the SLQ useful as a tool in measuring the potential linkage between emotional intelligence and servant leadership style.

Greenleaf (1977) described servant leaders as individuals who consciously put serving followers over their own aspirations to lead. In contrast to other leadership styles, the servant leader ensures that other people's needs take high priority over the organizational needs and the leader's needs (Greenleaf, 1977). Servant leadership was measured as opposed to transformational leadership as it addresses ethical components to leadership behavior, whereas transformational leadership does not adequately explain ethical mishaps (Van Wart, 2014).

Falk and Blaylock (2012) demonstrated how specific personality characteristics and subsequently qualities of leadership contributed to the recession of 2007–2009. I designed the study on the theoretical assumption that companies must be well managed but need ethical leadership to achieve significant positive change. Organizations often fall short in identifying and developing leadership talent (Algahtani, 2014; Warrick, 2011).

Falk and Blaylock (2012) referenced several reasons for the financial systems failure and recession of 2007–2009, but the authors offered up a unique perspective by recognizing that behind each reason was a decision made by an individual or group of individuals. Personality characteristics are good predictors of how individuals lead or their respective leadership style (Hogan & Kaiser, 2005). The broader perspective would consider abilities in addition to traits or personality characteristics.

The study by Falk and Blaylock (2012) provided the theoretical inspiration for my study as I sought to explain the organizational performance of the U.S. banking industry through the behavior of its' leaders. Many economic, policies, and structural variables may contribute to the struggles of the U.S. banking industry but this study could contribute by exploring emotional intelligence and servant leadership style and their potential effect on leadership behavior.

In Chapter 2, I distinguish between a trait-based definition of *emotional intelligence* and an abilities-based or skills-based definition of *emotional intelligence*. An integrative approach suggests the use of a survey method that measures traits and abilities to establish emotional intelligence (DeRue, Nahgrang, Wellman, & Humphrey, 2011). A review of the literature will reveal research on the relationship between intelligences and leadership styles (Wigglesworth, 2012) with specific studies regarding emotional intelligence and transformational leadership style (Batool, 2013; Alegre & Levitt, 2014; Yunus & Anuar, 2012). The literature review will also include research on emotional intelligence and servant leadership style (Barbuto et al. 2014; Du Plessis, Wakelin, & Nel, 2015), and transformational versus servant leadership styles (Stone et al. 2004).

Nature of the Study

Small business bankers were surveyed on levels of emotional intelligence and servant leadership to determine whether a correlation exists. Demographic information such as age, gender, and ethnicity I collected as nominal data with emotional intelligence and servant leadership representing ordinal data. I collected the data by soliciting

participants that are members of the small business bankers group within the online academic research platform named Qualtrics (2016).

Through the use of a composite survey, I measured servant leadership style and emotional intelligence, and collected basic demographic information. Participants were identified by self-reporting that they were actual managers within an area of commercial lending. Qualtrics (2016) prescreened their financial services database, which included more than 200 banks, for small business bankers working for U.S.- based banks with managerial responsibility. Participants who identified as not being in management were not used in the study.

Representatives from the company Qualtrics (2016) surveyed the participants using a composite survey of two self-report instruments that test for servant leadership style and emotional intelligence simultaneously. To expedite the process while maintaining the anonymity and objectivity of the study, I paid Qualtrics \$20 per respondent to solicit participation for the study.

Servant leadership and emotional intelligence were treated as ordinal levels of measurement with servant leadership as the dependent variable and emotional intelligence as the independent variable. Demographic information such as age, gender, and ethnicity were treated as nominal variables but as potential moderating variables to the collected data. Empathy was considered as a potential mediating variable as a specific trait with established correlations regarding transformational and servant leadership styles

Extensive research links emotional intelligence and transformational leadership styles but the results have been complicated through the use of trait-based or abilities-

based definitions of emotional intelligence (Alegre & Levitt, 2014). Contributing to the complexities is the variety of methodologies in measuring transformational leadership, even though the study by Alegre and Levitt found strong evidence of a relationship between trait-based emotional intelligence and transformational leadership. Northouse (2013) aligned with Alegre and Leavitt by noting the parameters of transformational leadership lack conceptual clarity and tend to overlap with other conceptualizations of leadership such as charismatic leadership.

Levay (2010) conducted a series of case studies within a Scandinavian university hospital on charismatic leadership and social change but found inconsistencies when considering maintaining the status quo. Levay frequently referenced this type of leader as having the ability to transform an organization. Belias and Koustelios (2014) concluded that employees' job satisfaction in the Greek banking sector was linked to a transformational leadership style by providing a critical review of the literature with a heavy reliance on empirical data gained from the same authors in a previous study.

Servant leadership and transformational leadership style have both been found to align with organizational commitment but the approach leaders took to motivate followers varied (Dierendonck, Stam, Boersma, Windt, & Alkema, 2014). The study by Dierendonck et al. does not focus on the banking industry specifically but it does provide insight on servant leadership and follower outcomes. Follower performance, organizational performance, and societal effect are all acknowledged outcomes of servant leadership (Northouse, 2013).

Definitions

Commercial bank is defined as a financial institution that is owned by stockholders, operates for a profit, and engages in various lending activities (National Information Center, 2014).

Egoistic behavior is defined as the impulse to seek self-benefit, self-serving, and self-gratification (Comte 1851/1875) as cited in Batson, 2014.

Emotional intelligence is defined within the five main domains of knowing one's emotions, managing emotions, motivating oneself, recognizing emotions in others, and handling relationships (Goleman, 1995).

Servant leadership begins with leaders placing the needs of the followers over the self-interests of the leader or organizational objectives (Northouse, 2013)

Small business is one that is independently owned and operated, is organized for profit, and is not dominant in its field (U.S. Small Business Administration [SBA], 2014)

Transformational leadership involves leaders that engage followers to higher levels of motivation consequently transforming the organization. (Burns, 1978)

Assumptions

I made several assumptions in the study that were difficult to demonstrate. The first assumption was that the participants of the study would understand and answer each question honestly for the SLQ, EIM, and demographic surveys. The second assumption was that the SLQ accurately measures servant leadership style through the use of a self-report measure of the leader.

The third assumption was that the EIM developed by Carson et al. (2000) survey effectively measures emotional intelligence through an integrative approach that considers trait and skills based definitions of emotional intelligence. The fourth assumption was that servant leadership can lead to improved organizational performance for the banking industry. The fifth and final assumption was that emotional intelligence can be improved and that an increase in emotional intelligence will improve employee engagement, customer fulfillment, and shareholder value.

Limitations, Scope, and Delimitations

The main limitation of the study was the use of self-report questionnaires, which could pose a risk to construct validity if the participants do not understand or answer all the questions honestly and accurately. The study consisted of small business lending bankers from several U.S.-based commercial banks. The company Qualtrics (2016) was engaged as a tool for the organization's effectiveness in obtaining participation from a target population that has been elusive (Falk & Blaylock, 2012) by sending surveys to bankers throughout the United States.

The study is limited in scope to bankers that focus primarily on small business lending in the United States. Small business lending was chosen based on the increase in impairment of access to capital and a heavy reliance on debt capital for minority and women-owned small businesses (Robb & Marin Consulting, 2013). Variables in this study were limited to the scope of the EIM (Carson et al. 2000) and the SLQ (Barbuto & Wheeler, 2006). Both surveys have been vetted for validity and reliability (Carson et al. 2000; Barbuto & Wheeler, 2006).

Significance of the Study

The study consists of a research question and hypotheses with measurable variables to identify the relationship between emotional intelligence and servant leadership behaviors of small business banking managers within the U.S. banking industry. The results of the study could contribute to the body of knowledge on emotional intelligence and servant leadership. By providing empirical evidence of the relationship between emotional intelligence and servant leadership, researchers and organizational leaders may effectively plan professional development programs.

The identification of servant leaders and/or leaders high in emotional intelligence in the U.S. banking industry might have positive social change and spur economic growth by addressing the moral and ethical obligations of organizations. Historical context exists for the evolution of business ethics to address civil rights and environmental responsibility, which could provide theoretical support for balancing economic objectives with social and environmental objectives (Zohny, 2010). By focusing the sample population on small business lending bankers, opportunities to improve access to capital for the underserved communities of minority and women-owned businesses could be created (Robb & Marin Consulting, 2013).

Bendell and Little (2015) found that leadership development and educational programs have been falling short in incorporating sustainability objectives. Instead of simply adding more sustainability to leadership or more leadership to sustainability, sustainability leadership should be defined as a type of leadership with the objective of helping followers achieve social and environmental objectives through ethical behaviors

(Bendell & Little, 2015). In the book *Evolving Partnerships*, Bendell (2011) suggested that persuading businesses to embrace social change is a specialty area of leadership. Researchers have stated that stakeholder management theory provides a platform of research and analysis that links moral and ethical obligations to economic value (Parmar et al. 2010; Woodbine, 2008).

Stakeholder Theory in Banking

Stakeholder theory is defined by understanding the value of the relationships between a business and its stakeholders such as employees, customers, suppliers, financiers, and even competitors, then assigning an economic unit of measure to these relationships (Parmar et al. 2010). Social transformation is a necessary process to reach the type of economy where basic human needs have been met and the disparity gap between laborers and capitalists has been reduced (Wright, 2010) and that capitalism simply needs to be adapted to the fast-paced environment of today (Hope, 2011). This dynamic approach to leadership appears to integrate a model that attempts to please everyone, but the approach requires fluidity of stakeholder decision making coupled with an ethical commitment of the key decision makers (Minoja, 2012).

There could be increased value for the U.S. banking industry to embrace an economy that considers the human condition as important as net profit. Research has shown positive affects for banks that support sustainability models. A quantitative study utilized website content from 82 financial institutions in Spain illustrating the differences between banks and savings institutions on corporate social responsibility (Bravo, Matute, & Pina, 2012). The study by Bravo et al. (2012) confirmed the relevance of corporate

social responsibility for the financial institutions but additional work is needed regarding the relationship between social responsibility and economic value.

Corporate social responsibility should not be treated as an obligation but as a part of the economic fabric of the 21st century global economy. In a qualitative study, using semi-structured interviews of executives at Australian based Bendigo bank; a stakeholder management theory has had positive economic effect through the adoption of a social sustainability model (Stubbs & Cocklin, 2007). Indian and German based banks have embraced sustainability models as a means to battle poverty and as a predictor of credit risk (Swamy, 2010; Weber, Scholz, Michalik, 2010). Scholars have called for integration between corporate social responsibility and stakeholder management theory in support of the concept that business decisions can have moral content and that a moral decision can have business content (Minoja, 2012).

Commercial lending practices have historically been predicated on cash flow as the primary source of repayment and collateral or asset quality as the secondary source of repayment of debt. Swamy (2010) makes a compelling case for policy changes to support priority sector lending as illustrated in developing countries such as India noting a heavy reliance on agriculture. In the study by Weber et al. (2010), credit officers from 40 German banks were asked to fill out a questionnaire to assess credit risk rating. Thirty three elements of traditional credit risk elements were utilized along with 58 elements of sustainability criteria. The incorporation of sustainability criteria in the banking industry can play a pivotal role in shaping a new economy of environmental stewardship.

Leadership effectiveness could be positively affected through increased employee retention and performance within an industry that has significant global economic impact. Jinadasa (2015) stated that the professional development of leaders has been ineffective with research demonstrating that 75 percent of organizations do not find their leadership development programs to be effective. Karaçivi and Demirel (2014) suggested that a coach-like leadership concept combines various leadership styles with specific attention to emotional intelligence to create a manager/leader hybrid. This hybrid concept supports the notion that managers do things right but leaders do the right thing although both are necessary for an organization to sustain organizational effectiveness (Jinadasa, 2015; Karaçivi & Demirel; 2014).

Jinadasa (2015) gave equal attention to training in hard skills and soft skills, thereby introducing a broader approach to leadership development. Hard skills were described as work-related knowledge synonymous to cognitive ability (Jinadasa, 2015). Soft skills include emotional intelligence and the interpersonal competencies that can effectively manage change (Jinadasa, 2015). Forde, McMahon, Gronn, and Martin (2013) also support focusing on coaching as a critical leadership development component as they align with other scholars (Jinadasa, 2015; Karaçivi & Demirel; 2014). Coaching by definition places emphasis on leader/follower development by being more attentive through the use of emotional intelligence as articulated by the International Coach Federation (ICF) (Karaçivi & Demirel; 2014).

In a 2011 survey on Corporate Responsibility reporting by KPMG, it was found that reporting corporate responsibility had a positive effect on financial value (Verschoor,

2012). The KPMG survey reviewed annual financial statements for over 3,400 companies including 250 of the largest companies in the world (Verschoor, 2012). The reports found that only a small percentage did not report on corporate responsibility, but within those companies that do not report corporate responsibility, two thirds of them are U.S. based companies (Verschoor, 2012).

Positive trends for U.S. based companies are starting to emerge regarding corporate social responsibility. In a recent, report by Corporate Knights Inc. of the top 100 most sustainable corporations in the world, U.S. based companies had a significant presence with 20 out of 100 (Runnalls, 2015). A review of the list reveals a few companies representing the banking industry but none of them represents U.S. based banks. Predictably Canadian and Australian based banks show multiple entries with representation from Australia, Sweden, Norway, France, Denmark, and South Korea (Corporate Knights, 2015)

The identification of servant leaders and/or leaders high in emotional intelligence within the U.S. banking industry may lead to positive social change and spur economic growth by addressing the moral and ethical obligations of organizations within the banking industry. By focusing the sample population on small business lending bankers, opportunities to improve access to capital for the underserved communities of minority and women-owned businesses might be created (Robb & Marin Consulting, 2013). The study of leadership styles as they align with types of intelligences broadens the conversation around access to capital as it pertains to economic growth beyond legislative prescriptions and risk management strategies. Leadership development programs could

incorporate the soft skill of emotional and spiritual intelligence in support of an aspirational objective of servant leadership style.

Summary and Transition

The financial crisis of 2009 has increased the interest of developing leaders who set aside self-interests for the interests of their followers and their respective organizations (Boyatis, Smith, Van Oosten, & Woolford, 2013; Liden, Wayne, Zhao, & Henderson, 2008). Several researchers have established a correlation between emotional intelligence and transformational leadership style (Batool, 2013; Alegre & Levitt, 2014; Yunus & Anuar, 2012). In a recent quantitative study involving 154 employees of two private South African organizations, emotional intelligence and trust were found to have influence on servant leadership and that a positive correlation exists between emotional intelligence and servant leadership (Du Plessis et al. 2015).

Research has also revealed a positive correlation between emotional intelligence and several positive and effective leadership models such as transformational and transactional (Alegre & Levitt, 2014; Batool, 2013; Boyatzis et al. 2013; Harms & Crede, 2010), organizational performance (Goleman, 1995; Salovey & Mayer, 1989;), and servant leadership styles (Stone, et al. 2004; Whetstone, 2002). Bank failure rates within the U.S. have increased significantly since the financial crisis of 2009 (Parsons, 2013). The rate of bank failures has aggregated with the impairment of capital to consequently affect minority and women owned small businesses that continue to rely heavily on debt capital (Robb & Marin Consulting, 2013).

A research gap exists around levels of emotional intelligence and leadership styles for U.S. based banks even though studies on non-U.S. based banks such as Greece (Belias & Koustelios, 2014), Pakistan (Malik, Danish, & Munir, 2011), and Malaysia (Yunus & Anuar, 2012) have emerged. Connections have been made between transformational leadership and job satisfaction (Belias & Koustelios, 2014), emotional intelligence and organizational effectiveness (Malik et al. 2011), and trust as a moderating variable between emotional intelligence and transformational leadership (Yunus & Anuar, 2012).

The theoretical framework of the study builds upon the comparisons between Maslow's Hierarchy of needs and intelligence as made by Wigglesworth (2012), and aligns them with leadership styles as commentary for an aspirational ideal of servant leadership as the next level in leadership development from transformational leadership style. As Wigglesworth noted the alignment between spiritual intelligence and Maslow's self-actualization, the research could help to explain leadership behavior by comparing emotional intelligence to servant leadership as a step in the process of improving the soft skills in leadership development programs (Jinadasa, 2015).

This first chapter included an introduction to the research problem, background of the study, and a summary of relevant studies regarding emotional intelligence and the specific leadership styles of transformational and servant. Also included in the first chapter were assumptions, limitations, the purpose of the study, and the theoretical framework in support of the identified research gap. The remainder of the dissertation includes Chapter 2, which consists of the search strategy for reviewing the literature, a

review of the relevant literature, and Chapter 3, which includes commentary on the research design and rationale, procedure, and descriptions of the surveys, sampling strategies, and statistical analyses.

Chapter 2: Literature Review

The purpose of this quantitative correlational study was to determine whether a positive relationship exists between small business bankers who score high in servant leadership and small business bankers who score high in emotional intelligence. The problem identified was that leadership development programs have focused primarily on technical and cognitive abilities consequently diminishing their effectiveness. A lack of emotional intelligence may be influencing leadership behavior away from altruistic ideologies.

I conducted the literature review by focusing on two major areas: servant leadership and emotional intelligence. The first section of this chapter includes specific leadership styles that have been found to have negative correlations to emotional intelligence. In addition, I review leadership styles with positive correlations to emotional intelligence. I then compare emotional intelligence to servant leadership style in the final section.

Literature Search Strategy

The literature review consisted of primary sources such as peer-reviewed journal articles, local and federal government websites, dissertations, books, and professional websites. I discussed 161 references, and 98 articles were peer reviewed. Articles were accessed through the following Walden University research databases: ABI/Inform, Business Source Complete, PsycInfo, and Sage Publications. Database searches were conducted using key words and phrases, including *emotional intelligence*, *empathy*, *banking*, *egoistic behavior*, *servant leadership*, *spiritual intelligence*.

Theoretical Framework

Alegre and Levitt (2014) found that research on emotional intelligence theory has evolved from two foundations, which are the abilities approach and the trait approach. Salovey, Mayer, and Caruso (2006) created an emotional intelligence test that required participants to solve problems that would measure their emotional intelligence thus aligning with an abilities approach to emotional intelligence. The EQ-i is one of the few survey instruments that measures emotional intelligence from a trait and abilities approach simultaneously. The use of the EQ-i is tightly controlled and implemented by an organization called Multi-Health Systems (2016).

Harmes and Crede (2010) demonstrated that trait measures of emotional intelligence showed higher validities than ability based measures and effects for same source ratings showed a strong correlation to transformational leadership. Alegre and Levitt (2014) aligned with Harmes and Crede as they demonstrated that the two main definitions of emotional intelligence are ability or trait based but the results are often unclear or contradictory, as scholars have used self-reporting measures or ability-based measures and diverse informants that include managers and subordinates.

The theoretical framework was based on the definition of *emotional intelligence* as articulated by Goleman (1995), Greenleaf's definition of *servant leadership* (1977), and Wigglesworth's definition of *spiritual intelligence* (2012). In the qualitative case study by Falk and Blaylock (2012), the researchers explained leadership failures in the 2007–2009 financial system meltdowns as characterized by specific personality characteristics. DeRue, Nahrgang, Wellman, and Humphrey (2011) proposed a

conceptual model that identified leadership behaviors and their relationship to traits as an influence over leadership effectiveness. The study by DeRue et al. demonstrated a need for an integrative approach to leadership theory by examining leadership traits and behaviors relative to leadership effectiveness. Essentially, the qualitative study by DeRue et al. revealed that there was an “overlap theoretically and empirically” (p. 38) in specific leadership traits and behaviors.

Leadership styles were reviewed from behavior-based models and from attitudinal-based models. Hersey and Blanchard (1982) made the distinction between their work on situational leadership and the management grid model of Blake, Mouton, and Bidwell (1962) by illustrating that situational leadership theories focused on leadership behaviors whereas the management grid model aligned with an attitudinal-based model. Situational leadership suggests that leaders will adopt different leadership styles as appropriate to the situation they are facing (Hersey & Blanchard, 1982). The example used is that during the crisis of fighting a fire the fire chief may utilize a more directive and high guidance style whereas after the fire is over a more collaborative and participatory approach may take place (Hersey & Blanchard, 1982). The dimensions of situational leadership are task behavior and relationship behavior (Hersey & Blanchard, 1982). Figure 1 depicts the situational leadership model of Hersey and Blanchard .

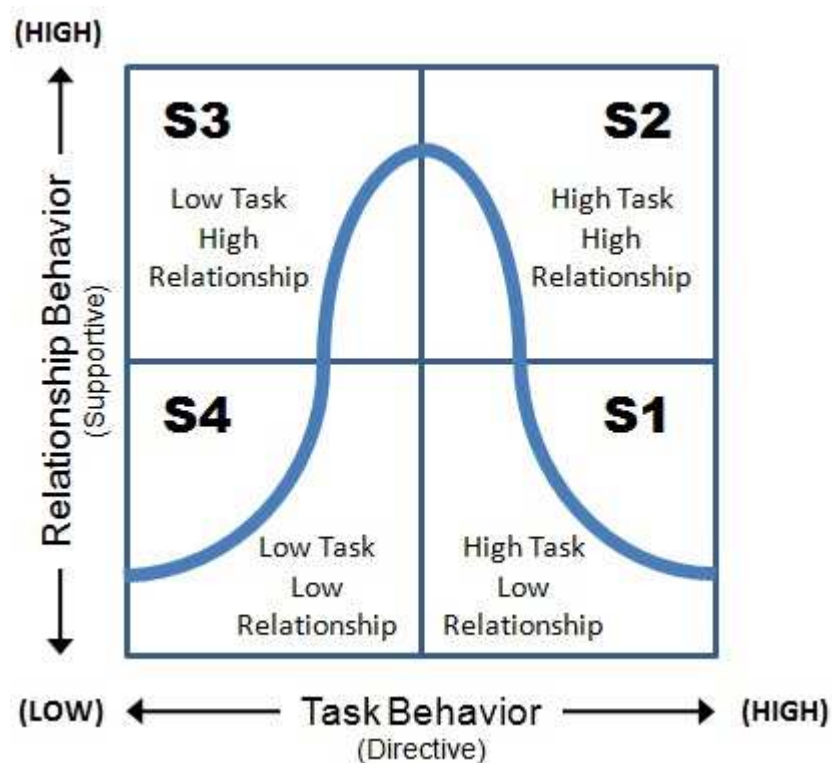
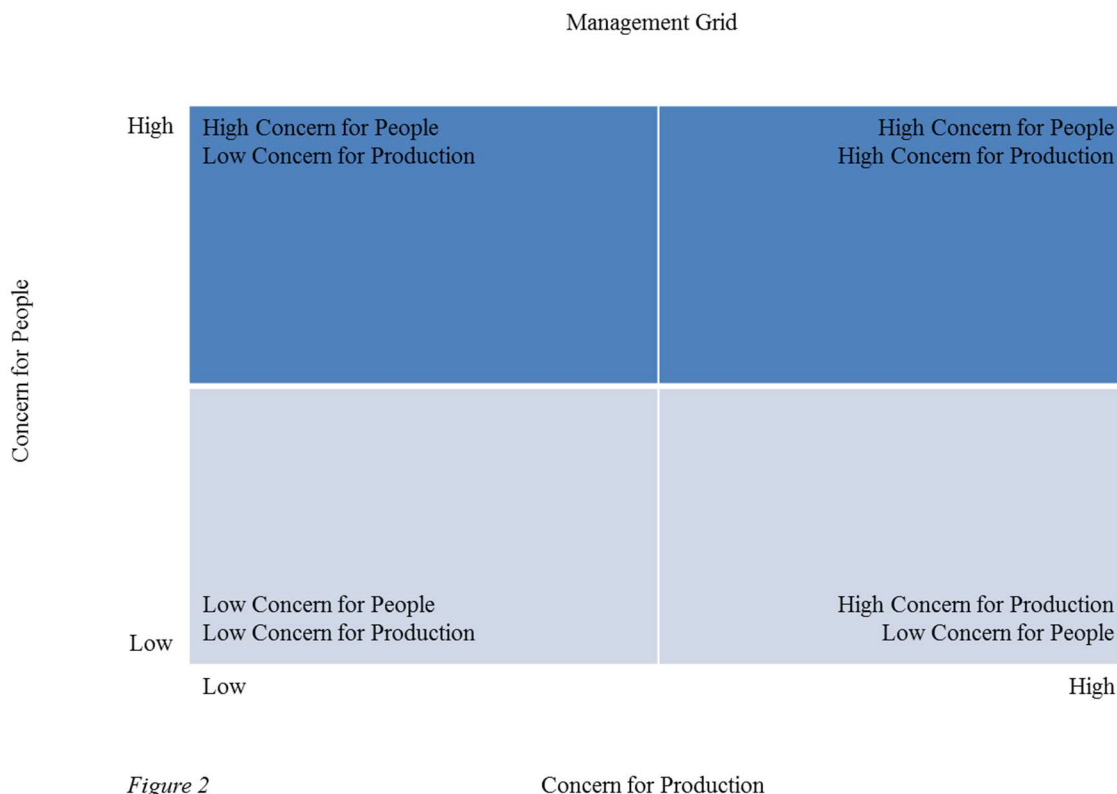


Figure 1. Situational leadership model

The management grid model developed by Blake, Mouton, and Bidwell (1962) was based on two key variables of concern for production and concern for people. Hersey and Blanchard (1982) suggested that expressed concern reflects an attitudinal approach to management theory as opposed to a behavior based model that is conducive to situational leadership, but they are quick to point out that both approaches make positive contributions towards organizational development.

Figure 2 depicts the management grid with levels of concern for people representing the vertical axis and levels of concern for production representing the horizontal axis (Blake, et al. 1962). The objective of the management grid is for leaders to first assess where they fall within the management grid. The final objective is for

leaders to aspire to the upper right quadrant of having high concern for people and high concern for production (Blake, et al. 1962).



The alignment of key intelligences such as cognitive, emotional, and spiritual with Maslow’s hierarchy of needs as articulated by Wigglesworth (2012) is one of the premises of the study. The other premise of the study is that leadership styles such as transactional, transformational, and servant leadership also align with Maslow’s hierarchy of needs. Transactional leadership style aligns with Maslow’s lower level of needs as transformational leadership style aligns with Maslow’s higher levels of needs (Whetstone, 2002). Wigglesworth suggested that spiritual intelligence aligns with Maslow’s highest need of self-actualization.

The work on transformational leadership style by Bass (1985; 1999) was compared to servant leadership. Several studies have already demonstrated that leaders high in emotional intelligence also exhibit a transformational leadership style (Batool, 2013; Alegre & Levitt, 2014; Yunus & Anuar, 2012). Servant leadership style as articulated by Greenleaf (1997) and Dierendonck (2011) places a stronger focus on follower objectives than self-interests and aligns more with ethical leadership than transformational leadership style (Sendjaya & Sarros, 2002; Stone et al. 2004; Van Wart, 2014; Whetstone, 2002).

The study contributes to management theory by providing an empirical analysis on the relationship between emotional intelligence and servant leadership style. This study could be a step in the research process towards eventual analysis around the relationship between spiritual intelligence and servant leadership. In recognition of hesitancy for leaders within the U.S. banking industry to participate in a study that reveals leadership style, I purchased access to a database of over 200 U.S. based financial institutions to solicit small business bankers (Qualtrics, 2016). A composite survey was used consisting of two self-report survey instruments that have been vetted for validity and reliability (Barbuto & Wheeler, 2006; Canon, et al. 2000).

Literature Review

Managing Change

Change management has become commonplace and continuous in most organizations as managers are now tasked with implementing change quickly and efficiently. Downsizing has become the norm with little regard on employee turnover,

production, or job satisfaction (Bragger, Kutcher, Menier, Sessa, & Sumner, 2014; Gilley, Shelton, & Gilley, 2011). In order to maintain competitiveness in the global economy, organizations are seeking new ways to design and respond to change by being more creative and innovative (MacCormick & Parker, 2010; Taylor, Hoyler, & Verbruggen, 2010).

The relationship between leadership and effective organizational performance was explored with initial emphasis on the continuum approach of transactional to transformational leadership (Rowold & Rohmann, 2009). Transactional leadership motivates followers by addressing Maslow's lower levels of needs whereas transformational leaders focus on the higher needs of self-actualization and self-fulfillment (Whetstone, 2002). The study by Rowold and Rohmann investigated the contribution of different leadership styles to subjective performance indicators and found that transformational leadership had more influence on the outcomes than transactional leadership.

Research has started to move away from transformational leadership, with increased emphasis on the interaction between leader and follower (Dierendonck, 2011). Transformational leadership utilizes the charismatic traits of the leaders to create the perception that followers are empowered to meet the objectives of the organization but without changing the moral relationship between leaders and followers (Whetstone, 2002). In order to address the moral obligations of leadership, leaders must allow the desire to serve people to supersede organizational objectives (Stone et al. 2004). When

the desire to serve people supersedes organizational objectives, a servant leadership style emerges (Stone et al. 2004).

The challenge of change management is complex with a myriad of personality characteristics, leadership styles, types of intelligence, and various behaviors that have been linked to change management strategies. Social scientists have commonly analyzed various personality characteristics and leadership styles to predict behaviors that can influence the ability of an organization to reach its objectives. Transformational and Servant leadership styles, compared with emotional intelligence, were the theoretical framework for explaining specific behaviors that effect organizational change. The focus of this study has the end objective of organizational effectiveness regarding change through a study of emotional intelligence and servant leadership style.

The main components of the theoretical framework are illustrated in Figure 3.

	Low Empathy		High Empathy
Intelligence	Cognitive Intelligence (IQ)	Emotional Intelligence (EQ)	Spiritual Intelligence (SI)
Leadership Style	Transactional	Transformational	Servant
Maslow's Needs	Physiological/Safety	Love/Belonging	Esteem/Self-Actualization

Figure 3. Theoretical framework.

The alignments between types of intelligence, leadership styles, and Maslow's hierarchy of needs are illustrated within the figure, with empathy as a potential moderating variable. Figure 3 suggests a linear relationship between the components as the theoretical framework hinges on the belief that leadership behaviors could be explained by exploring the alignment of types of intelligences and leadership styles with the end objective of bringing followers closer to Maslow's concept of self-actualization.

Leadership Styles

The relationship between leadership and power can create positive transformational change within an organization but power can have significant effect if placed with an individual of questionable character or whose self-interests supersede what is best for the organization. Idealistically organizational objectives should supersede egoistic or self-interests but there are leaders that effectively use power to manipulate the resources of the organization for their own personal gain. Throughout history, there are examples of leaders utilizing power to achieve their objectives.

The literature on leadership has placed significant focus on how a leader obtains and utilizes power. There is a need to study emotional intelligence and leadership style of leaders and its influence on their behaviors. Emotional intelligence has been shown to have a positive effect on organizational performance (Alegre & Levitt, 2014; Batool, 2013; Boyatzis et al. 2012; Goleman, 1995; Harms & Crede, 2010; Salovey & Mayer, 1989; Stone, et al. 2004; Whetstone, 2002). A leader can effectively obtain and utilize

power through emotional intelligence but there is a need to consider the moral relationship between leader and follower to prevent a less than desirable outcome.

The former dictator of Sierra Leone, Foday Sankoh, was intelligent and charismatic (Hogan & Kaiser, 2005). Intelligence and charisma are often personality characteristics associated with leaders that effect positive change. Sankoh was particularly influential with underserved teenagers as he gained their belief and trust that he would reform education and healthcare (Hogan & Kaiser, 2005).

The ability to gain trust is another characteristic associated with leaders that effect positive change (Heffernan, O'Neill, Travaglione, & Droulers, 2008; Yunus & Anuar, 2012). Instead of redistributing diamond revenues, Sankoh used the revenues to pay his soldiers and to buy arms (Hogan & Kaiser, 2005). Enforcement of his leadership was carried out by amputating appendages of those who did not follow where the incentive for the soldiers were cash payouts and perquisites for those with the most appendages (Hogan & Kaiser, 2005). The result of Sankoh's leadership was that he was convicted by an international court for several crimes against humanity (Hogan & Kaiser, 2005).

Negative Leadership Style

Tyrannical leadership is a term often associated with leaders that go to the extreme in using power to manipulate organizational resources. Leadership should not be narrowly defined only as positive change agents because without a moral compass, leaders can transform an organization with devastating effects on society (Whetstone, 2002). Hogan and Kaiser (2005) posed the suggestion that the question is not "who shall rule but who should rule" (p. 169)? Transformational leadership styles have historically

been presented as positive change agents but demand has increased for a “more ethical, people-centered management” (Direndonck, 2011, p. 1228).

Servant leadership has been shown to differ from transformational leadership style as the focus of the leader shifts to a higher plane of motivation as service to the followers becomes priority to organizational objectives (Stone et al. 2004; Russell & Stone, 2002). In order for a leader to be defined as exhibiting negative leadership or destructive leadership, a pattern of behavior needs to be identified (Schilling, 2009).

Destructive Leadership Style

Destructive leadership focuses on repeated and systematic behaviors (Einarsen et al. 2007). In addition, the four types of negative leadership styles as characterized by Schilling (2009) are laissez-faire leadership, tyrannical leadership, popular-disloyal, and derailed leadership. There are similarities between negative leadership (Schilling, 2009) and destructive leadership behavior as defined by Einarsen et al. (2007). Destructive leadership tracks the two behavioral domains of behaviors directed towards subordinates and behaviors directed towards the organization as opposed to negative leadership, which does not recognize constructive leadership behavior that supports subordinate and organizational behavior (Einarsen et al. 2007).

Figure 4 depicts a model of destructive and constructive leadership behavior (Einarsen et al. 2007). The vertical axis represents increasing levels of supportive subordinate behavior whereas the horizontal axis represents the increasing levels of organizational behavior. The categories in red (Laissez-faire leadership and Popular-Disloyal leadership) represent two negative leadership styles as defined by Schilling

(2009) that fit within the model. The categories in blue (derailed leadership and tyrannical leadership) represent categories identical to Schilling (2009).

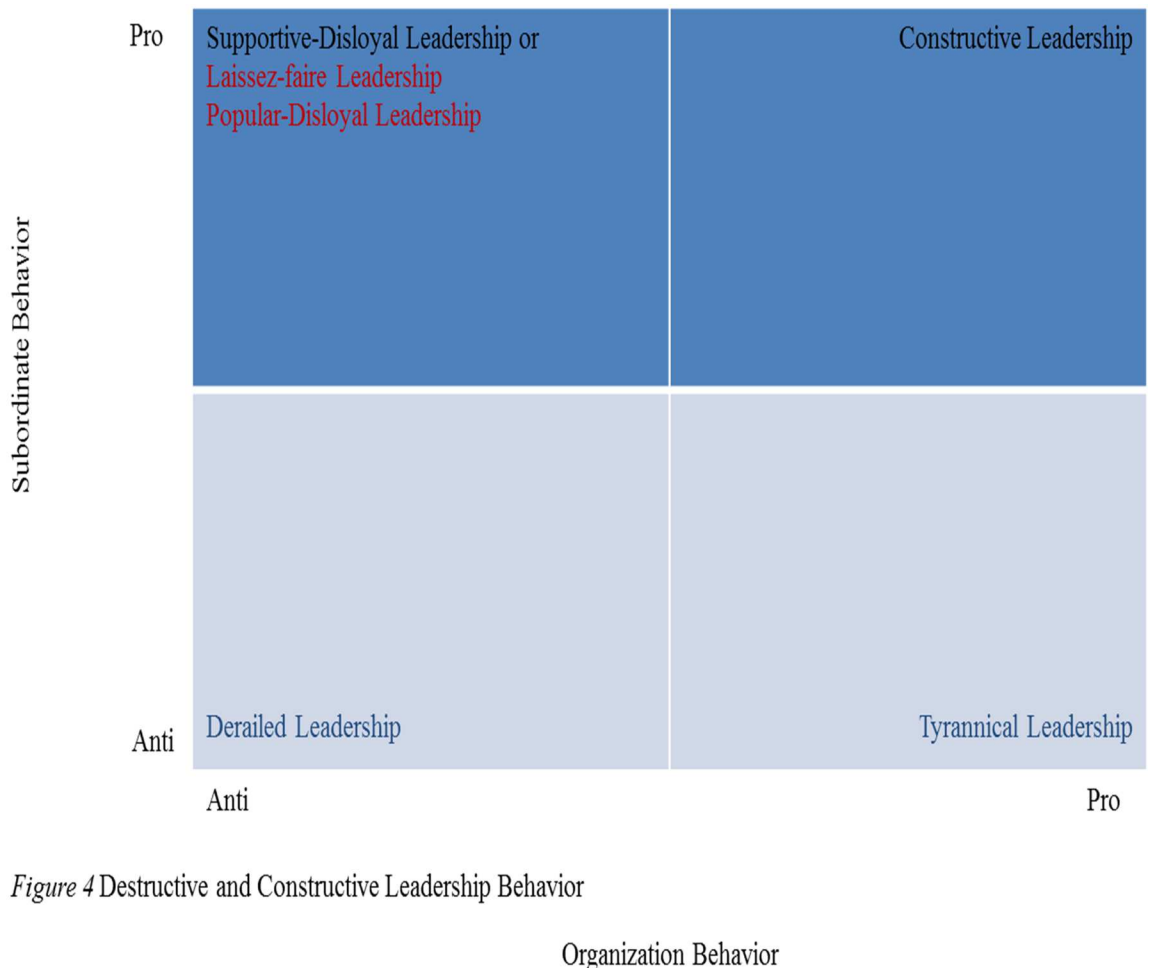


Figure 4 Destructive and Constructive Leadership Behavior

The ability to identify negative or destructive leadership styles reduces the risk of employing leaders whose self-interests outweigh what is best for the organization. The intent of a leader demonstrating destructive leadership behavior may not be to cause harm to subordinates or the organization but a lack of thoughtfulness or sensitivity can in fact be harmful (Einarsen et al. 2007). Thoughtfulness and sensitivity correlate to emotional

intelligence. Therefore, the study of emotional intelligence can help to explain negative leadership or destructive leadership behavior.

Arrogant Organization Disorder

Arrogant organization disorder occurs when disruptions to organizational learning is prevalent (Godkin & Allcorn, 2009). The concept of arrogant organization disorder evolved from one of Ronningstam's (2005) three types of pathological narcissism as cited in Godkin & Allcorn (2009). Arrogant narcissism as articulated by Ronningstam (2005) aligns with narcissistic behaviors as defined by the American Psychiatric Association (2000). The 11 criteria for arrogant organizational disorder are as follows:

1. Exceptional pride is held for the organization, its accomplishments and great hope is held for future successes. Leaders see few limitations regarding what may be accomplished and are not inhibited as to how to accomplish goals.
2. Feelings of exceptional entitlement support exploitation of others, customer and the public interest.
3. When excessive pride is threatened and the pursuit of goals frustrated envy and rage arise. The leader or management group becomes hyperactive and willing to expend limitless time and energy to succeed and win out over rivals including aggression often tinged with sadism and revenge.
4. There is a history of firings and demotions and of non-supporters and resisters being banished to internal organizational Siberias. Resistance is a threat and will not be tolerated.
5. Management by intimidation is common.

6. Fear suppresses accurate reality testing and creativity
7. Filtered information flows alter organizational reality and magical thinking is present. Operating problems it may be seemingly thought will pass without taking action to resolve them. It is too dangerous to confront management behavior that contributes to problem generation and perpetuation.
8. Others are frequently blamed and scapegoated
9. The sense of mood within the organization is unpredictable where one day a great success is celebrated and a week later there exists despair over not achieving the smallest of goals.
10. Many in the organization are alienated from the organization and its leadership group preferring to hide out in their foxholes (offices and cubicles).
11. In and out group dynamics are polarized and there is considerable evidence of distressing and destructive internal competition and open warfare. (Godkin & Allcorn, 2009, p. 45)

The key personality characteristic that changes the behavior from normal narcissism to arrogant narcissism is the lack of empathy, which aligns with hubris or outrageous arrogance from Falk & Blaylock (2012). The American Psychiatric Association (APA) lists “nine narcissistic behaviors that constitute narcissistic personality disorder” (APA, 2000) as cited in Ehrich et al. (2012). To be diagnosed with the psychopathic behavior of narcissism, the person to be diagnosed must exhibit at least five of the nine traits (Ehrich et al. 2012).

Narcissistic behavior among leaders has been shown to influence organizational learning (Godkin & Allcorn, 2009). Specifically, narcissistic behavior is described as “a pervasive pattern of grandiosity (in fantasy or behavior), need for admiration, and lack of empathy” (First & Tasman, 2004, p. 1258) as cited in Godkin & Allcorn (2009). Similarly, to the diagnosis for psychopathic behavior of narcissism only 7 of the 11 criteria for arrogant organizational disorder must be present for an organization to be deemed as dysfunctional and exhibiting arrogant organizational disorder (Godkin & Allcorn, 2009).

Egoistic behavior is synonymous to narcissistic behavior and involves using others for personal gain (Washbush & Clements, 1999). There are leaders that demonstrate narcissistic behavior with the ability for empathetic feelings and “constructive narcissists” can be ambitious while getting along well with others (Ehrich et al. 2012, p. 8). Rosenthal and Pittinsky (2006) stated that a narcissistic leader could potentially inspire followers by exhibiting transformational leadership characteristics, but they argue that leadership inspired by egocentric objectives cannot coexist with the prosocial objectives of transformational leadership.

When a leader is placed in a situation where what is best for the organization conflicts with what is best for the individual, then the leader experiences cognitive dissonance (Eberlin & Tatum, 2005). Research has shown that personality characteristics such as empathy and charisma correlate with transformational and servant leadership styles (Alegre & Levitt, 2014; Belias & Koustelios, 2014; Harms & Crede, 2010; Ismail, Mohamad et al. 2010; Judge & Bono, 2000; Northouse, 2013; Stone et al. 2004). There is

also research that supports the theory that situational variables such as compensation or internal processes affect organizational effectiveness and that leadership is akin to a process as opposed to an individualistic ideal (Vroom & Jago, 2007). There is consensus that leaders must utilize a specific leadership style contingent upon the situation they are facing (Algahtani, 2014; Dierendonck, 2011; Emery & Barker, 2007; Fiedler, 1971; Vroom & Jago, 1988, 2007).

Transformational Leadership:

Burns (1978) made the distinction between transactional leadership and transformational leadership whereas transactional leadership describes the completion of a series of transactions between leaders and followers and transformational leadership involves the literal transformation of an organization (as cited in Warrick, 2011). In an environment of high job insecurity, laborers' need to be in working environments where there is a strong belief that their individual contributions or capabilities contribute to organizational effectiveness.

This belief in individualized capabilities on influencing organizational objectives has been termed as self-efficacy and there is a positive correlation between transformational leadership style to self-efficacy (Walumbwa, Avolio, & Zhu, 2008). Bass (1985) discussed idealized influence, inspiration, intellectual stimulation, and individual consideration as specific behaviors of transformational leadership (as cited in Warrick, 2011) all of which seem to reference back to clearly identifying individual needs but the transformational leader delves deeper in needs identification by understanding the socio-cultural implications of those needs.

There is value for leaders to align with leaders that share their individual values and moralities. Perhaps there are indicators to predict leadership behavior that could allow organizations to identify or develop global management competency. Particular focus is placed on the banking industry, as there are potential application opportunities when managing mergers and acquisitions or in managing a global organization. Since banking as an industry represents a key component of economic development, it makes sense that there is an opportunity to enhance the economic condition by studying the leadership styles of banking within a global context.

A review of the top ten U.S. based financial institutions collected by the Federal Reserve System will produce a list of holding companies that all have a global presence (Federal Financial Institutions Examination Council, National Information Center, 2013). Contributing to the research gap of information on leadership behavior is a perceived unwillingness of large U.S. based financial institutions to share internal information such as leadership assessments. Conversations with human resource directors regarding access to leadership style assessments revealed reluctance to disclose even basic demographic information such as race and gender.

Comparisons between leadership styles and personality characteristics are appropriate to be able to predict leadership behavior. In order to anticipate changes in behavior, it is important to recognize contemporary examples of how leaders potentially low in emotional intelligence end up making bad decisions. The financial institution JP Morgan Chase was chided by the media and press for purchasing a new luxury corporate jet shortly after receiving TARP monies (Chuchmach, Ross, & Rhee, 2009; Warrick,

2011). From conversations with executives within the banking industry, this behavior was not surprising as they often recalled examples of senior executives publishing large pay increases while at the same time implementing massive layoffs and budget cuts to various departments. It is hard to imagine a leader that demonstrates high levels of self-awareness, self-regulation, and empathy to approve such measures as new luxury corporate jets and pay increases in the midst of a global financial crisis.

An identified weakness of transformational leadership is that it can be effectively used for immoral ends such as in the case of Adolf Hitler and Attila the Hun (Whetstone, 2002). The reality, perception, or suspicion of manipulation of followers for a leader's self-interests requires a focus on the moral relationship between leaders and followers (Van Wart, 2014; Whetstone, 2002). Transformational leadership models "must deal with the variation between the appearance and reality of ethical behavior" (Van Wart, 2014, p. 28). Transformational leadership theory is not sufficient in explaining ethical leadership behavior as demonstrated by transformational leaders that act in disregard for the proper intent, proper means, and proper ends for doing good (Dierendonck, 2011; Van Wart, 2014; Whetstone, 2002).

Servant Leadership

Greenleaf (1977) has been credited with introducing the term servant leadership as a model of leadership where the leader puts priority on the welfare of followers over the leader's own self-interests as well as organizational objectives (Dierendonck, 2011; Northouse, 2013). Servant leaders place emphasis on the needs and aspirations of others over their own (Sendjaya & Sarros, 2002; Stone et al. 2004; Whetstone, 2002). Greenleaf

(1977) constructed the notion of servant leadership based on a mythical story about a spiritual pilgrimage where the fictional character Leo acts as servant to a group of men but emerges later as the leader when the group falls into disarray once Leo leaves (Sendjaya & Sarros, 2002).

Servant leadership is a model with similarities to ethical leadership and takes into account stakeholders from a stewardship perspective (Dierendonck, 2011). Both transformational and servant leadership models are grounded in “people-oriented leadership styles” (Stone et al. 2004, p. 4). This leadership model differs from transformational leadership in that the organizational objectives are subordinate to serving the needs of the followers (Stone et al. 2004). Consensus around the theoretical framework and definition of servant leadership has been elusive but the majority of the research around servant leadership has evolved from Spears (1995) identification of 10 characteristics of servant leadership (Dierendonck, 2011; Sendjaya & Sarros, 2002).

Listening, empathy, healing, awareness, persuasion, conceptualization, foresight, stewardship, commitment to the growth of people, and building community are the 10 characteristics distilled by Spears (1995) as the former director of the Greenleaf Center for Servant Leadership (Dierendonck, 2011). Ehrich et al. (2012) presented a conceptual paper calling for the need for more humane forms of leadership in their comparison of narcissistic leadership to service-oriented leadership. Service-oriented leadership is defined as leadership that is other-serving, focused, and drawing upon the moral authority of the leader (Ehrich et al. 2012). The term service-oriented leadership is used as an

alternative to servant leadership in recognition of the negative connotations regarding the use of the term servant (Ehrich et al. 2012).

The industrial revolution ushered in an industrial capitalist system where corporate profits, power, and massive size took priority over social justice and environmental concerns (Hawken, 2007). Legislation has allowed corporations based in the United States (U.S.) the freedom to pursue the interests of shareholders by maximizing profits with limited obligations towards stakeholders such as employees, customers, suppliers, and financiers (Bakan, 2004; Greenleaf, 1977). Tombs and Whyte (2015) suggested that the ethical mishaps of corporations could not be addressed by self-regulation or law enforcement, but rather that the corporation is a short-lived construct dependent upon state political and legislative activity. Media headlines reveal public demand for more ethical and people-centered leadership, and although transformational leadership may meet the need of a people-centered style of leadership, the model on servant leadership could fulfill the need for ethical leadership (Dierendonck, 2011).

Fry (2003) found that spiritual leadership is necessary for not only the transformation into a learning organization but for the continued success of these organizations as it is founded on the fundamental needs of follower and leader. There is agreement among scholars that the majority of research on servant leadership has used the 10 characteristics of servant leadership as outlined by Spears (1995) with the theoretical foundation that servant leaders are more likely to place a lower priority on self-interests (Barbuto & Wheeler, 2006; Dierendonck, 2011; Sendjaya & Sarros, 2002; Stone et al. 2003; Whetstone, 2002).

Servant leadership has received criticism from an application perspective, as servant leaders are potentially vulnerable to manipulation by followers (Bowie, 2000) as cited in Whetstone (2002) and difficult to imagine, e.g., in the case of a prison guard as servant leader (Whetstone, 2002). The leadership training industry has focused primarily on organizational performance at the expense of the followers, which has created the need for emphasis on morality and spirituality (Sendjaya, 2015). Opportunity can be found for additional research that will give credence to this positive approach to organizational behavior and leadership effectiveness (DuPlessis, Wakelin, & Nel, 2015).

Emotional and Spiritual Development in Leaders

Emotional Intelligence

Salovey and Mayer (1989) first introduced the concept of emotional intelligence, but the work of Goleman (1995) brought the idea of emotional intelligence from academia to the practitioner of leadership theory. The intellectual lineage of emotional intelligence traces back to the works of social intelligence by Thorndike (1920) as cited in Mayer and Salovey (1993). Thorndike's definition of social intelligence as "the ability to perceive one's own and others' internal states, motives, and behaviors" (Mayer & Salovey, 1993, p. 435), appears to align with Goleman's (1995) definition of emotional intelligence. The measurement of social intelligence with its trait-based constructs did not prove to have better discriminant validity than the ability-based constructs of Salovey and Mayer (1990; 1993).

Research has documented the connection between emotional intelligence and transformational leadership style as well as leadership effectiveness in global

management (Batool, 2013; Cotae, 2006; Paradi, Vela, Haiyan, 2010; Reilly, Karounos, 2004). Simply put, a leader that exhibits high emotional intelligence has the ability to know their own emotions and to read others' emotions as well. Several studies explored trust as an effective component linking emotional intelligence with transformational and servant leadership styles (Joseph & Winston, 2005; Heffernan, O'Neill, Travaglione, & Droulers, 2008; Yunus & Anuar, 2012). Studies on leadership have demonstrated that leaders that demonstrate high levels of emotional intelligence were also known to exhibit transformational leadership styles (Batool, 2013; Alegre & Levitt, 2014; Yunus & Anuar, 2012).

Confirmation bias occurs when an individual interprets evidence in a manner that is biased towards partial or existing beliefs or expectations (Nickerson, 1998).

Understanding the values of the organization as well as the individual plays a key role in preventing cognitive errors (Eberlin & Tatum, 2005). A clear understanding of how confirmation bias can contribute to organizational justice or social forms of justice is effective in sound managerial decision-making (Eberlin & Tatum, 2005).

There is research that links personality traits and leadership styles to positive outcomes (De Cremer & Van Dijk, 2005; Eberlin & Tatum, 2005; Emery & Barker, 2007; Ismail et al. 2010; Algahtani, 2014; Maner & Mead, 2010; Strang & Kuhnert, 2009; Warrick, 2011). Specifically, there is research that links emotional intelligence to positive outcomes (Batool, 2013; Boyatzis et al. 2013; Goleman, 1995; Harms & Crede, 2010; Salovey & Mayer, 1989; Yunus & Anuar, 2012). The study regards the levels of

emotional intelligence and specific personality characteristics that correlate to specific types of leadership style within the U.S. commercial banking industry.

Table 1 represents a summary of the “past qualitative reviews of the traits of Effective or Emergent Leaders” (Judge et al. 2002, p. 766).

Table 1 *Past Qualitative Reviews of the Traits of Effective or Emergent Leaders*

Daft (1999)	Stogdill (1948)	Hogan et al. (1994)	House & Aditya (1997)	Mann (1959)
alertness	dependability	urgency	achievement	adjustment
originality,	sociability	agreeableness	motivation	extroversion
creativity	initiative	conscientiousness	prosocial influence	dominance
personal	persistence	emotional	motivation	masculinity
integrity	self-confidence	stability	adjustment	conservatism
Self-confidence	alertness		self-confidence	
	cooperativeness			
	adaptability			
Northouse (1997)	Bass (1990)	Yukl (1998)	Kirkpatrick & Locke (1991)	Yukl & Van Fleet (1992)
self-confidence	adjustment	energy level and	drive (achievement,	emotional
determination	adaptability	stress tolerance	ambition, energy,	maturity
Integrity	aggressiveness	self-confidence	tenacity, initiative)	integrity
sociability	alertness	internal locus of	honesty/integrity	self-confidence
	ascendance,	control	self-confidence	high energy
	dominance	personality	(emotional stability)	level
	emotional	integrity		stress
	balance,	socialized power		tolerance
	control	motivation		
	independence,	achievement		
	nonconformity	orientation		
	originality,	low need for		
	creativity	affiliation		
	integrity			
	self-confidence			

Table 1 demonstrates how research regarding the personality characteristics of effective leaders has primarily been qualitative (Judge et al. 2002). The objective of the

study was to build upon the qualitative work of Falk and Blaylock (2012) with a quantitative study that will measure emotional intelligence against servant leadership styles. Qualitative studies that compare and contrast transformational leadership to servant leadership have helped to pave a path for quantitative studies that advance management theory with empirical data (Stone et al. 2004; Whetstone, 2002).

During the 1990s trait based theories were challenged for their limitations in not given consideration to situational variables that contribute to behavior (Pervin, 1994), which aligns with theories articulated by Vroom and Jago (2007). Trait theorists do not suggest that a specific trait would be exhibited regardless of the situation but that traits are descriptive or explanatory concepts for implied overt behavior (Pervin, 1994). Pervin challenges trait based models as being a static representation of an individual and does not adequately describe or explain personality. McRae (1994) aligns with Pervin (1994) by agreeing that traits are not static and do not complete the psychology around personality, but points out that traits are intimately linked to motives and that relationship presents a good foundation for empirical and conceptual research.

Studies are emerging that study transformational leadership and job satisfaction (Belias & Koustelios, 2014) as well as emotional intelligence and organizational effectiveness (Malik, Danish, & Munir, 2011), but the focus has primarily been on non-U.S. based banks. In a study of 75 civic leaders and 401 of their followers, emotional intelligence was found to be a good predictor of a leader's servant leadership type approach but not necessarily, their actual behavior based on follower feedback (Barbuto et al. 2014). Emotional intelligence and trust in the manager were found to have

significant relationships with servant leadership in a quantitative study involving 154 participants from organizations within the South African industry sectors of media and pharmaceuticals (Du Plessis et al. 2015). The opportunity to extract empirical data for U.S. based banks with synonymous design structures to the previously mentioned studies continues to exist.

Spiritual Intelligence

Management theory has changed significantly from the early days of Taylor's scientific management theory as a means to improve productivity through rigid controls and accountability for an industrialized economy (Morgan, 2006). Taylor's work helped to improve productivity in a time when assembly lines were innovative, but Maslow's work around Eupsychian management theory introduced self-actualization as the top of the well-known hierarchy of needs pyramid (Maslow, 2000). Maslow's basic needs are physiological, safety, love, esteem, and self-actualization (Maslow, 2000). Wigglesworth (2012) aligned these needs with Maslow by describing key intelligences such as physical intelligence (PQ), cognitive intelligence (IQ), emotional intelligence (EQ), and introduces spiritual intelligence (SQ) in parallel with Maslow's (2000) self-actualization. Figure 5

shows a pyramid on the types of intelligence as influenced by Wigglesworth (2012).

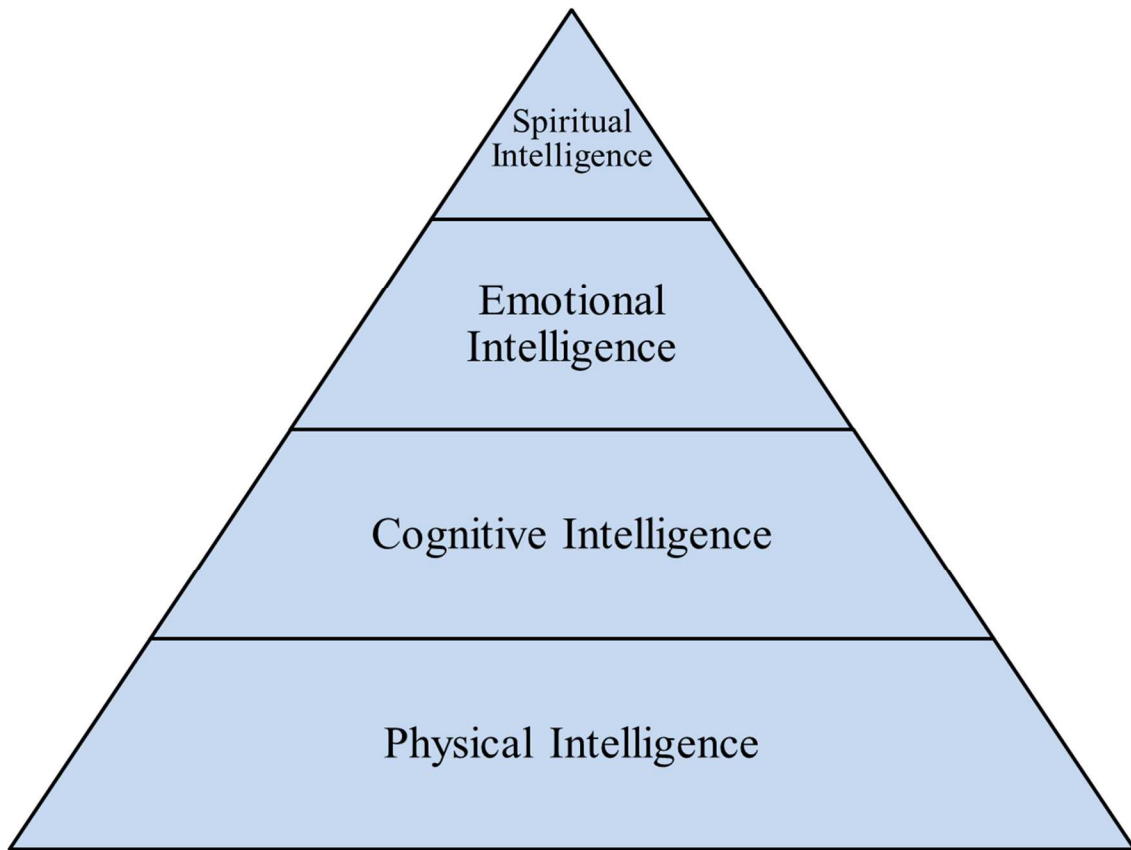


Figure 5. Types of Intelligence

Figure 6 represents Maslow's hierarchy of needs (2000).

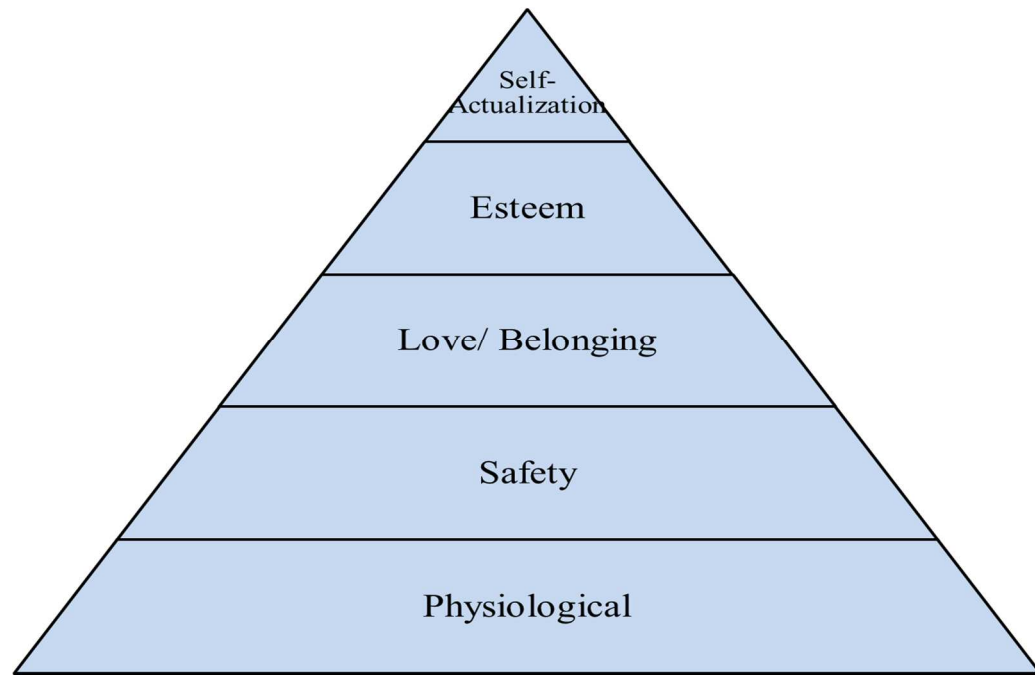


Figure 6. Maslow's Hierarchy of Needs

A newborn baby starts learning physical intelligence as they learn to crawl and then walk followed by cognitive intelligence through reading and writing, then emotional intelligence and finally spiritual intelligence (Wigglesworth, 2012). Although both processes appear linear as you follow the pyramid to the top and correlations were found between age and emotional intelligence, it is not intended to be a linear process (Goleman, 1995; Maslow, 2000; Wigglesworth, 2012).

Spiritual intelligence is “the ability to behave with wisdom and compassion, while maintaining inner and outer peace, regardless of the situation” (Wigglesworth, 2012, p. 8). Spiritual intelligence is not to be confused with spirituality or religion whereas spirituality is defined by the author as “the innate human need to be connected to something larger than ourselves, something we consider to be divine or of exceptional

mobility” (Wigglesworth, 2012, p. 8). Religion “is a specific set of beliefs and practices, usually based on a sacred text, and represented by a community of people”

(Wigglesworth, 2012, p. 8).

Badrinarayanan and Madhavaram (2008) stated that employees come to work with their spiritual needs within their inner self, and organizations need to recognize these needs. Tang and Chiu (2003) talked about the love of money and how this desire among American adult consumers, can drive executives towards corrupt and scandalous practices. Most human beings are born with the basic neurological wiring for emotions with exceptions given to those that suffer from rare disorders but emotional and spiritual intelligence are described as a journey an individual takes where one’s self-interests are managed against the higher self or for a higher purpose (Goleman, 1995; Wigglesworth, 2012).

Spiritual Intelligence/Servant Leadership

Following the suggestion of Wigglesworth (2012) that spiritual intelligence is the next evolutionary stage from emotional, cognitive, and physical intelligence in advancing intelligence theory, the question can then be raised on whether the same model can be applied to leadership styles. Research has demonstrated a connection between emotional intelligence and transformational leadership style (Batool, 2013; Cotae, 2006; Paradi, Vela, Haiyan, 2010; Reilly, Karounos, 2004), but is there a positive correlation between spiritual intelligence and servant leadership?

In a quantitative study of 550 nurses in Malaysia, a positive correlation between spiritual intelligence and emotional intelligence was found (Kaur, Sambasivan, & Kumar,

2013). Although the study by Kaur et al. (2013) made reference to other studies that found a positive correlation between spiritual intelligence and emotional intelligence (Hosseini, Elias, Krauss, & Aishah, 2010; Zohar, 2012), the intellectual lineage of the definitions of emotional intelligence and spiritual intelligence was not made clear.

The book by Zohar (2012) follows the work of Goleman (1995) for emotional intelligence and Gardner (1985) for spiritual intelligence and the study by Hosseini et al. (2010) follows Goleman and Gardner. Of particular interest was the suggestion that spiritual intelligence influences emotional intelligence (Kaur et al. 2013). Spears (1995, 1998) contributed to the application aspects of spiritual intelligence in two collections of essays from top management thinkers expounding on how Greenleaf's (1977) theories continue to grow in necessity for understanding leadership behaviors.

In another quantitative study involving 52 graduates of the National School of Political Administrative Studies in Bucharest, participants were tested for emotional intelligence and spiritual intelligence (NIȚĂ, 2014). The study by NIȚĂ used an adaptation of emotional intelligence tests belonging to Bar-On and Goleman combined with a spiritual intelligence test that lacks scientific rigor or been tested for validity and reliability. Unfortunately, the study by NIȚĂ cannot be generalized as the tests were not applied to a representative sample of the population and the surveys used were not proven valid or reliable.

Empirical studies are emerging that explore the relationship between emotional intelligence and spiritual intelligence or spirituality (Hosseini et al. 2010; Kaur et al. 2013; Lee-Flores, Green, Duncan, & Carmody-Bubb, 2013; NIȚĂ, 2014; Zohar, 2012).

Studies that explore the relationship between emotional intelligence and servant leadership have not been pursued even though acknowledgement of the relationship has been discussed and analyzed (NIȚĂ, 2014). There is an application need to establish foundational research on emotional intelligence among leaders within the U.S. banking industry to improve employee engagement, customer fulfillment, and shareholder value. There is also an opportunity to advance management theory with empirical data that continues the exploration of emotional intelligence to leadership style as a mechanism to explain leadership behavior.

Summary and Conclusions

Research on emotional intelligence and transformational leadership has primarily focused on distinct themes alternating between trait based and abilities based definitions. Some scholars have produced studies that use an ability-based definition and measurement of emotional intelligence (Ashkanasy & Daus, 2005) as cited in Alegre et al. 2014. The majority of research has used self-report measures to follow a trait or abilities based definition of emotional intelligence (Alegre et al. 2014; Batool, 2013; Boyatzis et al. 2013; Goleman 1995). In order to align with the ethical objectives of leaders as positive change agents, servant leadership should be explored for its connection to emotional intelligence with future research opportunities to explore spiritual intelligence to servant leadership.

The dearth of research on leadership styles for U.S. based banks allows the conclusion to be drawn that there is reluctance to elucidate leadership behavior. An abilities based approach would require surveying input from peers and subordinates of

leaders that have already demonstrated reluctance to research on leadership behavior (Falk & Blaylock, 2012). There are several instruments to measure Servant Leadership. Some of the survey instruments that have had several peer-reviewed articles along with psychometric analysis are the Servant Leadership Scale (Ehrhart, 2004), SLQ (Barbuto & Wheeler, 2006), Servant Leadership Scale (Liden, Wayne, Zhao, & Henderson, 2008), SLBS (Sendjaya, Sarros, & Santora, 2008), and the Servant Leadership Survey (Dierendonck & Nuijten, 2011) (Green, Wheeler, Baggerly-Hinojosa, 2015). The majority of the survey instruments that have been vetted for validity and reliability, measure servant leadership from the followers' perspective with the exception of the questionnaire developed by Barbuto and Wheeler (2006) that includes a self-version of the servant leadership questionnaire.

Goleman (1995) has succeeded in making emotional intelligence a familiar term with banking executives who have informally expressed an interest in knowing their level of emotional intelligence. This study builds upon past qualitative studies by focusing primarily on the variables of emotional intelligence and servant leadership style as a predictor of leadership behavior. The study deviates from economical and legislative approaches to addressing the financial crisis of 2007-2009 by building upon the work of Falk and Blaylock (2012) in looking at specific traits that have been linked to specific leadership styles as a basis of insight on leadership behavior during the financial crisis.

Chapter 3: Research Method

The purpose of this quantitative, correlational study was to examine whether a convenience sample of leaders within the U.S. banking industry demonstrating strong servant leadership attributes also exhibit high levels of emotional intelligence. Two quantitative survey instruments were combined into a composite survey and used for small business banking leaders to self-report their perceived levels of servant leadership and emotional intelligence. The dependent variable of emotional intelligence was tested against the independent variable of servant leadership. I used Section B to test for emotional intelligence as validated by Carson et al. (2000). I used Section A to test for servant leadership utilizing the SLQ as validated by Barbuto & Wheeler (2006). In Chapter 3, I clarify how the research design and sampling strategy align with the stated research question and hypotheses.

Research Design and Rationale

Because I do not introduce any kind of stimulus, a classical design approach or the stimulus-response design were not appropriate for this study (Frankfort-Nachmias & Nachmias, 2008). The lack of stimulus also negates the need for a time-series design. For this study, emotional intelligence and servant leadership were treated as ordinal levels of measurement. The independent variable was emotional intelligence and servant leadership style was the dependent variable. The mediating variable of potential interest was empathy, as a correlation has been observed between the specific leadership styles of transformational and servant leadership (Alegre & Levitt, 2014; Belias & Koustelios,

2014; Harms & Crede, 2010; Ismail et al. 2010; Judge & Bono, 2000; Northouse, 2013; Stone et al. 2004).

A *t* test can be used “to determine whether a statistically significant difference exists between two means” (Leedy & Ormrod, 2013, p. 301). The assumptions of the *t*-test are that the test variable is normally distributed within the sample population, the variance for the population is equal, and that the scores from the test variable are independent of each other (Green & Salkind, 2011). Consideration was given for a sample size that may show kurtosis or skewed data. The unwillingness of the U.S. banking industry leaders to be tested for emotional intelligence or leadership style may reveal low levels of servant leadership styles and consequently skew the data.

When the assumptions of a parametric test have not been met, a nonparametric test can be used. Nonparametric statistical tests are often used when the data are ordinal rather than interval (Leedy & Ormrod, 2013). Nonparametric tests are used for distributions of data that do not fall within a normal distribution curve. Although the nonparametric tests are not as sensitive as parametric tests, the chi-squared test is used when there are two independent nominal variables to determine whether the values of one variable are related or dependent on the values of the second variable (Morrow, 2013).

The chi-square test calculates the difference between observed and expected frequencies or equal distribution (Johnson & Kilmer, 2013). The assumptions for the chi-square test are that the observations must be independent and the expected frequencies must be greater than five in each cell (Morrow, 2013). Another assumption of the chi-

square test is that the data are collected from a random sample (Green & Salkind, 2011). I used a convenience sample; therefore, I could not use the chi-square as a test.

The Wilcoxon signed rank test is used to compare the medians of two correlated variables and is the nonparametric equivalent of a dependent samples *t*-test (Leedy & Ormrod, 2013). The participants were tested for servant leadership and emotional intelligence simultaneously. The study follows a repeated-measures design, which will determine if participants change significantly across different occasions (Green & Salkind, 2011). The Wilcoxon signed rank test “is used in situations in which there are two sets of scores to compare” (Field, 2013, p. 228). For the study, a comparison between scores for servant leadership was compared to scores for emotional intelligence.

The research question was to determine if a correlation exists between emotional intelligence and servant leadership styles. If one variable increases and the other variable increases by a proportionate amount then a positive correlation is determined and conversely if one variable increases but the other variable decreases by a proportionate amount a negative correlation is observed (Field, 2013). The Pearson’s correlation coefficient is commonly used in the case of a bivariate correlation to determine the strength of the relationship of two variables (Field, 2013). The Pearson’s correlation coefficient is a parametric measure where the assumptions are that the variables are normally distributed and that the cases represent a random sample (Green & Salkind, 2011). When the assumptions of a parametric test are not met, a nonparametric measure can be used instead.

The Spearman's correlation coefficient is a commonly used nonparametric measure but involves data that is rank ordered and therefore not appropriate for the study as the collected data was ordinal (Field, 2013; Green & Salkind, 2011). Kendall's tau is another nonparametric measure that is used for small data sets of ordinal data (Field, 2013). The data that is appropriate for the Kendall's tau correlation must involve both variables being ordinal and it is especially useful for smaller sample sizes (Leedy & Ormrod, 2013).

There is precedence in using correlation analysis to compare variables. The effect of emotional Intelligence and trust on an Australian based bank (Heffernan et al. 2008), leader and organizational trust as compared to servant leadership (Joseph & Winston, 2005), and transformational leadership correlating with job satisfaction (Belias & Koustelios, 2014). Direct conclusions cannot be made that a correlation also represents causality (Field, 2013), but the need remains for more empirical data specifically regarding leadership styles within the U.S. banking industry.

Barbuto et al. (2014) conducted an empirical study that found emotional intelligence to be a good predictor of a leader's servant leadership ideology utilizing the same self-report survey instruments of this study. The authors addressed the different opinions on whether emotional intelligence is trait based and/or abilities based by suggesting that in practice emotional intelligence is considered to have both qualities even though they follow a trait based model for testing (Barbuto et al. 2014). The study by Barbuto et al. involved self-report assessments of 75 civic leaders and 401 of their followers to determine if emotional intelligence was an antecedent to servant leadership.

The null hypothesis is that there is no correlation between emotional intelligence and servant leadership style. The alternative hypothesis is that there is a difference in levels of emotional intelligence between samples group one and sample group two. The Likert Scale would be useful in determining the discriminative power in participants high in emotional intelligence or low in emotional intelligence as this scaling method is “designed to measure attitudes” (Frankfort-Nachmias & Nachmias, 2008).

Through a pool of 80 emotional intelligence items the five factors of empathetic response, mood regulation, interpersonal skills, internal motivation, and self-awareness (Carson et al. 2000); align with characteristics of emotional intelligence (Batool, 2013: Goleman, 1995) as well as H-Factor leadership characteristics (Falk & Blaylock, 2012). The importance of this correlation to the H-Factor leadership characteristics allows the researcher to extract personality characteristics that are linked to negative leadership behaviors such as hubris, hypocrisy, and hostility (Falk & Blaylock, 2012).

This alignment creates the capability of analyzing emotional intelligence and leadership characteristics simultaneously through the EIM (Carson et al. 2000). The scaling method for the EIM was a 5-point Likert scale of 30 items. Cronbach’s α was used to test reliability, which is consistent with past utilizations of EIM where the overall measure was reliable ($\alpha = .86$) (Carson et al. 2000). SPSS statistics version 21 is a software package acquired by IBM and it was used in providing the necessary calculations for the analysis.

Methodology

The study combined descriptive and correlational statistical analysis to examine if there is a relationship between multiple variables. Leaders within small business banking were the target of the study to determine if a correlation exists between servant leadership style and emotional intelligence. In order to identify “possible associations among two or more phenomena” descriptive quantitative analysis is used (Leedy & Ormrod, 2013, p 184). Descriptive statistical analysis was used to determine if there is a normal distribution of servant leaders within a convenience sample derived from the Qualtrics LLC database of financial institutions (2016). Inferential statistical analysis was used to help explain if there is an actual relationship between the chosen variables.

Survey research has become a cost effective and common method for data collection. The objective of survey research is to learn about a large population by surveying a sample within that population (Leedy & Ormrod, 2013). Use of social media in academics has started to increase as samples of U.S. based faculty members extend their outreach of research data beyond the academy (Lupton, 2014; Moran, Seaman, & Tinti-Kane, 2011). LinkedIn has been the more widely used social media outlet among scholars for disseminating their research findings (Moran et al. 2011). Consideration was given to use social media as a data collection tool but there are limits to how many messages an individual can send within LinkedIn and there are often firewall blocks within commercial banks preventing participants to be able to complete surveys during normal business hours.

The determination was made to use Qualtrics LLC (2016) as the data collection agent for soliciting participation. A Qualtrics project manager has been assigned to the study to ensure collection of high quality secured data for respondents that are difficult to reach (Qualtrics, 2016). Qualtrics (2016) is similar to Survey Monkey (2014) in creating an online platform for data collection but Qualtrics has the additional capability of providing immediate feedback to participants enabling them to see how they score on servant leadership or emotional intelligence in real time. The addition of 24-hour live customer service report coupled with a concerted focus on academic research made Qualtrics a resource for the study.

Population

The target population for the study was small business banking professionals within the U.S. Through the utilization of the Qualtrics' (2016) database of over 200 financial institutions which includes approximately 3000 bankers within the group. Upon receiving Institutional Review Board (IRB) approval, an electronic message was sent to the project manager from Qualtrics with an attachment with the composite survey and the informed consent form including the assigned IRB number for the study.

The initial message to the participants included the informed consent form that gave a concise definition of servant leadership and emotional intelligence and asked the participants to be measured for both, in a survey that should take approximately 30 minutes to complete. The demographic section of the survey was used to identify participants' specific to leadership roles within small business lending as well as age, gender, and ethnicity. The SLQ was chosen as one of the few self-report instruments that

has been vetted for reliability and validity (Barbuto & Wheeler, 2006). The EIM developed by Carson et al. (2000) was chosen as the other self-report survey instrument for also being vetted for reliability and validity.

The two survey instruments combined mirror a previous research design where emotional intelligence was found to be an antecedent to servant leadership (Barbuto et al. 2014). After compiling the scores for the composite survey, the data was collected to determine if there is a positive correlation between those that score high in servant leadership with those that score high in emotional intelligence. A combination of descriptive and inferential statistical analysis was used to incorporate demographic information and subscales to advance the conversation about leadership behavior within the U.S. banking industry.

Sampling and Sampling Procedures

The research generalized the population to leadership within the small business lending area of the U.S. banking industry. Small Business lending is chosen as an area of banking that has significant economic impact as one of the primary sources of capital for small business owners. Leadership within the U.S. banking industry represents the theoretical population from which the study population and ultimately the sampling frame was derived (Trochim, 2006). Cluster sampling is a method of sampling strategy that involves selecting larger groups and then selecting sampling units from the clusters (Frankfort-Nachmias & Nachmias, 2008).

For the study, the population was defined as small business banking professionals within the financial institutions database of Qualtrics. In order to save time and money a

cross-sectional survey method was chosen. Cross-sectional surveys are used when the data is collected at one point in time and a single stage sampling procedure was implemented electronically through Qualtrics (Leedy & Ormrod, 2013). The objective was to solicit participation from small business banking professionals with managerial or supervisory responsibility. Recognizing that some members may not actually be leaders within small business banking, the survey will include one question that will identify which participants are actually leaders within small business banking for U.S. based banks in addition to basic demographic information.

Leadership within the banking industry on average is not highly diverse (Richard, Barnett, Dwyer, & Chadwick, 2004). Fortune's 100 Most Diverse Companies for 2012 included Capital One, Navy Federal Credit Union, American Express, SVB Financial Group, and Umpqua Bank (Cable News Network, 2012). Missing from the list but included in Fortune's top 500 U.S. corporations are banks such as JP Morgan Chase & Co., Bank of America Corp., Wells Fargo, Citigroup, and PNC Financial Services Group (Cacace, 2013). The largest percentage of minority representation for a commercial bank stands at 45% (Cable News Network, 2012). Therefore, the conclusion is drawn that for banks that are included in Fortune's top 500 U.S. corporations racial heterogeneity for employees was lower than 45% and potentially lower among managers.

In order to account for the lack of diversity among leaders within the U.S. banking industry stratification of the convenience sample was implemented by race and gender. Stratification creates the advantage of ensuring appropriate representation of specific characteristics of individuals is reflected (Leedy & Ormrod, 2013). The

stratification objectives were communicated to the assigned project manager from Qualtrics.

For the study, participants were solicited from the Qualtrics database, which includes approximately 3,000 members identified as small business bankers. Through the G*Power software a *t*-test of means: difference between two independent groups is used with an A priori type of power analysis (Faul, Erdfelder, Lang, & Buchner, 2007). Given an effect size of .80, $\alpha=.05$, power of .95 and an allocation ratio of 1 for a Pearson's two independent test, the total sample size is calculated to be 74 Table 2 shows the results of the G*Power calculations (Faul et al. 2007).

Table 2

Correlations: Two independent Pearson r

z tests -

Analysis:	A priori: Compute required sample size	
Input:	Tail(s)	= 1
	Effect size <i>q</i>	= 0.8
	α err prob	= 0.05
	Power (1- β err prob)	= 0.95
	Allocation ratio N2/N1	= 1
Output:	Critical <i>z</i>	= 1.6448536
	Sample size group 1	= 37
	Sample size group 2	= 37
	Total sample size	= 74
	Actual power	= 0.9508987

Procedures for Recruitment, Participation, and Data Collection (Primary Data)

Participants were asked to complete a survey that determines their level of servant leadership and emotional intelligence. A brief description of the attributes of servant leadership and emotional intelligence were provided along with inclusion criteria. The attributes listed was the same attributes articulated by Barbuto and Wheeler (2006) for

their SLQ aligning with the definitions of servant leadership of Greenleaf (1977) and Spears (1998). The benefits of completing the survey were articulated as a means of identifying leaders with enhanced motivational skills and strong sense of ethical and social responsibility. The solicitation to the potential participants will also include inclusion criteria that will specify that participants must be in a leadership position with direct reports within small business banking.

The Qualtrics financial institutions database (2016) was used as a tool to solicit participants after obtaining IRB approval. The first electronic message was the informed consent form for Small Business Bankers, which will include risks for participating in the survey, benefits of the research, potential benefits to the participants, purpose of the study, procedures, and contact information for additional information. Participants were also given information on how to obtain the results of the study within the informed consent form. The participants were told that the survey should take no more than 30 minutes to complete. The entire survey process should take approximately two weeks.

Upon receipt of a sufficient number of participants, descriptive statistical analysis was conducted to identify if there is normal distribution of the data. Participants scoring high in servant leadership attributes will receive a congratulatory electronic message. Participants that score high in emotional intelligence will also be sent a congratulatory electronic message.

Qualtrics LLC (2016) provides an online assessment center that can find participants for a targeted study, administer the survey, and solicit participation on behalf of the researcher while ensuring data quality with best-in-class security measures. The

entire survey process should not take more than a couple of weeks to complete based on conversations with the assigned project manager from Qualtrics. Incentive for participation was an electronic certificate indicating the percentile participants scored in servant leadership style and/or emotional intelligence as an enhancement to their LinkedIn profile, resume, or curriculum vitae. The targeted minimum sample population of 20 participants for completion of both surveys was illustrated in the G*power calculation in Table 2. There are no anticipated risks or minor discomforts and the confidentiality and security measures of Qualtrics (2016) were communicated to the participants.

Instrumentation and Operationalization of Constructs

Servant Leadership Questionnaire. The SLQ (SLQ) is an instrument that measures 23 items rated on a five point Likert scale (Barbuto et al. 2014). The SLQ has demonstrated convergent validity with transformational and leader-member exchange styles (Barbuto & Wheeler, 2006). The SLQ was administered to 80 elected community leaders and 388 raters from counties in the Midwestern United States to measure 11 potential characteristics of servant leadership (Barbuto & Wheeler, 2006).

Through a priori analysis, 11 expert judges reviewed the face validity of the 11 servant leadership characteristics (Barbuto & Wheeler, 2006). The initial 11 characteristics of servant leadership, calling, listening, empathy, healing, awareness, persuasion, conceptualization, foresight, stewardship, growth, and community building, were reduced to a 5 factor model (Barbuto & Wheeler, 2006). The five subscales of altruistic calling, emotional healing, wisdom, persuasive mapping, and organizational

leadership demonstrated reliabilities ranging from .68 to .87 for the self-version of the survey.

Predictive validity for the subscales of the SLQ was tested using the outcome variables of motivation to perform extra work, employee satisfaction, and perceptions of organizational effectiveness (Barbuto & Wheeler, 2006). The self-reported leadership's subscales correlated positively with all of the outcome variables with the strongest relationship being organizational stewardship and extra effort (Barbuto & Wheeler, 2006). Some positive convergence was found between transformational leadership and to some extent LMX (Barbuto & Wheeler, 2006). The validation process of Barbuto and Wheeler (2006), demonstrated that the subscales performed well in correlations with established measures such as the multi-leadership behavior questionnaire (MLQ) and leader-member exchange (LMX).

Emotional Intelligence Measurement. The emotional intelligence measurement (EIM) is a self-report instrument of 30 items that measures emotional intelligence (Carson et al. 2000). Petrides, Furnham, and Frederickson (2004) warn against different measurement approaches to trait based or abilities based definitions of emotional intelligence and that construct validity is elusive due to the commonly used self-report methodology to data collection. The model created by Carson et al. (2000) takes the trait-based model of Goleman (1995) to establish a measurement tool.

Consideration was given to the Bar-On model (2006) of emotional intelligence called the emotional quotient inventory (EQ-i), which takes the abilities based Salovey-Mayer model (1989) and the trait-based model by Goleman (1995) and creates a cross-

sectional model of emotional and social competencies. The Bar-On model consists of five composite scales with 15 subscale scores and administration of the survey is strongly controlled by Multi Health Systems Inc., thereby making administration of the survey challenging.

Existing models of emotional intelligence are typically categorized as trait, abilities, skills based, integrative, and mixed model conceptualizations (Barbuto et al. 2014; Webb, Schwab, Weber, DelDonno, Kipman, Weiner, & Kilgore, 2013). The study by Webb et al. (2013) concluded that the self-report measure of emotional intelligence EQ-i had significant variance from the variables of personality and emotional well-being. The findings by Webb et al. raised concerns over whether the EQ-i is discriminable from existing personality and emotional well-being constructs. The study will contrast the eight servant leadership dimensions to the five subscales of emotional intelligence as defined by Carson et al. (2000).

Alegre and Levitt (2014) categorize commonly used models by Bar-On (2000), Goleman (1995), and Petrides (2009) as trait-based. Even though each author identifies different sets of emotional and social skills, the various models are successful in integrating social and emotional traits that are unrelated to cognitive ability and are therefore important predictors of positive behavioral outcomes making them a valid construct to study (Alegre & Levitt, 2014). The growing popularity of emotional intelligence as a positive ability to possess has made self-report measures subject to scrutiny as the results obtained could reflect a leader's desire to have emotional intelligence. Studies have shown that ability based measures of emotional intelligence

have had low correlations with personality traits (Alegre & Levitt, 2014). Measures of emotional intelligence that combine trait and ability-based measures have been shown to have moderate to strong correlations to personality traits (Alegre & Levitt, 2014).

Table 3 is a comparison of the EIM and SLQ scales to the H-Factor model of characteristics. Strong correlations for empowerment, humility, and stewardship have already been demonstrated for transformational leadership and leader-member exchange (Dierendonck & Nuijten, 2011). The study will utilize a survey (Carson et al. 2000) that extracts from the five subscales of Goleman (1995), which include empathetic response, mood regulation, interpersonal skill, internal motivation, and self-awareness.

Table 3

*Comparison of EIM, SLQ, and
H-Factor Model*

Emotional Intelligence Measurement (EIM)	H-Factor Model	Servant Leadership Questionnaire (SLQ)
Empathetic response	Hubris	Altruistic calling
Mood regulation	Hypocrisy	Emotional healing
Interpersonal skills	Hostility	Wisdom
Internal motivation	Honor	Persuasive mapping
Self-awareness	Humility	Organizational stewardship
	Honesty	Locus of control
		Transformational leadership
		Emotional intelligence

Data Analysis Plan

The data analysis plan involved the utilization of descriptive and inferential statistics. Descriptive statistical analysis is used to describe the basic features of the data such as the mean, median, or standard deviation (Trochim, 2006). In order to investigate

the research question and test hypotheses inferential statistics are used to draw conclusions from the sample to explain the behaviors of the population (Trochim, 2006). The research question presented for the study seeks to determine if a correlation exists between levels of emotional intelligence and servant leadership style among leaders within the U.S. banking industry.

Correlation research involves a statistical investigation of the relationship between two or more variables and is appropriate to address the research question (Leedy & Ormrod, 2013). Consideration must be given for data that might be skewed or kurtosis. Descriptive statistical analysis was used to determine if the distribution of the data is normal. If that data proves to be normally distributed then a Pearson's product-moment correlation coefficient is used to assess the degree that the variables servant leadership style and emotional intelligence are linearly related within the sample (Green & Salkind, 2011). Emotional intelligence and servant leadership style are the ordinal variables for the study as both variables rely on a five-point Likert scale (Denscombe, 2014; Leedy & Ormrod, 2013). The Spearman rank correlation is a non-parametric test that can be used to measure the degree of association between two variables when the assumption of normal distribution is not met (Leedy & Ormrod, 2013).

IBM SPSS Statistics version 24 was the software used to conduct the statistical analysis (Field, 2013). Demographic data was analyzed with descriptive statistics utilizing the mean, standard deviation, and percentages of scaled variables such as age, gender, and ethnicity. Cronbach's alpha was used to test the internal reliability of emotional intelligence and servant leadership style scores. Cronbach's alpha is commonly

used in academic journals and books to measure the reliability of a scale (Field, 2013). The EIM tested for reliability with a Cronbach's alpha of .91 (Barbuto et al., 2014). The self-report version of the SLQ demonstrated good reliability ranging from .66 to .91 for a sample size of 75 (Barbuto et al. 2014).

Threats to Validity

External Validity

External validity addresses the ability for the study to be generalized to other people and places (Leedy & Ormrod, 2013; Trochim, 2006). The three ways that can prove to be a threat to external validity, concerns people, places, or times. Through the utilization of the Qualtrics (2016) financial institutions' database, external validity was addressed by soliciting participation from small business bankers across the country. In order to ensure that the sample population reflects only leaders within the small business banking for U.S. based banks, an additional question was added to the survey asking if the small business bankers have management or supervisory responsibility. The survey questions involved demographic information such as age, gender, and ethnicity but will also verify that the participant acts in a leadership capacity for small business banking within the United States of America.

Internal Validity

The internal validity of a research project allows "the researcher to draw accurate conclusions about cause-and-effect and other relationships within the data" (Leedy & Ormrod, 2013, p. 101). Simply put, the internal validity addresses the question of "whether an instrument actually measures what it sets out to measure" (Field, 2013, p.

12). The emotional intelligence measurement of Carson et al. (2014), has been vetted for validity and reliability and chosen as the preferred self-report measuring instrument in a peer-reviewed article that examined emotional intelligence as an antecedent of servant leadership ideology (Barbuto et al. 2014).

The SLQ is a survey tool that was tested for internal validity and reliability in a peer reviewed study that developed a self-report version for leaders and a rater version for followers (Barbuto & Wheeler, 2006). Table 4 shows the Cronbach's alpha scores for the self-report version of the SLQ as developed by Barbuto and Wheeler (2006).

Table 4

SLQ and Subscales

Subscales	Cronbach's Alpha
Altruistic calling	.77
Emotional healing	.68
Wisdom	.87
Persuasive mapping	.83
Organizational stewardship	.83
Transformational leadership	.89
Emotional intelligence	.91
Locus of control	.71

Construct Validity

Construct validity involves alignment of the measuring instrument with the general theoretical framework of the study (Frankfort-Nachmias & Nachmias, 2008). Personality traits and behaviors provide the foundational constructs for this research, which suggests that personality characteristics and behaviors predict leadership style. Traits and behaviors such as self-awareness, self-regulation, empathy, and social skill (Reilly & Karounos, 2004) align with the H-Factor behaviors as stated by Falk & Blaylock (2012) but more importantly align with the five subscales of the EIM (Carson et al. 2000) and the six subscales of the SLQ (Barbuto & Wheeler, 2006). By aligning the measuring instruments with the foundational theories of this study, construct validity is addressed for emotional intelligence

The SLQ relies on an eight dimensional measure of 23 items (Barbuto et al. 2014). The dimensions of standing back, forgiveness, courage, empowerment, accountability, authenticity, humility, and stewardship (Dierendonck & Nuijten, 2011), also align with the nine dimensions as articulated by Liden et al. (2008) based on their interpretation of servant leadership attributes from (Barbuto & Wheeler, 2006; Page & Wong, 2000). Appropriately, the dimensions of Dierendonck & Nuijten (2011) as well as Barbuto and Wheeler (2006) align with the seven characteristics of servant leadership as articulated from Spears (2004) based on the work of Greenleaf (1977). The self-report version of servant leadership aligns with the self-report version of emotional intelligence making the respective surveys the desired method for addressing leadership behavior (Barbuto et al. 2014; Carson et al. 2000).

Ethical Procedures

Participants will note their agreement to participate through the consent process, which was managed through the Qualtrics website. The informed consent form will include an assurance of confidentiality of the results, securitization of the server, and transmission of data through an encrypted channel. Qualtrics (2016) ensures that data is protected using Transport Layer Security (TLS) encryption for all transmitted data. TLS encryption is also known as HTTPS. Surveys are protected with passwords and HTTP referrer checking. In order to avoid bias, the identities of the participants were kept confidential in the event the researcher knows some of the participants.

Summary

Chapter 3 included the justification for using a quantitative correlational design to answer the research questions and hypotheses on the relationship between emotional intelligence and servant leadership style among leaders within the U.S. small business banking industry. The chapter included research design and justification for the design, along with a definition of the population and sample size and procedures. Additionally, Chapter 3 addressed external and internal threats to validity and the procedures and statistical testing that was taken to confirm or reject the null hypothesis.

Through the Qualtrics (2016) database, a convenience sample of small business banking professionals were solicited to take part in a composite survey that measures servant leadership style and emotional intelligence. Through a combination of inferential and descriptive statistical analysis, participants' scores for servant leadership and

emotional intelligence was used to confirm if a positive correlation exists between emotional intelligence and servant leadership style.

Chapter 4 will include statistical analysis that will demonstrate whether a significant correlation exists between emotional intelligence and servant leadership style among leaders within the U.S. banking industry. Additionally, Chapter 4 will include baseline descriptive and demographic characteristics of the sample along with justification as to whether the sample can be generalized to the larger population. If applicable, post hoc analyses of the data were conducted along with additional statistical tests if hypotheses emerge from the analysis of the main hypotheses.

Chapter 4: Results

The purpose of this quantitative correlational study was to determine whether relationships exist among servant leadership styles and emotional intelligence of small business bankers within the United States. The general problem was that cognitive and technical abilities have been the primary focus for professional development programs, whereas emotional intelligence and leadership styles have taken a secondary role. The literature review indicated a strong relationship between traits for emotional intelligence and servant leadership style as mechanisms for explaining leadership behavior.

The exploration and study of leadership behavior was presented as a necessary strategy to fully understand the financial crisis of 2007–2009. Participation proved to be easy to obtain through the utilization of Qualtrics where participants were incentivized to complete the survey as part of their compensation plan administered by Qualtrics. Chapter 4 includes details of how the study was conducted, data collection procedures, and the techniques used for analyzing the data.

Data Collection

The target population for the study consisted of small business bankers within the financial institutions database of Qualtrics (2016). Several quality checks were put into place to ensure as much data as possible were collected. Quality checks also ensure that the data collected is of good quality. Respondents that take the survey in less than a third of the average time will not count toward the project total. This prevents respondents from speeding through the survey. The survey was set up with settings that prevented

respondents from skipping questions. Two soft launches were conducted to ensure scoring mechanisms were working properly and that the quality of data was acceptable.

I used Qualtrics to solicit small business bankers to complete the survey using a dashboard type system where respondents could log in to see which studies they qualify for on a basic level. The informed consent form was used as a tool to explain the study and provide information for obtaining copies of the results as the first thing the respondents saw on clicking on the link to the survey. The financial institutions database for U.S.-based banks was used to recruit participants that consist of more than 200 banks (Qualtrics, 2016).

The survey was a composite survey that included demographic questions on age, gender, and ethnicity. The survey also included the EIM (Carson et al., 2000) and the SLQ (Barbuto & Wheeler, 2006). The study was designed parallel to a study that found emotional intelligence to be an antecedent of servant leadership (Barbuto et al., 2014). In addition to both surveys being previously vetted for reliability and validity, the two survey instruments were chosen as they aligned with a self-rating structure needed to capture a population that has proven to be elusive to researchers (Falk & Blaylock, 2012).

Three hundred and one people came through the survey as the survey remained open until 100 small business bankers self-identified as having managerial responsibility within small business lending ($N = 100$). One hundred responses were received through the financial institutions database of U.S.-based banks for Qualtrics. The very first question within the survey asked participants whether they worked in small business lending and if they had management or supervisory responsibilities. All participants

responded “yes” to the qualifying question of acknowledging their management or supervisory responsibility in small business lending.

Descriptive Statistics for Demographic Variables

The first statistical analyses performed were descriptive statistics for the demographic variables of age distribution, ethnicity, and gender. The histogram of the participants’ age distribution (Figure 7) indicated that the largest age group (33%) was the 35 to 44 year-old age group, while the 25 to 34 year-old group was the second largest group (32%). All of the other groups consisted of 13% or less of the sample (Figure. 7). The distribution was close to a normal distribution but was skewed to the right or positively skewed (Figure. 7).

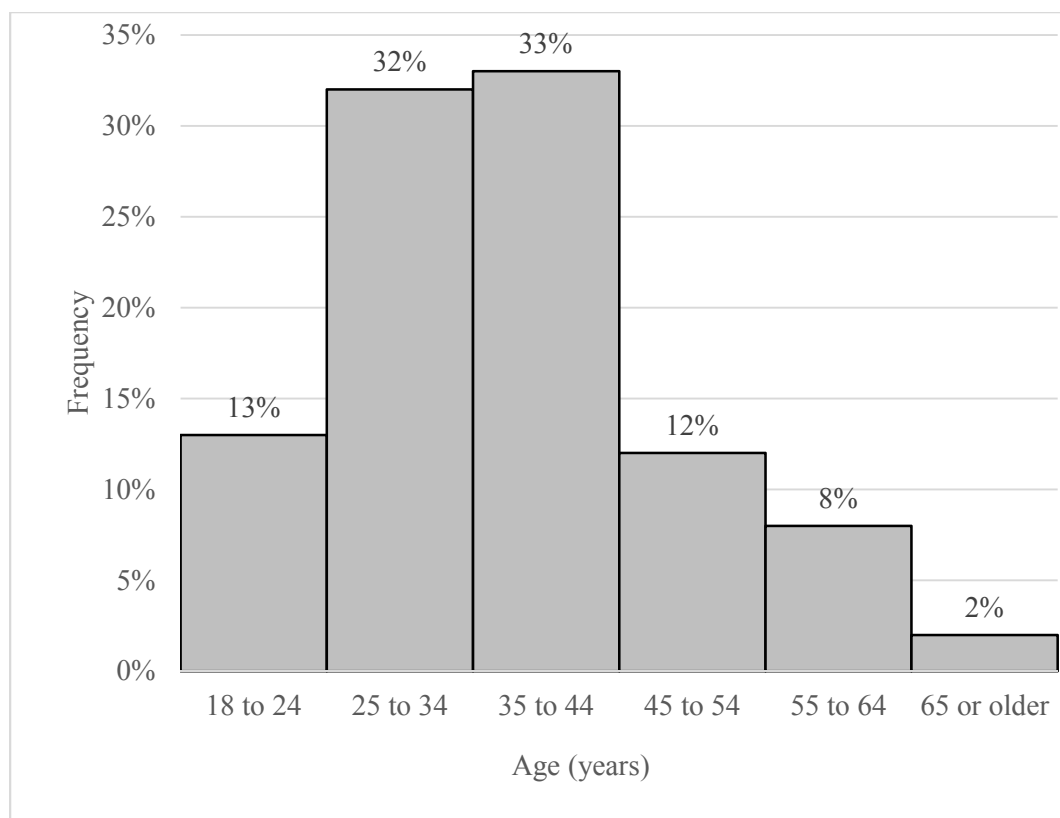


Figure 7. Histogram of the age of the participants ($N = 100$).

The U.S. Department of Labor through their Bureau of Labor Statistics (2016) reported annual averages of the household data for banking and related activities, savings institutions (including credit unions), and non-depository credit and related activities. Savings institutions with 68.6%, reported the highest percentage of diversity for women and the highest percentage of Hispanic/Latino at 16.6%. Non-depository credit institutions reported the highest percentage of Asian households with 9.1%. Of particular interest and to parallel this study is the category of banking where women represented 61.9%, Black/African American represented 11.2%, Asians represented 8.2%, and Hispanic/Latino comprised 11.3%.

Figure 7 shows the ethnic background of the study participants. The majority (56%) of the participants were non-Hispanic whites, while the next largest groups were African Americans (14%) and Hispanics (14%). Eleven percent of the participants were Asian or Asian-American, and 5% were American Indian or Native Alaskan (Figure. 8). Figure 8 shows that the sample is significantly skewed towards Non-Hispanic Whites. With 53% of all respondents being male (Figure 9), the results indicate a significant concentration of non-Hispanic white men representing management in small business lending.

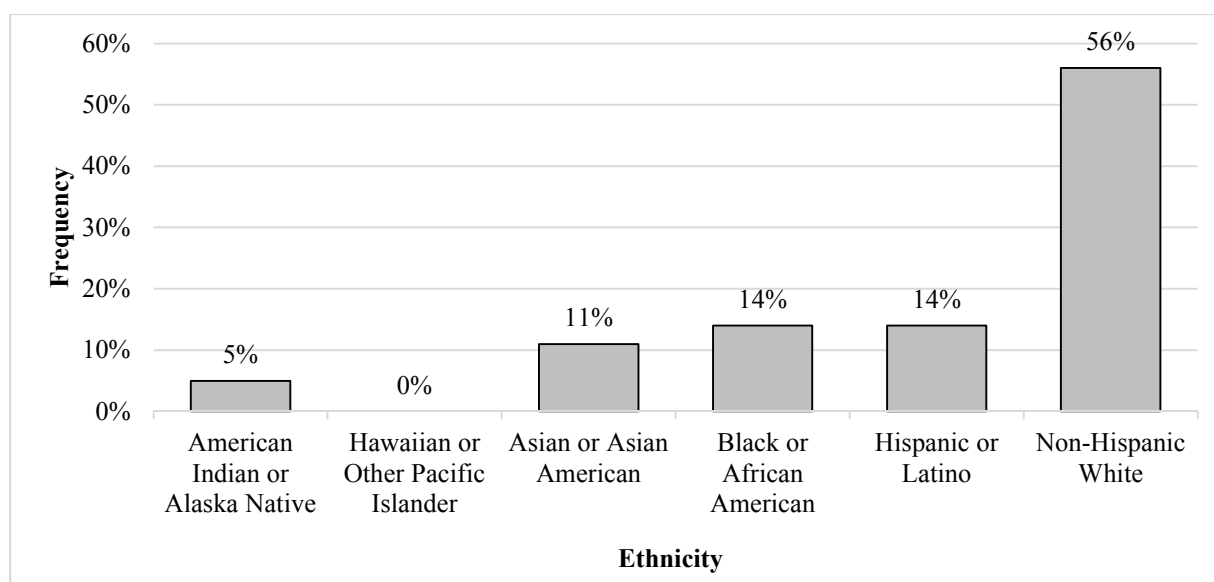


Figure 8. Ethnic background of the participants ($N = 100$).

A review of data from publicly available company websites and corporate social responsibility reports reveals that the metrics on employee diversity among executives, first line/middle managers, and professionals continues to be a challenge for the large US based banks of Wall Street (Crowe & Kiersz, 2015). At the executive level, more than two thirds of the executives are male with non-Hispanic whites ranging from 81% to 96%

for banks such as Goldman Sachs, Wells Fargo, JP Morgan, Bank of America, Citi, and Morgan Stanley (Crowe & Kiersz, 2015). For first line/middle managers the percentages for non-Hispanic whites range from 65% to 72%. Finally, at the professional level the ranges for non-Hispanic whites range from 58% to 84% (Crowe & Kiersz, 2015).

Perhaps it is a mere oversight that the U.S. Equal Employment Opportunity Commission (EEOC) has not published data on diversity within the finance industry since 2006. In an article from the American Banker, the authors call for an annual release of the EEO-1 reports that financial institutions must provide to the U.S. Secretary of Labor on the number and percentage of women and minorities in different employment categories (Crowe & Kiersz, 2015). The EEO-1 data is used to examine the five subsectors of the finance industry. Those subsectors according to the North American Industrial Classification System (NAICS) are central banking, banking/credit, securities, insurance, and funds (U.S. Equal Employment Opportunity Commission, 2006).

The category of banking/credit as defined by the EEOC according to NAICS is the sector that lends funds from their depositor base and credit markets, engages in cash management activities such as check cashing. This subsector aligns with the sample population of this study (U.S. Equal Employment Opportunity Commission, 2006). Participation rates among officials and managers within the subsector of banking/credit are 48.6% for women, 7% for black/African-Americans, 5% for Latino/Hispanic, 4.3% for Asian, and .3% for Native Americans (U.S. Equal Employment Opportunity Commission, 2006). The conclusion that can be drawn is that the sample population

exceeds the most recent national averages on diversity within the banking/credit category for officials and managers.

Figure 9 shows the gender identity of the study participants. Fifty-three percent of the participants were males, while 47% were females. The stratification of the sample population was not necessary as the ethnic and gender heterogeneity was higher than industry averages (Richard, Barnett, Dwyer, & Chadwick, 2004).

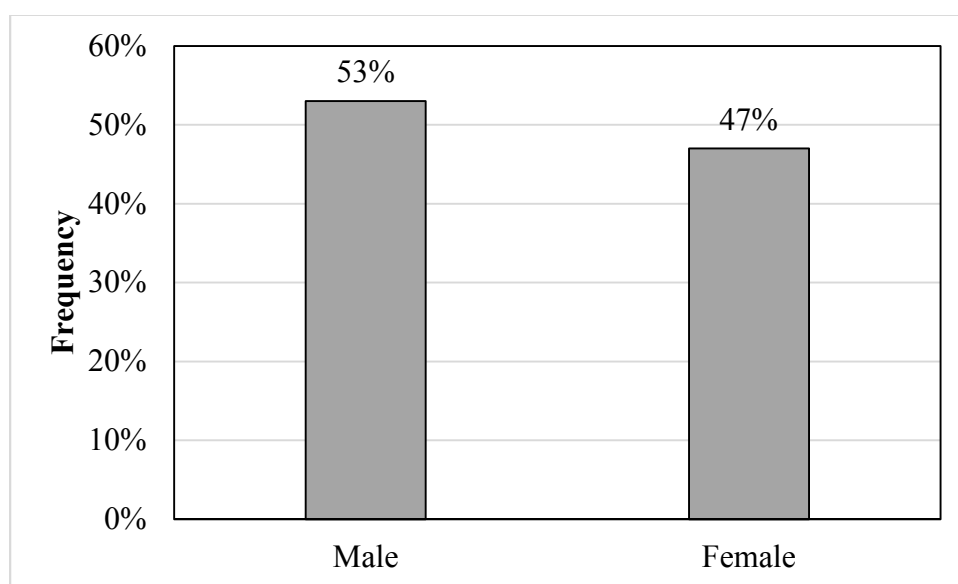


Figure 9. Gender of the participants ($N = 100$).

The highest percentage of women is represented by the banking/credit subcategory as they represent 48.6% of officials and managers in the finance industry (U.S. Equal Employment Opportunity Commission, 2006). This percentage aligns with the sample population where 47% of the participants ($N = 100$) were women. The participation rates for women of color drop significantly within the subcategory of banking/credit to 4.5% for black/African-American, 2.8% for Latino/Hispanic, 2.0% for

Asian, and .2% for Native American women (U.S. Equal Employment Opportunity Commission, 2006).

Descriptive Statistics for the Sample

For servant leadership, the mean and standard deviation of the sample was 97.35 and 11.755, respectively (Table 5). For emotional intelligence, the mean was 111.6 and the standard deviation was 14.018 (Table 5). The 95% confidence intervals for the means were 95.02 to 99.68 for servant leadership and 108.82 to 114.38 for emotional intelligence (Table 6). Table 5 shows the values for the median, mode, variance, range, minimum and maximum, as well as the standard error for both variables. In addition, skewness and kurtosis of the data distributions were calculated (Table 5) to determine whether the variables were normally distributed.

Table 5

Descriptive Statistics for the sample (N = 100)

	Servant Leadership	Emotional Intelligence
Mean	97.35	111.6
Standard Error	1.1755	1.4018
Median	98	109
Mode	93	110
Standard Deviation	11.755	14.018
Sample Variance	138.189	196.505
Kurtosis	.059	.296
Skewness	-.300	.948
Range	55	62
Minimum	64	90
Maximum	119	152

Table 6

The 95% confidence intervals for the two variables

	Lower	Upper
Servant Leadership	95.02	99.68
Emotional Intelligence	108.82	114.38

For servant leadership there is a 95% confidence that the mean score for servant leadership will fall between 95.02 and 99.68 and the mean score for emotional intelligence will fall between 108.82 and 114.38. The confidence intervals indicate low variations so the conclusion can be made that our sample population means are close to the total population (Field, 2013). Our G*Power calculation from Chapter 3 was based on an effect size of .80, $\alpha=.05$, power of .95 and an allocation ratio of 1 for a Pearson's two independent test. The total sample size was calculated to be 74 but the study was able to exceed this number with a sample size of 100 ($N = 100$).

Study Results

The literature review detailed previous research that defined emotional intelligence from a trait-based, abilities-based, and even combination-based with several survey instruments to correlate with the chosen definition. There is research that demonstrates a correlation between emotional intelligence and transformational leadership styles (Batool, 2013; Cota, 2006; Paradi, Vela, Haiyan, 2010; Reilly, Karounos, 2004) but research on emotional intelligence and servant leadership is just starting to emerge (Barbuto et al. 2014; Kaur, Sambasivan, & Kumar, 2013). The identified research gap exists around levels of emotional intelligence and leadership styles for U.S. based banks.

In speaking to colleagues, bankers, and community leaders about this research project, a polite chuckle was the common reaction when emotional intelligence and bankers were mentioned within the same sentence. Objectivity was difficult to maintain during the literature review as the expectation leaned towards results that were not

normally distributed. Commentary and observations around bank CEOs and executives' responses and behaviors during the economic crisis of 2007-2009 appeared to indicate a significant lack of emotional intelligence or servant leadership style (Bair, 2012; Falk & Blaylock, 2012).

The study took two survey instruments that have been previously vetted for validity and reliability and combined them into a composite survey. The survey chosen for emotional intelligence was the EIM as developed by Carson et al. (2000) as it was one of the few self-rating versions of emotional intelligence. The survey chosen to measure servant leadership was the self-rater version of the SLQ as developed by Barbuto and Wheeler (2006). The research design followed a study that used the same survey instruments in a study that concluded that emotional intelligence is an antecedent to servant leadership (Barbuto et al. 2014).

The independent variable for the study was emotional intelligence with servant leadership representing the dependent variable. If the results of the composite survey did not reveal a positive correlation between emotional intelligence and servant leadership then empathy was going to be analyzed as a potential mediating variable. The positive correlation negated the need for further analysis on empathy.

If the distribution of the data is symmetric from left to right, then skewness will be close to zero, and the further from zero, the more skewed the data (George, 2011). For servant leadership, the skewness was $-.300$ (Table 5), which is close to zero so there is very little skew to the servant leadership data. A negative value indicates a skew to the left, so the servant leadership data had a small left skew, which can be seen in Figure 10.



Figure 10. Histogram of the servant leadership scores

For emotional intelligence, the skewness was .948 (Table 5), which is close to 1, and indicated that the emotional intelligence data was skewed to the right, which is a positive skew and can be seen in Figure 5. Scores in emotional intelligence skewed high for the sample population and with the number of respondents being almost equaled split between men and women caution should be exhibited in not stereotyping women for scoring high in emotional intelligence (Lopez-Zafra & Gartzia, 2014). Several studies have supported the notion that gender was a predictor of emotional intelligence using trait-based, self-reporting tools (Tsaousis & Kazi, 2013). Complexities arise when examining correlations around different dimensions of emotional intelligence, trait-based or abilities-based, and whether a self-report or followers' survey tool is used (Lopez-Zafra & Gartzia, 2014).

Figure 11 shows that even though the sample population showed a normal distribution, the emotional intelligence scores skewed slightly to the left. If a correlation

exists between those that score high in emotional intelligence also score high in servant leadership style, then a foundation can be established for how to select, train, and develop future leaders in small business lending. The identification of leaders high in emotional intelligence has already been linked to positive outcomes (Batool, 2013; Boyatzis et al. 2013; Goleman, 1995; Harms & Crede, 2010; Salovey & Mayer, 1989; Yunus & Anuar, 2012).

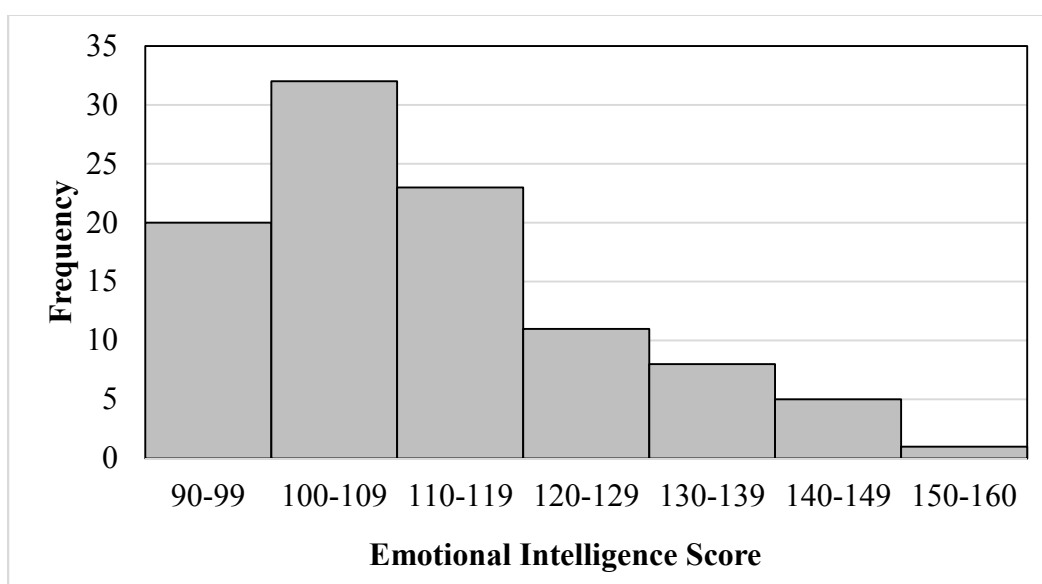


Figure 11. Histogram of the emotional intelligence scores

Kurtosis is a measure of the peakedness of the data, and as with skewness, the kurtosis is zero for normally distributed data (George, 2011). Concerns regarding the normality of the distribution arise when the value of kurtosis is too big or too small. The values for kurtosis between -2 and +2 are considered acceptable in order to prove a normal bivariate distribution (George, 2011). For this data set, both variables had kurtosis values that were close to zero (Table 5). The first assumption for the significance test for

a Pearson correlation coefficient is met by the fact that the variables are bivariately and normally distributed.

Hypothesis Tests

The research question for this study was what, if any, correlation exists between levels of servant leadership style and emotional intelligence among leaders within the U.S. commercial banking industry.

Hypotheses

H1:

There is a significant correlation in levels of servant leadership style and emotional intelligence among leaders within the U.S. commercial banking industry.

H₀₁:

There is no significant correlation in levels of servant leadership style and emotional intelligence among leaders within the U.S. commercial banking industry.

The Pearson correlation coefficient (r) was .521, which was a significant correlation $p < 0.001$. The strength of the correlation is moderate as .521 was less than .70 but greater than .40 (George, 2011). The scatterplot shown in Figure 12 confirmed that the two variables had a moderate correlation because the points were not tightly clustered together yet there was a slight trend to the scatter of the points. In conclusion, the correlation was significant between emotional intelligence and servant leadership among leaders within the U.S. commercial banking industry.



Figure 12. Scatterplot of emotional intelligence and servant leadership

Summary

A total of 301 bankers opened up the survey and informed consent form explaining the study and inviting them to participate. The sample population was extracted from Qualtrics' financial institutions database, which represented over 200 U.S. based banks. One hundred bankers self-identified as small business lenders with managerial responsibility within a U.S. based bank, which represented a 33% response rate. Descriptive statistics was used to identify basic demographic characteristics of the sample and Pearson's correlation coefficient was used to determine if there was a statistically significant correlation between servant leadership levels and emotional intelligence among leaders within the U.S. banking industry.

The sample population showed demographic information that was in alignment with some of the national averages as published by the U.S. Bureau of Labor Statistics (2016) and the U.S. Equal Employment Opportunity Commission (EEOC) (2006). There is a push for the EEOC to publish their findings on an annual basis (Crowe & Kiersz, 2015), but the changes from 2006 to 2015 demonstrate similar participation rates amongst minority groups. Table 7 shows a comparison in participation rates for national averages compared to the sample population for this study.

Table 7

Comparison of Participation Rates to National Averages

Total population	Women	Black/African American	Asian	Hispanic/Latino	Native American	Source
2051	61.9%	11.2%	8.2%	11.3%	N/A	U.S. Department of Labor
267,213	48.6%	7.0%	4.3%	5.0%	.3%	EEOC
100	47%	14%	11.0%	14.0%	5%	Sample

The survey results revealed a normal distribution for both variables with the independent variable of emotional intelligence showing a slight skew to the left and the dependent variable of servant leadership showing a slight skew to the right. The null hypothesis is therefore rejected as the Pearson correlation coefficient (r) was 0.521 which represents a significant correlation $p < .001$. Emotional intelligence has already been demonstrated to be an antecedent of servant leadership (Barbuto et al., 2014). This study contributes to management theory by demonstrating a significant correlation between servant leadership style and emotional intelligence among leaders within the U.S. banking industry.

The sample population targeted leaders with small business lending as their area of responsibility. Small business lending was targeted due to the economic impact of small business owners and their ability to access capital (Kahle & Stulz, 2013). The

impairment of capital for small business owners has been a concern, particularly for minority and women owned businesses that rely heavily on debt capital (Robb & Marin Consulting, L.L.C., 2013). Goleman (1995) has already demonstrated direct correlations between emotional intelligence, employee retention, and organizational performance. Targeting the emotional intelligence of leaders in small business lending could have an effect on the impairment of capital as the creative and artistic aspects of underwriting (character), are brought back into consideration with the technical aspects of capacity, capital, collateral, and conditions commonly referred to as the 5C's of Credit Analysis (U.S. Department of Commerce, 2016).

Servant Leadership brings a concentrated focus on the altruistic component to leadership that does not dominate traditional definitions of transformational leadership. Organizational objectives take precedence over followers' needs in a transformational style whereas servant leaders place the needs of followers over the organizational objectives. The literature review revealed that this style of management aligns with a stakeholder management theory as opposed to the traditional practices of shareholder management theory. This approach requires an ethical commitment of the key decision makers (Minoja, 2012). The need is significant as the recession of 2007 has damaged consumer confidence, reputation, and public relations for the U.S. banking industry (Falk & Blaylock, 2012).

This study has shown that a significant correlation exists between emotional intelligence and servant leadership style among leaders in small business lending for U.S. based commercial banks. The study has also demonstrated the expectation of a normal

distribution of leaders for the two variables of emotional intelligence and servant leadership. The identification of leaders exhibiting traits that support an altruistic behavior reduce future scenarios where the CEO of a Fortune 500 financial institution inquires about the affect to executive compensation in a conversation discussing public assistance (Bair, 2012).

Chapter 5 will include additional narrative on the interpretation of the findings and limitations of the study. Recommendations for future research along with how the findings contribute to management theory will be included in the chapter. Additionally, chapter five will include potential application strategies that can contribute to organizational effectiveness. Finally, the chapter will include a section on the implications of the results and conclusions drawn from the study.

Chapter 5: Discussion, Conclusions, and Recommendations

The purpose of this quantitative correlation study was to determine whether a convenience sample of leaders in the U.S. banking industry demonstrating high levels of servant leadership attributes, also exhibited high levels of emotional intelligence. As bank failures in the United States continue, with 99.7% of those failures representing banks that rely heavily on income from retail and commercial banking (Parsons, 2013), a residual outcome is the effect on access to capital for small business owners (Kahle & Stulz, 2013; Wiersch & Shane, 2013). Empirical research is starting to emerge regarding the positive relationship between emotional intelligence and servant leadership attributes (Barbuto et al., 2014; Du Plessis et al. 2015), but I found minimal research on servant leadership and emotional intelligence among leaders in the U.S. banking industry.

In Chapter 4, I included the statistical analysis of the collected data and findings of the study. In Chapter 5, I include a brief summary of the research study, which also includes the interpretation of significant findings, limitations, recommendations for future research and the banking industry, implications for management practitioners and social change, and finally the conclusions of the study.

Interpretation of Findings

Participants of the study included small business lending bankers with management responsibility within a U.S.-based financial institution (N = 100) from the Qualtrics database of more than 200 U.S.-based financial institutions. The sample was balanced between men and women with women representing 47% of the sample population. The ethnicity of the participants was predominantly white with 56% of the

sample population reporting that they were non-Hispanic white, with the next largest groups being African Americans (14%) and Hispanic/Latino (14%). The largest age group was the 35- to 44-year-old age group (33%) followed by the 25- to 34-year-old age group (32%).

Descriptive statistics for the independent variable of emotional intelligence and the dependent variable of servant leadership was performed. The emotional intelligence scores for small business bankers ranged from 90 to 152 with an average score of 111.6. This average score is relatively low and supports the slight skew to the left of the emotional intelligence scores. The servant leadership scores for small business bankers ranged from 64 to 119 with an average score of 97.35. The average score for servant leadership is relatively high and supports the slight skew to the right of the servant leadership scores.

Pearson's correlation coefficient analysis is performed to test the hypotheses and answer the research question. All statistical analysis is completed using SPSS for Windows version 24 with an effect size of .80, $\alpha = .05$, power of .95 and an allocation ratio of 1 for a Pearson's correlation test. The Pearson correlation coefficient (r) was 0.521, which was a significant correlation $p < .001$. The strength of the correlation is found to be moderate as 0.521 was less than 0.70 but greater than 0.40 (George, 2011).

Research Question

The research question inquired as to whether there was a statistically significant correlation between servant leadership style and emotional intelligence among leaders within the U.S. commercial banking industry. The null hypothesis stated that no

correlation exists between a servant leadership style and emotional intelligence among leaders within the U.S. commercial banking industry. Leaders within the U.S. commercial banking industry was further defined as small business lenders with managerial responsibility in recognizing the economic impact of small businesses (Kahle & Stulz, 2013).

According to the study results, a statistically significant correlation exists between servant leadership style and emotional intelligence among leaders within the U.S. banking industry. The strength of the correlation was not found to be a significant as the scores for emotional intelligence skewed low to the left of the histogram (Figure 5) and the scores for servant leadership skewed high to the right of the histogram (Figure 4). The low scores in emotional intelligence do not come as a surprise, as the traits synonymous with emotional intelligence were lacking in prior research on leaders in banking (Falk & Blaylock, 2012). The skew of the data for servant leadership did come as a surprise as the leaders scored high in servant leadership attributes. This could be a potential weakness of the data as a self-report survey instrument was used to assess servant leadership style and hubris could have been a contributor to the high scores.

Limitations of the Study

The study provides useful information for leaders within the U.S. banking industry but it does not come without limitations. Many of these limitations could be addressed with changing or modifying the research design. The study relied on a correlational design and although a positive relationship was found between the independent and dependent variables, a positive correlation does not explicate causation

(Denscombe, 2015). The study only validates that there is a positive relationship between servant leadership style and emotional intelligence but does not articulate which variable is the cause and which variable is the effect (Denscombe, 2015).

A second limitation of the study was the use of self-report questionnaires. The use of self-report surveys poses a risk to construct validity if the participants do not understand or answer all the questions honestly and accurately. Several steps were taken to ensure as much data as possible was collected with two soft launches conducted to ensure the surveys were accurately capturing the data. Quality checks were put in place but these checks cannot preclude leaders from rating themselves high. A follower's perspective is the commonly used tool for measuring servant leadership style (Barbuto & Wheeler, 2006; Dierendonck & Nuijten, 2011; Green, Wheeler, Baggerly-Hinojosa, 2015; Liden, Wayne, Zhao, & Henderson, 2008) but there is difficulty in obtaining consent from leaders within the banking industry to agree on conducting surveys of their leadership style from their followers' perspective.

The final limitation of the study was the limitation of scope to bankers that focus primarily on small business lending within the United States. The mere use of the term small business lending has a broad definition that can vary from one financial institution to another. For the purposes of this study, the definition as articulated by the SBA was chosen but that was not clearly articulated within the confines of the informed consent form for the participants.

A previous design of the study that met IRB approval had to be discarded as the design prevented a correlation between the variables to be calculated. The previous

design used LinkedIn as a resource to collect surveys from bankers within the commercial banking group. Several bankers inquired about the definition of small business banking and often opted out of the survey based on their individualized definition of small business lending. There appeared to be a hierarchical perception that business bankers, commercial bankers, or corporate bankers are not the same as small business bankers and for the large national banks, the responsibility for small business lending fell to the retail section of the bank.

Recommendations

Cognitive and technical abilities continue to be the primary focus of leadership development within the U.S. banking industry. Seventy five percent of organizations do not find their leadership development programs to be effective (Jindasa, 2015). The low scores in emotional intelligence could be affecting employee retention and organizational performance as Goleman (1995) has demonstrated a direct correlation to that effect. The current study contributes to the body of knowledge on servant leadership and emotional intelligence, but the limitations of the study affected the generalization of the findings.

Recommendation for Future Research

The study contributes to management theory by comparing types of intelligence to leadership styles as a way to explain or predict leadership behavior. There are future research opportunities to compare other styles of management to types of intelligence within the U.S. banking industry. Following the path of Maslow's Hierarchy of Needs (200) and the comparisons of intelligence by Wigglesworth (2012), there is an opportunity to research the proverbial top of the pyramid in self-actualization to spiritual

intelligence and servant leadership style. There is an opportunity to continue the work of Wigglesworth (2012) by aligning Maslow's Hierarchy of Needs (2000), types of intelligence, leadership styles, and possibly organizational types (Laloux, 2015).

Recommendations for the U.S. Banking Industry

Performance management has now evolved to 360-degree feedback processes that incorporate a broader range of feedback for employees and enhances the overall quality and effectiveness of performance management (Bracken & Church, 2013). These processes commonly include feedback for managers from a followers' perspective, peer reviews, and the leader's perspective. Critics of the 360-degree processes argue that the feedback from a leadership development perspective should be kept private with the exception of using coaches outside of the organization (Bracken & Church, 2013). A broader perspective takes into consideration the opportunities for cultural affect that the 360-degree feedback process addresses beyond the scope of performance management (Bracken & Church, 2013).

The 360-degree process provides opportunities to measure emotional intelligence and leadership styles and to incorporate that as part of professional development. The use of the term leadership style instead of servant leadership is intentional as recognition is given to the concept that an organization may require a variety of leadership styles to improve overall performance. An increasing emphasis and pressure on business development has placed less emphasis on the metaphorically speaking right side of the brain that includes the soft interpersonal skills of management (Pink, 2006).

The introduction of emotional intelligence and leadership style measurements in performance management and 360-degree processes helps in identifying leaders with the desired emotional intelligence and leadership styles from an internal perspective. There is another opportunity to introduce these same measurements within the interview and selection process. Acknowledging that research already links emotional intelligence to transformational leadership styles (Batool, 2013; Cotae, 2006; Paradi, Vela, Haiyan, 2010; Reilly, Karounos, 2004), and there is emerging research showing a positive link between emotional intelligence and servant leadership style (Barbuto et al., 2014; Kaur, Sambasivan, & Kumar, 2013). The conclusion can be made that the simple measurement of emotional intelligence during the interview and selection process increases the probability of finding transformational and servant leadership styles.

The U.S. banking industry has seen the decline of consumer confidence and trust in their leadership since the recession of 2007–2009 (Falk & Blaylock, 2012). Trust has been demonstrated to be an effective component linking emotional intelligence with transformational and servant leadership styles (Joseph & Winston, 2005; Heffernan, O'Neill, Travaglione, & Droulers, 2008; Yunus & Anuar, 2012). In order to shift from a shareholder management strategy to the broader perspective of stakeholder management strategy requires an ethical commitment of the key decision makers (Minoja, 2012). Those ethical components can be found within a servant leadership style and this study highlights the opportunity for the U.S. banking industry to evolve from a shareholder management theory to a stakeholder management theory.

Implications

The results of the study could be useful to leaders and human resource practitioners within the U.S. banking industry in making decisions on organizational change and leadership development. According to the findings of the study, among leaders in small business lending, servant leadership had a statistically significant positive correlation with emotional intelligence. Opportunities exist for organizational leaders to emphasize leadership styles and emotional intelligence in developing leadership development programs and in the recruitment and selection of future leaders.

Leaders within the small business lending area of commercial banking were chosen due to the social change implications for minority and women owned businesses. There has been a significant drop in small business lending, since the recession of 2007–2009 (Wiersch & Shane, 2013). Minority and women owned businesses have felt the brunt of that drop in small business lending or impairment of capital (Robb & Marin Consulting, 2013). This study diverges from the external perspectives of policy makers and regulators in addressing the challenges of the U.S. banking industry with an internal perspective synonymous with the efforts of Falk and Blaylock (2012).

Organizational Development

Arrogant organization disorder was mentioned in chapter two as a condition when an organization has a disruption in its ability to learn and evolve (Godkin & Allcorn, 2009). Hubris among leaders has been researched as a contributor to arrogant organization disorder (Hollow, 2014). Thomas Farrow's behavior during the creation and ultimate collapse of Farrow's Bank is traced and analyzed through a collection of court

records, witness statements, auditor's reports, journals, and personal letters (Hollow, 2014). The collapse of Farrow's Bank in 1920 is deemed to have been influenced by managerial hubris. The research of Hollow (2014) aligns with the behavioral characteristics noted in the work of Falk and Blaylock (2012).

There is a need for organizations to continue to learn and grow as researchers continue to explore the human conditions that contribute to organizational change. The effect of silos has commonly been researched from a managerial or psychological perspective but in the book *The Silo Effect*, the author relies on their anthropological background to explain the cultural influences on organizations (Tett, 2015). The book consists of a series of case studies that show the negative effect of silos on organizations in government, corporate, and nonprofit sectors but examples of how organizations have found opportunity with silos are also articulated (Tett, 2015).

Financial executives when considering a merger or acquisition often observe careful scrutiny of the financial implications of the transaction. Analysis typically concentrates on the effect of the merger or acquisition on the resulting company's balance sheet, income statement, and cash flows, with little attention given to the resulting influence on the cultures of the organizations. The argument is that in some cases, there is an aspirational culture articulated by senior management in the form of mission statements and corporate values but the true culture of the organization may not align with the aspirational if leadership behavior is in contradiction.

In the book, *Reinventing Organizations* the author acknowledges that many organizations have gone through multiple rounds of change programs, mergers,

centralizations and decentralizations, new IT systems, new mission statements, new scorecards, or new incentive programs (Laloux, 2015). Twelve organizations are researched using a case study approach for 45 processes and practices commonly used or discussed in organizational research (Laloux, 2015). Laloux (2015) identifies five main stages of evolutionary development in organizations with red being the first stage followed by amber, orange, green, and teal as an aspirational objective.

The similarities in stages to Maslow's Hierarchy of needs are worthy of mention in staying with the ideals expressed by Wigglesworth (2012). Table 8 shows the different organizational structures, current examples, and metaphors to describe the specific organizational level but the author is quick to point out that in practice organizations can trend in and out of the various levels synonymous to how leaders can exhibit different leadership styles based on the situational variables (Laloux, 2015, p. 36; Vroom & Jago, 1988).

Table 8

Different Organizational Structures

	Current examples	Key breakthroughs	Guiding metaphor
Red organizations Constant exercise of power by chief to keep troops in line. Fear is the glue of the organization	Mafia, Street gangs	Division of labor Command Authority	Wolf Pack
Amber Organizations Highly formal roles within a hierarchical pyramid. Top down command and control.	Catholic church, Military, Most government agencies, Public school systems	Formal roles (stable and scalable hierarchies) Processes (long-term perspectives)	Army
Orange Organizations Goal is to beat competition; achieve growth and profit. Innovation is the key to staying ahead.	Multinational companies, Charter schools	Innovation Accountability Meritocracy	Machine
Green Organizations Within the classic pyramid structure, focus on culture and empowerment to achieve extraordinary employee motivation	Culture driven organizations (e.g. Southwest airlines, Ben and Jerry's)	Empowerment Values-driven Culture Stakeholder model	Family

Teal Organizations	AES – energy sector Morning Star – food processing Patagonia - apparel	Self-management Wholeness Evolutionary purpose	Living organism or living system
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The theoretical framework for the study compared Maslow's hierarchy of needs (2000) to Wigglesworth's (2012) concept of spiritual intelligence and aligning various types of intelligence to Maslow's hierarchy of needs. Through the literature review the same patterns formed with leadership styles aligning accordingly as indicated in Table 1. The introduction of organizational levels brings a fourth component to the theoretical framework and paves the way for future research. Figure 13 illustrates the revised theoretical framework for future research.

	Low Empathy		High Empathy		
Intelligence	Cognitive Intelligence (IQ)		Emotional Intelligence (EQ)		
Leadership Style	Transactional		Transformational		
Maslow's Needs	Physiological/Safety		Love/Belonging		
Organization Level	Red	Amber	Orange	Green	Teal

Figure 13. Revised Theoretical Framework

Caution should be observed in not interpreting the linear representations of tables and pyramids as a suggestion that intelligence, leadership styles, and organizational

levels proceed in a linear fashion. There is research that confirms that leaders will often utilize a specific leadership style contingent upon the situation (Algahtani, 2014; Dierendonck, 2011; Emery & Barker, 2007; Fiedler, 1971; Vroom & Jago, 1988, 2007). Organizations observe the same fluidity as there are multiple development lines such as cognitive, emotional, moral, values, needs, and spirituality that influence the development stage of an organization (Laloux, 2014).

Conclusions

This study successfully met the purpose of the research and answered the research question on whether there is a positive correlation between servant leadership style and emotional intelligence. The general problem addressed was that leadership development and selection processes needed to introduce emotional intelligence as a strategy to increasing the representation of transformational and servant leadership styles. The purpose of this quantitative correlational study was to examine whether leaders within the U.S. banking industry demonstrating high servant leadership attributes also exhibit high levels of emotional intelligence.

The study helps to address a gap in research on the behaviors of leaders within the U.S. banking industry through the theoretical framework of comparing various types of intelligence and leadership styles to Maslow's Hierarchy of needs. Leaders in small business lending among U.S. based financial institutions were found to have a statistically significant correlation in those that scored high in servant leadership to those that scored high in emotional intelligence. The limitations of the study have been

identified along with recommendations for human resource professionals within the banking industry as well as future research opportunities.

The literature review revealed research that identified relationships between types of intelligence, leadership styles, and Maslow's hierarchy of needs. As scholars and practitioners seek answers to the human condition from various perspectives it became apparent that everyone was attempting to climb the same three-dimensional pyramid. The sides of this three-dimensional pyramid start with Maslow's hierarchy of needs from an individualistic perspective but also include the types of intelligence and leadership styles.

Figure 14 represents an illustration of those three dimensions where organizations are placed in the center with the ideal that all other pyramids contribute to the emerging culture of an organization. Future opportunities exist to build upon previous research on intelligence, leadership styles, and Maslow's hierarchy of needs to understand their influences on organizations. This study contributes to this process with a focus on the U.S. banking industry and their effect on the capitalistic, social, and environmental objectives of our society.

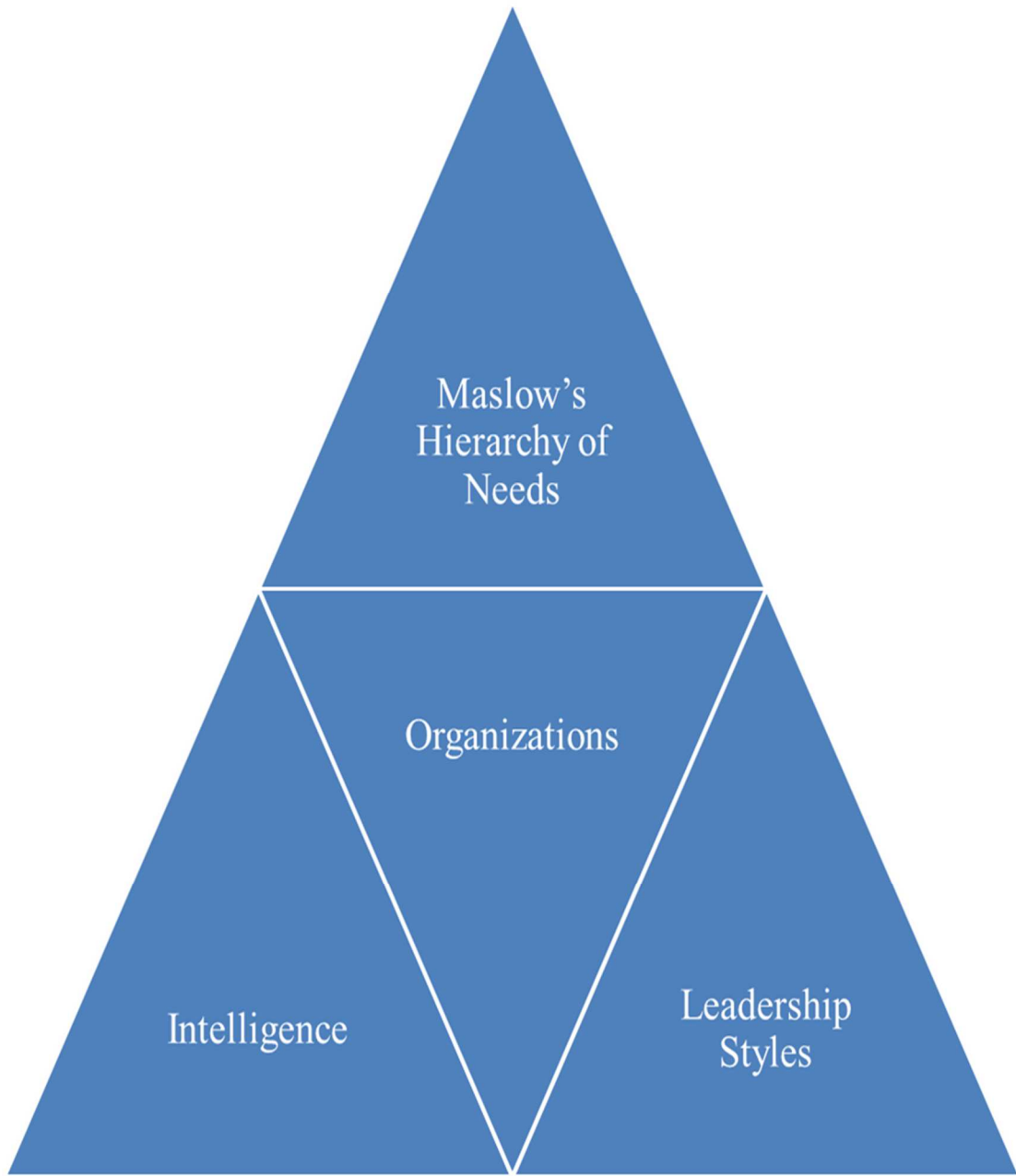


Figure 14. Composite Pyramids

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Appendix A: Demographic Questions

Demographic Questions

I agree that I work in small business lending with management or supervisory responsibilities.

- I agree. Please proceed to the survey
- I disagree. Please remove me from the participants' list

Age

What is your age?

- 18 to 24 years
- 25 to 34 years
- 35 to 44 years
- 45 to 54 years
- 55 to 64 years
- Age 65 or older

What is your month and year of birth? (MM/YYYY) _____/_____

Race/ethnicity

How do you describe yourself? (please check the one option that best describes you)

- American Indian or Alaska Native
- Hawaiian or Other Pacific Islander
- Asian or Asian American
- Black or African American
- Hispanic or Latino

- Non-Hispanic White

Gender

What is your gender?

- Female
- Male

5-Point Likert Scale

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
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Appendix B: Servant Leadership Questionnaire

PsycTESTS™ is a database of the American Psychological Association doi:
10.1037/t21447-000

Servant Leadership Questionnaire

Items

Altruistic calling

- 01 This person puts my best interests ahead of his/her own.
- 03 This person does everything he/she can to serve me.
- 35 This person sacrifices his/her own interests to meet my needs.
- 46 This person goes above and beyond the call of duty to meet my needs.

Emotional healing

- 05 This person is one I would turn to if I had a personal trauma.
- 16 This person is good at helping me with my emotional issues.
- 27 This person is talented at helping me to heal emotionally.
- 38 This person is one that could help me mend my hard feelings.

Wisdom

- 06 This person seems alert to what's happening.
- 09 This person is good at anticipating the consequences of decisions.
- 17 This person has great awareness of what is going on.
- 28 This person seems in touch with what's happening.
- 50 This person seems to know what is going to happen.

Persuasive mapping

- 07 This person offers compelling reasons to get me to do things.
- 08 This person encourages me to dream "big dreams" about the organization.
- 18 This person is very persuasive.
- 29 This person is good at convincing me to do things.
- 40 This person is gifted when it comes to persuading me.

Organizational stewardship

- 21 This person believes that the organization needs to play a moral role in society.
- 34 This person believes that our organization needs to function as a community.
- 43 This person sees the organization for its potential to contribute to society.
- 45 This person encourages me to have a community spirit in the workplace.
- 54 This person is preparing the organization to make a positive difference in the future.

Appendix C: Emotional Intelligence Measurement

Table 1
Factor Analysis of the 80 Items: Five-Factor Solution

Factors	1	2	3	4	5
E16 I am keenly aware of feelings of other people	<u>.72</u>	.04	.15	-.01	.11
E17 I am gifted at sensing what others around me are feeling.	<u>.81</u>	.01	.02	-.01	.05
E21 I pick up the subtle signals of feelings from another person.	<u>.60</u>	-.04	.09	.09	.19
E40 I have good insight into how others are feeling.	<u>.75</u>	.02	.11	.15	.13
E65 I am astute at reading other's reactions and feelings.	<u>.73</u>	.14	.06	.12	.10
E76 I have an aptitude for reading other's feelings.	<u>.76</u>	.05	.17	.03	.01
R14 My emotions are often out of control.	-.08	<u>.57</u>	.13	.01	.14
R25 I can often shrug off a foul mood and go on with my day.	.06	<u>.63</u>	.09	.10	-.01
R38 I feel negative emotions more strongly than other people.	-.09	<u>.59</u>	.18	-.03	-.06
R63 I can regulate my moods so that they don't overwhelm me.	.15	<u>.60</u>	-.02	.21	.07
R67 I have emotional battles inside me that interfere with my thoughts.	-.08	<u>.59</u>	.18	.08	.14
R77 My feelings are so intense that I often feel overwhelmed.	-.07	<u>.65</u>	.05	.02	.13
I30 I have good people skills.	.27	.05	<u>.63</u>	.24	-.02
I41 People seem to avoid interacting with me.	.14	.11	<u>.64</u>	.04	.06
I42 I am good at interpersonal relationships.	.29	.09	<u>.55</u>	.20	.18
I48 Socially, I could be described as awkward.	.14	.19	<u>.62</u>	.08	.20
I57 I have good social skills.	.21	.05	<u>.69</u>	.19	.11
I69 I could be described as a good team player.	.01	.13	<u>.55</u>	.21	.10
M6 I have the will to accomplish my goals.	.01	.13	.19	<u>.55</u>	.13
M13 I am almost always enthusiastic about pursuing my goals.	.12	.12	.12	<u>.54</u>	.19
M26 I relentlessly pursue any personal or work-related goals I set.	.04	.04	.04	<u>.52</u>	.03
M39 I have too little motivation to try hard enough to do well.	-.08	.18	.25	<u>.56</u>	.21
M49 I consistently pursue important goals.	-.02	.02	.19	<u>.64</u>	.12
M59 I am what others call a "self-starter."	.13	.11	.17	<u>.58</u>	.04
A37 I am always aware of my moods.	.16	-.11	.06	.08	<u>.61</u>
A15 I have good insight into what makes me tick.	.27	.14	.09	.25	<u>.49</u>
A43 Sometimes I'm in a foul mood and don't even know it.	-.07	.17	.07	-.09	<u>.59</u>
A44 I have difficulty describing my feelings to others.	.12	-.12	.18	.06	<u>.60</u>
A52 I can't put my feelings into words.	.14	.05	.21	.12	<u>.49</u>
A71 Other people have to point out that I'm in a nasty mood before I realize it myself.	-.05	.06	.13	.09	<u>.57</u>
Eigenvalues	4.8	5.9	3.0	2.8	2.6
% of item variance explained	18.5	7.4	3.8	3.5	3.3