

Emotional Intelligence and Transformational Leadership Traits Among Licensed Certified Public Accountants Located in the United States

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ABSTRACT

This current research study examined if there is a linear relationship between various Emotional Intelligence traits and Transformational Leadership Traits among a sample of 104 licensed Certified Public Accountants (CPA) located in the United States who are currently not in workplace leadership positions. This research is appropriate for CPA professionals because CPA professionals must evaluate different points of view, conduct an effective analysis of accounting data, and embrace the highest ethical standards as part of their professional duties. Moreover, Transformational Leadership traits (Avolio & Bass 2004) fit nicely within Peter Salovey and John Mayer's (1990) elements of Emotional Intelligence. Overall, the research study did find evidence for positive linear relationships between the predictor variables of Emotional Intelligence traits of Managing Their Own Self-Relevant Emotions and Managing Others' Emotions among licensed Certified Public Accountants (CPA) and the dependent variables of Transformational Leadership Traits related to Idealized Attributes, Inspirational Motivation, Intellectual Stimulation, and Individualized Consideration. The researchers recommend that any future professional development among Certified Public Accountants (CPA) who aspire to seek out workplace leadership positions needs to be focused on the cornerstones of Managing Their Own Self-Relevant Emotions and Managing Others' Emotions.

INTRODUCTION

The accounting profession, like many other professions in the world, struggles to find effective leaders who can connect with their various constituents. Various researchers and practitioners have previously conducted analyses examining the correlation between Emotional Intelligence (EI) traits and Transformational Leadership Traits (Avolio & Bass, 2004) across many different professions (Cavazotte et.al., 2012; Leban, & Zulauf, 2004; Mathew, & Gupta, 2015). Emotional

Intelligence demonstrates a person's aptitude to identify their individual feelings and those of others, their ability to cope with their emotions (ex., anger, fear) within themselves, and their ability to interact with others (Goleman, 1998, Salovey & Mayer, 1990). Emotional Intelligence identifies non-intellectual elements of intelligence which includes affective personal and social factors. Irrespective of the preexisting differences between the numerous definitions of Emotional Intelligence, what is being portrayed is divergent from typical measures of traditional intelligence tests (Goleman, 1995). Emotional Intelligence is a convenient construct that draws attention to human talent, and it incorporates the complexity of a person's emotional capabilities. It posits that Emotional Intelligence is highly predictive of success in various professional settings. Overall, Emotional Intelligence describes the self-perceived ability to identify, assess, and manage one's own emotions, and others' emotions (Ugoani et al., 2015). Researchers and practitioners have recognized that some people do not manage workplace emotions well; hence there is a need to have a work environment run by people who have the right aptitude for managing their emotions promote productivity in the workplace (Goleman, 1998, Wong & Law, 2017).

Certified Public Accountants (CPAs) are professionals who play key roles in corporate organizations due to their specific expertise. To qualify as a CPA, an individual must pass licensure examinations in Audit and Attestation (AUD), Financial Accounting and Reporting (FAR), Business Economic Concepts (BEC), and Regulation (REG). Also, the individuals must obtain a minimum of 1-year supervised experience before taking the exam. It is hypothesized that CPAs who have high Emotional Intelligence levels should perform better in various business roles such as maintaining professional client relationships, managing staff, and becoming key decision-making individuals. Certified Public Accountant professionals must be able to interact well with potential clients to sell their services. Current CPA professionals who do not have strong interpersonal skills may feel uncomfortable with their daily duties, and thus, experience low satisfaction with their job (Glodstein, 2014). In the study by Amilin (2014), one of the findings showed empirical evidence that the relationship between a public accountant's personality traits and organizational commitment can be mediated by a career development program that emphasizes Emotional Intelligence shaping interpersonal skills.

PURPOSE OF STUDY

This research study aimed to examine if there is a linear relationship between various Emotional Intelligence traits and Transformational Leadership Traits (Avolio & Bass 2004) among a sample of licensed Certified Public Accountants (CPA) who are currently not in workplace leadership positions. Understanding this relationship between Emotional Intelligence traits and Transformational Leadership Traits would provide employers with additional insights into the potential leadership traits and emotional intelligence among currently hired CPA professionals and guide employers in potentially promoting these CPAs into leadership positions. This research is appropriate for CPA professionals because CPA professionals must evaluate different points of view, conduct an effective analysis of accounting data, and embrace the highest ethical standards as part of their professional duties. Moreover, Transformational Leadership traits (Avolio & Bass 2004) fit nicely within Peter Salovey and John Mayer's (1990) elements of Emotional Intelligence. Therefore, it can be argued that business owners would prefer to hire licensed CPA professionals who have high Emotional Intelligence because they are potentially more productive in the workplace as compared to individuals with low Emotional Intelligence. As argued earlier in the research project,

Emotional Intelligence benefits the individual because it would provide more opportunities to build a more substantial reputation with their colleagues in the workplace.

RESEARCH QUESTION

Is there a statistically significant relationship between Emotional Intelligence traits and Transformational Leadership Traits among Certificated Public Accountants?

Hypotheses

- Ho: There is no statistically significant relationship between Emotional Intelligence traits and Transformational Leadership Traits among Certificated Public Accountants.
- Ha: There is a statistically significant relationship between Emotional Intelligence traits and Transformational Leadership Traits among Certificated Public Accountants.

METHODOLOGY

Participants

A sample of 104 licensed and active Certified Professional Accountants (CPA) working in the United States participated in the research study with 49.6% of the overall sample being females, and 50.4% of the sample being males. Furthermore, 38.5% of the sample of participants were aged 60 years old and older, 21.4% of the sample were between 50 and 59 years old, 18.8% of the sample were between 30 and 39 years old, 12% of the sample were between 40 and 49 years old, and 9.4% were between 18 and 29 years old.

Measurement Tools

After completing the demographic questionnaire, all the participants completed two validated assessments for this study. The first was the Schutte Self-Report Emotional Intelligence Test (SSEIT) which was developed by Schutte et al. (1998). First, the Schutte Self-Report Emotional Intelligence Test (SSEIT) was developed to measure Emotional Intelligence (EI) using four subscales focusing on Emotion Perception (i.e., recognizing and properly labeling the facial expressions of other people), Utilizing Emotions (i.e., how to harness emotions in order to further focus on personal goals), Managing Their Own Self-Relevant Emotions, and Managing Others' Emotions. The SSEIT is a 33-item self-report that uses a scale of 1 (strongly agree) to 5 (strongly disagree). The 33-item SSEIT scale has proven to be a reliable, valid measure of Emotional Intelligence as conceptualized by Salovey and Mayer (1990). Over the years, the SSEIT has been a useful assessment tool for individuals who want to become self-aware of their important emotional characteristics so individuals can either deploy these skills effectively in workplace settings or work on further improving these emotional characteristics.

Next, the participants completed the Multifactor Leadership Questionnaire (Avolio & Bass 2004). This standardized instrument collects and measures information on transformational, transactional, and laissez-faire leadership (Avolio & Bass 2004). The Multifactor Leadership Questionnaire (MLQ) is one of the most widely established instruments in measuring transformational leadership. This instrument has previously been shown to be reliable and valid in evaluating leadership abilities and behaviors along with subordinate employee reactions and situational attributes. There are forty-five questions in total that would be answered by the participants on a 5-point Likert Scale. Bass's MLQ Manual shows strong evidence of internal and external validity. It is a reliable tool that measures leadership ability and behavior in organizations and organizational studies (Avolio & Bass 2004) To focus on

potential Transformational Leadership Traits among a sample of licensed and active Certified Professional Accountants (CPA) who are not in leadership positions, the research project focused only on the components of the self-reported transformational leadership skills among the sample of licensed and active Certified Professional Accountants (CPA) and not analyze the other components of transactional, and laissez-faire leadership. There was also no analysis of the follower reactions as the focus of the research study is the accountants who are in aspiring towards leadership positions. There were 4 key transformational leadership traits among active Certified Professional Accountants (CPA) that were the focus of the current research study. Idealized Attributes measure a potential leader's ability to instill a sense of pride among subordinate employees, to go beyond self-interest for the good of the group, and to display a sense of power and confidence (Avolio & Bass 2004). Inspirational Motivation measures a potential leader's ability to behave in ways that actively motivate subordinates around them, via enthusiasm and optimism, towards arousing both individual and team spirit (Avolio & Bass 2004). Intellectual Stimulation measures a potential leader's ability to stimulate their followers' effort toward innovation and creativity by questioning assumptions, reframing problems, and approaching old situations in new ways via collaboration with subordinates around them (Avolio & Bass 2004). Finally, Individualized Consideration measures a potential leader's ability to pay attention to everyone's need for achievement and growth by creating new learning opportunities along with fostering a supportive climate in which subordinates can further grow in their workplace skills (Avolio & Bass 2004).

Procedures

The primary researcher of the current study used snowball sampling of her professional contacts to recruit qualified participants for the voluntary research study. Invitees were recruited through email and invited to complete the online survey administered through Google Surveys, an online survey platform. The survey was voluntary and anonymous; anonymity and confidentiality were adhered to and assured to all participants. Before accessing the online survey, the invitees were asked to read and accept an online consent form that describes the nature of the research study, the risks of participation, and reassures them that their participation in the research study is voluntary and confidential. The participants were informed that completing the entire online survey would take 15-20 minutes.

RESULTS

Based on the research questions posed for this study, various stepwise multiple regressions were carried out using Statistical Package for the Social Sciences (SPSS) 28 on the 4 subscales of the Schutte Self-Report Emotional Intelligence Test (SSEIT) (Emotion Perception, Utilizing Emotions, Managing Their Own Self-Relevant Emotions, and Managing Others' Emotions) as the independent variables versus the 4 dependent variables of Idealized Attributes, Inspirational Motivation, Intellectual Stimulation and Individualized Consideration measured via the Multifactor Leadership Questionnaire (Avolio & Bass 2004)

The stepwise multiple linear regression analysis showed that there was a statistically significant linear relationship between the independent variables of self-reported Emotional intelligence traits of Managing Their Own Self-Relevant Emotions and Managing Others' Emotions and the dependent variable of Idealized Influence trait of transformational leadership among the sample of CPA the participants in the survey, $F(2,101) = 51.53$, $p < 0.001$. Overall, the research project found an R-square value of 0.505, indicating that 50.5% of the self-reported

Idealized Influence trait of transformational leadership scores are predicted by the variance in the perception of self-reported Emotional intelligence traits of Managing Their Own Self-Relevant Emotions and Managing Others' Emotions among the sample of the participants. The statistically significant positive slopes for both the predictor variables of Managing Their Own Self-Relevant Emotions ($\text{Beta}=0.406$, $p<0.001$) and Managing Others' Emotions ($\text{Beta}=0.378$, $p<0.001$) indicate that there is a corresponding increase in the self-reported Idealized Influence trait of transformational leadership among participants alongside the increasing perception of self-reported Emotional intelligence traits of Managing Their Own Self-Relevant Emotions and Managing Others' Emotions among the sample of CPA participants. In contrast, the independent variables of self-reported Emotion Perception and Utilizing Emotions did not have any statistically significant linear relationship with the self-reported Idealized Influence trait of transformational leadership among the sample of CPA participants.

Next, a separate stepwise multiple linear regression analysis showed that there was a statistically significant linear relationship between the independent variables of self-reported Emotional intelligence traits of Managing Their Own Self-Relevant Emotions and Managing Others' Emotions and the dependent variable of Intellectual Stimulation trait of Transformational Leadership among the sample CPA participants in the survey, $F(2,101) = 31.72$, $p<0.001$. Overall, the research project found an R-square value of 0.386, indicating that 38.6% of the self-reported Intellectual Stimulation trait of transformational leadership scores are predicted by the variance in the perception of self-reported Emotional intelligence traits of Managing Their Own Self-Relevant Emotions and Managing Others' Emotions among the sample of the participants. The statistically significant positive slopes for both the predictor variables of Managing Their Own Self-Relevant Emotions ($\text{Beta}=0.414$, $p<0.001$) and Managing Others' Emotions ($\text{Beta}=0.268$, $p=0.01$) indicate that there is a corresponding increase in the self-reported Intellectual Stimulation trait of transformational leadership among participants alongside the increasing perception of self-reported Emotional intelligence traits of Managing Their Own Self-Relevant Emotions and Managing Others' Emotions among the sample of CPA participants. In contrast, the independent variables of self-reported Emotion Perception and Utilizing Emotions did not have any statistically significant linear relationship with the self-reported Intellectual Stimulation trait of transformational leadership among the sample of CPA participants.

Next, a separate stepwise multiple linear regression analysis showed that there was a statistically significant linear relationship between the independent variable of self-reported Emotional intelligence traits of Managing Their Own Self-Relevant Emotions and Managing Others' Emotions and the dependent variable of Inspirational Motivation trait of Transformational Leadership among the sample CPA participants in the survey, $F(2,101) = 67.99$, $p<0.001$. Overall, the research project found an R-square value of 0.574, indicating that 57.4% of the self-reported Inspirational Motivation trait of transformational leadership scores are predicted by the variance in the perception of self-reported Emotional intelligence traits of Managing Their Own Self-Relevant Emotions and Managing Others' Emotions among the sample of the participants. The statistically significant positive slopes for both the predictor variables of Managing Their Own Self-Relevant Emotions ($\text{Beta}=0.545$, $p<0.001$) and Managing Others' Emotions ($\text{Beta}=0.282$, $p=0.001$) indicate that there is a corresponding increase in the self-reported Inspirational Motivation trait of transformational leadership among participants alongside the increasing perception of self-reported Emotional intelligence traits of Managing

Their Own Self-Relevant Emotions and Managing Others' Emotions among the sample of CPA participants. In contrast, the independent variables of self-reported Emotion Perception and Utilizing Emotions did not have any statistically significant linear relationship with the self-reported Inspirational Motivation trait of transformational leadership among the sample of CPA participants.

Finally, a separate stepwise multiple linear regression analysis showed that there was a statistically significant linear relationship between the independent variable of self-reported Emotional intelligence traits of Managing Their Own Self-Relevant Emotions and Managing Others' Emotions and the dependent variable of Individual Consideration trait of Transformational Leadership among the sample CPA participants in the survey, $F(2,101)=67.99$, $p<0.001$. Overall, the research project found an R-square value of 0.574, indicating that 57.4% of the self-reported Individual Consideration trait of transformational leadership scores are predicted by the variance in the perception of self-reported Emotional intelligence traits of Managing Their Own Self-Relevant Emotions and Managing Others' Emotions among the sample of the participants. The statistically significant positive slopes for both the predictor variables of Managing Their Own Self-Relevant Emotions (Beta=0.414, $p<0.001$) and Managing Others' Emotions (Beta=0.268, $p=0.01$) indicate that there is a corresponding increase in the self-reported Individual Consideration trait of transformational leadership among participants alongside the increasing perception of self-reported Emotional intelligence traits of Managing Their Own Self-Relevant Emotions and Managing Others' Emotions among the sample of CPA participants. In contrast, the independent variables of self-reported Emotion Perception and Utilizing Emotions did not have any statistically significant linear relationship with the self-reported Individual Consideration trait of transformational leadership among the sample of CPA participants.

DISCUSSION

This current research study examined if there is a linear relationship between various Emotional Intelligence traits and selected Transformational Leadership Traits (Avolio & Bass 2004) among a sample of licensed Certified Public Accountants (CPA) who are currently not in workplace leadership positions. Overall, the research study did find evidence for positive linear relationships between the predictor variables of Emotional Intelligence traits of Managing Their Own Self-Relevant Emotions and Managing Others' Emotions among licensed Certified Public Accountants (CPA) and the dependent variables of Transformational Leadership Traits related to Idealized Attributes, Inspirational Motivation, Intellectual Stimulation, and Individualized Consideration. It was interesting to observe that increasing levels of self-ratings on both Managing Their Own Self-Relevant Emotions and Managing Others' Emotions among licensed Certified Public Accountants (CPA) professionals predicted corresponding increases in their self-reported ratings on their Transformational Leadership Traits of Idealized Attributes, Inspirational Motivation, Intellectual Stimulation, and Individualized Consideration. By being able to Managing Their Own Self-Relevant Emotions and Managing Others' Emotions, licensed Certified Public Accountants (CPA) have the capacity to instill a sense of pride among future subordinate employees, the capacity to motivate potential subordinates around them towards individual and team spirit, the capacity to stimulate their potential followers' effort towards innovation and creativity, and the capacity to paying attention to everyone's need for achievement and growth by fostering new learning opportunities in workplace settings.

Based on the findings of the current research study, any future professional development training among licensed Certified Public Accountants (CPA) need to focus on the cornerstones of the Emotional Intelligence traits of Managing Their Own Self-Relevant Emotions and Managing Others' Emotions in order for them to be successful towards developing various Transformational Leadership Traits such as Idealized Attributes, Inspirational Motivation, Intellectual Stimulation, and Individualized Consideration as they aspire towards leadership positions in the future. Prior research literature has also highlighted the importance of business leaders Managing Their Own Self-Relevant Emotions and Managing Others' Emotions as key components of effective leadership in 21st century workplace settings (Mitsea et.al., 2021, Udod et.al. 2020) especially with the advent of Generation Z gradually joining the ranks of the workforce (Schroth, 2019). For example, Udod et.al. (2020) conducted a qualitative study on a sample of middle managers' attitudes toward their workplace supervisors and the researchers found that the middle managers clearly valued their workplace supervisors who could self-regulate their emotions during interactions. The middle managers also admired the capacity of their workplace supervisors to self-identify their emotions, moods, and impulses as they occurred in the workplace along with authentically explaining how these feelings influenced them (Udod et.al. 2020). Overall, the current research study did show a correlation between Emotional Intelligence (EI) traits and Transformational Leadership Traits (Avolio & Bass, 2004) within the profession of licensed Certified Public Accountants (CPA) and this replicates similar findings across many other professions (Cavazotte et.al. 2012; Leban, & Zulauf, 2004; Mathew, & Gupta, 2015). It is recommended that future research studies focus on Emotional Intelligence (EI) traits and Transformational Leadership Traits among licensed Certified Public Accountants (CPA) who are currently in leadership positions along with the assessment of their leadership traits by their subordinate Certified Public Accountants. These types of research studies would further strengthen the argument for the importance of Managing Their Own Self-Relevant Emotions and Managing Others' Emotions among licensed Certified Public Accountants (CPA) as Transformational Leaders in the workplace.

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