

## **CHAPTER II**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

A lot of research has already studied the problems and variables this research has taken. In the early 1990s there is even a book written by Daniel Goleman about emotional intelligence, and to mention Abraham Maslow already came out with his theories and hierarchy of human needs in 1943 titled “A Theory of Human Motivation”. Every journal article or research have a main theory taken from those previous researchers including this study that study about emotional leadership, employee motivation and job performance as its variables and making the employee motivation as moderating variable between the emotional leadership and job performance.

In order to explore further emotional leadership, the basics of leadership itself will be explained first. Hence the connection of emotional leadership with the impact on motivation and job performance will be shown. The description of employee motivation and how motivation affects job performance will be explained. On the other hand, employee motivation itself will act as moderation variable between emotional leadership and job performance so the connection will be proved based on previous research. Lastly, job performance will be the last variable explained in this chapter and become the output assessed by the writer.

In the end, this chapter's main purpose is intended to present some theoretical research foundations. Referring to the issue, human resource

management is considered to have an important role in addressing the problem. Additionally, the hypothesis and conceptual framework that are used in this research also would be explained as well.

## **2.2 Emotional Leadership**

Leadership is an important aspect for an organization, but the likelihood of the success of the organization to achieve their goals and accomplish tasks depends on the leader. Hence, leadership traits are more likely to gain trust among the organization. In (Daft, 2015) defined leadership as an influence relationship among leaders and followers who intend real changes and outcomes that reflect their shared purposes. In implementing this leadership, self-determination theory, is shown to prove their significant impact on managers to gain employee's positive motivation and intention to perform certain behaviors.

Based on Daniel Goleman's book, emotional leadership is crucial for several reasons; it enhances communication, builds strong relationships, resolves conflicts, inspires and motivates teams, is adaptable, and plays a crucial role in decision-making (Cahya, Putriastuti & Stasi, 2019). Leaders with high emotional intelligence can understand the emotions behind messages, build strong relationships, and navigate conflicts effectively (Khairuzzaman Wan Ismail et al., 2020). They also create a positive work environment, boost morale, and foster a sense of purpose (Loughran, 2021). Emotional intelligence also helps in decision-making, as leaders who weigh emotional factors alongside rational considerations make well-rounded decisions (Wan et al., 2022).

A person with leadership within them will lead the other, not only appear for giving the task, but also shows the way and have the way to do that task with other people (Yusup, 2022). In terms of leadership, there is so called emotional leadership. Some studies also referred to emotional leadership as emotional intelligence that a person or a leader has (McCleskey, 2014 cited in Gerritsen et al., 2022). One of the definition of emotional intelligent is the ability to perceive emotions, to access and generate emotions so as to assist thought, to understand emotions and emotional meanings, and to reflectively regulate emotions so as to promote both better emotion and thought (Caruso et al., 2018) stated that effective leader have to possess empathy, interpersonal astuteness, awareness of their own feelings, and awareness of their impact to others, and apply those capabilities thoughtfully as best benefits the situation. Based on those definitions, emotional leadership has a high emotional intelligence, and leads them to use their emotional awareness to strengthen and deepen interpersonal connection with their subsidiaries (Loughran, 2021). In the scope of organization, emotional leadership is characterized by exceptional managerial qualities in the areas of self-emotional assessment, decision-making, and conflict resolution, emotion management, other people's emotional assessments, and the employment emotion (Cahya, Putriastuti & Stasi, 2019)

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build strong relationships, and navigate conflicts effectively. They also create a positive work environment, boost morale, and foster a sense of purpose. Emotional intelligence also helps in decision-making, as leaders who weigh emotional factors alongside rational considerations make well-rounded decisions.

The leader must position themselves as a person that connected emotionally to their subsidiaries and not including exclusivity for themselves to their work environment (Wan et al., 2022). In order for a leader to obtain a proper skillset of leadership capabilities, a certain competency is required that could be translated to broad range of knowledge, skills, abilities and personal characteristics and measured using items such as showing awareness of own feelings, setting measurable with improve own self and challenging goals (Caruso et al., 2018).

It is vital for leaders to have emotional ability to maintain positive relations with every individual within the organization and will determine leadership capabilities of running the organization (Ha et al., 2020). Regarding the variables that are shaping emotional leadership, there are five prominent components which are self-awareness, self-regulation, motivation, empathy and social skills (Perloff, 1997 in Khairuzzaman Wan Ismail et al., 2020). Nonetheless, leaders need to have awareness to use their emotional intelligence to encourage, lead, and connect with their subsidiaries to accomplish the tasks and achieve organization goals (Keskes et al., 2018). Since the leader of an organization, they will be affecting their subsidiaries' output, which is job performance.

### 2.3 Job Performance

In this research job performance is defined as the total expected value to the organization of the discrete behavioral episodes that an individual carries out over a standard period of time (Ángeles López-Cabarcos et al., 2022). Job performance also refers to the yield that an individual has contributed to the organization concerning his behavior to engage in, and which the organization may perceive it as profitable or counterproductive (Jalagat, 2017) and job performance eventually become final assessment of whether the goals successfully accomplished or not at the end of the certain period.

Job performance can be operationalized in very different ways depending on our purposes, ranging from broad descriptions of behaviors (e.g., adaptability) to narrow ones (e.g., wrattendance) (Ramos-Villagrasa et al., 2019). There are three major domains of job performance: task performance, contextual performance, and counterproductive work behavior together, these dimensions provide a comprehensive and parsimonious approach to overall job performance (Dalal et al., 2012 in Lencho, 2020). As the result of achieving the organization's goal, job performance becomes an assessment of whether the organization is doing well or not. Job performance has been characterized as the way employees carry out the organization's tasks and the relationship between employee conduct and corporate norms (Varma, 2018).

In the organization, when employee recognition and employee empowerment is at different level is shown to have direct initiation to the job performance at the same time improving the promotion and better training provision

to the employees have been shown to have an ability to raise the employee's job performance level to better level (Lencho, 2020). A study also mentioned that communication is also the key to gain the job performance intended since the beginning (Alase & Akinbo, 2021) not only with other co-workers but also to the leader so it will build the vertical relationship within the organization.

Effective job performance could lead to an increase in productivity (J. P. Campbell, 1990 in Alase & Akinbo, 2021) within the organization and increase the overall valuation of the organization itself. On the other hand, inefficient job performance is frequently linked to lower production, profitability, and organizational effectiveness (Jain et al., 2019) and failure to accomplish job goals is also certain. So, job performance will be the determinant of the whole organization process within a certain time period. In order to improve job performance, it is critical to identify several aspects, such as task and social characteristics, that can positively influence it (Ángeles López-Cabarcos et al., 2022). As the job performance is the output from the employee of an organization, the leader will need to maintain their well-being. Hence, they will be looking at their subsidiaries' motivation.

#### **2.4 Employee Motivation**

As our behavior can be affected by anything in order to pursue a certain outcome, motivation itself will be the driving force to do it (Naile & Selesho, 2014 as cited in Jain et al., 2019). Motivation within an organization is a key component that motivates people to do their best work and contribute to the achievement of large-scale company goals (Jain et al., 2019), Employee motivation also commonly

measure by job satisfaction and organizational commitment (Björklund, 2007 in Zaitouni, et. al., 2020) and makes motivation as an important trigger for someone doing what they are tasked for. Another study, that used multiple times in another studies, defined work motivation as a set of enthusiastic strengths that start both inside as well as past an individual's being, to start work-related conduct and to decide its shape, course, escalated, and term (Revda Dinibutun, 2017).

A lot of factors that affected motivation within a person. In previous study clarified motivation is also an important characteristic that encourages individuals to do their best work and contributes to the achievement of major corporate goals of (Jain et al., 2019). In the same study, motivation is divided by internal factors, such as self-actualization, creativity, self-affirmation, conviction, and external factors, such as money, careers, status, prestige, ability to travel, to make up a set of motivators for the employee. Those factors make motivation a complex thing to gain to make a person feel motivated to do their job or task that given.

Financial related motivation is surely one of most popular ways among the employers, but there is viable alternative that is non-financial motivation to make employees more faithful, more efficient, better performing and stimulating the motivation. In this case, extrinsic and intrinsic will give an additional boost to employee motivation (Naile & Selesho, 2014 & Lut, 2012 as cited in Jain et al., 2019). In addition, a motivated employee is aware of specific goals and objectives that must be met to devotes their efforts in that direction (Forson et al., 2021). In one study from Galli in 2020, one factor increasing employee motivation is the

relationship between them and their leaders/managers. Building positive relationships with managers is an ongoing process that involves various aspects of leadership and interpersonal skills (Mone, E. M., & London, M. ,2018 and Galli, 2020).

Therefore, motivation affected people's acquisition of their abilities and skills. The role of motivation a supportive factor for organization, especially when it comes to improving performance (Kuswati, 2020) and cause motivation itself as an important subject on improving potential and final outcome within the employee (Forson et al., 2021). Maslow in 1943 argued lower-level needs, in his five levels needs, needs satisfied first before the higher level of need to motivate employees (Maslow, 1943 in Cameron & Green, 2020). In this aspect, a leader needs to acquire the basic needs of their subsidiaries to understand their emotional state, so they will feel emotionally confidence in working with everyone within the organization.



## 2.5 Previous Study

**Table 2. 1**  
**Previous Studies**

Writer	Variables	Hypothesis	Results
Zaitouni, M, G Ouakouak, M, L Arya, B 2020	<p><b>Independent Variables:</b></p> <ul style="list-style-type: none"> <li>Ethical Leadership</li> <li>Emotional Leadership</li> </ul> <p><b>Dependent Variables:</b></p> <ul style="list-style-type: none"> <li>Job Performance</li> <li>Quitting Intentions</li> </ul> <p><b>Mediator Variable:</b></p> <ul style="list-style-type: none"> <li>Employee Motivation</li> </ul> <p><b>Moderator Variable:</b></p> <ul style="list-style-type: none"> <li>Interest in the private sector</li> </ul>	<p><b>H1a.</b> Ethical leadership is positively associated with employee motivation.</p> <p><b>H1b.</b> Ethical leadership is positively associated with job performance.</p> <p><b>H1c.</b> Employee motivation mediates ethical leadership–job performance relationship.</p> <p><b>H2a.</b> Emotional leadership is positively associated with employee motivation.</p> <p><b>H2b.</b> Emotional leader support is positively associated with job performance.</p> <p><b>H2c.</b> Employee motivation mediates emotional leadership–job performance relationship.</p> <p><b>H3.</b> Employee motivation is positively associated with job performance.</p> <p><b>H4.</b> Job performance is negatively related to quitting intentions.</p> <p><b>H5.</b> Interest in the private sector moderates the relationship between job performance and quitting intentions.</p>	<ol style="list-style-type: none"> <li>Employees respond positively to the ethical cues provided by their leaders and display greater motivation.</li> <li>Emotional leadership exerts a positive impact on employee motivation.</li> <li>Employee motivation is positively related to job performance.</li> <li>Employee motivation fully mediates the relationship between leadership (both ethical and emotional leaderships) and job performance.</li> <li>Negative impact of job performance on employee intention to quit such that high-performing employees are more likely to remain in their jobs compared with poor performers.</li> <li>Significant moderating effect of interest in working in the private sector to explain the negative relationship between job performance and the intention to quit.</li> </ol>
Wan, et al, 2022	<p><b>Independent Variables:</b></p> <ul style="list-style-type: none"> <li>Emotional Leadership</li> </ul> <p><b>Dependent Variables:</b></p> <ul style="list-style-type: none"> <li>Job Performance</li> </ul> <p><b>Mediating Variable:</b></p> <ul style="list-style-type: none"> <li>Positive Emotions</li> </ul> <p><b>Moderating Variable:</b></p> <ul style="list-style-type: none"> <li>Susceptibility to Positive Emotions</li> </ul>	<p><b>H1.</b> Emotional leadership has a positive effect on subordinates' job performance.</p> <p><b>H2.</b> Emotional leadership has a positive effect on subordinates' positive emotions.</p> <p><b>H3.</b> Subordinates' positive emotions mediate the role between emotional leadership and subordinates' job performance.</p> <p><b>H4.</b> Subordinates' emotional susceptibility positively moderates the relationship between emotional leadership and positive emotions.</p>	<ol style="list-style-type: none"> <li>Leaders with high emotional leadership can improve employees' emotional states, thus enabling employees to have higher job performance.</li> <li>Subordinates' positive emotions partially mediated the relationship between a leader's emotional leadership and subordinates' job performance.</li> <li>subordinates' susceptibility to positive emotion facilitates the relationship between a leader's emotional leadership and subordinates' positive emotions</li> </ol>

Writer	Variables	Hypothesis	Results
Manzoor, Quratul-Ain 2012	<p><b>Independent Variables:</b></p> <ul style="list-style-type: none"> <li>• Employees Motivation</li> </ul> <p><b>Dependent Variables:</b></p> <ul style="list-style-type: none"> <li>• Organizational Effectiveness</li> </ul>	<p><b>H1.</b> There is an effect of recognizing employees' work on their motivation to work.</p> <p><b>H2.</b> There is an effect of empowering employees in tasks on their motivation to work.</p> <p><b>H3.</b> There is a relationship between employees' motivation and organizational effectiveness</p>	<ol style="list-style-type: none"> <li>1. Recognition and empowerment play an essential part in enhancing employee motivation towards organizational tasks.</li> <li>2. Employee recognition and employee motivation towards organizational tasks have a positive relationship between them.</li> <li>3. Employee empowerment and employee motivation towards organizational tasks have also direct and positive relationship between them,</li> <li>4. The motivated employees' works best in the interest of the organizations which leads them towards growth, prosperity and productivity.</li> </ol>
Nasser, et al, 2020	<p><b>Independent Variables:</b></p> <ul style="list-style-type: none"> <li>• Emotional Intelligent</li> <li>• Transformational Leadership</li> </ul> <p><b>Dependent Variables:</b></p> <ul style="list-style-type: none"> <li>• Job Performance</li> </ul>	<p><b>H1.</b> Emotional Intelligent positively related to Job Performance</p> <p><b>H2.</b> Transformational Leadership relates positively to Job Performance</p> <p><b>H3.</b> Transformational Leadership relates positively to Emotional Intelligent</p>	<ol style="list-style-type: none"> <li>1. Manager in Yemen struggle with severe and long-lasting tasks that need functional leadership capabilities.</li> <li>2. Yemeni managers lack Emotional Intelligence capabilities necessary to become effective Transformational Leaders.</li> <li>3. A high level of EI is a pre-requisite to strengthening leadership practices, workplace performance, and employee support of organizational goals</li> </ol>

## 2.6 Conceptual Framework

The conceptual framework that is proposed by the writer consists of three independent variables which is emotional leadership, one mediating variable which is employee motivation and one dependent variable which is job performance.

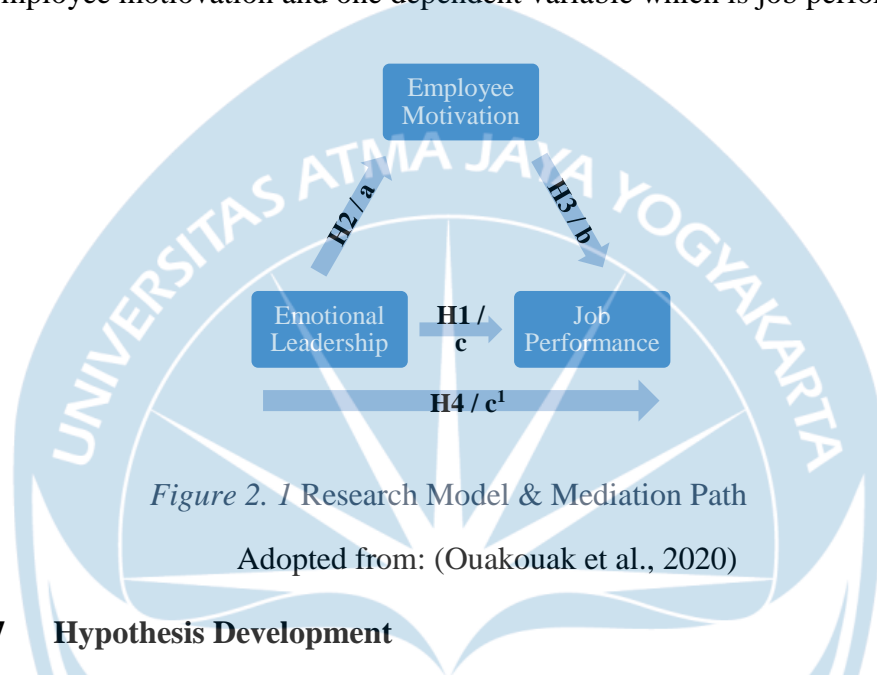


Figure 2. 1 Research Model & Mediation Path

Adopted from: (Ouakouak et al., 2020)

## 2.7 Hypothesis Development

The previous studies done regarding the effect of the leadership style towards the behavior of the employee's job performance showed the relationship between those variables. Perloff in 1997 stated that the importance of emotional intelligence of a leader affected their effectiveness (Loughran, 2021). Effectiveness in leadership could lead their teams and understanding each one of them and produce desire outcome (Ha et al., 2020). Various research also concludes that will improve the employee motivation, therefore will performs the better performance, like the study of (Alase & Akinbo, 2021) support the finding by stating motivation improves employee performance.

### **2.7.1 Emotional Leadership and Job Performance**

A leader that applies emotional leadership style will build a leader-employee connection, hence make higher job performance for the employee, and same study shows the connection between emotional leadership, employee motivation and employee job performance (Wan et al., 2022). Emotional support from the leader also give boost on employee performance (Ouakouak et al., 2020), thus when employee motivated, they perform higher performance (Alase & Akinbo, 2021). Job performance is also used to strengthen organizational goals and requires a high degree of emotional leadership (Khairuzzaman Wan Ismail et al., 2020). So, the writer proposes:

*H1: Emotional leader support is positively associated with job performance.*

### **2.7.2 Emotional Leadership and Employee Motivation**

Leadership capabilities in an organization has an important task to motivate their employee (Alam et al., 2020) and since emotional leadership been stated as the ability to understands and considers the feelings of members within the organization (Niswaty et al., 2021), it shares strong connection with employee motivation (Ouakouak et al., 2020) in order to remain focused on the organization objectives (Kong et al., 2020). Therefore:

*H2: Emotional leadership is positively associated with employee motivation.*

### **2.7.3 Employee Motivation and Job Performance**

Each individual of employee has their own needs and has been studied multiple times such as in Maslow's Hierarchy of needs (Lee & Raschke, 2016). It is argued that if the basics needs of employee satisfied, it would motivate them, but

other study showed there are two factors; intrinsic factors such as achievement and recognition; and extrinsic factor such as wage and job security (Herzberg et al., 1959 in Ouakouak et al., 2020), and when employee motivated, it has a high influence in their performance so they can address and direct their efforts in the specific goals they need to achieve the goals (Jain et al., 2019). Thus, the writer hypothesizes:

*H3: Employee motivation is positively associated with job performance.*

#### **2.7.4 Employee Motivation and Emotional Leadership-Job Performance Relationship**

Employee nonetheless is big and important part of an organization. Meanwhile, the performance of the employee will have direct impact from the motivation of the employee (Forson et al., 2021), and when the leader wants to gain a maximum job performance desired from their employee, the leader needs to maintain their state of motivation to make sure they perform what the organization wanted (Alam et al., 2020). Thus, when leader applied emotional in their style of leadership, employee will feel more connected to their leader and bring a better performance to their job and employees are more likely to express positive attitudes and exert higher task performance in reaction to positive displays of emotions by leaders (Wang & Seibert, 2015 and Martin & Bolliger, 2018). So, the fourth hypothesis will be:

*H4: Employee motivation mediates emotional leadership–job performance relationship.*