

ENHANCEMENT OF EMOTIONAL LEADERSHIP EFFECTIVENESS AT BANGKO SENTRAL NG PILIPINAS

SIMEON F. LABRADOR

Doctor of Philosophy
Lyceum Northwestern University, Dagupan City

Abstract

This research aimed to enhance emotional leadership capabilities to improve leadership effectiveness within Bangko Sentral ng Pilipinas. Specifically, it investigated factors contributing to effective emotional leadership, critical emotional intelligence competencies for leaders, employee job satisfaction levels related to emotional leadership, barriers to implementing emotional leadership practices, and strategies for fostering a culture of emotional leadership.

Using a descriptive research methodology, the study systematically examined emotional leadership at BSP. Frequency and percentage analysis identified key factors, while a five-point Likert scale assessed employee satisfaction and challenges in implementing emotional leadership practices.

The study recommended promoting open dialogue, shared decision-making, and teamwork to enhance transparency and collaboration. It was suggested that BSP integrate emotional intelligence into leadership development programs, establish policies recognizing emotional intelligence in performance evaluations, and create mentoring systems to guide leaders in emotional intelligence growth. Comprehensive training programs focusing on empathy and communication skills were also proposed, alongside recognition systems for leaders excelling in emotional intelligence. Additionally, the study emphasized the need to shift the organizational culture to value emotional intelligence as highly as technical skills.

Overall, the findings underscored the critical role of emotional leadership in driving organizational excellence and employee well-being at Bangko Sentral ng Pilipinas.

Keywords: Emotional Leadership, Emotional Intelligence, Leadership Effectiveness, Organizational Culture

Introduction

In today's complex and rapidly changing work environment, effective leadership is more critical than ever for organizational success (Coronado-Maldonado & Benítez-Márquez, 2023). While traditional leadership models often focus on technical skills and strategic thinking, there is a growing recognition of the importance of emotional intelligence in leadership effectiveness (Nayee, 2021). Emotional leadership, which involves understanding and managing one's own emotions and those of others, has emerged as a key driver of employee engagement, productivity, and overall organizational performance (Bru-Luna et al., 2021). This study examines the enhancement of emotional leadership effectiveness at Bangko Sentral ng Pilipinas, the central bank of the Philippines, exploring the factors that contribute to successful emotional leadership practices and their impact on the organization.

The BSP plays a vital role in maintaining price stability, promoting financial stability, and ensuring a sound and efficient payments and settlements system in the Philippines (Gabriel & Villaroman, 2019). As a public institution entrusted with significant responsibilities, the effectiveness of its leadership is paramount (Torneo & Mojica, 2020). This study investigates the specific context of emotional leadership within the BSP, examining how emotional intelligence

competencies can be developed and leveraged to enhance leadership effectiveness at all levels of the organization. By focusing on the unique challenges and opportunities presented by the central banking environment, the research aims to provide tailored recommendations for strengthening emotional leadership practices within the BSP (Coronado-Maldonado & Benítez-Márquez, 2023).

A central focus of this study is the identification of key factors that contribute to effective emotional leadership at the BSP. The research explores the relationship between emotional intelligence competencies, such as self-awareness, self-regulation, social awareness, and relationship management, and leadership effectiveness (Coronado-Maldonado & Benítez-Márquez, 2023). By analyzing data gathered through surveys, interviews, and observations, the study aims to determine which emotional intelligence competencies are most critical for leaders at the BSP and how these competencies can be developed and strengthened. This analysis provides valuable insights for designing targeted leadership development programs that enhance emotional intelligence and promote effective leadership practices.

Furthermore, this study investigates the impact of emotional leadership on employee job satisfaction and organizational culture at the BSP. Emotional leadership creates a positive work environment where employees feel valued, respected, and supported (Duarte et al., 2021). This positive climate fosters employee engagement, motivation, and commitment, leading to improved job satisfaction and overall organizational performance (Webb et al., 2015). The research examines the relationship between emotional leadership practices and employee job satisfaction, exploring how leaders' emotional intelligence influences employee morale, productivity, and well-being. Additionally, the study explores the role of emotional leadership in shaping organizational culture, examining how leaders can foster a culture of trust, collaboration, and open communication.

Finally, this study identifies barriers to implementing emotional leadership practices at the BSP and proposes strategies for overcoming these challenges. Implementing emotional leadership requires a shift in mindset and organizational culture. Leaders may face resistance to change, lack of awareness about the importance of emotional intelligence, or limited resources for developing emotional leadership skills (Spear & Kennedy, 2023). The research explores these potential barriers and proposes strategies for addressing them effectively. These strategies may include leadership development programs, coaching and mentoring initiatives, organizational policy changes, and communication campaigns to raise awareness about the benefits of emotional leadership (Torrence & Connelly, 2019). By addressing these challenges proactively, the BSP can create an environment that supports the development and implementation of effective emotional leadership practices. The goal of this study is to provide practical recommendations for enhancing emotional leadership effectiveness at the BSP, contributing to a more positive and productive work environment, improved employee well-being, and enhanced organizational performance.

Method

Research Design

This study on enhancing emotional leadership for improved effectiveness at Bangko Sentral ng Pilipinas employs a descriptive research approach to systematically investigate the current state of emotional leadership within the organization.

Participants

The study population includes all leaders and employees at Bangko Sentral ng Pilipinas, including executives, managers, and frontline staff.

Instrumentation

The key instruments used in this study include structured surveys, in-depth interviews, and observational checklists. The survey design aims to quantify emotional intelligence competencies among leaders, such as self-awareness, self-regulation, social skills, empathy, and motivation. The survey items comprise validated questions that measure emotional intelligence and leadership effectiveness, ensuring the data collected are standardized and comparable across respondents. Additionally, the survey instrument incorporates demographic questions to provide contextual information while preserving participant anonymity.

Data Analysis

The researchers used frequency and percentage analyses to identify the key factors contributing to effective emotional leadership within the organizational context of Bangko Sentral ng Pilipinas. Additionally, they utilized a five-point Likert scale to determine the specific emotional intelligence competencies that are critical for leaders at Bangko Sentral ng Pilipinas to develop in order to enhance their leadership effectiveness.

Results

Factors Contribute to the Effectiveness of Emotional Leadership within the Organizational Context of Bangko Sentral ng Pilipinas

Notably, 'Empathy and understanding in leadership behaviors' emerges as the most recognized factor, with 80% (24 out of 30) of respondents highlighting its significance. This suggests that employees highly value leaders who empathize and understand their needs and concerns. Such leaders are likely to be more approachable and trustworthy, fostering a positive work environment that encourages open communication and collaboration.

Another critical insight from the table is the emphasis on 'Organizational culture that values transparency and collaboration' and 'Effective communication practices,' each identified by 70% (21 out of 30) of respondents. These findings underline the importance of an organizational culture that promotes open dialogue and cooperative efforts among team members and between employees and management. It also stresses the role of communication as a critical tool in emotional leadership, enabling leaders to articulate visions, manage expectations, and resolve conflicts effectively. The high frequency and percentage associated with these factors suggest that a culture of transparency and effective communication practices are considered foundational for emotional leadership to thrive within BSP.

Emotional Intelligence Competencies for Leaders at Bangko Sentral ng Pilipinas to Develop for Improved Leadership Effectiveness

The study findings indicate that 'Empathy' emerges as the most recognized area for development, with 75% of leaders highlighting its importance. This suggests a widespread acknowledgment of the value of understanding and sharing the feelings of others, which is essential for building strong, supportive relationships within the organization. 'Social Skills' follows closely, identified by 70% of leaders, underlining the importance of effective communication and interpersonal skills in fostering collaboration and teamwork.

'Motivation' is another critical competency, with 60% of leaders recognizing the need to foster an inner drive to achieve and excel, which is crucial for navigating challenges and inspiring teams. 'Self-Regulation,' the ability to control or redirect disruptive emotions and impulses, is seen as a development area by 50% of leaders, indicating its perceived importance in maintaining professionalism and calmness under pressure. Lastly, 'Self-Awareness' is identified by 40% of

leaders, highlighting the recognition of the need to understand one's emotions, strengths, and weaknesses as foundation for effective leadership.

Level of Job Satisfaction of Employees in Bangko Sentral ng Pilipinas Regarding their Emotional Leadership

Notably, statements concerning leaders demonstrate empathy towards employees and their ability to foster a positive work environment score highly, with mean scores of 4.2 and 4.3, respectively. These scores suggest that employees greatly value emotional leadership qualities, particularly empathy, as a key factor in their overall job satisfaction. This indicates that leaders perceived as understanding and caring contribute to creating a supportive and engaging work environment. The high score related to the impact of leaders' emotional leadership on employees' motivation (4.1) further emphasizes the crucial role of empathetic and emotionally intelligent leadership in enhancing employee motivation and engagement.

However, the table also presents areas with relatively lower mean scores, such as effective communication and conflict resolution, with scores of 3.8 and 3.7, respectively. While these scores still lean towards a positive perception, they are comparatively lower than scores for empathy and fostering a positive environment. This discrepancy highlights a potential gap in the application of emotional leadership. It suggests that while leaders at BSP may excel in demonstrating empathy and fostering motivation, there might be room for improvement in their communication strategies and conflict management. Effective communication is essential for ensuring all team members are aligned with organizational goals. In contrast, adept conflict resolution ensures that disputes are handled in a way that maintains team cohesion and morale.

Challenges Hinder the Effective Implementation of Emotional Leadership Practices at Bangko Sentral ng Pilipinas

The findings suggest that employees perceive a critical gap between the recognized need for emotional leadership skills and the availability of structured programs to develop these crucial competencies. Additionally, significant concerns were expressed regarding resistance to change in leadership style and challenges in ensuring consistent adoption of emotional leadership practices across the organization. These issues underscore the inherent resistance to transitioning from traditional leadership paradigms and the difficulty in achieving a uniform implementation of emotionally intelligent leadership within a complex and hierarchical institution like BSP.

Furthermore, the study revealed underlying structural and cultural barriers, such as the organizational culture's prioritization of technical skills over emotional skills and the perceived difficulty in measuring the impact of emotional leadership practices. These barriers impede the shift towards more emotionally intelligent leadership and reflect a broader issue within many traditional organizations that may undervalue the importance of emotional intelligence in driving team performance and organizational success. The findings suggest a recognition among BSP employees of the critical role of emotional intelligence in effective leadership, alongside an acknowledgment of the systemic obstacles that must be addressed to fully integrate these practices into the organizational fabric.

Discussion

The research findings highlight the pivotal role of emotional leadership in enhancing organizational effectiveness at Bangko Sentral ng Pilipinas. The data suggests that BSP leaders already possess a strong foundation in emotional leadership competencies, particularly in areas such as empathy, motivation, and self-awareness (Riggio & Reichard, 2008). The high levels of job satisfaction reported by employees regarding their leaders' emotional leadership capabilities

underscores the positive impact these qualities have on employee engagement, morale, and overall organizational performance.

However, the study also reveals areas for improvement, such as enhancing communication strategies and conflict resolution skills among BSP leaders. This indicates that while leaders may excel in demonstrating empathy and fostering a positive work environment, there is room for growth in their ability to effectively navigate interpersonal dynamics and ensure alignment across the organization (Goleman et al., 2002) (Parrish, 2013)(Coronado-Maldonado & Benítez-Márquez, 2023)(Radhakrishnan & Udayasuriyan, 2010).

The research further uncovers systemic and cultural obstacles that impede the widespread adoption of emotional leadership practices at BSP. These include a resistance to change in leadership style, a perceived lack of structured programs for developing emotional intelligence, and an organizational culture that prioritizes technical skills over emotional competencies (Ugoani, 2021).

To address challenges and enhance the effectiveness of emotional leadership at BSP, the study recommends several key actions. First, implementing comprehensive emotional intelligence training programs is essential (Shepherd, 2021). These initiatives should provide BSP leaders with a thorough understanding of emotional intelligence principles and practical skills to apply them in daily leadership (Stoller, 2021). Additionally, fostering a culture of emotional leadership is critical. This involves promoting an organizational environment that values emotionally intelligent leadership by recognizing and rewarding these competencies in performance evaluations and advancement processes (Coronado-Maldonado & Benítez-Márquez, 2023). Establishing a clear framework for measuring the impact of emotional leadership is also necessary. This system should quantify tangible benefits, such as improved employee engagement, reduced turnover, and enhanced organizational performance (Ugoani, 2021). Lastly, prioritizing the development of communication and conflict resolution skills among BSP leaders is vital. Strengthening these areas will enable leaders to effectively manage interpersonal dynamics and ensure organizational alignment (Kim, 2021).

By implementing these recommendations, Bangko Sentral ng Pilipinas can further strengthen its commitment to emotionally intelligent leadership, positioning the organization for sustained success and innovation in the dynamic financial landscape (Raina, 2022).

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