

## Emotional Intelligence and Organizational Performance

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### Abstract

Emotionally Intelligent people will always regulate their own emotions and definitely understand and manage the emotions of others in an appropriate manner. At the workplace, managerial level people have to deal with employees to get the work done as well as to do the work. Now- a- days most of the organizations are recognizing the influence and importance of Emotional Intelligence on the employee performance. This is a small research conducted to support the influence and importance of emotional Intelligence. Thus, in this study an attempt has been made to find out the EI level of managerial level people and the influence of EI on performance. We used judgmental sample of 55 managerial level people in cycle manufacturing industry. Structured questionnaire was used to collect the data. Analysis revealed that there is a positive relationship between EI and Job Performance. It is found that understanding the Emotional Intelligence level of employees helps to achieve the desired outcome and provide suitable training to the managers and employees to regulate their emotions in order to help them to achieve the organization objectives efficiently and effectively.

**Key words:** Emotional Intelligence, Performance, Self- Awareness, Self-Management, Social Awareness, Relationship Management

### Introduction

Interest in Emotional Intelligence has increased greatly over the last decade. Recently, increasing number of scholars has argued that Emotional Intelligence is a core variable that affects the performance of employees. Recent findings suggest that EI persons are better performers than their counterparts (Law, Song & Wong, 2004). To maintain a productive culture in the current business climate, the organization has to concentrate emotional intelligence of employees. In this study we attempt to identify the influence of EI on job performance. The present study is based on Goleman (1995) theory of EI, viewed as a set of four intellectual abilities involved in the processing of emotional information. The ability to manage emotions entails regulating emotional experience in self and in interpersonal situations to attain personal goals and outcomes. EI contributes to work performance by enabling people to regulate their emotions.

### Theory

The general concept was first defined by Thordike in 1920. The term EI was coined in 1966 by Leuner. Modern interest in EI began with Salovey and Mayer's (1990). Then, Goleman (1995) popularized the term as a potential factor in understanding and predicting the performance of employees in the workplace. Goleman (1995) defined EI as the ability to understand emotions and emotional self-esteem of others to motivate oneself and manage personal emotions and good relationships with others. Varieties of concepts similar to EI have been proposed over the years (Ashkanasy & Daus, 2005),

Currently EI is considered as an investment. It is referred to as Emotional Capital. It is considered as an asset. Emotional Capital means the intangible organizational asset created by employee's cumulative emotional experiences that give them the ability to successfully communicate and form interpersonal relationships. Emotional capital is increasingly being seen as an important factor in company performance since it creates strong relationships that enable people to achieve effective collective outcomes. Low Emotional capital can result in conflict between staff, poor teamwork and poor employee relations.

## EI Components

### i) Self – awareness

It refers to having a deep understanding of one’s own emotions as well as strengths, weaknesses, values and motives

### ii) Self – management

This represents how well one controls or redirects internal states, impulses and resources.

### iii) Social awareness

It is mainly about empathy, having understanding and sensitivity to the feelings, thoughts and situations of others.

### iv) Relationship management

It refers to managing other people’s emotions.

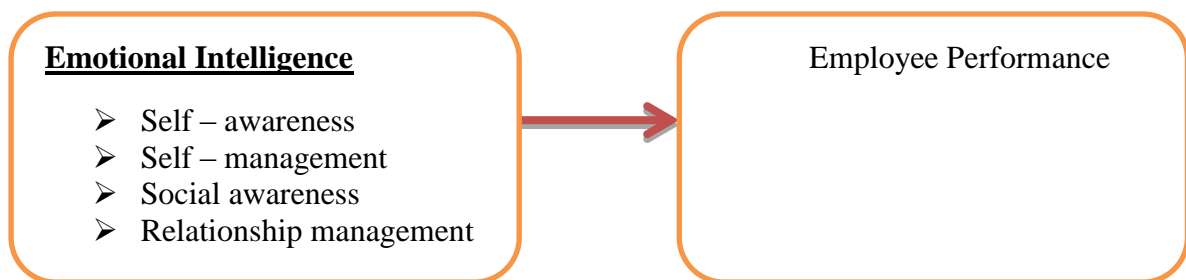
### v) Job performance

Job performance is an employee’s achievement in his job. It relates to the efficiency and effectiveness of his job performance.

## Hypothesis

In light of previous theory and research, it is hypothesized that emotional intelligence is related to job performance.

## Conceptual Framework



## Methodology

A sample (n=55) was drawn from a cycle manufacturing industry in Tamilnadu. Judgemental Sampling was used to select the respondents. The questionnaire was developed based on the work of Goleman (1995–1998), Boyatzis (2002), Bipath (2007), Saemah et al.

(2008), Lugo (2009) and Saiful, Fuad & Rahman (2010). This is a multi- rater survey instrument based on self - assessment questionnaire. The EI questionnaire encompasses 38 items which were divided into four clusters namely self – awareness, self – management, social awareness and relationship management. Overall job performance measures were provided by the participating organizations.

**Results****i) Descriptive analysis****Table 1: Respondents' Profile**

S. No	Attribute	Description	Frequency	%	Description	Frequency	%
1	Gender		43	78%	Female	12	22%
2	Age	< 25	15	27%	35 – 40	---	---
		25 – 30	34	62%	> 45	---	---
		30 – 35	6	11%			
3	Marital Status	Married	44	80%	Widow	---	---
		Unmarried	11	20%	Separated	---	---
4	Income	< 15000	20	36%	35000 – 45000	---	---
		15000 – 25000	27	49%	>45000	---	---
		25000 – 35000	8	15%			
5	Educational Qualification	Diploma	---	---	PG	18	33%
		UG	30	54%	Others	7	13%
6	Experience	< 5yrs	27	49%	15 – 20yrs	---	---
		5 – 10yrs	26	47%	>20yrs	---	---
		10 – 15yrs	2	4%			
7	Shift Timings	8.30am to 5.30pm	40	73%	5.00pm to 3.00am	15	27%
8	Department	HR	4	7%	Sales	12	22%
		Finance	7	13%	Others	8	14%
		Production	24	44%			

**Reliability of the Instrument**

Cronbach's alpha reliability coefficients were calculated to estimate the reliability of the EI instrument. The cronbach's alpha reliability coefficients for the four factors are given in table 2.

**Table 2: Reliability of EI Instruments**

Measures	No. of items	Cronbach alpha
Self- Awareness	6	0.72
Self – Management	9	0.80
Social Awareness	10	0.70
Relationship Management	13	0.76

**Emotional Intelligence Level**

Table 3 shows the mean and standard deviation of variables score like Emotional Intelligence and Job Performance.

**Table 3: Mean and Standard Deviation**

Variables	Mean	Std. Deviation
Self – Awareness	3.14	.612
Self – Management	3.33	.303
Social Awareness	3.29	.288
Relationship Management	3.02	.317
Job Performance	3.60	.506

**Table 4: Gender-wise analysis of Emotional Intelligence**

S. No	Variable Description	Male			Female			Total		
		N	Mean	Std. Deviation	N	Mean	Std. Deviation	N	Mean	Std. Deviation
1	Self-Awareness	43	<b>3.16</b>	.595	12	3.06	.690	55	3.14	.612
2	Self-Management	43	<b>3.40</b>	.325	12	3.19	.335	55	3.36	.336
3	Social Awareness	43	<b>3.30</b>	.300	12	3.22	.434	55	3.28	.331
4	Relationship Management	43	3.50	.588	12	<b>3.97</b>	.741	55	3.61	.647

In gender-wise analysis, male managerial level people have higher Emotional Intelligence when compared to female managerial level people.

## ii) Correlation Analysis

Table 5: Correlation between the score of Emotional Intelligence

FACTORS		Self Awareness	Self Management	Social Awareness	Relationship Management
<b>Self Awareness</b>	Pearson correlation	1			
	Sig. (2-tailed)				
	N	55			
<b>Self Management</b>	Pearson correlation	.424**	1		
	Sig. (2-tailed)	<b>.001</b>			
	N	55	55		
<b>Social Awareness</b>	Pearson correlation	.410**	.682**	1	
	Sig. (2-tailed)	<b>.002</b>	<b>.000</b>		
	N	55	55	55	
<b>Relationship Management</b>	Pearson correlation	-.124	-.057	-.253	1
	Sig. (2-tailed)	.368	.678	.062	
	N	55	55	55	55

\* \*Correlation is significant at 0.01 level

The result shows a significant inter relationship between Self – Awareness, Self – Management, and Social Awareness. There is no significant relationship between Relationship Management.

## iii) Regression Analysis

Table 6: Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.680 <sup>a</sup>	.463	.420		.385

**a. Predictors: (Constant), Relationship Management, Self-Management, Self Awareness, Social Awareness**

Table 6 provides the R and R square value. The R value is .680, which represents the simple correlation. It indicates a high degree of correlation. The R square value indicates how much of the dependent variable Emotional Intelligence can be explained by the independent variable Job performance. In this case 46.3% can be explained, which is moderate.

**Table 7: ANOVA**

Model	Sum of squares	Df	Mean Square	F	Sig.
Regression	6.386	4	1.597	10.760	.000 <sup>b</sup>
Residual	7.419	50	.148		
Total	13.805	54			

**a. Dependent variable Job Performance****b. Predictors (Constant), Relationship Management, Self-Management, Self Awareness, Social Awareness**

Table 7 indicates that the regression model predicts the outcome variable significantly well. Here  $P < 0.0005$  which indicates that, overall, the model applied can statistically significantly predict the outcome variable.

**Table 8: Coefficient**

Model	Unstandardized coefficients		Standardized Coefficient	T	Sig.
	B	Std. Error	Beta		
1 Constant	2.270	.701		3.236	.002
Self-Awareness	-.011	.096	-.013	-.112	.912
Self-Management	-.347	.222	-.230	-1.562	.125
Social Awareness	.192	.230	.126	.837	.407
Relationship Management	.527	.085	.674	6.197	.000

**a. Dependent variable Job Performance**

Table 8, coefficients, provides information on each predictor variable. Self – Awareness and Relationship Management contribute significantly to the model.

**Discussion**

Emotional Intelligence and Job Performance of Managerial level people has been assessed with a self-assessed questionnaire. In line with theoretical predictions, EI was related to Job Performance. Most Two emotional intelligence subscales are significant with job performance. The findings extend support to past researches that revealed associations between EI and Job Performance. (Ali, Garner & Magadley (2012), Moon & Hur (2011).

**Practical Implications**

This research provides implications for practice in two primary areas - development and sustainment of Emotional Intelligence. Since there is significant correlation between EI variables and job performance, employees and organisations should foster and support Emotional Competence.

### **Limitations and Direction for Future Research**

The sample was drawn only from managerial level people. It did not include non-managerial employees. Future studies may be extended to exploration of a wider range of employees at different organizational levels.

The present study included only minimum number of performance measures. Future research may investigate the relationship between Emotional Intelligence and the multiple variables of Job Performance. The relevance of EI with regard to other predictors of performance may also be explored.

### **Suggestions**

1. It is proposed that organizations must make efforts to understand the emotional intelligence level of employees as it helps to achieve the desired individual and organizational outcomes.
2. It is recommended that organizations develop training programs in order to develop the emotional competencies of managers.

### **Conclusion**

The emotions of individuals have intensive effect on their behaviour. Organisations' growth and success is dependent on the strength and performance of their workforce to a great extent. Ordinarily, employees exhibit positive as well as negative emotions at workplaces and these have great impact on the resultant outcomes as positive or negative respectively. Having a deep understanding and control over one's own emotions and understanding others' emotions is very vital for successful work relationships and creating conducive work environment. Though this study is industry specific, it establishes and supports the fact that Emotional Intelligence has positive influence on job performance. Emotional Intelligence helps employees to focus on their targets unwaveringly, whereas unmanaged emotions will create spontaneous excitement in the employees which may mar their concentration and commitment. Organisations must understand and accept that Emotional Intelligence is a key contributing factor to successful performance and strategise on inculcating Emotional Intelligence among their employees to create effective and efficient workplace.

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