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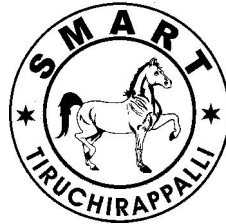
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SCIENTIFIC MANAGEMENT AND ADVANCED RESEARCH TRUST
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**A STUDY ON EMOTIONAL INTELLIGENCE AND EMPLOYEE
PERFORMANCE IN THE IT INDUSTRY OF TAMIL NADU, INDIA**

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Abstract

Emotional Intelligence and Employee Performance are quite important in both academic and industrial research. This study was carried to examine the Emotional Intelligence and Employee Performance, with two categories of workers called Managers and Executives in the workplace at an IT industry, Chennai. The study focused on measuring the emotional intelligence of managers and executives and its link to their performance level on the job. The study indicates that the emotional intelligence has huge impact on the performance level of the managers and executives.

Keywords: *Emotional Intelligence, Performance Appraisal, IT Industry*

JEL Code : *M10, M15*

1. Introduction

In the modern competitive world, the conditions of organization need to be changed regularly as well as frequently. Emotional Intelligence helps the employees to cope up with this dynamic change in the business environment. According to **Dalip Singh (2001)**, emotional intelligence supports managers and employees to recognize and understand emotions to manage oneself and his/her relationship with others by using emotional intelligence. The application of emotional

intelligence in the organization includes areas like personnel selection, development of employees, teams and the organization. Organizations must coach their employees in developing their interpersonal skills and coach them to perform effectively on the job with other employees in the organization. (**Reuven Bar et al, 2007**).

Employees need to enhance their emotional intelligence skills at work place, apart from the technical skills, which in turn will enhance their productivity on the job.

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Management of emotional intelligence by the team members will help in developing interpersonal skills of the team members. Organizations, to be successful, need to develop employees' emotional intelligence skills to work effectively in the organization.

2. Review of literature

According to Daniel Goleman emotional intelligence is a capacity for recognizing one's own and others' feeling for motivating our self and for managing the emotions, both within ourselves and in our relationship with others (**Neal M. Ashkanasy et al, 2000**). These definitions indicate that to perform effectively on the job, an employee requires emotional intelligence abilities. Employees, who have the ability to manage their emotions in an effective way, are highly successful on the job.

Koman, E. S., & Wolff, S.B. (2008) examined the relationships among team leaders' EI competencies and team performance. The study was conducted on 349 aircrew and maintenance military team members, representing 81 aircrew and maintenance teams. Results indicated that team leader EI was significantly related to the presence of Emotionally Competent Group Norms (ECGN) on the teams they lead and that ECGN were related to team performance. These finding provides three suggestions. Firstly, employee leaders, with better EI competencies, not only increase their own personal performance but also increase the team's performance that they lead. Secondly, develop or hire emotionally competent managers. Finally, by developing emotionally competent team leaders, organizations should develop emotionally competent executive leaders because each individual on the executive management team influences the development of ECGNs on the teams he or she leads.

Carmeli and Josman (2006) suggested possible connections between emotional

intelligence and positive performance in the workplace but methodologically sound studies did not agree so. Even though research suggests that there is a connection between emotional intelligence and positive performance in the workplace, it is typically based on self reported assessment and it overlooks that work performance is actually multidimensional (task performance and organizational citizenship). Carmeli and Josman noted that task performance may not reveal the completeness of a leader's work role. Other behaviors like maintaining civil relationships and helping subordinates with issues, would also influence the work performance.

John Mayer and Peter Salovey developed Ability Model of Emotional Intelligence. According, to this model, emotional intelligence is the ability to perceive and to exhibit emotions, assimilate emotions in thought, understand and reason with emotion and regulate emotion in self and others. The major areas are (1) perception and expression of emotion (2) assimilating emotions in thoughts (3) understanding and analyzing the emotion (4) reflective regulations of emotions. Reuven Bar developed a Mixed Model of Emotional Intelligence which is an array of non- cognitive capabilities, competencies and skills that influence one's ability to succeed in coping with environmental demands and pressure. The major areas are intrapersonal skills, interpersonal skills, adaptability, stress management and general mood. Further, Goleman developed mixed model of emotional intelligence and focused on the abilities which include self control, zeal and persistence and the ability to motivate oneself. Major areas are (1) Knowing one's emotions (2) Management of emotions (3) Motivating oneself (4) Recognizing emotions (5) Handling relationship (**Sternberg, 2000**).

Dr. Peter Jordon (2002) developed an ability model of emotional intelligence which was based on the emotional intelligence model

of Peter Salovey and John Mayer. This model consists of three main constraints (1) Ability to deal with one's emotions (2) Ability to deal with other's emotions and (3) the use of emotions in problem solving. (**Jordan, P.J et al, 2002**).

Schutte and Malouff developed an ability model of emotional intelligence which was based on John Mayer and Peter Salovey model of emotional intelligence. It has four factors (1) Optimism (2) Social Skills, (3) Emotional Regulation (4) Utilization of Emotions (Nicola S. Schutte et al, 1998).

Dr. Wong Chi Sum developed an ability model of emotional intelligence based on the four ability dimensions described in the domain of emotional intelligence - (1) appraisal and expression of emotion in the self (2) appraisal and recognition of emotion in others (3) regulation of emotion in the self (4) use of emotions to facilitate performance. (**Law K.S, et al, 2004**).

Ben Palmer and Con Stough developed a mixed model of emotional intelligence to assess the five dimensions of emotional intelligence - (1) Emotional Recognition and Expression, (2) Understanding Emotions External (3) motions Direct (4) Cognition (5) Emotional Management and Emotional Control. (**Palmer, B.R. et al, 2002**).

The study undertaken by **Lisa Gardner and Con Stough, (2002)** applied emotional intelligence test to predict transformational, transactional and laissez-faire leadership styles, through multifactor leadership questionnaire, among 110 senior level managers. The results showed that emotional intelligence correlated highly with components of transformational leadership.

William. Leban and Carol. Zulauf, (2004) examined project management and the role of leadership. The study addressed 24 project managers and their associated projects, in six organizations, from different industries. The results of that study found that a project

manager's transformational leadership style had a positive impact on actual performance, which also showed that emotional intelligence ability had an impact on the project manager's transformational leadership style and on actual project performance as well.

F. William Brown et al (2006) studied the relationship between emotional intelligence, leadership, and desirable outcomes in organizations. A sample of 2,411 manufacturing workers, engineers, and professional staffs were included in the research. However, this study found no support for relationships between emotional intelligence and desirable outcomes or a significant relationship between emotional intelligence and transformational leadership.

D. Jamali, et al (2008) studied emotional intelligence in the Lebanese context and studied emotional intelligence competency scores (Self-awareness, Self-regulation, Self-motivation, Social awareness and Social skills) for a sample of 225 Lebanese employees and first line managers. A questionnaire-based measure was developed to capture the basic competencies on a self-report basis. The findings suggest differences in emotional intelligence scores, across different emotional intelligence competencies, for males and females, with males scoring higher on self-regulation and self-motivation while females scoring higher on self-awareness, empathy and social skills and that emotional intelligence levels increased significantly with managerial position.

David. Rosete and Joseph. Ciarrochi, (2005) studied the relationship between emotional intelligence, personality, cognitive intelligence and leadership effectiveness. Senior executives (n=41) were administered the John Mayer and Peter Salovey-Caruso Emotional Intelligence Test (MSCEIT), and their cognitive ability was measured through Wechsler Abbreviated Scale of Intelligence (WASI). Leadership effectiveness was assessed using an objective measure of performance and a 360°

assessment involving each leader's subordinates and direct manager (n=149). Correlation and regression analyses revealed that higher emotional intelligence was associated with higher leadership effectiveness and that emotional intelligence explained variance, not explained by either personality or intelligent quotient.

3. Problem Statement

IT industries are believed to be a backbone of any nation's income. To those industries, successful employee performance is the key. This study was carried to find out the relationship between emotional intelligence and performance management in the working environment of Information Technology (IT) industries.

4. Need of Study

IT industries have diversification in all its elements. Hence the top management of the organization wants to keep their employees emotionally intelligent. In fact, most numbers of management consultants believed that keeping employees emotionally intelligent, will be one among the competitive strategy and it will bring good results too.

5. Objectives

- 1) To examine the level of emotional intelligence of the managers and executives.
- 2) To study the impact of emotional intelligence on the level of performance and their ability to take higher level jobs in the organization

6. Null Hypotheses

- (i) NH_1 : There is no significant difference between managers and executives with respect to performance appraisal score.
- (ii) NH_2 : Managers' and executives' performance appraisal scores do not correlate with emotional intelligence score

7. Methodology

The data collection for the research was undertaken between the years 2013 – 2014, with

a structured questionnaire. Sample was drawn from a population of employees working in the IT industry at Chennai. The sample size consisted of one hundred twenty five employees in the position of managers, which was more than 10% of the total population. Out of this, one hundred twenty five were selected, through simple random sampling method, using the random table.

7.1 Measures

The performance appraisal was in the format of 360 degree appraisal. The score ranged on the scale of 1 to 5, where 1 indicated low and 5 indicated high. Employees were rated on this scale for their level of performance. Employee's performance was rated by self, executives and directors of the organization.

Emotional Intelligence Scale was developed, after studying various factors on the Emotional Intelligence Model of **Daniel. Goleman**. This questionnaire was pre-tested by the Researcher by administering it to a sample of fifteen managers and executives to check its construct validity. The construct validity was tested by using Cronbach's alpha test. The result of the test showed that some of the questions recorded cronbach coefficient alpha at less than 0.74 and those questions were removed from the questionnaire.

Tools used

1. Compare means
2. Levene's test for quality of variance
3. Correlation

8. Results & Discussions

8.1 Comparison between the managers and executives on performance level

Table 1 shows the test of averages to compare the performance appraisal score of the managers and executives in the working place. The test takes into consideration variance structure of Levene's test for assessing the quality of variance. The results were at 5% level

of significance and the P value was greater than the level of significance ($0.992 > 0.05$) and hence the two groups assumed equal variance. Under this assumption, the P value for test for means was less than the level of significance ($0.019 < 0.05$), and hence we reject the Null Hypothesis 1- there is no significant difference between managers' and executives' performance appraisal scores.

8.2 Level of emotional intelligence among the managers and executives

Table 2 displays the level of emotional intelligence of managers and executives in the work place of IT. The analysis indicates that managers were moderate on emotional awareness, self esteem, flexibility, adaptability, innovation, initiative, opportunity taking, developing others, service orientation, political awareness, two way communication, building relationships and collaborative flexibility.

Managers were low on accurate self assessment, self control, trustworthiness, conscientiousness, responsibility, achievement drive, organizational commitment, optimism, understanding others, developing diversity, influence and persuasion, conflict management, leadership, change catalyst and team building. The level of performance of the executives shows low level of emotional intelligence on all the variables. Executives scored low on all the items. This shows that executives were facing too many challenges in their career and that highly influenced their emotional intelligence as well their performance score.

8.3 Correlation between emotional intelligence and performance level of managers and executives

The results of correlation analysis are shown in **Table-3**, to explain the impact of emotional intelligence on performance of managers and executives. The results show that there was no significant correlation between emotional intelligences score and performance

appraisal scores, as the co-efficient correlation assumed a very ungeneralizable value of 0.080. Hence the Null Hypothesis-2 is accepted, which implies that performance of managers and executives were not as per the expectations of the top management.

9. Limitations & scope for future research

This study was carried out in the region of Chennai, with a small number of samples. Hence this will not be applicable to all the IT regions. If more samples were taken, relevant to this study, that might also show huge variance.

Future research work may be carried by increasing the sample size as well as the number of regions. New concepts/ theories/ framework may be applied to the existing work.

10. Conclusion

Managers and executives recorded lower level of performance in the work place. The company has to take measures to upgrade their technical and soft skills to enhance their performance on the job. Managers registered lower level of emotional intelligence in key areas like achievement drive, team building, flexibility and adaptability, as these factors are very critical for the job. The organisation has to arrange for training programs to develop emotional intelligence and apply it to the job for enhancing managerial skills. Executives recorded a lower level of emotional intelligence to the job, which would have greater impact on the performance on job. Executives should be enlightened about the importance of emotional intelligence for higher performance on the job. Managers and executives were not able to meet the expected level of performance on the job since they were not able to manage their emotions.

This study produced some important results that have implications for both research and practice. The study on emotional intelligence of managers and executives and their ability to perform effectively on the job, found out that they were not able to manage their emotional

intelligence, which had a direct impact on their performance. Further, the level of emotional intelligence and performance level of managers and executives was moderate to low and hence these skills should be developed for achieving higher employee productivity and to enhance the image of the organization. A particularly interesting finding of the present study was that low emotional intelligence of managers and executives influenced their level of performance on the job. This has implications for management who could identify the level of emotional intelligence of managers and supervisors and initiate interventions that are focused on developing emotional intelligence among the employees in the organization.

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Table-1 Comparison between the Managers and Executives on Performance Level

| | Levene's Test for Equality of Variances | t-test for Equality of means | | | | | | | |
|-----------------------------|---|------------------------------|--------|---------|-------|-----------------|-----------------|-----------------------|---|
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean difference | Std. error Difference | 95% Confidence Interval of the Difference |
| | | | | | | | | Lower | Upper |
| Equal Variances assumed | .000 | .992 | -2.375 | 123 | 0.019 | -0.1915 | 0.0806 | -0.3510 | -0.0319 |
| Equal variances not assumed | | | -2.372 | 119.628 | 0.019 | -0.1915 | 0.0807 | -0.3513 | -0.0317 |

Source: Field survey

Table 3 Correlation between Emotional Intelligence and the Performance Level of Managers and Executives

| | | Emotional intelligence scores | Performance appraisal scores |
|---|---------------------|-------------------------------|------------------------------|
| Emotional Intelligence Score of employees | Pearson Correlation | 1 | 0.080 |
| | Sig. (1-tailed) | | 0.188 |
| | N | 125 | 125 |
| Performance Appraisal Score of employees | Pearson Correlation | 0.080 | 1 |
| | Sig. (1-tailed) | 0.188 | |
| | N | 125 | 125 |

Source : Field Survey

Table 2: Emotional Intelligence Mean Score of Level of Managers and Executives

| | Managers | | | Supervisor | | |
|------------------------------------|------------|-----------------|-----------|------------|-----------------|-----------|
| | High >4 | Moderate 3-4 | Low <3 | High >4 | Moderate 3-4 | Low <3 |
| Emotional Awareness | | 3.174 | | | | 2.647 |
| Accurate Self- assessment | | | 2.841 | | | 2.605 |
| Self - esteem | | 3.000 | | | | 2.507 |
| Self - control | | | 2.952 | | | 2.605 |
| Trustworthiness | | | 2.984 | | | 2.253 |
| Conscientiousness & Responsibility | | | 2.777 | | | 2.464 |
| Flexibility & Adaptability | | 3.142 | | | | 2.563 |
| Innovation | | 3.079 | | | | 2.45 |
| Achievement Drive | | | 2.952 | | | 2.464 |
| Organisational commitment | | | 2.761 | | | 2.704 |
| Initiative & opportunity taking | | 3.063 | | | | 2.492 |
| Optimism & resilience | | | 2.936 | | | 2.591 |
| Understanding others | | | 2.968 | | | 2.577 |
| Developing others | | 3.047 | | | | 2.478 |
| Service orientation | | 3.158 | | | | 2.563 |
| Developing diversity | | | 2.841 | | | 2.521 |
| Political awareness | | 3.253 | | | | 2.746 |
| Influence and persuasion | | | 2.952 | | | 2.704 |
| Two – way communication | | 3.174 | | | | 2.619 |
| Conflict management | | | 2.761 | | | 2.647 |
| Leadership | | | 2.698 | | | 2.507 |
| Change catalyst | | | 2.873 | | | 2.436 |
| Building Relationships | | 3.158 | | | | 2.577 |
| Collaborative flexibility | | 3.206 | | | | 2.121 |
| Team Building | | | 2.762 | | | 2.761 |

Source : Field Survey