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Impact of Emotional Intelligence on Performance of Employees

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Abstract

Emotional intelligence is essential factor responsible for determining success in life and psychological wellbeing seems to play an important role in shaping the interaction between managers and employees in their work environment. This study is undertaken to understand the performance level of managers and employees in educational administrations of Iran, the study focuses on understanding the emotional intelligence of the managers and employees and its link to their performance level on the job. Little research to date has examined how emotional intelligence influence manager-employee performance in organizations settings. Data (N=155) for this study were collected through questionnaires that participants were managers and employees of educational administrations of Iran Building on top of emotional intelligence theory, this paper explores how emotional intelligence manager and employee are influenced by performance. Today's environment is global and very complex, and the association between emotional intelligence and performance in establishments of Iran remains an important area of worry for managers and employees' globally. Emotional intelligence is crucial factor for organization's performance and growth and plays an important role in performance of today's competitive organizations. The findings of the study indicate that emotional intelligence has a positive impact on the performance level of the managers and employees in educational administrations of Iran.

Keywords:

Emotional intelligence, Performance.

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1. Introduction:

In this complex scenario organization both public and private sector have to manage change in an effective way. Emotional Intelligence plays an important role in helping the managers and employees to cope with this dynamic change in the business environment. Dalip Singh, (2001) mentioned that application of emotional intelligence supports the managers and employees to recognize and understand emotions and using emotional intelligence to manage oneself and his/her relationship with others. The application of emotional intelligence in the organization includes the areas like personnel selection, development of employees, teams and the organization. The 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-On et al, 2007). Employees need to enhance their emotional intelligence skills, apart from technical skills, which in turn will enhance their productivity on the job. Management of emotional intelligence by the team members will help in developing interpersonal skills of the team members. Organization's to be successful, need to develop employee's emotional intelligence skills to work effectively in the organization. (Bob Wall, 2008).

2. Literature Review:

In the past fifteen years, much has been written about emotional intelligence and its role in the workplace. The experts in the field of emotional intelligence have offered definitions and models to understand the concept of emotional intelligence and its impact on employee and manager's life and work. The theory of emotional intelligence is developed and conceptualized into three models ability model, traits model and mixed model. According to John Mayer and Peter Salovey (1993) emotional intelligence is the ability to accurately identify and understand one's own emotional reactions and those of others. It also involves the ability to regulate one's emotions to use them to make good decisions and to act effectively. Further, Reuven Bar-On (2000) defined emotional intelligence as being concerned with effectively understanding oneself and others, relating well to people and adapting to and coping with the immediate surroundings to be more successful in dealing with environmental demands. Daniel Goleman (1995) defined emotional intelligence as a capacity for recognizing our own and others feeling for motivating our self and for managing our emotions, both within ourselves and in our relationship. (Neal M. Ashkanasy et al, 2000). The above definitions indicate that, for manager and employee to perform effectively on the job emotional intelligence abilities are

required by the manager and employee. The managers and employees who have the ability to manage their emotions in an effective way are more successful on the job. Models of emotional intelligence have been developed on three aspects that is, ability, traits and combination of ability and traits called as mixed model of emotional intelligence. Ability model of emotional intelligence described emotional intelligence as the “ability to monitor one’s own and others’ feelings and emotions, to discriminate among them, and to use the information to guide one’s thinking and actions. Traits model of emotional intelligence viewed emotional intelligence and included non-cognitive competencies such as self-esteem, self-actualization, general mood, and general well-being. As would be expected, measures based on trait approaches to emotional intelligence do not correlate highly with measures of intelligence. However, they strongly correlate with personality measures, leading researchers to refer to this approach as emotional intelligence as personality. Mixed Model of emotional intelligence is a combination of ability model and traits model of emotional intelligence. The mixed model denotes the idea that emotional intelligence assesses aspects of personality and cognitive intelligence in addition to the emotional intelligence. (Schutle, 2006).

2.1. Historical Perspective of Emotional intelligence:

David. Wechsler, (1940) viewed intelligence as an effect rather than a cause and believed that assessments of general intelligence is not sufficient but also non-intellectual factors, such as personality, influence the development of an individual’s intelligence. H.Gardner, (1983) developed social intelligence and referred to two types of personal intelligences interpersonal and intrapersonal. Payne, (1986) coined the term, emotional intelligence, in a doctoral dissertation. This qualitative study proposed that one can overcome deficiencies in emotional functioning and regulation by showing strength in the face of fear or desire. Reuven Bar-On, (1997) developed the term “EQ” (“Emotional Quotient”) and described his approach to assess emotional and social competence. He created the Emotional Quotient Inventory (EQ-i), which is the first test of emotional intelligence. Psychologists John Mayer and Peter Salovey, (1990) published their article, “Emotional Intelligence,” in the journal *Imagination, Cognition and Personality*. Daniel Goleman, (1995) brought emotional intelligence to the mainstream. He reviewed the work of John Mayer and Peter Salovey and developed his own model of emotional intelligence.

2.2. Models of Emotional Intelligence:

Bar-On's model of emotional intelligence focuses on noncognitive personality traits (Newsome et al., 2000). According to Bar-On (2000) the conceptual development of his model is based on the findings from studies conducted around the world in 17 years, and for that he claims that it has empirical evidence for its construct validity. Even though Bar-On (2000) claims that the EQ-i was developed to measure an individual's emotional and social intelligence, not personality traits or cognitive capacity. Bar-On's theory of emotional intelligence consists of key components of effective emotional and social functioning that lead to psychological well-being. It contains five composite components and fifteen subscales. The five components include: [1] Intrapersonal is defined as emotional self-awareness, self regard, assertiveness, self-actualization, and independence. These individuals are in "touch with their feeling, and feel positive about what they are doing in their lives. They're also able to express their feeling, and they are independent, strong, and confident in conveying their ideas and beliefs". [2] Interpersonal is defined as empathy, interpersonal relationships, and social responsibility. These individuals have "good social skills; they understand, interact, and relate well with others. These people function well in positions that require interacting with others and teamwork". [3] Adaptability is defined as the flexibility, problem solving, and reality testing of an individual. These individuals are "flexible, realistic, effective in understanding problematic situations, and competent at arriving at adequate solutions. These individuals find good ways of dealing with everyday difficulties". [4] Stress Management is defined as stress tolerance and impulse control. These people are usually "calm, rarely impulsive, and work well under pressure. They can handle tasks that are stressful or anxiety provoking or that involves an element of danger". [5] General Mood is defined as the happiness and optimism exhibited by an individual. These individuals usually express "cheerful, positive, hopeful, and optimistic attitudes. They know how to enjoys life and create an uplifting and positive atmosphere in the workplace" (BarOn, 2004, p. 44; Bar- On & Parker, 2000b; Matthews et al., 2002, p.15).

2.3. Emotional intelligence at the workplace:

Emotional intelligence plays an important role in the workplace. Research studies during the past 25 years about factors that contribute to success in workplace have resulted in identifying factors that are related to workplace intelligence. These studies used quantified data on performance from myriad organizations and industries and have contributed to the knowledge base in EQ (Lynn, 2002). Emotions contain vital information that helps managers

and employees “to be better at what we do” (Wolfe & Caruso, 2004, p. 3). Analyses of studies of about 500 organizations worldwide, reviewed by Goleman (1998) “point to the paramount place of emotional intelligence in excellence on the job—in virtually any job” (p. 6). He points out that those with the highest EQ measure rise to the top in the organizations and become leaders. Another important finding from these studies is about star employees. Star employees possess more EQ than other employees. Interestingly, EQ mattered twice as much as technical and analytic skill for them (p. 378). Different jobs call for different types of EQ. For example, success in sales requires the empathic ability to identify the mood of the customer and the interpersonal skill to decide when to pitch a product and when to keep quiet. By comparison, success in painting or professional tennis requires a more individual form of self-discipline and motivation. Thus EQ affects just about everything you do at work. “Even when you work in a solitary setting, how well you work has a lot to do with how well you discipline and motivate yourself” (Goleman, as cited in Murray, 1998, p. 3). Studies of gender differences in acquiring EQ have found interesting results. Goleman (1998) says that “men and women seem equally able to increase their emotional intelligence” (p. 285). In a study by Stein (as cited in Murray, 1998), 4,500 men and 3,200 women were assessed for their EQ. He found that women scored higher than men on empathy and social responsibility while men outdid women on stress tolerance and self-confidence. He concluded that women and men are equally intelligent emotionally, but they are strong in different areas. Another consideration in EQ acquisition has been age. Studies show that, “maturity remains an advantage; it may be slightly harder to ‘teach young dogs new tricks,’” says Goleman (1998, p. 285). In their study comparing several hundred adults and adolescents, Mayer and Salovy (as cited in Goleman, 1998), found that EQ increases with age with a peak occurring in the forties. EQ in the workplace can mean many things. For example, Cherniss (2005) refers to a school set-up as an example. Here, the students’ workplace intelligence is one of the considerations. Teaching EQ-related skills to students will improve their quality of life both at present and in the future. On the other hand, schools are also workplaces for teachers. Success in teaching students depends “on the skill and sensitivity of the teacher who delivers it in the classroom, and supports it and reinforces it” (p. 2). However, these skills have much to do with the EQ of the teachers which, in turn, is influenced by the climate of the school, which is influenced by the EQ of the principal. Similar levels of interaction relating to EQ can be identified in other organizations as well.

3. The Methodology and Model:

The educational administration is a partnership situated at Iran. The target population in this paper includes 30 states of educational administrations of Iran. The data collection for the research was undertaken from both primary and secondary sources. Primary data was collected by survey method using structured questionnaire on emotional intelligence and Secondary data was collected from various journals, magazines, newspapers and websites like Human Resource Management International Digest, Human Capital, and HR.com. Sample was drawn from a population of employees working in the educational administrations of Iran. The sample size was calculated and the number of the population to be assessed and interview was 155 employees and managers. Out of this, 155 were selected through simple random sampling method using random table. The manager and employee performance was collected for one year that is 2009-2010. The performance appraisal is in the format of 360 degree appraisal. The score range on the scale of 1 to 5, where in 1 indicates low and 5 indicates high. Employees and managers are rated on this scale on their level of performance. The manager and employee's performance was rated by self, to executives and directors of the organization. Emotional intelligence scale was developed after studying various factors on the model. This questionnaire was pre-tested by the researcher by administrating it to a sample of 15 scholars to check its construct validity. The construct validity was tested using Cronbach's alpha test. The result of the test showed that some of the questions had Cronbach coefficient alpha less than 0.70 and those questions were removed from the questionnaire. The data was processed by applying descriptive statistics, t- test and correlation. Descriptive statistics was applied understand the level of managers and employees performance and level of emotional intelligence among managers and employees. Kendall's coefficient of concordance was applied to understand the comparison between variables.

Emotional intelligence is a set of competencies, which direct and control one's feelings towards work and performance at work. These set of competencies are the ability of the individual to control and manage his or her moods and impulses on the job. Knowing one's emotions and feelings as they occur, and tuning one's self to the changed situation, requires the emotional competency, emotional maturity and emotional sensitivity that are demanded on the job. In a work situation, performance of the employees depends on working with group of people with different ideas, suggestions, and opinions. Effective use of emotional intelligence gives better team harmony (Ashforth et al, 1995). Managers, in particular, need high emotional intelligence, because they represent the organization to the customers, they interact with the highest number of people within and outside the organization and they set the tone for employee

morale. Managers with high emotional intelligence are able to understand their employee's needs and provide them with constructive feedback. Success in sales requires emotional intelligence, ability to understand the customer and provide service to customers. (Bridget Murray, 1998). Emotional intelligence in the organization supports in identification of employees emotional intelligence level and its impact on employee performance on the job. This would act as an indicator for promotion of employees in the organization. The present study addresses such an educational area and attempts to find out how far the organization would be able to identify emotional intelligence of the manager and employee's and relates it to their performance on the job. Hence the study is conducted to measure the emotional intelligence level among the employees and compare with their performance in the educational administrations of Iran. The objectives of the study are as follows:

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

The present study is confined to measure emotional intelligence among the managers and employees and compare the performance level of the employees in the study organization which is located in the educational administrations of Iran. The study only considers managers and employees working in all the branches of the organization. Emotional intelligence represents a set of competencies that perceive, understand and regulate emotions in ourselves and in others. These emotional competencies are learned capabilities based on skills that lead to employee performance. The emotional intelligence model developed by Bar-On is applied to understand the emotional intelligence of the employees at the study organization. According to Bar-On, emotional intelligence as shown in table 1 can be organized into five dimensions. Each dimension consists of a set of emotional competencies that people must possess to fulfill that dimensions of emotional intelligence (See table 1).

The present study model which is shown in figure 3 on emotional intelligence has been linked and correlated with performance of managers and supervisors. (McShane & Steven, 2008). Emotional intelligence correlates with job success of managers. Sosik and Megerian, (1999) found managers high on emotional intelligence outperformed when measured by organizational performance data. Study conducted by Lam and Kirby, (2002) have shown positive correlation between emotional intelligence and performance on job. Cavallo and Brienza, (2002) conducted the study and assessed the leadership

behavior of 358 leaders at Johnson and Johnson Corporation, at locations across the globe. The study found the best performers were those high in emotional intelligence as rated by their supervisors, peers, and employees in the Emotional Quotient Inventory (EQ-i), a 360-degree feedback instrument based upon Bar-On's model of Emotional intelligence competencies.

From the above studies, it can be observed that many of the researchers have argued emotional intelligence is an important aspect for improving performance. Therefore, we can formulate the following hypothesis:

H1: There is significant relationship between emotional intelligence and performance.

H1a: There is significant relationship between intrapersonal and performance.

H1b: There is significant relationship between interpersonal and performance.

H1c: There is significant relationship between adaptability and performance.

H1d: There is significant relationship between stress management and performance.

H1e: There is significant relationship between general Mood and performance.

4. The Findings:

4.1. Level of employee performance of manager and employee

The performance level of managers and employees is depicted in the table 2 and 3, the level of performance is assessed on the scale of 1 to 5, and where in 1 is equal to low and 5 is equal to high. The average level of mean score and standard deviation is indicated at 3.243 and .4463. The mean and standard deviation score of employees are 3.465 and .4632. Table 4 shows the overall performance of the employee in the organization is low, therefore performance appraisal mean score of 3.546 is indicated which falls under the lower end of the scale.

4.2. Relationship between emotional intelligence and performance

Kendal's coefficient between independent variable (emotional intelligence) and dependent variable (performance) is equal to 76% and there is significantly positive correlation between two variables considering the fact that a rate of 0.999 is significant.

4.3. Relationship between intrapersonal and performance

There is a significant relationship between the intrapersonal of emotional intelligence and performance. The correlation coefficient is 0.71 out a significant level of 0.999, thus, the first hypothesis has been validated.

4.4. Relationship between interpersonal and performance

There is a significant relationship between the intrapersonal of emotional intelligence and performance. The correlation coefficient is 0.79 out a significant level of 0.999, thus, the first hypothesis has been validated.

4.5. Relationship between adaptability and performance

There is a significant relationship between the adaptability of emotional intelligence and performance. The correlation coefficient is 0.65 out a significant level of 0.999, thus, the first hypothesis has been validated.

4.6. Relationship between stress management and performance

There is a significant relationship between the stress management of emotional intelligence and performance. The correlation coefficient is 0.68 out a significant level of 0.999, thus, the first hypothesis has been validated.

4.7. Relationship between general mood and performance

There is a significant relationship between the general mood of emotional intelligence and performance. The correlation coefficient is 0.80 out a significant level of 0.999, thus, the first hypothesis has been validated.

5. Discussion:

The managers and employees show lower level of performance in the educational administrations. The educational administrations have to take measures to upgrade their technical and soft skills to enhance their performance on the job. The managers show lower level of emotional intelligence in key areas of education. The educational administration has to arrange for a training program on how to develop emotional intelligence and apply it on the job for higher managerial skills. The employees show a lower level of emotional intelligence on the job, which would have greater impact on the performance on job; the employees are to be enlightened about the importance of emotional intelligence for higher performance on the job. The managers and employees have to take higher level roles and responsibility in the educational administrations in the future and for this they have to develop their skills in the area of intrapersonal, interpersonal, adaptability, stress management, general mood. The educational administrations at the time of employee selection, must

adapt administering emotional intelligence test for selecting right person for the right job and this would enhance the performance of the employee on the job and the educational administrations. The present study has produced some important results that have implications for both research and practice. The study on managers and employees emotional intelligence and their ability to perform effectively on the job is identified as they are not able to manage their emotional intelligence, which has a direct impact on their job. Further, the level of emotional intelligence and performance level of the managers and employees is moderate to low; these skills are to be developed for achieving higher employee productivity and to enhance the image of the educational administrations. A particularly interesting finding of the present study was that low emotional intelligence of managers and employees had an impact on their level of performance on the job. This has implications for management, suggesting that educational administrations could be profitable by identifying the level of emotional intelligence of managers and employees and apply interventions that are focused on the developing emotional intelligence among the employees in the educational administrations.

6. Implication:

Emotional intelligence, as an important area of human behavior needs a lot of research in the developing countries like Iran. As it directly influence the employees behavior working in any organization, the decision making power and the abilities related to handle the contingency situations, which may arise out of blues. There is also need to carry out research regarding intrinsic and extrinsic factors which have impact on the employee behavior and emotional intelligence of the employees. Sector wise research may also be carried out to see the emotional intelligence level of employees in different sectors of the country, to make country prosper by having business human capital with in the country. On the other hand, further studies with respect to impact of emotional intelligence on communication effectiveness by different organization variables, are required in this field especially in the Iran whether it's manufacturing industry or service industry.

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