

# Role of Emotional Intelligence towards Organisational Effectiveness

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**Abstract:-** Employees need to cope with rapid changes taking place in the business environment and in order to survive in the market they need to be more creative in order to drive innovation for the development of an organisation. For organisation success, employees need to be more motivated and committed and also need to increase customer loyalty to give a better service as well as retain the customers. Organisations not only deal with materials but also deal with people. In context to this, EI is what gives a person the competitive edge. Where everyone is trained to be smart, the most productive employees are those who have strong traits of EI. In this rapid changing workplace, high IQ may assure a top position but it may not make you a top person. That means, it does not mean that how smart or what academic qualifications or even what expertise instead it measures how well you are capable to handle yourself as well as others at the time of tough situation. EI plays a vital role in the organisation development. As business becomes more complex with globalisation, the value of emotional intelligent leaders is gaining ground. EI is the ability to manage one's feelings interacts effectively with others. As per Daniel Goleman, Emotional Intelligence is nothing but emotions that guide everything we do. So we can say EI is a strong predictor of success in work and life. EI is an ability to perceive, control and evaluate one's emotions. This paper mainly highlights the impact of EI on organisational effectiveness.

**Keywords:** development; effectiveness; emotion; industries; intelligence etc.

## I. INTRODUCTION

It is very interesting to note that the concept of emotional intelligence has evolved over the years from its inception as something called “Social Intelligence” all the way back in the 1930's to ‘emotional strength’ in the mid-20<sup>th</sup> century to its current terminology “emotional intelligence (EI)”. The measure of EI is termed as Emotional Quotient (EQ). Higher the EQ greater is the control over the emotions. In today's high pressure, people with high EQs are preferred. We can also say that it is the high IQ for which you are hired and low EQ for which you can be fired from the job. It has become increasingly clear that traditional intelligence is not enough to determine success. Being emotionally intelligent does not mean being without emotions. It simply implies that person has greater ability to distinguish between functional and dysfunctional emotions and being able to regulate them as per the required situation. EI can even be considered as an umbrella term that captures a broad collection of individual

skills. From various studies, it has been observed that emotionally intelligent organisations have higher levels of performance outputs, job satisfaction, profitability, managerial effectiveness, customer satisfaction, employee retention etc. irrespective of the sector. As we know the role of service sector in Indian economy is on growth path and provide vast opportunity of employment. Because service sector is becoming backbone of our system and responsible for large contribution to GDP.

In this area, most important factor for success is employee-customer interface. So employee need to be dynamic, meticulous, analytical and polite yet result driven.

### *Components of EI*

#### *1. Self-awareness*

Recognise an emotion as it “happens” and their effects. The major element of self-awareness is self-confidence that represents sureness about self-worth and capabilities.

#### *2. Self-regulation*

Self-regulation involves self –control to manage disruptive impulses; conscientiousness; adaptability to handle change with flexibility; to maintain standards of honesty and integrity; and being open to new innovative ideas.

#### *3. Motivation*

To motivate for any achievement requires clear goals and a positive attitude. And for this one can effort and practice learn to think more positively. This component mainly focuses on achievement drive, commitment, initiative, and optimism.

#### *4. Empathy*

The ability to recognise the feelings of people. An empathetic person excels at service orientation, developing others, political awareness, leveraging diversity and understanding persons.

#### *5. Social skills*

Social skills mainly comprises building bonds, team capabilities, better communication, ability to manage the change, wielding effective persuasion tactics, collaboration

and cooperation and inspiring as well as guiding group of people.

In service sector, EI is an important ingredient in creating a successful organisation. To retain customer, it is a challenge for the organisation to deliver quality service specially the employees who act as catalyst between organisation and customer, they mainly require skills to manage customer demands and stiff competition in different situation. The high EI individual most certainly can better perceive emotions, use them in thought, understand their meanings and manage emotions better than others. In service industries human interaction is an important dimension that leads to employee competency. So for this an individual improve their emotional intelligence in a ways that match the demands of their work situation that can be expected to raise their job performance. This study is mainly emphasized on to measure EI of both executives and non-executives in service sectors like banking, telecommunication and health sector in Odisha. And for these five major components like Self-awareness, Self-regulation, Self-motivation, Social awareness and social skills have been chosen.

## II. LITERATURE REVIEW

Priti Suman Mishra and A.K. Dasmohapatra (2010) in their research ‘Relevance of Emotional Intelligence for Effective Job Performance: An Empirical Study’ explored relationship between emotional intelligence and workplace performance. Various factors of emotional intelligence like competency, maturity and sensitivity have been found to contribute towards overall work performance. They has also suggested hiring individuals with higher levels of emotional intelligence results in better performance.

Puja Kaura(2011) , in her study ‘Enormity of Emotional intelligence in Indian Banking Sector’ has been made to study the relationship between service quality and emotional intelligence which is the indispensable factor to raise level of quality of service. The analysis revealed that there is strong relationship between emotional intelligence and service quality of banks though it is weak in case of the public sector banks as compared to private sector banks in India.

K. V. Petrides et al., (2004) in their study ‘The role of trait emotional intelligence in academic performance and deviant behaviour at school’ have been examine the role of trait emotional intelligence in academic performance and in deviant behaviour at school in British secondary education. They concluded that the constellation of emotion-related self-perceived abilities and dispositions that the construct of trait EI encompasses is implicated in academic performance and deviant behaviour , with effects that are particularly relevant to vulnerable or disadvantaged adolescents.

Pablo Fernandez et al.(2012), in their research ‘Gender differences in emotional intelligence: The mediating effect of age’, a new perspective was taken by controlling for age which is one of the principal sociodemographic characteristics that interacts with gender as well as EI, in order

to clarify how gender affects EI. Results showed that gender affects EI in the absence of tests for possible interactions between gender and other variables that may influence EI.

John D. Mayer et al(2008), in their study ‘ Emotional Intelligence: New Ability or Eclectic Traits?’ have been developed a schism in which some researchers focus on EI as a distinct group of mental abilities, and other researchers instead study an eclectic mix of positive traits such as happiness, self-esteem, and optimism. Also clarifying EI conceptualized as ability is an important variable both conceptually and empirically and it shows incremental validity for predicting socially relevant outcomes.

## III. NEED OF THE STUDY

The present study is designed to assess the emotional intelligence level of employees of different strata. The scope of the study being confirmed to service industries only, its findings may not hold good to other industries and/or other service industries in India and abroad.

## IV. OBJECTIVES

- To measure EI competencies levels among the respondents across the service sector on the basis of demographic variable.
- To find out whether emotional intelligence vary across different service industries on components of EI.

## V. METHODOLOGY

### *Data source and Method of collection*

In this present study, a self developed questionnaire in the form of statements used as the tool for primary data collection. And from leaflets, magazines and journal in relate to this secondary data were collected.

### *Sample Size and Sampling*

A sample size of 150 employees of different service unit is taken of both executives and non-executives have been included in the study.

### *Tools and Techniques used*

Chi-square test is used as statistical tools in this study.

## VI. RESULTS AND DISCUSSION

The purpose of this study is to find out the Emotional intelligence level of employees of different strata of service sector. So in this context, initial experience can be compared with their post experience by taking 150 employees. There is also possibility that the demographics characteristics like age, gender and experience may also affect their views on the emotional intelligence. Such variables included in the study to examined their impact on the perception towards work culture. Response is taken from a sample of 150 employees.

The tabulated description of demographic details of the sample is presented in the Table-1.

Table-1: Frequency Distribution of Sample demographics

Frequency Distribution of Sample demographics			
Sl. No.	Variable	Number	Frequency (%)
01.	Gender		
	Male	110	73.33
	Female	40	26.66
02.	Age		
	Less than 25	25	16.66
	25 to 30	35	23.33
	31 to 40	45	30
	Above 40	45	30
03.	Experience		
	Less than 10 yrs	40	26.66
	10-20 yrs	80	53.33
	Above 20 yrs	30	20

*Chi-Square Test of Independence (Gender and Emotional Intelligence)*

*Hypothesis*

H0: Emotional Intelligence and gender are independent (Null Hypothesis)

H1: Emotional Intelligence and gender are dependent (Alternate Hypothesis)

Level of significance=1%

Table- 2: Contingency table for Gender \*efficacy Gap Cross-tabulation

Contingency table for Gender *efficacy Gap Cross-tabulation			
	Gap	No Gap	Total
<b>Gender</b> Male Count	40	70	110
	Expected Count	34.47	
Female Count	07	33	40
	Expected Count	12.53	
<b>Total</b>	47	103	150

Table- 3: Results of Chi-square analysis for gender and efficacy gap combination

	Value	df
Chi-Square	4.848	
N	150	01

The value of chi-square statistic obtained from the chi-square distribution table is 6.63 and the calculated chi-square statistic sample value is 4.848. Thus, the null hypothesis is accepted

because the table value is more than calculated value & hence it can be concluded that EI and gender are independent on the basis of statistical evidence at 1% level of significant. In this study, the gender has no influence on the level of EI. In other words, gender is not a determining factor on Emotional intelligence of employees. This implies that both female and male employees are at par in behaving emotionally mature in the premises.

*Chi-Square Test of Independence (Age and Emotional Intelligence)*

*Hypothesis*

H0: Emotional Intelligence and age are independent (Null Hypothesis)

H1: Emotional Intelligence and age are dependent (Alternate Hypothesis)

Level of significance=1%

Table-4: Contingency table for Age\*efficacy Gap Cross-tabulation on emotional intelligence

Contingency table for Age*efficacy Gap Cross-tabulation				
		Gap	No Gap	Total
<b>Age</b> Less than 25 Count		10	15	25
	Expected Count	8.66	16.33	
25 to 30 Count		15	20	25
	Expected Count	12.13	22.86	
31 to 40 Count		17	28	45
	Expected Count	15.6	29.4	
Above 40 Count		10	35	45
	Expected Count	15.6	29.4	
<b>Total</b>		52	98	

Table- 5: Results of Chi-square analysis for age and efficacy gap combination

	Value	df
Chi-Square	4.618	03
N	150	

The value of chi-square statistic obtained from the chi-square distribution table is 11.3 and the calculated chi-square statistic sample value is 4.618. Thus, the null hypothesis is accepted because the table value is greater than calculated value. Hence it can be concluded that EI and age are independent on the basis of statistical evidence at 1% level of significant. This implies that as age of the employees increases the individual's emotional intelligence increases proportionately. So, in this study senior employees are more emotionally mature than junior one. As a result the senior students are capable enough to guide their juniors in their respective field.

*Chi-Square Test of Independence (Experience and Emotional Intelligence)*

*Hypothesis*

H0: Emotional Intelligence and Experience are independent (Null Hypothesis)

H1: Emotional Intelligence and Experience are dependent (Alternate Hypothesis)

Table-6: Contingency table for Experience\*efficacy Gap Cross-tabulation

Contingency table for Experience*efficacy Gap Cross-tabulation			
	Gap	No Gap	Total
<b>Experience</b> Less than 10yrs Count	05	35	
Expected Count	6.4	33.6	40
10-20 yrs Count	15	65	
Expected Count	12.8	67.2	80
Above 20 yrs Count	04	26	
Expected Count	4.8	25.2	30
<b>Total</b>	24	126	150

Table- 7: Results of Chi-square analysis for experience and efficacy gap combination

	Value	df
Chi-Square	0.972	02
N	150	

The value of chi-square statistic obtained from the chi-square distribution table is 9.21 and the calculated chi-square statistic sample value is 0.972. Thus, the null hypothesis is accepted because the table value is greater than calculated value & hence it can be concluded that EI and experience are independent on the basis of statistical evidence at 1% level of significant.

In this study, the level of experience has influence on the level of EI of employees. In other words, experience level is a determining factor on Emotional intelligence of employees. This implies that more experienced person is emotionally matured than less experienced that influences their work style and professionalism. The objective of the study was to examine how the demographic characteristics like gender, age and experience of the employees on the emotional intelligence that can influence organisational effectiveness.

Table- 8: Results of Chi-square Analysis

Sl. No.	Demographic variables	Chi-square statistic
1.	Gender	4.848<6.63 (Insignificant)
2.	Experience	0.972<9.21 (Insignificant)
3.	Age	4.618<11.3 (Insignificant)

The values of chi-square statistics obtained from the chi-square table for all three combinations are: 6.63, 9.21 and 11.3 and the calculated chi-square statistic values are 4.848, 0.972 and 4.618. Thus, it can be concluded that efficacy gap and age, gender as well as experience are independent on the basis of statistical evidence at 1% level of significance.

VII. RECOMMENDATIONS

High EQ (Emotional Intelligence Quotient) improves ability to cope with pressure, build trust, negotiate, navigate workplace politics, and handle life’s complicated situations. Some important practices which helps individual to raise the EQ:

- Being sensitive to the non-work related concerns of employees that can prove to be equally important other managerial skills.
- Emphasize on how to improve the worst situation.
- Develop positive emotion.
- Be self aware of own emotions.
- Encourage open communication.
- Should be proactive not reactive
- Should be role model for their staff
- Provide training to promote EI like EQ assessment, training, developmental programs, periodical meetings.
- Also work on strategies to control their emotions.
- Making employees aware of how their behaviour is perceived by others and how it affects others.
- Employees should understand the vast variety of emotions.
- Employees should also identify their emotional setbacks and develop a better emotional standard through appropriate training and development programmes.
- They should understand the importance of emotional intelligence.

VIII. CONCLUSION

Constructive emotions can be motivating and can enhance understanding in the workplace. Organisational effectiveness mainly influenced by emotional intelligence in a number of areas such as productivity, quality of service, customer loyalty, innovation, teamwork, employee recruitment and retention. So, the objective of the study is to find the significant relationship between emotional intelligence and demographic variables like gender, education and age of employees. As employees come from different socio-economic and educational backgrounds and having certain experience, so they may be given orientation with regards to the importance of emotional intelligence through informal addresses, seminars and workshops. Periodical seminars by eminent educationalists and psychologists would yield fruitful results in this regard. EI plays a key role as employees have to communicate with each other and work less than one loaf.

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