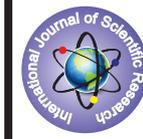


## EMOTIONAL INTELLIGENCE and EMPLOYEE PERFORMANCE as an INDICATOR FOR PROMOTION, a STUDY of AUTOMOBILE INDUSTRY



### Management

**KEYWORDS:** Emotional intelligence, Performance appraisal

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### ABSTRACT

This study is undertaken to understand the performance level of managers and supervisors at an automobile retailer in the city of Agra, the study focuses on understanding the emotional intelligence of the managers and supervisors and its link to their performance level on the job. The findings of the study indicate that emotional intelligence has an impact on the performance level of the managers and supervisors.

### 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.

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 organisation. (Bob Wall, 2008).

### 2. REVIEW of LITERATURE

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.

intelligence and its impact on employee'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 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.

Daniel Goleman 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).

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.

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.

#### 2.2 Models of Emotional Intelligence

John Mayer and Peter Salovey developed ability model of Emotional Intelligence, this model mentioned that emotional intelligence is the ability to perceive and to express 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 regulation of emotion. Reuven Bar-On developed mixed model of emotional intelligence is an array of non- cognitive capabilities competencies and skills that influence one's ability to succeed in coping with environmental demands and pressure. Daniel 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 ones emotions (2) Management of emotions (3) Motivating oneself (4) Recognizing emotions (5) Handling relationship. (R. Sternberg, 2000).

Dr. Peter Jordan developed ability model of emotional intelligence, this model is based on the emotional intelligence model of Peter Salovey and John Mayer. The models consist of three main constraints (1) Ability to deal with own emotions (2) Ability to deal with other's emotions and (3) the use of emotions in problem solving. (Jordan, P.J et al, 2002).

#### 2.3 Emotional intelligence at the workplace

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 indicate that emotional intelligence correlated highly with components of transformational leadership. William. Leban and Carol. Zulauf, (2004) studied project management and role of leadership. The study addressed 24 project managers and their associated projects in six organizations from varied industries. The results of the study found that a project manager's transformational leadership style has a positive impact on actual project performance, which also indicate that emotional intelligence ability has an impact on the project manager's transformational leadership style and subsequent on actual project performance.

### 3. THEORETICAL FRAMEWORK

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.

The present study addresses such a novel area and attempts to find out how far the organization would be able to identify emotional intelligence of the employee's and relate it to their performance on the job. Hence the study is conducted to measure the emotional intelligence level among the managers and supervisors and compare with their performance in the organization at a large automobile dealership at Agra, Uttar Pradesh India. The objectives of the study are as follows—

1. To understand the level of performance of the managers and supervisors.
2. To understand the level of emotional intelligence of the managers and supervisors.
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 supervisors and compare the performance level of the employees in the study organization which is located in the city of Agra, Uttar Pradesh India. The study only considers managers and supervisors 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 emotional intelligence that lead to superior performance.

According to Daniel. Goleman, emotional intelligence as shown in figure 1 can be organized into four dimensions representing the recognition of emotions in ourselves and in others, as well as the regulation of emotions in ourselves in others. Each dimension consists of a set of emotional competencies that people must possess to fulfill that dimensions of emotional intelligence. The dimensions are as under:-

- Self awareness: It refers to having a deep understanding of one's own emotions as well as strengths, weaknesses, values and motives.
- Self management: This represents how well we control or redirect our internal states, impulses and resources.
- Social awareness: It is mainly about empathy, having understanding and sensitivity to the feelings, thoughts and situations of others.
- Relationship management: It refers to managing other people's emotions.

The present study model shown on emotional intelligence has been linked and correlated with performance of managers and supervisors. (McShane and Steven,2008).Emotional intelligence correlates with job success of leaders.

- (1) Null Hypothesis (Ho). There is no significant difference between managers and supervisors with respect to performance appraisal score.
- (2) Null Hypothesis (Ho). Managers and supervisors performance appraisal scores don't correlate with emotional intelligence score

#### 4. PARTICIPANTS, MEASURES AND METHODOLOGY

##### 4.1 Participants

The organization is a partnership firm situated at Agra, Uttar Pradesh India. The firm was established in the year 1978. In the year 1978 they got dealership for Hero Honda, vehicles and spare parts for North region. The total workforce has increased from 10 in the year 1978 to 105 in the year 2008.

The total number of branches as of 2008 is four situated at Agra, Kanpur, Aligarh and Mathura. The total turnover for the financial year 2008- 2009 in Indian Rupees is 1500 million.

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 automobile retailer in the city of Agra Uttar Pradesh India. As per the latest employee record of 2015, there are 115 employees of whom there are 32 are managers and supervisors. The sample size was calculated and the number of the employees to be assessed and interviewed was 55 in the designation of managers, executives, supervisors and blue collars which is almost 50% of the total population. Out of this, few were selected through simple random sampling method using random table.

In the study of the emotional intelligence and employee performance, the respondents include managers and supervisors in the dealer organization. The age composition of the respondents is in the age group of 25-55 years. With regard to gender 90% of the respondents were male and 10% were female. The average experience level of managers and supervisors was 9.5 years.

##### 4.2 Measures

The employee performance appraisal was collected for one year that is November 2014- November 2015. 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 are rated on this scale on their level of performance. The 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 emotional intelligence model of Daniel. Goleman. This questionnaire was pre-tested by the researcher by administering it to a sample of twenty five managers and supervisors 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.

##### 4.3 Methodology

Following the collection of data. The data was processed was processed by applying descriptive statistics, t- test and correlation. Descriptive statistics was applied to understand the level of managers and supervisor performance and level of emotional intelligence among managers and supervisors. T-test was applied to understand the comparison between managers and supervisors level of performance on the job. Finally, correlation was derived between emotional intelligence and performance level of managers and supervisors.

#### 5. RESULTS

##### 5.1 Level of employee performance of manager and supervisor

The performance level of managers and supervisors is depicted in the table.1 and 2, the level of performance is assessed on the scale of 1 to 5, 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 2.371 and .4152. The mean and standard deviation score of supervisors are 2.563 and .4839. Table 3 shows the overall performance of the employee in the organization is low, therefore performance appraisal mean score of 2.467 is indicated which falls under the lower end of the scale.

Table 4 shows test of averages to compare the performance appraisal score of the managers and supervisors. The test takes into consideration variance structure Levene's test for quality of variance is applied. At 5% level of significance, we observe that the P Value is greater than the level of significance that is (0.992>0.05), thus we consider that the facts of the two groups assume equal variance. Under this assumption, we observe that P Value for test for means is less than the level of significance (0.019<0.05), and hence we can reject Null Hypotheses No.1 at 5% level of significance, which indicates that there is no significant difference between managers and supervisors performance appraisal scores.

### 5.2 Level of emotional intelligence among the managers and supervisors

The study on level of emotional intelligence of the managers and supervisors indicates that managers are 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.

The managers are 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 supervisors shows low level of emotional intelligence on all the variables.

### 5.3 Correlation analysis between emotional intelligence and the performance level of managers and supervisors

Correlation analysis was done which is shown in table.6, to understand the impact of emotional intelligence on performance of the managers and supervisors. The results show that there is no significant correlation between the emotional intelligences score and performance appraisal scores, as the co-efficient correlation is assuming a very ungeneralizable value of 0.080, further, the Null Hypothesis No.2 is accepted which implies that performance of managers and supervisors are not as per the expectations of the management as they are not able to manage their emotional intelligence on the job.

## 6. DISCUSSIONS

The managers and supervisors show lower level of performance in the organization. The company has 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 that is achievement drive, teambuilding, flexibility and adaptability, as these factors are very much critical for the job. The managers and supervisors are not able to meet the expected level of performance on the job, as they are not able to manage their emotions. The key areas that are service orientation, leadership, customer relationship which is the most important aspects for retail sector, therefore they have to groom on these aspects for higher performance. The managers and supervisors have to take higher level roles and responsibility in the organization in the future and for this they have to develop their skills in the area of self esteem, self control, innovation and developing others. The organization 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 organization.

## 7. LIMITATIONS AND FUTURE RESEARCH

The present research is concerned with the study of emotional intelligence and its impact on performance. As such, there are many

areas for improvement and for further research. In particular, we recognize that our study is subject to some important limitations. The first and most obvious limitation of the present study is limited by cost and time. A second limitation concerns the suggestions made by the study may require policy decisions and top management support for implementations. Finally, the findings of the study can be generalized only to likewise industry and organization of the same size. Hence there lies the scope of further study in those areas. The subsequent are those other areas in relation to emotional intelligence and employee, firstly, the emotional intelligence has a direct impact on the employee job satisfaction, as employees who are able to manage emotional are able to perform effectively on the job and there by derive satisfaction on the job. Studies on the effects of the emotional intelligence of team leaders may also be of interest to understand the development of effective team in the organization. The application and impact of emotional intelligence on developing interpersonal skills among the employees and finally, understanding employees Work Life Balance through emotional intelligence.

## 8. IMPLICATIONS AND CONCLUSIONS

The present study has produced some important results that have implications for both research and practice. The study on managers and supervisors 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 supervisors is moderate to low, these skills are to 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 supervisors had an impact on their level of performance on the job. This has implications for management, suggesting that organizations could be profitable by identifying the level of emotional intelligence of managers and supervisor and apply interventions that are focused on the developing emotional intelligence among the employees in the organization.

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