



**ROLE OF EMOTIONAL INTELLIGENCE ON EMPLOYEE
EFFECTIVENESS IN INFORMATION TECHNOLOGY COMPANIES.**

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ABSTRACT

An emotionally balanced employee is the need of an hour for today's modern organization as an emotionally balanced employee helps an organization to gain competitive advantage. Without Emotional Intelligence, it is nearly impossible for other factors that contribute to a successful life to function effectively. Emotional intelligence is imperative to understand achievement of organizational objectives, improved productivity. The present study was undertaken with the objective of examining impact of emotional intelligence on employee effectiveness and predicting employee effectiveness. Descriptive study was adopted for the research. Data collected from 240 respondents were used for analysis. Factor Analysis, Anova and Regression analysis was used for analyzing the data. The study reveals significant relationship between emotional intelligence and employee effectiveness and other dimensions of employee effectiveness.

KEY WORDS: Emotional intelligence, employee effectiveness, organizational objectives, performance , productivity, etc.

Introduction:

Emotional intelligence has become a buzzword in current corporate world. This concept was coined first in the year 1990. Since then, emotional intelligence became a growing field of research.

In the present scenario of work place typically in Information Technology sector, where emphasis is on flexibility, team-work and strong customer orientation, emotional competencies are becoming increasingly essential for excellence in most jobs all over the world.

According to multiple studies, companies that emphasize Emotional intelligence, have reported increased productivity, higher sales, higher job performance, happier employees and lower staff turnover. Executives and high level managers who undergo Emotional intelligence training or have naturally high Emotional intelligence skills are more successful, influential and likable. Emotional intelligence has even been shown to keep careers on track. In the current complex and collaborative work environment, companies that demonstrate high emotional intelligence have a competitive edge.

Emotional intelligence is a type of social intelligence which includes the ability to monitor your own emotions and emotions of others, distinguish among them and touse information to guide one's actions and thinking.

Every organization would like their people to be more effective. Employees today are expected to have a positive outlook, a strong sense of responsibility, and one who looks for new challenges and create their own opportunities. Employee effectiveness relates to achievements of organizational objectives in the dynamic environment by using the best of knowledge, skills, experience and honest professionalism.

Through this research, researcher has tried to find out relationship between emotional intelligence and employee effectiveness in information technology companies. Researcher has also explored certain dimensions associated with employee effectiveness. Researcher has used statistical tools to understand impact of emotional intelligence on predicting employee effectiveness.

Significance of the study:

The effectiveness of any organization is directly related to the effectiveness of each member. Employees would be termed as effective if they achieved the goals set by the organization within desired time span, and are satisfied. The fast growing IT/ITES industry has been struggling with

several issues concerning availability and quality of talent, their effectiveness and retention. With a global presence, employees need to fit into company culture and emotional intelligence is a key for the same.

Based on earlier literature, it was observed that companies which emphasize Emotional Intelligence, have reported increased productivity, higher sales, higher job performance, happier employees and lower staff turnover. But there were very few studies which tried to find out impact of emotional intelligence on employee effectiveness, which would help companies to take appropriate steps so as t

Objectives of the study:

In the above background, following are the objectives of this study

1. To study the dimensions associated with employee effectiveness in information technology companies.
2. To study the effect of emotional intelligence in predicting employee effectiveness.

Literature review:

Salvoes and Mayer (1990) first gave the formal concept of emotional intelligence in their model of emotional intelligence and defined it as capacity to recognize one's own feelings and emotions as well as of others, to discriminate among them and to use this information to guide one's thinking and action. But the foundation of this model was already laid down as concept of inter-personal and intra-personal intelligence as well as triarchic theory of intelligence by Gardner (1983) and Sternberg (1988).

Emotional intelligence as conceptualized by Salvoes and Mayer (1990) considered of three different categories of adaptive abilities. Firstly, it is appraisal and expression in the self as well as others. In the self there are verbal and non-verbal components. In the others there are non-verbal, perception and empathy. Secondly, there is a regulation of emotion in the self and others. Thirdly, it is utilization of emotions that includes flexible planning, creative thinking, redirected attention and motivation. Goldman (1995) then subsumed this model with a lot of personality characteristics, which he believed would contribute positively to success in any domain of life.

There has been some confusion regarding the perfect meaning of this construct despite of this early definition given by Salvoes and Mayer. Number of definitions is available on emotional

intelligence and with the rapid growth in the field; the researchers are constantly amending their own definitions of the construct. This was proposed by Dulewicz and Higg (2000).

Mixed Models of Emotional Intelligence

Daniel Goleman categorized EI in terms of five dimensions in his Emotional Intelligence Model. These dimensions are related with both recognizing and regulating emotions in ourselves and others.

Goleman (1998) introduced the emotional competencies model which focused on emotional intelligence as a wide array of competencies and skills that influences leadership performance.

Goleman categorized EI in terms of five dimensions in his Emotional Intelligence Model..

- Self-awareness- The ability to read one's emotions and recognize their impact while using gut feelings to guide decisions. This refers to beings aware of one's own emotions.
- Self-Management- Adapting to changing circumstances by controlling one's emotions and impulses.
- Self-Motivation- Self-motivation refers to the skill of managing one's time properly. People who are motivated tend to be happier and feel more self-assured. In simple terms motivation is what propels people to achieve their goals.
- Empathy- Empathy refers to a person's ability to understand the emotional state of others around them. Managers who are empathetic tend to retain the best employees, have great intercultural communication skills and are exceptional at handling customer complaints.
- Social skills: Managers with great social skills tend to be very well-versed in networking, persuasion, introducing productive change in organization and have great leadership skills (Peter & John).

Goleman also proposed that individual are born with a general intelligence and this general intelligence determines their potential for learning emotional competencies.

Bar-On (2006) suggested that emotional intelligence develops gradually and it's important to put in efforts to improve it through training, programming and therapy. He developed a hypothesis that those individual who score more than average on Emotional Quotient (EQ) are comparatively more successful in coping with environmental demands and pressures.

Vakola et al. (2004) studied the role of emotional intelligence and personality variables on attitudes towards organizational change. The research discussed the crucial role of individual characteristics for bringing about successful change in organization

Organizational Climate and Emotional intelligence was undertaken by Yoder and Debra (Jan 2005). The study was carried out with an idea that in era of unmatched challenges and rapid change, community colleges need effective leadership that brings out the best in people, organizations, and communities. Jain and Sinha (2005) carried out a study that examined the predictive ability of emotional intelligence (EI), trust, and organizational support in general health. Moss (2006) carried out an investigation on the effect of follower regulatory focus and extraversion on leadership behavior and the role of emotional intelligence. Matthews et al. (2006) worked on Emotional intelligence, personality, and task-induced stress where Emotional intelligence (EI) may predict stress responses and coping strategies in a variety of applied settings. The study undertaken compared Emotional intelligence (EI) and the personality factors of the Five Factor Model (FFM) as predictors of task-induced stress responses. Ramos et al. (2007) stated that perceived emotional intelligence facilitates cognitive-emotional processes of adaptation to an acute stressor. The study examined the influence of perceived emotional intelligence (PEI) and intrusive thoughts on emotional responses following a stressful event. Chiva and Alegre (2008) analyzed the relationship between emotional intelligence (EI) and job satisfaction by taking into consideration organization learning capacity (OLC). The study proposed that OLC plays a significant role in determining the effects of emotional intelligence (EI) on job satisfaction. An empirical study was carried out to explore the relationship between Occupational Stress, Emotional Intelligence and Job Performance by Ismail et al. (2009). The outcomes of regression analysis showed that relationship between occupational stress and emotional intelligence significantly correlated with job performance. Mohmmad Shahhosseini et al (2012) conducted a study in Malasiya to find out The Role of Emotional Intelligence on Job Performance. U Gunu and R O Oladepo (2014) conducted a study to find out impact of Emotional Intelligence on Employees' Performance and Organizational Commitment: The study revealed that there was a significant relationship between employees' emotional intelligence, organizational commitment, and their performance Rashid Maqbool et al (2017), conducted a study to find out Impact of Emotional Intelligence, Project Managers' Competencies, and Transformational Leadership on Project Success. It was found that Emotional intelligence has a significant positive effect on project success. The results showed that the emotional intelligence measures of self-awareness and relationship management are highly significantly correlated with project success.

Employee Effectiveness:

In most organizations there is a direct link between the effectiveness of individual employee in their role and the overall effectiveness, and hence profitability of organization. It is imperative for organization to help their employees understand how they should perform by identifying any gaps in their skills, knowledge and experience and providing training and other development opportunities to cover the new areas.

In recent past, improving employee effectiveness has become the most important task for organization. Effectiveness means that employee can organize work process in such a way so he/she will be able to perform more work during the same time, even without additional energy consumption.

A model of employee effectiveness developed by Thompson Eric (2007-10) helps to understand how to improve employee effectiveness. As stated by Eric Thompson employee effectiveness is the product of employee engagement and capability (both that of employee and organization).

Productive employees are capable and worthy of success. Organization can take following measures to improve employee effectiveness.

- Clarify the purpose –
- Develop effective communication –
- Delegate, don't dump –
- Promote a sense of belonging and team work –
- Recognize accomplishments –
- Help to set achievable goals –

Hypothesis:

1. There is a significant relationship between emotional intelligence and employee effectiveness
2. There is a significant impact of emotional intelligence in predicting employee effectiveness.

Research methodology:

This study was descriptive in nature and aimed at understanding emotional intelligence and

its impact on employee effectiveness. Emotional intelligence is an independent variable and employee effectiveness is dependent variable. As one of the objectives of this study was to study the dimensions associated with employee effectiveness, through factor analysis three dimensions were identified. Role clarity, performance management and employee relations were the dimensions of employee effectiveness which was a dependent variable.

The structured questionnaire was mailed to 320 employees, with follow up emails to non-respondents, two weeks later. The respondents were selected at random basis. Questionnaires were received from 240 employees, with a response rate of 75%. The sample comprised 62% males and 38% females. Below are the demographic details of the respondents.

TABLE 1: Demographic profile of respondents

Demographics	Description	Percentage
Gender	Male	62%
	Female	38%
	Total	100%
Experience	Less than Five years	48.4%
	More than five years	51.6%
	Total	100%
Education	Graduate	53.7%
	Post graduate	46.3%
	Total	100%

Research instrument:

Standardized tools were administered. Daniel Goleman’s Emotional Intelligence scale consisting of 10 items was used. For employee effectiveness, a structured questionnaire was designed comprising of 24 questions and this new instrument was developed. The respondents were expected to fill any one of the five responses on likert 5 point scale.

5- Strongly agree 4- Agree 3-Neutral 2- Disagree 1-Strongly disagree

The items along with their factor loadings and Cronbach’s alpha values are reported in Table II. Alpha values found to be higher in each and every dimension.

TABLE 2: Reliability statistics item wise

Cronbach's Alpha Based on Standardized Items	N of Items
.906	240

Result & discussions:

In order to analyze the data, normality of the data was checked and data was found to be normally distributed. Hence, all parametric tests were performed. To perform different statistical tests IBM SPSS statistical tool was used.

Factor Analysis was carried out and 3 factors were extracted using Principal Component Factoring. Reliability of each factor was checked by computing Cronbach Alpha (α). As Table III shows, there were 3 factors formed on employee effectiveness. Below is the list of factor labels with a number of questions contributed towards the factor.

TABLE 3: Factor wise reliability statistics

Sr. No	Factors related to employee effectiveness	No. of questions	Alpha Value α
1	Role clarity	9	.805
2	Employee Relations	9	.763
3	Performance planning	6	.804

Thus the following 3 dimensions were identified:-

- Role clarity.
- Employee Relations.
- Performance planning

A principal component analysis with subsequent rotation (varimax) was conducted on 3 items related to employee relations. All communalities (i.e. Proportion of variance explained by the common factors) varied from 0.805 to 0.507

Hypothesis was tested with correlation analysis, regression analysis and ANOVA.

H₁: There is a significant relationship between emotional intelligence and employee effectiveness.

To test this hypothesis and find relationship between emotional intelligence and employee effectiveness, Karl Pearson's correlation was used.

TABLE 4: Inter correlation amongst emotional intelligence and employee effectiveness

Variables		Emotional intelligence	Employee effectiveness
Emotional intelligence	Pearson Correlation Sig.(2-tailed) N	1	.716
Employee effectiveness	Pearson Correlation Sig.(2-tailed) N	.716	1

**Correlation is significant at the level 0.01(2 tailed)

Pearson Correlation between emotional intelligence and employee effectiveness is .617. These values shows that the correlation is significant at the level 0.01(2 tailed)

Hence, we accept H_1 that there is a significant relationship between emotional intelligence and employee effectiveness.

H_2 : There is a significant impact of emotional intelligence in predicting employee effectiveness.

TABLE 5: Regression analysis

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.717 ^a	.681	.679	16.536
a. Predictors: (Constant) EI Total				

ANOVA ^b						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	28011.245	1	28011.245	157.562	.000 ^a
	Residual	39248.151	238	133.891		
	Total	67259.396	239			
a. Predictors: (Constant) EI Total						
b. Dependent Variable: EE Total						

It can be observed from table that R square is .681 which means that emotional intelligence contributes to the extent of 68% in predicting employee effectiveness. Table indicates that f value is significant which also implies that there is a significant contribution.

Along with the above analysis, research also tried to find out effect of emotional intelligence on dimensions of employee effectiveness i.e. role clarity, performance management and employee relations. Following hypothesis was framed to find out the effect.

H₃: There is a significant effect of emotional intelligence on role clarity dimension of employee effectiveness.

H₄: There is a significant effect of emotional intelligence on performance planning dimension of employee effectiveness.

H₅: There is a significant effect of emotional intelligence on employee relations dimension of employee effectiveness.

The data related to this hypothesis was analyzed using ANOVA. The results are given in following table:

H₃: There is a significant effect of emotional intelligence on role clarity dimension of employee effectiveness

TABLE 6: ANOVA					
Dependent Variable: Role Clarity					
Source	Type III Sum of Squares	Df	Mean Square	F	Sig.
Emotional Intelligence (EI)	5081.133	9	564.570	18.495	.000
Within group	7020.717	230	30.525		
Total	12101.850	239			

Effect of Emotional Intelligence				
Dependent Variable: Role Clarity				
Emotional Intelligence	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
Total	29.03	.459	28.12	29.93

It can be observed from table that the f-value of 18.495 for role clarity is significant at 0.01 level with $df = 9/230$. It means that emotional intelligence produce significant effect on role clarity dimension of employee effectiveness. Therefore, the hypothesis namely “there is a significant effect of emotional intelligence on role clarity dimension of employee effectiveness” is accepted.

H₄: There is a significant effect of emotional intelligence on performance planning dimension of employee effectiveness.

TABLE 7: ANOVA					
Dependent Variable: Performance Management					
Source	Type III Sum of Squares	Df	Mean Square	F	Sig.
Emotional Intelligence (EI)	3213.269	9	357.030	22.359	.000
Within group	3672.715	230	15.968		
Total	6885.983	239			

Effect of Emotional Intelligence				
Dependent Variable: Performance Management				
Emotional Intelligence	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
Total	19.24	.346	18.56	19.92

It can be observed from table that the f-value of 22.359 for performance management is significant at 0.01 level with $df = 9/230$. It means that emotional intelligence produce significant effect on performance management dimension of employee effectiveness. Therefore, the hypothesis namely “there is a significant effect of emotional intelligence on performance management dimension of employee effectiveness” is accepted.

H₅: There is a significant effect of emotional intelligence on employee relations dimension of employee effectiveness.

TABLE8: ANOVA					
Dependent Variable: Employee Relations					
Source	Type III Sum of Squares	Df	Mean Square	F	Sig.
Emotional Intelligence (EI)	422.805	9	46.978	2.747	.005
Within group	3932.858	230	17.099		
Total	4355.663	239			

Effect of Emotional Intelligence				
Dependent Variable: Employee Relations				
Emotional Intelligence	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
Total	29.46	.276	28.92	30.01

It can be observed from table that the f-value of 2.747 for employee relations is significant at 0.01 level with $df = 9/230$. It means that emotional intelligence produce significant effect on employee relations dimension of employee effectiveness. Therefore, the hypothesis namely “there is a significant effect of emotional intelligence on employee relations dimension of employee effectiveness” is accepted.

Implications:

Based on the above study, it was found that role clarity, employee relations and performance management were three major dimensions of employee effectiveness.

Emotional intelligence has produced significant effect on employee effectiveness. Hence, it may be concluded that higher the emotional intelligence higher is employee effectiveness. It was also found that Emotional intelligence has effect on all three dimensions of employee effectiveness. Researcher supports benefits of EI to the job effectiveness of employees. This would ideally result in better performance as well as employee retention.

In IT sector where it is imperative to maintain high emotional intelligence to meet the deadlines, it is at most essential that employee should score high on emotional intelligence quotient. Employees’ scores should be high enough on self-awareness, self-management, empathy and social skills which would enable them to contribute and perform their job effectively. Companies should plan to enhance EI of their employees through various trainings. Enhanced EI would result in job effectiveness of each employee which would ultimately contribute in improved performance of the organization as a whole. Though EI has multiple components all might not have same impact on the job effectiveness as well as performance.

Conclusion:

Emotional intelligence has become so popular in the management that it has become imperative to understand and be aware of the research and theory on which it is based. It is also useful to consider how emotional intelligence is important for effective performance. This study provides evidence that EI contributes significantly while predicting employee effectiveness which ultimately linked with the performance.

Today every organization has to meet their goals, objectives within stipulated time span. Employee effectiveness plays a crucial role in achieving these goals. With high emotional intelligence employee effectiveness would increase so as employee relations, performance and role clarity.

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