

## **Exploring the Implications of Emotional Intelligence to Enhance Employees' Performance**

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**Abstract :** Emotional intelligence (EI) is an effective tool to increase organizational productivity. This study depicts the impact of EI on employees' performance who are engaged with customer services by using four elements i.e. self awareness, self management, social awareness and relationship management. A sample of 120 respondents was selected from four paint manufacturing companies in Pakistan. The primary data was collected through the structured questionnaire and simple regression method was used to investigate the relationship between employee's performance and emotional intelligence. The results illustrate that EI has positive impact on employee's performance. It is suggested that the implication of EI be ensured as contemporary need of customer services in paint industries so that organization productivity may be enhanced with efficient employees' performance.

**Key words:** Emotional Intelligence, Employees' Performance, Paint industry, Empirical, Pakistan.

**JEL Classification:** J28, M10, M14

## **Introduction**

When humans born their emotions are generated which are based on feelings, perceptions and these may be positively or negatively affected due to certain reasons. Emotions are the psyche of human behavior i.e. what is perceived about the others. Human behavior is still complicated to understand because no one has ability to read the brain of other human beings, often it may be possible but it is based on diminutive period. The word intelligence has different ways to explain its term while it is defined as an approach to observe the behaviors. Therefore, Emotional Intelligence (EI) is an effective tool to know and handle the emotions in self and others. People do job to earn in order to fulfill their basic needs i.e. foods, shelter, clothing etc. Therefore, they work in different organizations on different positions with several objectives. Working in any organization with different people who have different feelings, attitudes, perceptions, strengths and limits is a difficult task for an individual which may affect his or her performance that ultimately lay down the organizational working to achieve its selected goals. The role of Emotional Intelligence is conceptualized to study the job performance of employees. It is learned activity which is based on outstanding job performance. Emotional Intelligence determines human potential for practical skills. It is based on four elements that are self-awareness, self-regulation, social awareness and managing relationship. These four elements are helpful to study the human potential on job performance. EI is essential for those employees who are unable to handle an emotional situation.

## **History of Emotional Intelligence**

The term Emotional Intelligence was proposed by Mayer, Dipaolo & Salovey (1990) which referred to recognize emotions in self and others and then to use this information to guide actions. The American Psychologist Goleman (1995) projected the term EI and gave its significance, that's why it is much important than Intelligence Quotient (IQ) and this term acquired significant attention in the practice of Human Resource Management, Organizational Behavior, Leadership and General Management. The term EI is derived from social intelligence by Thorndike (1920) and Gardner's concept of intrapersonal and interpersonal intelligence. The term EI is classified by Thorndike (1920) in three types: Abstract Intelligence is associated with verbal concepts; Concrete Intelligence is associated with silhouette and objects, Social Intelligence which is now expressed as Emotional Intelligence. Mayer & Salovey (1990) describe that this distinct psychological skill is based on the ability to find emotions of one's own and other, to guide thinking and actions.

The EI is important to improve job performance of employees because organizations require social interaction among the employees to achieve the selected goals. It is a basic need of the job to manage emotions in the working environment. Therefore, many studies have discussed about the significant relationship of emotional intelligence and job performance. EI cannot intend to increase higher performance, it just handle the emotions of one's and others. Thus the certain behavior can use at workplace accurately (Kim, Cable, Wang and Kim, 2009). This study has the objective to explore the concept of emotional intelligence in the organization to enhance employee's performance. It examines the relationship between emotional intelligence and employees' performance. The paint industry is rapidly growing in Pakistan. A number of paint manufacturing industries like Imperial Chemical

Industry (ICI), Berger Paints, Master Paints and Nippon Paints etc are providing their serving in shape of coloring the homes to look beautiful. A number of researches have been conducted in past and found linkage between emotional intelligence and employees' performance in the developed countries. Pakistan is under developing county, where the behavior of employee is highly emotional. This study discusses the impact of EI on employees' performance while keeping cultural influences on daily working. Hence, the successful handling of emotions of employees at work place not only increase work performance but ultimately contribute in development of economy of the county like Pakistan.

### **Objectives of the Study**

- To explore the concept of emotional intelligence within the organization to increase employees performance.
- To know the impact of emotional intelligence on employees performance.
- To give fruitful suggestions for efficient implications of emotional intelligence.

### **Literature Review**

#### **Elements of Emotional Intelligence**

There are four main dimensions of EI, Self awareness, self management, social awareness and relationship management.

##### **a. Self awareness**

It refers to identify the one's own feelings and how they affect on one's performance. It is basically a key to find one's own strengths and weaknesses. It is the trait of high quality performance to recognize one's emotions among the large number of managers (Boyatzis, 1982). The true self awareness is based self assessment (strengths & weaknesses) and handling emotions in favorable or unfavorable situations. Self awareness includes finding out where there is need to improve, learn from mistakes and feedback. It stimulates the confidence of employee at work competency, as the self confidence is the true predictor of performance than the skill. Self awareness competence produces "Star Performance" in a study of several hundred workers (Kelly, 1998). Every individual has different emotions and ability to handle them, so the expression of emotions is important for one's self or others because people learn from expressions.

##### **b. Self management**

It refers to govern one's own emotions i.e. managing one's values, impulses, resources and disciplines. Self management directly affects the employee's performance. While in critical situation or job stress a poor sense of control over one's increase depression at work place (Rahim et al, 2002). A true self management develops one's truthfulness which makes a good impression on others about one's values and principles. Emotions play a significant role for adjusting the situations by the effective development of information and it can be done by those employees who have high EI, those

who have low EI cannot use their emotions effectively and in difficult conditions they become confuse about what they are doing (Zhou & George, 2003). Achievements are based on managing themselves by employees (Spencer & Spencer, 1993). Superior performance can be achieved by the employees to be proactive and optimistic at work place because they govern behavior to self manage.

**c. Social awareness**

It refers to know about other by their emotions and feelings. Social awareness means to find what is ethically acceptable for one's and others. At any work place, number of workers interacts with each other which are seriously critical because it requires high competency to find emotions of others and react in favor of them. A person who has ability to get social awareness he or she can proceed to take appropriate actions. Social understanding is a vital tool to measure social awareness (Goleman, 1998). It is very difficult for servicing organizations to find out the needs and wants of the customer and then matches with their available product or services. The good performers have ability to find customers' choice and preference and utilize them in appropriate performance so that customers can acquire benefits (Mcbane, 1995). Organizations have own internal politics and group, those performers who are socially aware can better understand the overall organizational psychology and handle internal politics. This ability enhances professional skills required by the organizations and reading the situations clearly without any biasness that differentiate from average once (Boyatzis, 1982).

**d. Relationship Management**

It refers to managing competences that include social skills, analyzing and influence others and giving desirable response to others (Shahzad et al, 2011). Relationship management helps to develop relations among the workers which represent high performance of them. Relationship management is process of communication that is a key element for organizational productivity because effective communication among the employees finds the emotional information of others that includes listening ability, speaking skills, knowledge and reaction against good or bad situations. It is an art to handle critical situations, stress by others, rising conflict with diplomacy and convincing skills. In retail business, effective negotiation skills reduce conflicts and enhance organization's health (Ganesan, 1993). It is symbol of good leadership who helps others at work place and understands what the other wants and how can handle their emotions to achieve organizational goals. Leader can accelerate emotions to achieve high performance (Bachman, 1988).

**Employee's Performance**

It refers to results of individuals come from their activities within the specific time period. It is very important to manage employees' performance to achieve organization's goals. Employees' performance can be measured through evaluating his competency over productivity (Shahzad et al, 2011). Good performance of employees enhance over all organization productivity and success. It also intends to increase quality production and relationship building at work place. Employee's performance is directed through rating, management by objective, peers evaluations and performance appraisals etc. The supervisor association with employees positively affects to their performances

(Ashford and Black, 1996). The managers who have EI skills, they can regulate their own and other emotions to promote positive interaction that intend to increase higher performance (Thomas et al, 2006).

### **Hypothesis**

H<sub>1</sub>: There is a significant relationship between self awareness and employees' performance.

H<sub>2</sub>: There is a significant relationship between self management and employees' performance.

H<sub>3</sub>: There is a significant relationship between social awareness and employees' performance.

H<sub>4</sub>: There is a significant relationship between relationship management and employees' performance.

### **Research Methodology**

This study is based on exploratory research which describes the relationship between dependent variable (Employee's Performance: E.P) and independent variables (Self Awareness: S.A; Self Management: S.M; Social Awareness: S.A; and Relationship Management: R.M).

### **Sample**

A total of 120 sample respondents were chosen by using convenience sampling from four Paint manufacturing companies in Pakistan namely Imperial Chemicals Limited (ICI), Berger Paints, Master Paints and Nippon Paints and they were those employees who worked for customer orientation that includes customer services consultant, color consultant, and call center agents etc.

### **Instrument**

A questionnaire was designed to collect primary data by using five-point likert scale (ranging from 1=Strongly disagree to 5=Strongly agree). The information was collected through 36 items in the questionnaire that measured the dimensions of Employee's Performance and Self Awareness; Self Management; Social Awareness; and Relationship Management.

### **The Model**

A simple regression model was used to find the impact of independent variables on dependent variable. A correlation matrix was used to present the relationship among the variables. The collected data was analyzed by using SPSS Version 16.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \mu$$

Where,

Y = Employees' Performance (E.P)

$X_1$  = Self Awareness (S.A)

$X_2$  = Self Management (S.M)

$X_3$  = Social Awareness (SO.A)

$X_4$  = Relationship Management (R.M)

$\mu$  = Error term                      **and,**

$\beta_0$  = Constant

$\beta_1, \beta_2, \beta_3$  and  $\beta_4$  = Coefficients or slopes of independent variables

**Results & Discussion**

The objective of this paper is to find the impact of emotional intelligence on employee’s performance by focusing on four elements of EI that are, self awareness, self management, social awareness and relationship management. The value of Cronbach’s Alpha is found 0.87 which shows that all selected variables are highly significant. A correlation matrix is shown in Table No 1 while regression analysis is presented in Table No 2 as following:

**Table No 1: Correlation Matrixes**

<b>Variables</b>	<b>E.P</b>	<b>S.A</b>	<b>S.M</b>	<b>SO.A</b>	<b>R.M</b>
<b>Employee’s Performance (E.P)</b>	1	0.211	0.265	0.379	0.345
<b>Self Awareness (S.A)</b>	0.211	1	0.509	0.267	0.265
<b>Self Management (S.M)</b>	0.265	0.509	1	0.301	0.298
<b>Social Awareness (SO.A)</b>	0.379	0.267	0.301	1	0.238
<b>Relationship Management (R.M)</b>	0.345	0.265	0.298	0.238	1

Source: Researchers’ own calculations

**Table No 2: Regression Analysis**

Variables	Coefficient	St. Error	t-value	p-value
Constant	1.997	0.422	4.835	0.000
Self Awareness	0.132	0.081	1.165	0.003
Self Management	0.061	0.079	0.601	0.005
Social Awareness	0.435	0.080	5.923	0.000
Relationship Management	0.261	0.082	2.455	0.015
<b>Dependent Variable: Employee's Performance</b>				
<b>R-Square: 0.582</b>				
<b>F-Statistics: 26.533</b>				

Source: Researchers' own calculations

The correlation matrix presents that self awareness is significant with employee's performance but it is not found as strong predictor of employee's performance having coefficient value of 0.132. It is because of most of the employees' are not accurate in analyzing their own emotions or self assessment at work place. They just get attraction from salaries or other remunerations offered by the paint manufacturing companies and they have less confidence and practical experience while those who work at call center, business development officer, customer services consultancy and especially color consultancy need to be well aware about the emotions and how to handle them.

Self Management is found significantly correlated with employee's performance but it is also not found predictor of employee's performance at t-value of 0.601 and coefficient value of 0.061. It is because of our culture and lack of personality development skills. In Pakistan, majority of the employees are not good in self management or able to handle any critical situation. They become ready to exploit their emotions at any good or bad situation which ultimately affect on their performance. In our education system, students are not taught by some personality development courses so that they can perform better in working environment therefore a fresh graduate is not capable to improve his or her personality development due to less knowledge in this subject. In any job which is related with customer consultancy needs high moral values and patience to bear customers good or bad comments if they is satisfy or unsatisfied from organizations' services. Another aspect is that the organizations provide less training to the employees to handle any unpleasant or risky situations.

A strong correlation is found between social awareness and employee's performance having good predictor of employee's performance at t-value of 5.923 and coefficient value of 0.435. A paint industry is rapidly growing sector in economy of Pakistan. A strong competition is found among all paint manufacturing companies. Most of employees give serious attentions toward these companies to do job because with knowing behavior of seniors who guide those with positive attitude may lead to success in shape of better performance.

Relationship management is found strongly correlated with employee's performance with the t-value of 2.455 and coefficient value of 0.261. Strong working relationships among the employees always

lead to achieve the organizational goals. Therefore, it plays a role of bridge between organizations success. Strong communication skills of employees convince the customers and this ability enables the paint industries to get maximum market share for their survival. Hence, relationship management can be improved by enhancing communication and influencing skills of employees which ultimately lead to increase high performance.

The value of R-Square is found 0.582 which represents that 58.2% change is done by the selected variables in employee's performance while the rest of 41.8% is done by other factors that are not taken into account. The value of F-Statistics is found 26.533 at 5% level of significance which present that the overall model is best fitted.

### **Conclusion**

It is concluded that emotional intelligence plays a significant role for enhancing employees' performance who are engaged with customer services like paint industries. Often, employees have to face positive or negative attitude of customers but it is very important for them to analyze themselves and others by utilizing their EI skills so that they can handle risky situations or any unpleasant behavior. A weak correlation is found between employee's performance with self awareness and self management. But a significant correlation is found between social awareness and relationship with employee's performance which presents the ability to know about others by strong communication and influencing skills intend to increase higher performance. Hence, EI is a vital tool which can be used to enhance organizational productivity through efficient employees' performance.

### **Suggestions**

1. It is necessary to give preference to self directed or self motivated workers instead of unaware and unmanaged workers.
2. Some training may be provided to employees to know how to handle one's own and other emotions at any situations.
3. In education sector, personality development courses may be taught to the students so that they perform better at any work place.
4. EI may be given high preferences at customer service in paint industries.

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