

# A DETAILED STUDY ON IMPACT OF EMPLOYEES' EMOTIONAL INTELLIGENCE ON THEIR PERFORMANCE

AUTHOR - V.BHANU SAI CHANDER, (Roll No- 18031E0044) MBA 2018-2020 BATCH,  
STUDENT AT SCHOOL OF MANAGEMENT STUDIES JNTUH, KUKATPALLY, HYDERABAD, INDIA.

Under the guidance of A. SANTOSH KUMARI (Ph.D.), Assistant Professor, SMS JNTUH

**Abstract:** *The main aim of this study is to understand the impact of emotional intelligence on the work performance of employees working in various organizations. This research tries to understand the major factors that affect the emotional intelligence and work performance of employees such as self-management, social awareness, employee skills and work environment etc., to determine the relationship between emotional intelligence and employee performance.*

*This study is conducted with a sample size of 130 employees from various sectors in the Hyderabad city using convenient sampling method. Based on the outcome of the study it is evident that emotional intelligence has a positive correlation on the performance of the employees.*

**Keywords:** *Emotional Intelligence, Work performance.*

## I. INTRODUCTION

Emotional intelligence first appeared in the year 1964 by Michael Beldoch and then later in the year 1983 by Howard Gardner in his book "*Frames of Mind: The theory of Multiple intelligences*" which suggested that cognitive intelligence cannot be fully explained by conventional intelligence (IQ), he also put forward the idea of multiple intelligence in a person such interpersonal and intrapersonal skills to fully understand cognitive intelligence. However, Emotional intelligence (EI) was popularized by Goleman by his book "*Emotional Intelligence – Why it can matter more than IQ*", where he suggested that the success of a person in his career and life is dependent more on the emotional quotient rather than the intelligence quotient. Daniel Goleman has conducted many studies to prove the importance of emotional intelligence and to include it in organizations in every step starting from recruitment to performance appraisal. Subsequently, there has been criticism on the extent to which emotional intelligence can be used as a predictor for recruiting individuals.

### EMOTIONAL INTELLIGENCE (EI)

There have been many definitions for emotional intelligence in various books and journals but the most basic definition given by John Mayer and Peter Salovey is "the ability of an individual to identify his own emotions and the ones around him, assess and differentiate those emotions while taking decisions in order to achieve goals". This definition was later simplified into parts for better understanding: grasping, identifying, and utilizing emotions appropriately. At present, there are three models to understand and assess emotional intelligence they are:

1. Ability Model
2. Mixed Model
3. Trait Model

### MIXED MODEL

This study was done using mixed model so more emphasis will be on the mixed model. The inception of mixed model was done by Daniel Goleman, who suggested EI as a wide range of skills that helps individuals gain leadership qualities for better performance. Goleman proposed five major competencies in this model:

- **Self-awareness** – The capacity to identify, understand ones' own strengths, weakness, desires and emotions.
- **Self-regulation** – The ability to control and manage ones' emotions in stressful situations and adapting according to the surroundings.
- **Social skills** – Ease of interacting with others.
- **Empathy** – Being compassionate towards others while taking decisions.
- **Motivation** – the driving force to accomplish goals.

Goleman also suggested that there is a common misconception that a person has to be born with the above competencies to succeed in life; rather these can be acquired by thorough practice. Emotional intelligence matures with age and reaches a stagnant point at adulthood which can be further enhanced by various training and development practices. Based on this model few measurement tools were created: (I) Emotional competence inventory (ECI) was created in 1999 to assess the behavioral and social competencies of an individual. (II) Emotional intelligence appraisal was created in 2001 which is used as a performance appraisal tool to measure the performance of an individual.

### JOB PERFORMANCE

Job performance contributes to the development of a company. The performance of employees on their respective roles plays a crucial role in the growth of the organization. The performance of the employees in an organization can be enhanced by providing

many benefits such as safe work environment, employee recognition, and pay hike etc. Authors such as Viswesvaran and Campbell outlined few dimensions for effective job performance:

- Job related knowledge
- Interpersonal skills
- Productivity
- Leadership
- Communication etc.

Recent studies between emotional intelligence and job performance has shown a positive correlation of  $r = .20$ . Prior to this the results between emotional intelligence and job performance were inconclusive or had shown mixed results. This led to a study by Cole in 2006 between emotional intelligence and job performance which showed that employees with low IQ had better performance and effectiveness due to their high EI. Numerous studies have indicated that there is a positive correlation EI and job performance of the employees. So in this study to assess the job performance of employees few of the above factors were considered:

- Employee knowledge
- Work environment
- Employee motivation etc.

## II. RESEARCH METHODOLOGY

### OBJECTIVES OF THE STUDY

- To study and understand various factors affecting Emotional intelligence and work performance of employees in general.
- To evaluate whether Emotional intelligence has an impact on work performance of select employees.
- To analyse the level of influence, Emotional intelligence has on the Employee performance.

### HYPOTHESES OF THE STUDY

1. **Ho1:** There is no significant association between employees' Emotional Intelligence and performance.
2. **Ho2:** There is no significant association between Experience of the employees and employees' Emotional intelligence.
3. **Ho3:** There is no significant association between age of the employees and employees' Emotional intelligence.
4. **Ho4:** There is no significant relationship between high emotional intelligence and increased employee performance.

### SAMPLE OF THE STUDY

The sample size consists of 130 employees from various organizations in the Hyderabad city, which was gathered by convenient sampling method. The respondents participating in this study were provided with a questionnaire (Likert scale) of thirty five questions on emotional intelligence (Self-awareness, Self-management, Social awareness and Relationship management) and job performance. Based on the response the sample was formed into clusters for analysis and results.

### DATA SOURCES

- **Primary data:**  
The primary data was gathered through questionnaire which was filled by employees either by email or pen and paper.
- **Secondary data:**  
The secondary data was gathered from various journals and research papers.

### STATISTICAL TOOLS USED FOR THE STUDY

The various statistical tools used for the analysis of primary data for better interpretation are:

1. **Chi-square analysis:** Chi- square is a statistical test to see the relationship between two variables, by using the above formula:

$$\chi^2 = \frac{\sum(O_i - E_i)^2}{E_i}$$

2. **Regression analysis:** Regression analysis is used to determine the strength of relationship between two variables i.e., a dependent variable and an independent variable.

**III. DATA ANALYSIS****HYPOTHESES TESTING USING CHI SQUARE**

1. **Ho1:** There is no significant association between employees' Emotional Intelligence and performance.

Table 1 represents the chi square calculations done between employees' Emotional intelligence and performance from primary data.

$O_i$	$E_i$	$O_i - E_i$	$(O_i - E_i)^2$	$(O_i - E_i)^2 / E_i$
4	0.265	3.735	13.950	52.642
3	4.058	-1.058	1.119	0.275
0	2.597	-2.597	6.744	2.597
1	1.075	-0.075	0.005	0.005
22	16.34	5.66	32.035	1.960
5	10.535	-5.535	30.636	2.90
0	3.65	-3.65	13.322	3.65
51	55.48	-4.48	20.070	0.361
44	35.77	8.23	67.732	1.89
			TOTAL	66.28

Test	Calculated Value	Degree of freedom	Table value
Pearson chi-square	66.28	4	9.48

*Source: Primary data*

**Result:**

The above chi square test indicates the calculated value is greater than the table value for 5% level of significance i.e.,  $66.28 > 9.48$ . Hence **NULL HYPOTHESES IS REJECTED** and alternate hypotheses is accepted. Therefore, there is a significant association between Emotional Intelligence and Job Performance.

2. **Ho2:** There is no significant association between Experience of the employees and employees' Emotional intelligence.

Table 2 represents the chi square calculations done between employees' Emotional intelligence and Experience of the employees from primary data.

$O_i$	$E_i$	$O_i - E_i$	$(O_i - E_i)^2$	$(O_i - E_i)^2 / E_i$
3	5.223	-2.223	4.941	0.946
25	20.89	4.11	16.892	0.808
69	70.88	-1.88	3.534	0.049
2	0.861	1.139	1.297	1.506
1	3.44	-2.44	5.953	1.73
13	11.69	1.31	1.716	0.146
1	0.646	0.354	0.125	0.193
2	2.58	-0.58	0.336	0.130
9	8.769	0.231	0.053	0.006
1	0.269	0.731	0.534	1.986
0	1.076	-1.076	1.157	1.076
4	3.653	0.347	0.12	0.032
			TOTAL	8.608

Test	Calculated Value	Degree of freedom	Table value
Pearson chi-square	8.608	6	12.592

*Source: Primary data*

**Result:**

The above chi square test indicates the calculated value is less than the table value for 5% level of significance i.e.,  $8.608 < 12.592$ . Hence **NULL HYPOTHESES IS ACCEPTED**. Therefore, there is no significant association between employees Emotional Intelligence and Experience of the employees.

**3. Ho3:** There is no significant association between age of the employees and employees' Emotional intelligence.

Table 3 represents the chi square calculations done between age of the employees and employees' Emotional intelligence from primary data.

$O_i$	$E_i$	$O_i - E_i$	$(O_i - E_i)^2$	$(O_i - E_i)^2 / E_i$
4	5.761	-1.761	3.101	0.538
25	23.044	1.956	3.825	0.166
78	78.185	-0.185	0.034	0
2	0.966	1.034	1.069	1.106
1	3.864	-2.864	8.202	2.122
15	13.11	1.89	3.572	0.272
1	0.266	0.734	0.538	2.025
2	1.064	0.936	0.876	0.823
2	3.61	-1.61	2.592	0.718
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
			TOTAL	7.77

Test	Calculated Value	Degree of freedom	Table value
Pearson chi-square	7.77	6	12.592

*Source: Primary data*

**Result:**

The above chi square test indicates the calculated value is less than the table value for 5% level of significance i.e.,  $7.77 < 12.592$ . Hence **NULL HYPOTHESES IS ACCEPTED**. Therefore, there is no significant association between age of the employees and employees' Emotional intelligence.

**4. Ho4:** There is no significant relationship between high emotional intelligence and increased employee performance.

Linear Regression was done in MS excel to test the above hypotheses. The above hypotheses consist of two variables:

Dependent variable – Employee Performance

Independent variable – Emotional Intelligence

Table 4 represents the regression analysis for the above hypotheses from primary data.

Observations	R	R Square	Adjusted R Square	Standard Error
130	0.749	0.562	0.55	5.0123

*Source: Primary data*

From the above table it is observed that the R square value is 0.562, which indicates that 56.2% of variance in the employee performance is caused by the emotional intelligence.

ANOVA:

Model	df	Sum of Squares	Mean Squares	F	Significance F
Regression	1	4122.128	4122.18	164.0174	.000
Residual	128	3215.87	25.124		
Total	129	7338			

From the above table it can be interpreted that this linear regression model is significant at a p value of 0.001. The linear regression model is:

$$\text{Employee performance} = A + EI * B$$

Coefficients:

Model	Coefficients	Standard Error	t stat	Sig.
Intercept	13.702	2.329	5.88	.000
Emotional Intelligence	0.421	.0328	12.80	.000

Regression values

- A = 13.702
- B = 0.421

$$\text{Employee Performance} = 13702 + 0.421 * EI$$

**Result:**

The above regression analysis indicates that there exists a positive relationship between emotional intelligence and employee performance. From the regression values it is evident that for every unit increase in the emotional index, there is a 0.462 increase in the employee performance.

There also exists a positive correlation of 0.749 between emotional intelligence and employee performance. Hence, **REJECT THE NULL HYPOTHESES** and accept the alternate hypotheses, that High emotional intelligence is associated with higher employee performance.

#### **IV. FINDINGS OF THE STUDY**

- Based on the survey report of this study it is observed that the majority of employees are between the age group of 20-34 years (82.3%), 13.8% belong to the age group of 35-44 years and 3.8% are in the age of 45-54 years.
- Majority of the employees participating in this study belong to the IT & Service sector (84.6%), 10.8% are working in private sector and 3.1% belong to other occupations. The employees working in government sector in this study are just 1.5%.
- From the survey report it is observed that majority of the employees have an experience of 0-4 years (74.6%), 12.3% of employees have an experience of 5-8 years and 9.2% of employees have an experience of 9-12 years. The employees with an experience of 13 years and above are just about 3.8%.
- From the analysis it is evident that there is significant positive correlation of 0.749 between emotional intelligence and employee performance. It is also observed that employees with high emotional intelligence are better performers.
- From the analysis it can be inferred that there is no significant relationship between experience of the employees and employees' emotional intelligence.
- From the analysis it is observed that there is no significant relationship between age of the employees and employees' emotional intelligence.
- From the regression analysis it is observed that high emotional intelligence leads to higher performance and emotional intelligence can be used as a predictor for employee performance.
- The hypotheses test findings of this study are tabulated below:

Table 5 represents the hypotheses test findings of this study from primary data.

S.NO	Null Hypotheses	Calculated Value	Table Value	Result
1	There is no significant association between employees' Emotional Intelligence and performance.	66.28	9.48	<b>Rejected</b>
2	There is no significant association between employees' Emotional intelligence and Experience.	8.608	12.592	<b>Accepted</b>
3	There is no significant association between age of the employee and employees' Emotional intelligence.	7.77	12.592	<b>Accepted</b>
4	There is no significant relationship between high emotional intelligence and increased employee performance.	0.000	0.05	<b>Rejected</b>

#### **V. CONCLUSIONS BASED ON OBJECTIVES**

Emotional intelligence is found to have a great impact on the performance of the employees based on the results. The various factors affecting emotional intelligence and employee performance such as interpersonal skills, intrapersonal skills and employee knowledge were studied. In this study there was positive correlation of 0.749 between emotional intelligence and employee performance, it was also observed that emotional intelligence causes significant variation of 0.562 i.e., 56.2% in employee performance. From the regression analysis it is also observed that for every unit increase in emotional intelligence there has been a 0.421 increase in the employee performance, so it is evident that employees with high emotional intelligence are better performers.

This study also indicates that emotional intelligence is independent of factors such as age and experience among adults and can be enhanced only by continuous training and development. Emotional intelligence not only contributes for high performance but also contributes for better social and personal life.

#### **VI. SUGGESTIONS**

- Emotional intelligence has to be considered as an important factor by organizations while recruiting prospective employees as individuals with good IQ and education qualification are good performers but if the organizations needs future leader it has to consider EQ as well.
- Organizations must provide EQ training to employees as it provides better performers and increases job satisfaction, which leads to better productivity.
- Emotional intelligence should be used as predictor for employee performance as it is observed to be reliable in predicting the employee performance.
- Emotional intelligence learned at professional level can also be applied at personal level to lead a better social and personal life.

#### ACKNOWLEDGEMENT

I would like to express my heartfelt gratitude to my guide Mrs. **A. Santosh Kumari (Ph.D.)** for sparing her valuable time and providing active guidance and supervision throughout the completion of project. I would also take this opportunity to express my sincere and heartfelt gratitude to **Dr. Sindhu, Professor & Director of SMS JNTUH** for providing me with all the resources and facilities to complete the project.

#### BIBLIOGRAPHY AND REFERENCES

- Daniel Goleman (2005). Emotional intelligence: why it can matter more than IQ. New York
- Roland, N. (2011) Leading with emotional intelligence, McGraw- Hill companies Inc.
- Krishnakumar, S. k. (2016). Assessing workplace emotional intelligence. Journal of psychology. 371-404.
- Dr. A. Selvarani and Ms. D. Ramya. A study on the level of emotional intelligence in Tamil Nadu Newsprint and papers limited (TNPL), Kagithapuram. International Journal of Management, 7(2), 2016, 670-681.
- Mayer, J. (2008). Emotions and leadership: The role of emotional intelligence. Human Relations, 1027.

