Emotional Intelligence: A Driving Force towards Organizational Development

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Abstract

The review was aimed to extract the findings of studies on emotional intelligence specifically in context of personnel performance in the organizations. The review consist of citing over fifty published articles (available online) covering the studies on emotional intelligence and connected it with the significance of EI on overall performance of individuals in organizations specifically. The review provides substantial support to the work of several researchers who have argued that EI is a significant predictor of work-related outcomes including motivation, creativity, managing stress and work-life balance. Moreover it is found in the review that emotionally intelligent teams can build social capital while emotionally intelligent leaders can strengthen the teams and cultivate a conducive work environment to achieve any milestone. The review strongly recommends to the leadership and the workforce of the modern organizations to acquire benefits of emotional intelligence in individual as well as social life through a dynamic learning attitude towards its components.

Key Words: Emotional Intelligence, Organizational performance, Leadership
Origin of Emotional Intelligence (EI)

The three basis of emotional intelligence explain its understanding and importance include(i) emotions are equally important in work and non-work relations, (ii) individual are unique in perceiving, understanding, using, and managing emotions and (iii) differences in EI are context specific, may or may not be important in all situations. A broad definition of EI is “the ability to perceive and express emotions, understand and reason with emotion, and regulate emotion in self and others”. E.I describes the ability, capacity, skill, or self-perceived ability to identify, assess, and manage the emotions of one’s self, of others, and of groups. People who possess a high degree of emotional intelligence know themselves and are also able to sense as well as deal the emotions of others. They are affable, resilient, and optimistic.

History of Emotional Intelligence

Most psychologist started calling intelligence as cognitive and problem solving abilities but few like David Wechsler (1940) included intellective and non-intellective in the concept of intelligence. Later, in 1958, he explained intelligence as overall common capacity of a person for decisive actions, realistic thinking and effective dealing with environment. Non-intellective elements mean affective, personal and social factors that are important to success in life. Robert Thorndike (1937) called it social intelligence. Howard Gardner (1983) had widen the scope of this concept by introducing multiple intelligence. Fleishman and Harris (1962) used this concept in their effective leader study. Thornton and Byham (1982) explained that social and emotional
competencies of a person consist of communication, sensitivity, initiative and interpersonal skills.

**Emotional Intelligence Models**

There are renowned models of EI, explained on the basis of personality, competency, mental ability, and trait as given in Table 1.

**Table 1**

<table>
<thead>
<tr>
<th>Model</th>
<th>Contributed by</th>
<th>Elements of EI Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mental ability based</td>
<td>Professors Jack Mayer, Peter Salovey, (2008)</td>
<td>Ability to perceive emotions, ability to use emotions for thought, ability to understand emotions, and ability to manage</td>
</tr>
</tbody>
</table>

Various models of Emotional Intelligence in literature

*Source: Author Constructed*

**Contemporary View of Emotional Intelligence**
Researhes revealed that social & emotional competencies are vital for achievements in any job, while individual’s understanding and managing of emotions (E.I) are basis for such competencies. E.I improves both productivity and psychological well-being in the workplace of today’s changing world. E.I is a form of social intelligence (Salovey and Mayer, 1990). According to them, the ability to monitor /handle one’s own feelings and emotions and so as others, to differentiate them in managing one’s thinking/perception and act. One of the study of Salovey & Mayer concludes that individuals with high EI were flexible to change in their social environment. EI is the ability to manage feelings and handle stress, i.e knowing when and how to express emotion (controlling). People who can identify other’s emotions were more effective in their work and social lives (Rosenthal, 1977; Daniel Goleman (1995).

**Emotional Intelligence and Work Groups / Teams**

Wolff and Druskat (2001) argued that emotionally intelligent teams build social capital that pursue the development of effective task processes and team engagement in the processes (Burt, 1997; Coleman, 1988). The study stressed on the significance of individuals’emotional intelligence in the form of a group instead of its separable effectiveness because teams ensure more effective work due to having need for cooperation, participation and commitment to goals (Wolff & Druskat, 2001). Coleman(1988), emphasized the productive nature of social capital to achieve goals. The group social capital includes: trust, networks, safety, group identity and potency.Kadir, Hazman, Abdullah and Jasmine (2011) empirically proved the role of E.I in service providers’ team effectiveness. The study emphasized the moderating effect of work motivation on the relationship between EI factors including self-emotional appraisal, others’
emotion appraisal, regulation of emotions, and use of emotions) and the team role effectiveness. Motivation is related to EI but not a component part of it. Ghuman Umar (2011) revised the concept of group emotional intelligence (GEI) believing that the concept is versatile, having inadequate theoretical understanding and improper empirical analysis. The re-conceptualizing provided a model of GEI proposing an empirical evaluation while critically appraised the past methods. The study provides managers and group leaders with a new approach on developing the emotional intelligence in their groups.

**Emotional Intelligence and Social Environment**

Salovey, Bedell, Detweiler, & Mayer (1999) studied that individuals with high E.I were flexible to change in their social environment. People who can identify others’ emotions were more successful in their work and social lives (Rosenthal, 1977).

**Emotional Intelligence and Employee Performance**

Emotionally competent teams have capacity to deal with difficulties and actively seek opinions on their tasks when harmony is false, tension is unexpressed and treating others with respect. Employees have to enhance their self-control, adaptability, communication and organizational awareness in organization to focus on work and to improve their performance (Aruna, Suganthi & Samuel 2011). They proposed sufficient training to employees in developing their emotional intelligence while knowing their strengths, weaknesses, personal and professional goals. Employees need to learn how to control their emotions in various situations within an organization. Kidwell, Hardesty, Murtha & Sheng (2011) conducted three field studies
to observe the impact of emotional intelligence (EI) on sales performance and customer relationships in marketing. They found that EI is positively related to performance of agents. Sales professionals with higher EI not only generate higher revenue but also superior at holding customers. Further a complementary relationship between EI and cognitive ability is indicated that is EI positively influences performance at higher levels of cognitive ability. This research supports a study designed to explore the relationship between the EI of call centre agents using the EIQ measure their performance. Results included a strong relationship between overall EI and individual performance, as well as between several EI elements from the model and performance. Kuzmina (2010) presented the theoretical model explaining emotion’s component of expectations in the process of financial decision making. According to him, the expectations, emotions and individual beliefs of different financial market investors could be transmitted into prices. An emotionally intelligent investor can exclusively follows his intuition and his presence to influence the market prices.

**Emotional Intelligence and Quality of Work Life**

Robins (1990) described quality of work life as an involvement of employees in making decisions that design their lives at work. Goodale, Hall, Burke and Joyner (1975) conducted studies to link between EI and the quality of work life as innerwelfare, the work environment, realizing or working towards one’s aim in life and the social environment provided by other people. Kumar and Iyer (2012) found a positive correlation between the emotional intelligence and quality of work life of the employees in the educational institutions without any difference among teaching and non teaching staffs.
Emotional Intelligence and Work-Life Balance

Work-life balance is aequilibrium between work and individual’s family life i.e to adjust work pattern to achieve overall fulfillment. The work-load may imbalance the activities of both. (Jyothi&Sree 2012) carried out a study on Indian career women for their work-life balance. They proved a significant impact of factors affecting role efficacy on emotional intelligence. Bandura (2011) concluded that people having high confidence can handle work-life balance. Employees with higher emotional intelligence can manage their own and others’ emotions more and are more able to give and take help in work.

Emotional Intelligence and Stress at Work

Indoo, singh ,Ajeya&Jha (2012) proposed that better stress management leads to better efficiency in any field of work. They revealed a strong correlation between emotional intelligence and occupational stress of the faculty members of the medical and engineering colleges with an insignificant gender wise difference with respect to EI and occupational stress index (OSI) scores. The results concluded that the faculty members having higher EI feel less stress which lead them to teach better especially in the challenging environment of private organizations where the demand and expectations of the students, parents and management are very high. The study exposed a negative relation of emotional intelligence with occupational stress. The more individuals are able to handle their emotions and understanding others’, the less they experience the stress and pressure of work complications. Magnini, Lee and Kim (2012) developed and tested a model in which regular exercises (fitness activities) of hotel
workers lead them to higher levels of emotional intelligence and ultimately help them to initiate improved and conscious trust in their managers as well as overall job satisfaction.

**Emotional Intelligence and Creativity at Work**

In recent years, creativity is considered as a critical success factor in a highly competitive and fluctuating business world where the organizational prosperous or survival is dependent on workforce creative potentials (Zhou & George 2003; McAdam & Keogh 2004). Dubinsky & Ingram (1983); Wang & Netemeyer (2004) proved a positive relation between salesperson creativity and his/her exercise of adaptive behavior, job satisfaction, performance, and promotion chance to sales management. Lassk& shepherd emphasized the need to take full advantage of their work force creative skills to flourish and survive in today’s highly competitive and rapidly changing business environment. Their research showed that a leader’s emotional intelligence positively supports workers’ creative performance especially in the sales profession.

**Emotional Intelligence and Communication**

(Jorfi, Yaccob & Rezaian, 2012) studied emotional intelligence as essential factor responsible for determining success in life and psycho-welfare is important in shaping the interaction (communication) between managers and employees in their work environment. The study focused on the emotional intelligence of the managers and employees and its association with their effectiveness in various job levels and in organizational settings. The results specified that the female managers and employees are more emotionally intelligent than their male colleagues. Also, they concluded that communication competence of people in organizational
settings has positive link with job satisfaction. Sigmar, Hynes, & Hill (2012) argued that high Emotional Intelligence enhances communication behavior in work groups and improves the quality of responses to situations in organizations. They concluded that the business communication syllabus for students is compulsory to make them able to meet the challenges of emerging global workplaces. Such workplaces are multifaceted with networks, intercultural issues, team-focused, and dynamic leadership.

**Emotional Intelligence and Motivation**

Othman, Abdullah and Ahmad (2008) studied the moderating effect of work motivation on the relationship between the factors of EI and team role effectiveness. The study revealed that the interactions between work motivation and Self Emotional Appraisal (SEA) and between work motivation and Others’ Emotional Appraisal (OEA) have significant influence on the effective team role of service providers’.

**Emotional Intelligence and Decision Making**

Rare research has been contributed to find the behaviors associated with emotional intelligence may be practically applied to enhance both individual and group decision-making. Hess (2011) identified the application of emotional intelligence to the decision-making process. Goleman and Boyatzis et al., (2001) explained four essential elements of emotional intelligence
Emotional Intelligence and Leaders

Emotional intelligence is the vigorous element of leadership with IQ and technical skills of a leader (Goleman, 2008). He mentioned five self-management and relationship skills of emotional intelligence that can be developed. According to him, these inborn skills with certain amount can be improved continuously and can help leaders to maximize the performance of their own as well as their team. Goleman (2008) described emotional intelligence skills including self-awareness, self-regulation, motivation, empathy, and social skills can be blended in different combinations to create six basic styles of leadership including coercive, authoritative, affiliative, democratic, pacesetting and coaching. Research has revealed that the most successful leaders swap between these styles as the situations demand to structure the organizational climate and enjoy the high financial results. Leadership style is mostly misperceived as a function of

and their related twenty behavioral competencies to develop a methodology for the practical application of emotional intelligence skills to decision-making. Organizations and individuals may benefit from the development and utilization of behaviors attributed to emotional intelligence skills that can enhance individual and group decisions and outcomes. This can be a strategy for the development of the individual’s and organization’s ability to assess the impact and consequences of decisions for improving the quality and effectiveness of the decision-making process.
personality rather than strategic choice. The more styles a leader has learned, the better he creates the best organizational climate and optimizes business performance.

The leader of the knowledge-based organization is faced with the challenges including delivery of the highest quality and most technologically innovative products or services at the lowest possible cost in a rapidly changing environment, organizational development and the effectiveness of the workforce. Emotional intelligence competencies and behaviors can be used to manage all explained challenges as a leader’s emotions can strengthen or collapse his organization and inspirational leaders can cultivate positive employees (Goleman & Boyatzis, 2008). Komanand Wolff (2008) examined the relationship between emotionally intelligent skills of a leader and a team impacting the overall team performance. They argued that the emotionally intelligent team leaders influence the development of group level emotional intelligence (GEI) to be measured by a team’s emotionally competent group norms (ECGN). They also hypothesized and proved with evidence that the presence of such group norms (ECGNs) significantly influence group effectiveness and are related to team performance. This research further validates Wolff and Druskat’s ECGN theory (1999). Kerr, Garvin, Heaton & Boyle (2006) investigated the association between managerial emotional intelligence (EI) levels and a rating of leadership effectiveness (subordinate ratings). The study was to run the Mayer Salovey Caruso emotional intelligence test (MSCEIT) EI test to rate effectiveness of supervisory leadership and the overall results suggested that half of the MSCEIT scores were strongly explained leadership effectiveness. Walter, Cole, & Humphrey (2011) concluded that although there are disagreements on the definition and measuring approaches of EI but still there
are worthy results of empirical researches on EI and leadership. They were convinced based on evidence suggesting EI potential to understand leadership emergence, behaviors and effectiveness. They suggested further studies to explore a lot more aspects in explaining the leadership efforts using the EI models.

**Emotional Intelligence and Employees’ Career**

Dimitriades (2007) investigated the comparative importance of personal, demographic and positional factors in predicting emotional intelligence (EI) among service workers. The study involved SREIT test of Schutte et al. (1998) to control employees engagement in retailing, insurance, banking, tourism, entertainment, professional and public services. The results suggested variance in EI explained by the combined effect of personal occupational choice and managerial level, supporting the strength of EI association with the acquiring and development process of both manager and non-manager employees having a career in services.

**Emotional Dissonance**

Emotional dissonance in the workplace is the clash between emotions experienced by the employee and those required by the organization. Earlier studies have established that emotional dissonance reduces job satisfaction and intensify emotional failure. It normally occurs during interactions between employees and customers specifically in service industries and may result in frustration of employees. Abraham (2000) examined the impact of self-esteem on emotional dissonance. Emotional dissonance was found as a source of job stress resulted into collapse of required level of emotions. Employees with inherently low self-esteem were more likely to
experience emotional dissonance and suffer from emotional exhaustion. Other employees found that emotional dissonance reduced their self-esteem leaving them dissatisfied.

**Conclusion**

The review was intended to analyze various studies on the emotional intelligence and to connect it with the significance of EI on overall performance of individuals in organizations specifically. The review provides substantial support to the work of several researchers who have argued that EI is a significant predictor of work-related outcomes. Emotional intelligence is the total sum of abilities related to the emotional component of individual’s attitude including ability of decisive actions, realistic thinking, effective dealing/response with/to environment, interpersonal skills, taking initiative, managing feelings and handling stress. Moreover other consequences related to affected, personal & social factors of individuals also rely heavily on the degree of their emotional intelligence.

The available literature revealed that emotional intelligence leads to success in every walk of life including workplaces. It is a basis for social and emotional competencies that are must for success in any job leads to increased job-satisfaction. Individuals with high emotional intelligence can control stress at work and increase creativity. Effective leadership requires improved level of emotional intelligence that can increase cost-effectiveness of the organization. Also it helps to improve productivity and psychological well-being in the workplaces in new changing paradigm of globalization. Human resource with high emotional intelligence is found with increased loyalty to organization and low employee turnover. Emotional intelligence also
helps individuals to flexibly adopt changes and taking initiatives. Further it assures overall success in social lives of human. The review strongly recommends to the leadership and the workforce of the modern organizations to acquire benefits of emotional intelligence in individual as well as social life through a dynamic learning attitude towards its components.

References


