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## **Emotional Intelligence and Managerial Effectiveness**

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### **Abstract**

This paper examines the relationship between managerial effectiveness and emotional intelligence (EI) in the employees. Emotional Intelligence is the ability to perceive, control, and evaluate emotions and managerial effectiveness means performing managerial activities effectively means doing the right things and doing things right. In order to study emotional intelligence and managerial effectiveness among managers a survey was conducted. A sample of 155 managers from private service and manufacturing sectors participated in this study. Emotional Intelligence scale constructed by (Hyde, Pethe, & Dhar, 2001) and Managerial Effectiveness scale constructed by (Gupta, 1996), standardized on Indian population is used. The reliabilities of the scales were 0.73 and 0.88 for managerial effectiveness as well as emotional intelligence. In this study it was seen that emotional intelligence had positive relationship with managerial effectiveness though not very high but significant relationship was seen between managerial effectiveness and emotional intelligence. It is further suggested that emotional intelligence could be used as an intervention to enhance managerial effectiveness.

**Keywords:** Altruistic Behavior, Emotional Intelligence, Empathy, Managerial Effectiveness, Self Awareness, Self-Motivation, Value Orientation.

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## **INTRODUCTION**

Corporate are today increasingly realizing the fact that their people, especially those at the managerial level, are the only source of competitive advantage. Therefore the concept of Emotional Intelligence (EI) is playing a vital role in every organization which describes the ability, capacity, skill to identify, assess, and manage the emotions of one's self, of others, and of groups.

In the last two decades emotional intelligence has emerged as an effective predictor of job performance (Bar-On, 1997, 2000; Bar-On, Handley, & Fund, 2006). Researches along such stream have found that people with high level of emotional intelligence have enjoyed more career success (Dulewicz & Higgs, 2000), feel less job insecurity (Ashkanasy, Härtel, & Zerbe, 2000) lead more effectively (Cooper & Sawaf, 2001; Palmer, Donaldson, & Stough, 2002), are more adaptable to stressful events (Slaski & Cartwright, 2002), possess better coping strategies (Bar-On, 1997) and show greater sales success (Johnson & Indvik, 1999) than those with low emotional intelligence. (Bar-On, 1997) the most widely read researcher of emotional intelligence-trait explained that emotional intelligence includes one's emotional, personal and social dimensions of intelligence.

The role of emotional intelligence in managerial effectiveness has been investigated in several researches but studies about personality characteristics and emotional intelligence as predictors of managerial effectiveness are rather few. Managerial effectiveness or competence focuses on personal attributes of the individual. This understates the impact of context, which can assist or hinder job performance. In recent years, there has been a focus on the skills, abilities and characteristics of effective managers at the level of the individual, the organisation, and the nation. ((Boyatzis, 1982; Dulewicz & Higgs, 2000; Likert, 1961) had emphasized that a manager must be adaptive to specific needs of his/her followers resulting in high degree of effectiveness in meeting personal and organizational goals. In this fast pace world of competition emotional intelligence is essentially a matter of concern for the organizations to create opportunities for enhancing the effectiveness of their managerial workforce.

## **REVIEW OF LITERATURE**

Emotional intelligence is a relatively new theoretical construct and can be defined in numerous ways. Emotional intelligence (EI), often measured as an Emotional Intelligence Quotient (EQ), described as an ability, capacity, or skill to perceive, assess, and manage the emotions of one's self, of others, and of group. Emotional intelligence is the ability to recognize and respond to the emotions and feelings of others, as well as the skill to help others manage their emotions" (Motowildo, Borman, & Schmit, 1997).

(Goleman, 1996) defines EI as “the capacity for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationships.” (Mayer & Cobb, 2000) explained that emotional intelligence consists of “four branches of mental ability” viz. emotional identification, perception and expression, emotional facilitation of thought, emotional understanding and emotional management. (Neely-Martinez, 1997) “refers to emotional intelligence as being: an array of non-cognitive skills, capabilities and competencies that influence a person’s ability to cope with environmental demands and pressures” (Dulewicz & Higgs, 2000).

Emotional intelligence is not just being nice, putting on a good face, and giving free reign to feelings, nor is it about controlling, exploiting, or manipulating people (Cherniss & Adler, 2000; Cooper & Sawaf, 2001). Basically, emotional intelligence is the “ability to accurately identify and understand one’s own emotional reactions and those of others” (Cherniss & Adler, 2000; George, 2000) revealed that exceptional emotional capabilities may differentiate successful leaders from unsuccessful leaders. Successful leaders may use information to develop influential, high trust relationships with followers and leaders with higher emotional capability may be able to excite and motivate followers to engage in behaviors that are beneficial to the organization.

Emotionally intelligent leaders may help subordinates channel negative emotions towards problem recognition and positive emotions towards opportunity recognition (Sy, Tram, & O’Hara, 2006; Zhou & George, 2003) examined the relationships among employees’ emotional intelligence, their manager’s emotional intelligence, employee’ job satisfaction and performance and found that employees’ emotional intelligence was positively associated with job satisfaction and performance. Managers’s emotional intelligence had a more positive correlation with job satisfaction for employees with low emotional intelligence than for those with high emotional intelligence. (Riggio & Lee, 2007) emotional and interpersonal competencies and leader development consider interpersonal and emotional competencies together and identified that emotional and interpersonal skills are needed for leadership success.

Emotional intelligence as a facilitator of project leader effectiveness revealed that interaction of project leaders with their teams improve interpersonal effectiveness and provides the skills to deal with sponsors and stakeholders and also provides project leaders to utilize their resources to achieve high performance levels (Quinn & Wilemon, 2009; Yao, Wang, & Wang, 2009) the influence of emotional intelligence on job performance: Moderating effects of leadership revealed that EI has a significant positive correlation with job, task and contextual performance of managers and their employees. Moderating effect of emotional intelligence on stress effectiveness relationship examined two hundred and eighty six managers, randomly drawn from fifteen private sector organizations, revealed that there was significant and negative impact of organizational role stress on managerial effectiveness and that EI mediates the relationship between organizational role stress and Managerial Effectiveness (Mishra & Mohapatra, 2010). They found that increased emotional intelligence is associated with increased performance among executives working in various sectors. These results provide evidence and support the notion that EI is associated with more or less

workplace performance. (Adhia, Nagendra, & Mahadevan, 2010) revealed that key to success lies in giving employees total knowledge of yoga-both theory and practice-in a systematic manner. A positive relationship has been found in researches on emotional intelligence and job performance (Khokhar & Kush, 2009). Emotional intelligence plays a vital role in improving business performance and grabbing constant attention of the corporate world.

## **OBJECTIVES**

- To study the relationship between emotional intelligence and managerial effectiveness.
- To analyze the relationship of emotional intelligence factors with managerial effectiveness.
- To study the impact of emotional intelligence on managerial effectiveness.

## **HYPOTHESIS**

There is no significant relationship between EI and ME. Consequent, to testing hypothesis, the following additional hypothesis were also tested.

- Ho 1: There will be no significant relationship between self-awareness and ME.
- Ho 2: There will be no significant relationship between empathy and ME.
- Ho 3: There will be no significant relationship between self-motivation and ME.
- Ho 4: There will be no significant relationship between emotional stability and ME.
- Ho 5: There will be no significant relationship between managing relation and ME.
- Ho 6: There will be no significant relationship between integrity and ME.
- Ho 7: There will be no significant relationship between self-development and ME.
- Ho 8: There will be no significant relationship between value orientation and ME.
- Ho 9: There will be no significant relationship between commitment and ME.
- Ho 10: There will be no significant relationship between altruistic behaviour and ME.

## **METHOD**

### **INSTRUMENTS**

The 45-item scale devised by (Gupta, 1996) was used to measure Managerial Effectiveness. It is a 5-point (Likert, 1961) scale ranging from 1 (Always) to 5 (Never). In order to study the Emotional Intelligence the 34-item composite emotional intelligence scale developed by (Hyde et al., 2001) was used. It is a 5-point (Likert, 1961) type scale ranging from 1 (strongly disagree) to 5 (strongly agree). It measures Emotional Intelligence through 10 factors – Self Awareness, Empathy, Self-Motivation, Emotional Stability, Managing Relation, Integrity,

Self Development, Value Orientation, Commitment and Altruistic Behavior. It is standardized on executives.

### SAMPLE DESCRIPTION

The sample for the study was comprised of 155 managers working at various levels in service and manufacturing units in and around Dehradun. The researcher administered the questionnaires personally in the various organizations assuring complete confidentiality of respondents.

### RESULTS AND DISCUSSION

In order to examine the relationship between emotional intelligence and managerial effectiveness, statistical tool of Pearson correlation has been used. Correlation is a statistical measure that indicates mutual relationship or the extent to which two or more variables fluctuate together. A positive correlation indicates the extent to which those variables increase or decrease in parallel; a negative correlation indicates the extent to which one variable increases as the other decreases. It takes value between -1 and 1, with 1 or -1 indicating perfect correlation. A correlation value close to 0 indicates no association between the variables. In accordance with the first objective, hypothesis 1 (Ho1) was framed which states that there is no significant relationship between emotional intelligence and managerial effectiveness.

Table 1 shows the relationship between emotional intelligence and managerial effectiveness. The value of Coefficient of Correlation is .510 ( $r = 0.510$ ) and the significance level is 0.000 ( $p = 0.000$ ) which shows that there is a significant positive correlation between emotional intelligence and managerial effectiveness. Hence, the null hypothesis is rejected since, the relationship is significant ( $p < 0.01$ ). The reason behind this relationship can be the management of emotions. A manager who is emotionally intelligent will have control over his/her emotions, will deal positively with all kind of people and situations, will try to give his best in each and everything and will perform better, will be more satisfied with his life which will ultimately lead to better performance. The finding is supported by (Goleman, 1996) that Emotional Intelligence has a predictive effect on work performance and success in life.

**Table 1:Correlation;Emotional Intelligence and Managerial Effectiveness**

		Total ME	Total EI
<b>Total ME</b>	<b>Pearson Correlation</b>	1	0.510**
	<b>Sig. (2-tailed)</b>		0.000
	<b>N</b>	155	155
<b>Total EI</b>	<b>Pearson Correlation</b>	0.510**	1
	<b>Sig. (2-tailed)</b>	0.000	

	N	155	155
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\*\*Correlation is significant at the 0.01 level (2-tailed).

It is clear from the result that emotional intelligence is related with managerial effectiveness. Further, in order to get a clearer picture of the study, the relationship between emotional intelligence dimensions and managerial effectiveness was also seen.

Consequent, to testing the main hypothesis, the following additional hypothesis were also tested and depicted in Table 2.

Ho1: There will be no significant relationship between self awareness and ME. Self awareness refer to the ability to assess realistically one's own abilities and self confidence. Table 2 shows the relationship between self awareness and managerial effectiveness. Here, the Coefficient of Correlation is 0.490 ( $r = 0.490$ ) and the significance level is 0.000 ( $p = 0.000$ ) which shows that there is a significant positive correlation between self awareness and managerial effectiveness. Hence, the null hypothesis (Ho1) is rejected since, the relationship is significant ( $p < 0.01$ ).

Ho2: There will be no significant relationship between empathy and ME. Empathy refers to learning to sense what others are feeling and to use that information to cultivate rapport with broadly diverse people. As seen in table 2 empathy with Coefficient of Correlation value 0.321 ( $r = 0.321$ ) and the significance level is 0.000 ( $p = 0.000$ ) shows that there is a significant positive correlation between empathy and managerial effectiveness. Hence, the null hypothesis (Ho2) is rejected since, the relationship is significant ( $p < 0.01$ ). Empathy is a very important social and emotional skill that people have to varying degrees. Corporate are slowly beginning to recognize the importance of social and emotional learning skills, including empathy. Further, it needs to be explored as to how empathy is related to managerial effectiveness.

Self motivation is the force that drives you to do things. It is the ability to satisfy a goal without being influenced to do so by another person. Again in table 2 the relationship between self motivation and managerial effectiveness is seen. Here, the Coefficient of Correlation is 0.336 ( $r = 0.336$ ) and the significance level is 0.000 ( $p = 0.000$ ) which shows that there is a significant positive correlation between empathy and managerial effectiveness. Hence, the null hypothesis (Ho2) is rejected since, the relationship is significant ( $p < 0.01$ ). In a research done by (Viriyavidhayavongs & Jiamsuchon, 2001) it is found that most of the managers had moderate EQ scores in the areas of self-awareness, self-regulation, self motivation, empathy and social skills and had moderate leadership effectiveness and that EQ factors relate positively to leadership effectiveness, with social skills as the most important factor.

Emotional stability refers to the state of being able to have appropriate feelings about the common experiences and being able to act in a rational manner. People that are emotionally stable are able to tolerate the day to day strains and stresses by not getting emotionally upset, anxious or angry. Table 2 shows the relationship between self motivation and managerial effectiveness. Here, the Coefficient of Correlation is 0.308 ( $r = 0.308$ ) and the significance level is 0.000 ( $p = 0.000$ ) which shows that there is a significant positive correlation between

empathy and managerial effectiveness. Hence, the null hypothesis (Ho2) is rejected since, the relationship is significant ( $p < 0.01$ ).

**Table 2: Correlation: Emotional Intelligence Dimensions and Managerial Effectiveness**

Emotional intelligence	Managerial Effectiveness
Self Awareness	0.490 <sup>**</sup>
Empathy	0.321 <sup>**</sup>
Self Motivation	0.336 <sup>**</sup>
Emotional Stability	0.308 <sup>**</sup>
Managing Relation	0.489 <sup>**</sup>
Integrity	0.174 <sup>*</sup>
Self Development	0.256 <sup>**</sup>
Value Orientation	0.219 <sup>**</sup>
Commitment	0.326 <sup>**</sup>
Altruistic Behaviour	0.374 <sup>**</sup>

Managing relation refers to the ability to manage and deal with the relations. Table 2 shows the relationship between managing relationship and managerial effectiveness. Here, the Coefficient of Correlation is 0.489 ( $r = 0.489$ ) and the significance level is 0.000 ( $p = 0.000$ ) which shows that there is a significant positive correlation between managing relationship and managerial effectiveness. Hence, the null hypothesis (Ho2) is rejected since, the relationship is significant ( $p < 0.01$ ). Research done by (Pool & Cotton, 2004) also support our results according to him possessing high level of EI permits individuals have a closer understanding of people and their surroundings.

Integrity refers to the quality of being honest and fair. It is the state of being complete or whole. Having integrity means doing the right thing in a reliable way. Table 2 shows the relationship between integrity and managerial effectiveness. Here, the Coefficient of Correlation is 0.174 ( $r = 0.174$ ) and the significance level is 0.000 ( $p = 0.000$ ) which shows that there is a weak but positive correlation between integrity and managerial effectiveness. Hence, the null hypothesis (Ho2) is rejected since, the relationship is significant ( $p < 0.01$ ).

Self-development refers to the process through which an individual improves himself and those that are in his environment. It involves the making of goals or benchmarks that help define the path that one intends to follow. Table 2 shows the relationship between self-development and managerial effectiveness. Here, the Coefficient of Correlation is 0.256 ( $r = 0.256$ ) and the significance level is 0.000 ( $p = 0.000$ ) which shows that there is a weak but

positive correlation between self-development and managerial effectiveness. Hence, the null hypothesis (Ho2) is rejected since, the relationship is significant ( $p < 0.01$ ).

Value orientation refers to the principles of right and wrong that are accepted by an individual or a social group. Table 2 shows the relationship between value orientation and managerial effectiveness. Here, the Coefficient of Correlation is 0.219 ( $r = 0.219$ ) and the significance level is 0.000 ( $p = 0.000$ ) which shows that there is a weak but positive correlation between Value orientation and managerial effectiveness. Hence, the null hypothesis (Ho2) is rejected since, the relationship is significant ( $p < 0.01$ ).

Commitment is an engagement or obligation that restricts freedom of action. Table 2 shows the relationship between commitment and managerial effectiveness. Here, the Coefficient of Correlation is 0.326 ( $r = 0.326$ ) and the significance level is 0.000 ( $p = 0.000$ ) which shows that there is a significant positive correlation between Commitment and managerial effectiveness. Hence, the null hypothesis (Ho2) is rejected since, the relationship is significant ( $p < 0.01$ ).

Altruistic behaviour refers to selfless behaviour. Table 2 shows the relationship between altruistic behaviour and managerial effectiveness. Here, the Coefficient of Correlation is 0.374 ( $r = 0.374$ ) and the significance level is 0.000 ( $p = 0.000$ ) which shows that there is a significant positive correlation between altruistic behaviour and managerial effectiveness. Hence, the null hypothesis (Ho2) is rejected since, the relationship is significant ( $p < 0.01$ ).

Present study reveals that there is a positive relationship between Emotional Intelligence and managerial effectiveness. Based on the statistical analysis and observation and inferences drawn it is seen that to some extent each and every parameter viz. self-awareness, Empathy, self-motivation, emotional stability, managing relation, commitment and altruistic behaviour contributes in one's managerial effectiveness and are positively related. Integrity, self-development, value orientation are the factors which have weak positive relationship in comparison to other factors in the present study.

Emotional intelligence gives managers realistic confidence to perceive challenges. As a result of this they constantly grow and improve their quality, quantity, speed and the capacity of work, which can be illustrated from results of the current research. The study conducted by (Goleman, 1996) and (Mayer, Salovey, & Caruso, 2004) also supports this result.

## **CONCLUSION**

The findings of the study and review of literature shows that there is a positive relationship between EI and managerial effectiveness. A significant relationship is also seen among the factors of emotional intelligence and managerial effectiveness individually. If an individual can manage emotions and is well aware about oneself then the managerial effectiveness is positively affected.

Emotional intelligence of employees has a relationship with their performance at work in organizations. They are emotionally stable, self-motivated and are able to express their emotions, empathize with others and have good social skills. To perform well in all the



responsibilities in the workplace, social and emotional skills are important, only then one can perform well and can take work out of the others.

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