

# Mapping Relationship between Employee Performance and Emotional Intelligence : A Study

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## Abstract

The aim of this paper is to analyse how the distinguished components of the constructs of emotional intelligence, namely emotional awareness, self motivation, self awareness and self regulation, constitute the emotional intelligence of the employees and ultimately affect their performance. For this purpose data had been collected from the employees of different branches of the State Bank of India in Raipur city. Data thus collected was analysed through regression using SPSS. It was found from the study that there is a direct linkage between employee's performance and emotional intelligence.

**Key words:** Emotional Intelligence, Emotional Awareness, Self Motivation, Self Awareness and Self Regulation

## Introduction

Human capital is the most important asset of an organization. The conceptual growth of personnel management to human resource management and human resource management to Human resource development highlights the importance, that is, being placed by academicians and practitioners worldwide on Human Recourses. The Emotional Intelligence which shapes the knowledge, skill and ability of the employees working in an organization is being treated as an important fundamental element by HR managers. Change is the fundamental phenomenon of organizations. The reactions and actions of employees towards the ever changing internal and external environment of organization is shaped by emotional intelligence. Singh (2001) stated that emotional quotient of employees help in determining their reactions towards job elements as well as their formal and informal association in the groups with which they interact during their work life. Further Reuven et al. (2007) indicated that the managers must include the analysis of emotional intelligence in the selection process so that it can be analysed, that which employees can perform better in teams. Researches around the world has given a clear understanding regarding the fact that emotional intelligence determines the interpersonal relationships of employees in organizations therefore organizations must organize training and development programme to improve emotional quotient. Wall (2008) indicated that technical expertise shaped by intelligence quotient can determine the work efficiency of an individual but the emotional intelligence of an individual shapes the relationship of an individual

with his subordinates, peers and supervisors.

Financial institutions are undergoing a phase of change. Financial institutions are forced to provide financial services managing competition as well as maintaining its obligation towards socialism. Now- a -days the financial institutions are forced to manage profit orientation and still undertake the responsibility of providing the services related with financial inclusion to economically deprived sections of the society. The employees of the banks are forced to undergo the changes in the working environment which has been characterized by changes in legal, technological and economic factors.

### Review of Literature

Kernbach and Schutte (2005) empirically investigated the influence of service providers emotional intelligence on customer satisfaction and the causal relationships between service providers emotional intelligence and the satisfaction of customers. They found that from the study that higher emotional intelligence of service providers leads greater customer satisfaction. Choudary (2010) studied relationship between emotional intelligence and work related outcomes, service performance, work place success and positive working climate respectively. He concluded that emotional competencies are not mere innate talents but learned capabilities that must be developed to achieve outstanding performances. Kim (2010) investigated impact of emotional intelligence of sales person on behavior and customer perceived service quality. He concluded that there is relationship amongst sales person emotional intelligence, adaptive selling behavior and service quality.

Ashkanasy and Daus (2012) found that emotions play an important role in shaping the behavior of individuals in their work place. They opined that preventive techniques like assessing the impact of emotions on jobs and restorative techniques like targeted training for adapting to job related issues can improve the employee performance. Mayer et al.(2004) presented evidences about emotional intelligence involving studies from different laboratories and involving thousands of participants who had their emotional intelligence judged through the Mayer Salovey Caruso Emotional intelligence test. They found that (i) emotional intelligence is a mental ability, (ii) EI has a relationship with personality dispositions and (iii) EI has a positive correlation with age. Verbeke and Bagozzi (2002) focused on two primary emotions namely shame and embarrassment. They found that the tendency to experience shame and embarrassment in personal selling leads to protective reactions (avoidance behaviors) and these in turn negatively impact performance (sales volume and quality sales interaction). Chaudhry and Usman (2011) studied the relationship between emotional intelligence and performance. They found that there is a strong positive

correlation between emotional intelligence and organizational citizenship behavior. Bapna, Shrivastava and Chitnis (2011) revealed six factors of emotional intelligence namely self assessment, self monitoring, actuation & inspiration, empathy, integrity and social relationship.

### Research Methodology

The Exploratory and Causal research design were applied in this study to identify the impact of emotional intelligence on employee's performance among employees of State Bank of India working in different branches in Raipur City.

### Objectives of the Study

1. To identify major factors which influence emotions of employees.
2. To find out the level of emotional quotient of employees.
3. To assess the level of employee performance in selected bank.

### Sampling and Data Collection

Simple random sampling was used to identify and sample the respondents. Data was collected from 100 employees through a structured questionnaire and regression analysis was conducted using **SPSS** to determine the impact of emotional intelligence on employees' performance. The value of R Square is 0.698 which reveals that data collected is reliable.

### Research Hypothesis

The hypothesis generated based on literature review is tested on the sample population of employees of different branches of State bank of India in Raipur city. This study seeks to test the following research hypotheses:

H<sub>1</sub>: There is significant effect of emotional awareness on employees' performance.

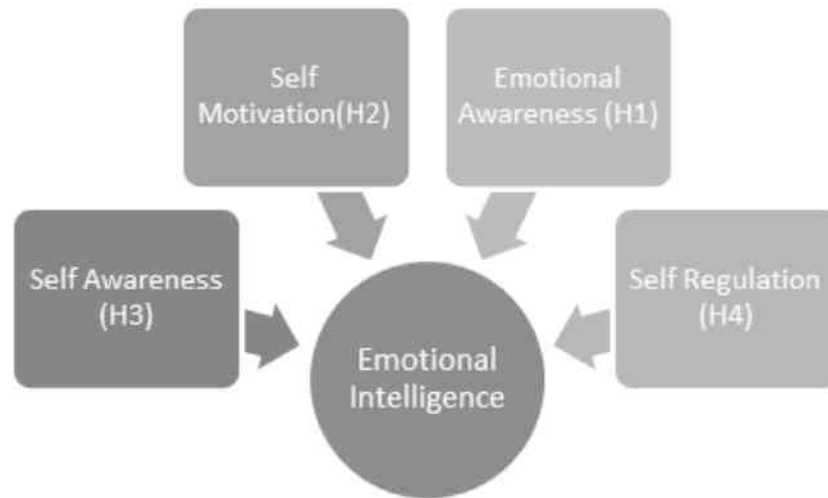
H<sub>2</sub>: There is significant effect of self-motivation on employees' performance.

H<sub>3</sub>: There is significant effect of social awareness on employees' performance.

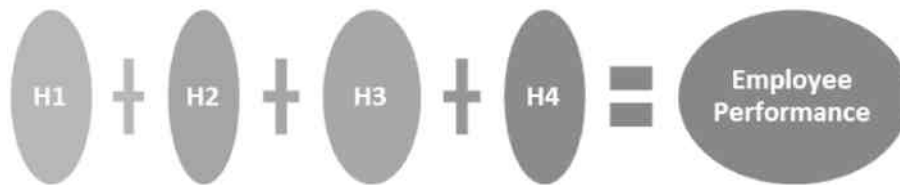
H<sub>4</sub>: There is significant effect of self-regulation on employees' performance.

### Research Model

To analyze the impact of emotional intelligence on employees' performance of various employees of State Bank of India in Raipur City, two step Research Model was drawn for the study by the researchers :



**Figure 1: First Step of Research Model**



**Figure 2: Second Step of Research Model**

**Emotional Awareness:** Emotional awareness means identifying the emotions of self and others present in the organization.

**Self-Motivation:** Self motivation is the ability to perform a given task in absence of motivating factors.

**Social Awareness:** It is the ability to understand the situations of others present in the formal or informal group.

**Self-Regulation:** It is the attitude of individual towards

learning and ability to adapt to the learning curve to gain maximum traits.

**Data Analysis**

It is revealed from the above table number 1, that the regression model explains 69.8% variance in the dependent variable which is explained by four independent variables considered by the researchers. Thus model strongly fits the data.

**Table 1: Regression Model**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.714 <sup>a</sup>	.698	.619	.466
a. Predictors: (Constant), X4, X1, X2, X3				

**Table 2: ANOVA Summary**

ANOVA <sup>b</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27.079	4	6.770	12.963	.000 <sup>a</sup>
	Residual	12.501	45	.522		
	Total	39.580	49			
a. Predictors: (Constant), X4, X1, X2, X3						
b. Dependent Variable: Y						

It is interpreted from the table no. 2 ANOVA Summary that regression model is statistically significant at 0.01 level of significance and at confidence level of 99%.

**Table 3: Factors Affecting Emotional Intelligence and Employee Performance**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.895	.927		4.202	.000
	X1	-.382	.102	-.389	-3.760	.000
	X2	.234	.166	.242	1.415	.164
	X3	.286	.204	.248	1.401	.168
	X4	.257	.122	.245	2.103	.041
a. Dependent Variable: Y						

It is clearly indicated by standardized beta coefficients in Table number 3 that two independent variables namely: Emotional awareness and Self-Regulation are significant and have larger impact employee performance in State Bank of India. This is further supported by big t-value and small p-value of these variables.

**Recommendations**

This study is aimed at the evaluation of impact of emotional intelligence on performance among employees of State Bank of India in Raipur City. The four measures for emotional intelligence are emotional awareness, social motivation, self-regulation and social awareness. The results of this study revealed that with high emotional intelligence bank employees are likely to continue their association with their Bank, and at the same time, they are likely to improve their emotional intelligence and thereby perform at higher levels. On balance, it can be concluded that employees which seek to improve performance in their

working area should improve their emotional intelligence. All this is likely to increase the effectiveness of the banking institutions.

**Conclusions**

This research work investigates the effect of emotional intelligence on employee's performance. The Result obtained at the end of the analysis reveals that there is a direct linkage between employee's performance and emotional intelligence. It is further discovered that the emotional intelligence of employees in a work place has a lot of factors which are related to the performance of the employees. Four major independent factors which effects employee's performance are emotional awareness, self-motivation, social awareness, and self-regulation. Sequel to the result of the data analysis carried out; that emotional awareness and self-motivation have a significant impact on employee's performance in banks.

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