Impact of Emotional Intelligence on Performance of Employees and Organizational Commitment in Software Industry

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Abstract

In every organization Employee performance of the employees is a very important part that to in a software industry employee’s success leads to the success of the organization; this can be achieved due to emotional intelligence. This study targets at measuring the emotional intelligence of employees and investigating the relationship between the 3 variables emotional intelligence (EI), Employee performance (EP) and Organizational Commitment of employees of Software Industry in Hyderabad region. To measure Employee Performance taken Conceptual and Task Performance. This study used questionnaire method to collect the data. The sample includes 100 middle level employees. This study also shows that there is average positive relationship between both the variables which has been proved by correlation tests. Through regression test it is proved that there is dependence of Employee performance on emotional intelligence. This study concludes that emotional intelligence is a major factor that affects Employee performance of employees.

Key words: Emotional Intelligence, Contextual Performance, Task Performance and Organizational Commitment

INTRODUCTION

In any organization there could be many factors that have an impact on Employee performance of employees. One of the major factor that is been recognized in the recent years is Emotional intelligence that is known as EI. Emotional intelligence can be said as the ability of an individual to identify, understand, use and also effective managing of emotions, so that it relieves stress and communicate effectively with everyone or peers, empathize with everyone, overcome challenges that arise in workplace and also family life, and also defuse conflict with everyone. This would help him/her to perform better in the organization, be more productive, reduce conflicts with others, build relationships within the organization as well as understand emotions of others which are helps employee’s to perform better in organization. Some positions in an organization demand more of emotional intelligence as they would be handling more people, for example if we take post of a supervisor who is also termed to be a special group employee, this position is very crucial as he/she acts as a mediator between the employees at the bottom level and employees at the top level. They have to communicate the work effectively and also have to get it done through employees who are under them. For an organization, if supervisors are performing well in turn the whole organization leads to a track of profits. Employee performance of these employees would affect the whole organization, and hence, if supervisors are
having high emotional intelligence they would be performing their job well as they can effectively handle their own emotions.

There are many parameters on which employee performance of employees could be judged, for example: Campbell has given many parameters on which employee performance of employees could be judged, they are declarative knowledge, procedural knowledge and motivation. He has defined employee performance of employees in these 3 broad areas, and also has told that these are the determinants on which employee performance of any employee could be judged or measured. On the other hand, Goleman defined emotional intelligence into 4 dimensions they are 1. Self-awareness, 2. Self-regulation 3. Social skill 4. Relationship Management that is associated with emotions of any individual.

The concept of EI can be traced back to early 1900. The foundation of the study of EI began in the early works of the study of emotion and the study of intelligence. The early 1900 psychologists began to write and think about intelligence, they focused on cognitive aspects, such as memory and problem solving. However, some researchers have identified the importance of non-cognitive aspects of intelligence. Wechsler (1958) proposed that the non-cognitive abilities are essential for predicting one’s ability to succeed in life (Cherniss, 2000). Robert Torndike (1920) introduced the concept of Social Intelligence. Howard Gardner in 1983 proposed the theory of Multiple Intelligence. With his theory, he introduced the concept of personal intelligence. He explained that “Intrapersonal” and “interpersonal” intelligences, the two subtypes of personal intelligence are as important as the type of intelligence typically measured by IQ and related tests (Cherniss, 2000). Intrapersonal intelligence, according to the Gardner, includes having the ability to understand and differentiate among emotions and to assess one’s own feeling. He defined interpersonal intelligence as the ability to assess other’s emotions or moods and act on that information.

Two psychologists Peter Salovey and John Mayer first introduced EI in 1990. They developed the ability model of EI. They defined EI as “a form of intelligence that involves the ability to monitor one’s own and other’s thinking and actions” (Carmeli, 2003). This definition includes four distinct areas of perceiving and expressing emotions, assimilating emotion in one’s thinking, understand and analyze emotions and regulating emotion through reflection. Later, they revised their definition of EI as “the ability to perceive emotion, integrate emotions to facilitating thoughts, understanding emotions and regulate emotions to promote personal growth” (Salovey and Mayer, 1997).

Mayer, Salovey and Caruso in 2000, give a new conceptualization to EI. They suggested that previous definitions that they have proposed were not clear enough to explain all the abilities represented by EI. According to their arguments, they defined EI as “the ability to perceive, appraise and express emotions accurately and adaptively; the ability to understand emotions and emotional knowledge; the ability to access and generate feeling where they facilitate cognitive activities and adaptive actions; and the ability to regulate emotions in oneself and others” (Mayer et al., 2004).

In 1995, Daniel Goleman opened the eyes of the world about the concept of EI. Goleman defined EI under the trait perspectives or mixed model as “one’s ability to motivate oneself and persist in the face of frustration; to control impulses...
and delay gratification; to regulate one’s moods and keep distress from swamping the ability to think; to empathize and to hope. In 1997, Daniel Goleman redefined EI as “about knowing what you are feeling and being able to handle those feelings without having them swamp you, being able to motivate yourselves to get jobs done, be creative and perform at your peak and sensing what others are feeling and handling relationship effectively.” (Dulewicz and Higgs, 2000) in other words “the capacity for recognizing our own feelings and those of others for motivating ourselves and for successfully managing emotions in ourselves and in our relationship with others” (Goleman, 1998).

Goleman’s model that he has introduced in 1998 outlined five main EI construct (Self Awareness, Self Regulation, Motivation, Empathy and Social Skills) and twenty-five competencies. Goleman expanded his work when he partnered with Richard Boyatzis in 2000. They introduced four dimensions of EI with twenty competencies instead of five dimensions of EI with twenty-five competencies (Goleman, Boyatzis, and Rhee, 2000). These dimensions have been identified as; Self-Awareness, Self-Management, Social Awareness and Relationship Management.

Self-Awareness dimension consists of knowing one’s internal states, preferences, resources, and intuitions. Self-Management dimension involves controlling one’s emotions and impulses and adapting to change circumstances. Social Awareness includes the ability to sense, understand and react to others’ emotions while comprehending social networks. Relationship Management dimension entails the ability to inspire, influences, and develops others while managing conflicts (Goleman, 1998).

In 1998, Reuven Bar –on proposed a non-cognitive model of EI. He defined EI as an array of non cognitive capabilities (Personal and emotional), competencies and skills that influence one’s ability to succeed in coping with environmental demands and pressures (Gardner, Stough, 2002). The five skill areas of mood, stress management, intrapersonal skills, interpersonal skills and adaptability are included to his definition.

**TASK PERFORMANCE AND CONTEXTUAL PERFORMANCE**

Borman and Motowidlo (1993, 1997) described a two-factor theory of job performance in which most jobs consist of task and CP. They defined TP as the behavior that is directly linked with completion of the job. When employees use technical skills and knowledge to produce goods or services through the organization’s core technical processes, or when they accomplished specialized tasks that support these core functions, they are engaging in TP. Task related behaviors contribute to the technical core of the organization. Behavior in the domain of TP is usually recognized as a formal requirement of an individuals’ job. Job description often explicitly stipulates that the job holders must perform these activities.

Borman and Motowidlo (1993) defined CP as an individual’s performance, which maintain and enhances an organization’s social network and the psychological climate that supports technical tasks. CP is comprised of interpersonal behaviors or actions that benefit the organization. Furthermore, they explained that CP includes activities that may not represent formal work tasks although they still make an important contribution to the effectiveness of an organization. This type of performance is often not written in a job description but it
is considered to be an important component of Job Performance. CP is behavior that contributes to the culture and climate of the organization. It is the context within which transformation and maintenance activities are carried out. CP consist the behavior of volunteering for extra work, persisting with enthusiasm, helping and cooperating with others, following rules and procedures and supporting or defending the organization (Motowidlo and Schmit, 1999). Borman (1983), define CP as behaviors that shape the organizational, social and psychological context that serve as catalyst for task activities and processes.

**EMOTIONAL INTELLIGENCE AND TASK PERFORMANCE**

Goleman defined EI as “a learned capability based on EI that result in outstanding performance at work”. That means, EI is an ability to recognize, understand and use emotional information about oneself or others that leads to or causes effective or superior performance. Goleman (2001) provided a wide array of reasons for the positive link between EI and individual work success. Schutte, Schuettpelz, and Malouff (2001) found differences among individuals who were given moderate as well as very difficult problems to solve. Individuals with high EI were more successful than individuals with low EI at solving more numerous problems and in completing their cognitive tasks.

Some studies suggest that EI and Job Performance are positively related. These studies found that EI predict the performance of undergraduate students on a single task (Lam and Kirby, 2002), the class room performance of managers and professional (Sue-Chan and Latham, 2004), sales performance (Wong, Law and Wong, 2004) and supervisory rating of Job Performance (Slaski and Cartwright, 2002). Another study found that the EI of teams of students predicts the performance of these teams at the initial stage of a project (Jordan et al., 2002). In the job of medium complexity (Sales, Clerk, Mechanics), a top performer is 12 times more productive than those at the bottom and 85% more productive than an average performer. In the most complex jobs (Insurance sales people, accounts managers) a top performer is 127% more productive than an average performer (Hunter, Schmidt and Judiesch, 1990). Competency research in over 200 companies and organizations worldwide suggest that about one third of this difference is due to technical skills and cognitive ability while two third is due to emotional competence (Goleman, 1998). In top leadership positions, over four fifths of the difference is due to emotional competence.

At a financial services company emotional self awareness proved crucial in financial planners’ Job Performance (Goleman,1998).Among several hundred managers from twelve different organizations, accurate self assessment was the hallmark of superior performance (Boyatzis,1982).The positive impact of the self confidence competence on performance has been shown in a variety of studies. Among supervisors, managers, and executives, have a high degree of self confidence distinguish the best from the average performers (Boyatzis, 1982). A recent meta-analysis found that “EI measures have an operational validity of .24, .10, and .24 for predicting performance in employment, academic, and life setting,” respectively (Van Rooy & Viswesvaran, 2004 in Carmali,2008).

**EMOTIONAL INTELLIGENCE AND CONTEXTUAL PERFORMANCE**

Research on the relationship between EI and CP has received, thus far,
little attention. (Carmeli, 2006) The limited researches that exist offer some support for this relationship. Employees who display genuine concern about their co-workers problems should build stronger relationship than employees whose concern seems less genuine. Individuals with high EI and low cognitive intelligence may employ their abilities to manage emotions and develop good social relationship (Wong and Law, 2002). Good social relationships may also compel employees to engage in OCB, the form of CP frequently to benefit close colleagues. According to Licia (2003), EI was positively correlated with CP. In a study of 134 adolescents in a military training camp setting, Charbonneau and Nicol (2002) found a positive correlation between EI and both altruism and compliance of the CP. Carmeli and Colakoglu (2005) showed the moderating effect of EI on the relationship between affective commitment and altruism.

EI may enhance altruistic behavior as it enables employees to recognize and understand their coworkers’ feelings; they subsequently respond more appropriately than do employees with low EI, due to their ability to shift easily from negative to positive moods (Abraham, 1999). Equipped with the abilities to understand, regulate, and alter the affective reactions of others (Salovey & Mayer, 1990), Emotionally Intelligent individuals are better prepared to perceive the need for help (Abraham, 1999) and offer their coworkers more empathic responses to both personal and work-related problems (Carmali, 2006).

Objectives of the study

To measure the employees emotional intelligence.

To analyze the relationship between Emotional Intelligence (EI) and Employee performance (JP).

To identify is there any influence on Employee performance and Organizational commitment due to emotional intelligence.

RESEARCH METHODOLOGY

Research is a process of collecting data and information regarding a topic and finding solution to an intended problem. There are 2 variables in our study they are emotional intelligence that is EI which is an independent variable and Employee performance that is JP which is a dependent variable. Type of Research is using Descriptive research, Sampling Technique/Method is used probability sampling and the sampling method would be convenience sampling based on our convenience. We would be targeting samples from the middle management level. Sample Size is 50 respondents. Type of data to be used both primary and secondary data. Questionnaires and interviews are used to get information directly from employees and we would collect some more data from the research papers and journals as a secondary data. Statistical test to be used was correlation and regression as a statistical tool. To measure the relationship between the variables we would be using correlation test. And the strength of relationship between variables could also be judged by using regression.

Hypothesis

H1: There is a positive relationship between Emotional Intelligence and Contextual Performance.

H2: There is a positive relationship between Emotional Intelligence and Task Performance.

H3: There is a positive relationship among Emotional intelligence Organizational Commitment of employees.
ANALYSIS AND INTERPRETATION

The data was collected from 100 respondents in software industry; it is analyzed using SPSS version 20. The correlation and Regression and Descriptive statistics are calculated for the study. By running reliability to the data, Cronbach Alpha was 0.93 which show that the instrument is having reliability which is more than 70%. This study is made for pilot study for my PhD work. The questionnaire consists of 120 questions. It consists of three variables i.e. Emotional Intelligence, Employee Performance (Contextual Performance and Task Performance) and Organizational Commitment. The scale was 5 likert scale was taken for the study which include Strongly Agree to Strongly Disagree. The participants were ranging from 25 years to 50years. And it is considered as a good result hence we can rely on the data given by respondents. we can continue with our further tests.

The table indicates the mean scores of EI is 2.070 which means the team had normal level of EI The study also states that managing of emotions among respondents is also average. The means scores of employees are not able to manage and also control their emotions effectively and efficiently at work place. It also is been clear those employees not very keen to open to changes that mean they are not dynamic in nature, which will not help them to succeed in their careers. The Mean scores of CP is 2.696. and then TP is with (1.965). Therefore, it can be interpreted that most of the participants prefer to reflect their feelings out as they desire without needing any intelligence is managing their emotions and they prefer to be natural, the lowest value belongs to Employee performance (CP 2.696 and TP 1.965) in terms of the Employee performance, while the values belong to the Organizational commitment (OC 2.002). According to these results, the participants tend to show the contextual performance, which occurs in accordance with the intentional and characteristic behaviors of the individuals and supports the task performance despite it is not identified in the definition of the duties to the extent of required.

It found the connections between variables and determines the extent to which values of two variables are proportional to each other (Carver & Nash, 2006). There is positive (+) correlation among both the variables that is Emotional intelligence performance and commitment. The correlation is 0.361 with CP, with TP 0.736 and OC 0.726 which shows more than average positive correlation among the variables. Further to prove this we would be taking the significance level that is 0.000 in this case, furthermore which indicates that we have a very strong evidence to believe $H_1$ and hence accept the alternative hypothesis and reject the null hypothesis.

This study also proves that there is a positive correlation of emotional intelligence (EI) Performance and Commitment; we can also say that people with high emotional intelligence have higher performance with commitment. In this case the software employees have average emotional intelligence. If emotional intelligence of employees can be improved then they can give superior performance to the organization and would lead to the success of employee and the organization also.

Model Summary reports a statistics that measures 'goodness of fit'. R is measuring the simple relation between independent variables and dependent variable. R2 measures the variation of dependent variable by independent variables. It can range from 0
to 1 and indicates the extent to which the line fits the points. The regression results in table indicate that there is a strong significant relationship between the components of emotional intelligent (EI) and the contextual performance of software professionals in Hyderabad region, from the coefficient of multiple regression (R value of 0.361). The results indicate that the explanatory variables (SA,SR,SS,SR) of the study explained 12.1% of the total variations in the dependent variable, contextual working performance of software professionals during the period of the study, from the coefficient of multiple determinations (adjusted R square of 0.121). The table also shows that the model of the study is fit at 1% level of significance as indicated by the F Statistic of 14.647 with the P-value of 0.000. It also indicates strong significant relationship between the components of EI and Task Performance also, form the R value 0.736, the explanatory variable o of EI (SA,SR,SS,SR) has 53% of total variations on dependent variable and for Organization commitment the R value is 0.726, the explanatory variables of EI has 52% of total variation in the dependent variable (OC).

Therefore, based on the fitness of the results, the hypothesis of the study is tested in the following section.

In this section, the hypothesis formulated is tested to draw conclusions about the impact of the components of emotional intelligent (EI) and the contextual and Task performance and their Commitment of software professionals in Hyderabad region. Table 6 present the regression coefficient for the analysis;

The results in table 5 shows that the emotional intelligence has positive impact on the contextual and task performance of software professionals from the coefficient of 0.173, with t-value of 3.827 which is statistically significant at all levels of significance (p value 0.000). This implies that as emotional intelligence increases, contextual performance of software professionals' likely increases proportionately, shows that emotional intelligence has significant statistical positive impact on the task performance of software professionals, from the coefficient of 1.000, with t-value of 10.777, which is statistically significant at 1% level of significance (p-value 0.000). This suggests that emotional intelligence has significantly affect on task performance and it has significant impact on organizational commitment with coefficient value 1.012 with t-value 10.453 which is statically significance (p value 0.000) of software professionals is positive.

Based on this evidence, the study rejects the null hypothesis which states that emotional intelligent has no significant impact on the contextual and task working performance of software professionals. The study therefore infers that emotional intelligent (in terms of self-awareness, self-management, social-skills, and relationship management) has significantly impacted on the contextual and task performance of software professionals during the period covered by the study.

**SUMMARY OF FINDINGS**

Results of this study have clearly indicates that there is significant links between these trait based components of EI and contextual and task performance. In summary this study provides evidence to show support for significant relationship between EI and contextual performance of nursing professionals. Apart from that even emotional intelligence helps to increase the commitment levels of employees which indirectly help in
increasing performance of employees. The results show positive impact but not to that extent which is required for standard level of performance.

**SUGGESTIONS**

The management of these companies on how to invest in training of these professionals on Emotional Intelligence since it has been found to be relevant for their work, especially in the areas of Self Management, Self Management, Empathy social skills, and Relationship Management. This study has given a direction on how management can ensure that they coach their employees on the impact that working as a group with others without bickering. Since Emotional Intelligence proves to be a key contributing factor to successful performance, organizations and managers take steps to become more emotionally intelligent to play their role in developing a more emotionally urbanized workforce. This can be done through introducing emotional learning programs in the organization on regular basis. This Emotional Intelligence training will be helpful to individual employees and managers too. Similarly, by acquiring emotional intelligence skill set, manager may be able to communicate to employees in a better way.

**LIMITATIONS**

This study was not without some limitations. A limitation of the study was the use of self-report perceptual measures in assessing the study. This increased chances of biases of respondents. There may have been likelihood of respondents to tailor their responses towards what they perceive to be the expected response rather than state the obvious. The levels of EI of the managers, the levels TP and CP of the non-managerial employees were measured according to the respondents' own attitudes. Finally, the difficulty of exploring the psychological factors like EI and CP through the structured questionnaire was another limitation of this study. An obvious limitation of the study is the fact that the population was limited to Hyderabad region only, which suggests the results may not be generalized in larger context across the cultures of other countries and business environments which may give a different result on the relationship between EI and contextual task performance and commitment.

**CONCLUSION**

Based on empirical findings, this study concludes that there is significant relationship between Emotional Intelligence and employee Contextual Performance. Conclusion being drawn is to the fact that EI competences are very relevant to the service sector especially nursing practice and that when imbibed can in no small measure impact on the contextual performance of nursing professionals. It is also concluded that the trait based model of EI is applicable to nursing practice as has been confirmed by this study impact on their individual work performance The results of the current study demonstrated that EI helps understand one's emotions effectively while using and controlling emotions would induce voluntary and positive behaviors. In particular, EI in the use of emotion and self-emotion appraisal was more important in increasing OC; moreover, use of emotion had a greater influence on OC than self-emotion appraisal had. This result confirms that, if employees understand, control, and use their emotions effectively, they will create positive working environments and significantly improve organizational outcomes such as increased OC. In addition, if employees of software industry have high EI, they will be able to balance work with organization demands in order
to minimize work conflicts. Therefore, counseling and personnel psychologists should be used by various organizations where employee staff and the employees have a significant role in offering service and customer satisfaction. Because of that, EI has a maximum role in providing attractive and conductive working environments, which would motivate the employees and enhance their job satisfaction to their career and organizations. In addition, if employees of software industry have a high EI, they will have an output like high level of innovation, productivity, employee relation, empathy by customer and financial performance in service industry and employees with EI have a critical role in enhancing EP on various departments like marketing and accounting.

REFERENCES


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Table 1: Reliability Statistics

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<th>Cronbach's Alpha</th>
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Table 2: Descriptives

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<td>OC</td>
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Table 3: Correlations

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<td>CP</td>
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<td>.486**</td>
<td>1</td>
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<tr>
<td>OC</td>
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<td>.348**</td>
<td>.678**</td>
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**. Correlation is significant at the 0.01 level (2-tailed).

Table 4.1: Regression

Regression Model Summary

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Table 4.2

Regression Co-efficient

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