A Study on Relationship Between Emotional Intelligence and Employee Performance in Indian IT Sector

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Abstract

Emotional intelligence is a relatively recent behavioral model gaining prominence with Daniel Goleman's 1995 book called 'Emotional Intelligence'. It is the ability to acquire and apply the knowledge from emotions of self and others. Indian IT industry is one of the highest contributors to Indian economy and is on its path of continued growth momentum. This study has investigated the relationship between emotional intelligence and the employee performance in Indian IT sector and demographic factors influencing emotional intelligence of IT employees. Data for the study were collected from 400 IT employees of select IT companies in Hyderabad using three questionnaires namely Emotional Intelligence with its four domains i.e. Self Emotion Appraisal (SEA), Others' Emotion Appraisal (OEA), Use of Emotion (UOE) and Regulation of Emotion (ROE) were set as independent variables while task performance is defined as dependent variable. Gender, age level, education and experience were selected as demographic variables of the study. Through careful analysis of data, a positive correlation was found between emotional intelligence domains (SEA, OEA, UOE and ROE) and the employee performance and it was concluded that emotional intelligence and performance of Indian IT employees are positively correlated. Significant relationships were established between all demographic factors of the study and emotional intelligence of employees. The conclusion was that the demographic factors of IT employees have significant contribution to emotional intelligence of employees.

Key Words: *Emotional Intelligence, EQ, Information Technology and Task Performance.*

Introduction

Researches till today suggest that emotional intelligence is important for success in work and life and there is a direct relationship between EI competencies and workplace success. Employees with high emotional intelligence can manage emotions and this helps them perform the job successfully. Though both IQ and technical expertise are must for success, it has been proved that EI is twice as important for achieving high performance at all levels of jobs in organizations. Scores of researches have proved that emotionally intelligent employees can perform better than others who are not emotionally intelligent. The emotionally intelligent employees are able to manage emotions inside and outside the workplace. Through the intelligent use of emotions, they can overcome stress, conflict, frustration and workplace related problems which lead to better performance. Even though the technical skills and IQ are the ingredients of IT related jobs as it deals with machines and computers, emotional skills are a little more important to make these technical skills more effective. In most cases, information technology employees come in contact with customers, communicate with them and deal with the public for several business purposes.

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Thus, the ability to understand and manage emotions becomes a part of this profession.

Also, as the concept of work – life balance is gaining importance across IT organizations which go through frequent changes and in response employees need to change their life style, they can perform better through managing their emotions intelligently.

As Information technology related business sectors are flourishing in Indian sub continent, it is now essential to study the emotional competencies of the employees of this sector for better management.

This study will be useful for IT organizations in framing more effective policies with respect to work – life balance, stress and burnouts for its employees. This is expected to increase the employee's level of satisfaction as well as commitment towards the organization.

Emotional Intelligence : A brief literature Review

Emotional intelligence is the ability to perceive, appraise and express emotion accurately and adaptively, the ability to understand emotion and emotional knowledge, the ability to access and generate feelings where they facilitate cognitive activities and adaptive action and the ability to regulate emotions in one self and others (Palmer and Jansen, 2004). Emotional Intelligence is the innate potential to feel, use, communicate, recognize, remember, describe, identify, learn from, manage, understand and explain emotions. It is important to use emotional intelligence because it will help us to be flexible in changing situations. It involves self awareness, empathy and self restraint. In the workplace, this ability can enhance interpersonal communication and people skills (Hein 2007). It was described formally by Salovey and Mayer (1990) as 'the ability to monitor one's own and others' feelings and emotions to discriminate among them and to use this information to guide one's thinking and actions.

The concept of emotional intelligence has emerged as an important but still relatively understudied element of competence (Ashkanasy and Ddaus, 2005; Girardini and Frese, 2006). Emotional intelligence refers to the abilities concerning recognition and regulation of emotions in self and others and to use this information to guide one's thinking and actions (Giardini and Frese, 2008; Mayer, Salovey and Caruso, 2008). Emotional intelligence is conceptually relevant for predicting employee's work performance, especially in information technology sector because organizations require interpersonal interactions to accomplish goals. Thus, it is perhaps not surprising that the empirical research has established a relationship between emotional intelligence and work performance.

Objective of the Study

The primary objective of this study is to find the relationship between the emotional intelligence and employee performance in IT sector for which the paper sets two major queries as follows:

1. What is the relationship between the emotional intelligence of Indian IT professionals and their task performance?

2. What effects the demographic factors have on emotional intelligence of IT employees?

In this framework, the paper will investigate following issues from primary data collected for this purpose.

1. Emotional intelligence of Indian IT employees focused on four dimensions of emotional intelligence, Self-Emotion Appraisal (SEA), Others' Emotion Appraisal (OEA), Use of Emotion (UOE) and Regulation of Emotion (ROE).

2. The effects of demographic factors on emotional intelligence of IT employees.

3. The impact of Self-Emotion Appraisal (SEA) dimension of emotional intelligence on task performance in IT sector in India.

4. The impact of Others' Emotion Appraisal (OEA) dimension of emotional intelligence on task performance in IT sector in India.

5. The impact of Use of Emotion (UOE) dimension of emotional intelligence on task performance in IT sector in India.

6. The impact of Regulation of Emotion (ROE) dimension of emotional on task performance in IT sector in India.

7. The impact overall emotional intelligence including four dimensions in total (SEA, OEA, UOE and ROE) on task performance in IT sector in India.

Methodology of Research

Information for the study was collected from both primary and secondary sources. Primary data were collected through the questionnaire which was distributed among information technology employees from selected IT companies in Hyderabad. Three questionnaires were adopted in this study to collect data on emotional intelligence, employee performance and demographic variables. Guidelines and ideas of framing questionnaire and data collection have been taken from the following sources.

1. 'Wong and Law Emotional Intelligence Scale' (WLEIS) to measure the emotional intelligence of information technology employees. WLEIS is a 16 item self report scale developed and validated by Law and Wong (2002) based on Davies (1998) four-dimensional definition of emotional intelligence. It assesses emotional intelligence competences in four areas as Self-Emotion Appraisal (SEA), Others' Emotion Appraisal (OEA), Use of Emotion (UOE) and Regulation of Emotion (ROE).

2. Task Performance Measure of Employees by William and Anderson (Williams & Anderson, 1991) to assess the performance of employees.

3. Demographic Questionnaire to collect data on demographic variables e.g. gender, age, educational qualification, experience of it employees.

Sample Characteristics:

The target population consists of information technology employees from Hyderabad in India. A total of 400 IT employees were randomly selected from the target population using simple random sampling method and interviewed on the basis of structured questionnaire. Of the sample, 216 are males and 184 females. A total of 225 respondents were in the age group of 20 to 30, while only sixteen respondents were in the age group of above fifty. About 42% of respondents are graduates and 34% had one year experience in IT field.

Statistical Methodology used:

Mainly three statistical tools were adopted for the analysis and interpretation of data in this study e.g. descriptive statistics, correlation analysis and chi-square test. Descriptive statistics were used to count the frequency and percentage of each answer from respondents. The correlation analysis was used to find the associations between the variables. The chi-square test was used to examine the significance relationship between demographic factors and emotional intelligence of IT professional.

Hypotheses

Two research hypotheses were framed on the basis of literature review to investigate the research questions:

Hypothesis – 1: There is significant relationship between emotional intelligence and task performance of IT employees.

Hypothesis – 2: There is significant relationship between demographic factors and emotional intelligence of IT employees.

Findings and Discussions

Four items were selected under each domain to measure the EI of employees and it was found that IT employees are good at all four dimensions of EI. Further data reveal that IT employees are very good in SEA and UOE domains than other OEA and ROE domains. However, this means that IT employees are emotionally intelligent.

Most of the employees in Indian information technology sector agree that they adequately complete assigned task, fulfil responsibilities specified in their job description, perform tasks that are expected of them, meet the formal performance requirements of

the job, engage in activities that will directly affect their performance evaluation and never neglect aspects of the job they are obligated to perform. From the analysis of the items in performance measure, it is found that IT employees perform better at their assignments.

The first null hypothesis was rejected to accept the alternate as the correlation analysis showed a significant positive correlation between four domains of EI and task performance. The correlation analysis reveals a positive correlation between EI and task performance in IT sector. The following table below (Table 1) shows a significant positive correlation between Self Emotion Appraisal (SEA) domain of emotional intelligence and task performance at 0.25 percent .

Table 1 Task Performance & SEA

Variables	Self Emotion Appraisal (SEA)	Task Performance
Self Emotion Appraisal (SEA)	1.00	
Task Performance	0.25	1.00

The table 2 illustrates a positive correlation between Others' Emotion Appraisal (OEA) domain of emotional intelligence and task performance at 0.12 which is the lowest positive value among all other domains.

Table 2 Task Performance & OEA

Variables	Others' Emotion Appraisal (OEA)	Task Performance
Others' Emotion Appraisal (OEA)	1.00	
Task Performance	0.12	1.00

The table 3 below shows a significant positive correlation between Use of Emotion (UOE) domain of emotional intelligence and task performance at 0.86 which is the highest relation among all domains.

Table 3 Task Performance & UOE

Variables	Use of Emotion (UOE	Task Performance
Use of Emotion (UOE)	1.00	
Task Performance	0.86	1.00

The table 4 below depicts significant positive correlation between Regulation of Emotion (ROE) domain of emotional intelligence and Task Performance at 0.52

Table 4 Task Performance & ROE

variables	Regulation of Emotion (REO) Performance	Task
Regulation of Emotion (REO)	1.00	
Task Performance	0.52	1.00

The table 5 below shows that there is significant positive correlation between overall emotional intelligence (SEA, OEA, UOE and ROE) and task performance at 0.63.

Table 5 Overall EI & Task Performance

variables	Overall Emotional Intelligence Performance	Task
Overall Emotional Intelligence	1.00	
Task Performance	0.63	1.00

Thus, from Tables 1-5, we observe that Overall Emotional Intelligence and Regulation of Emotional Intelligence have a strong association with the Employees Performance, while domain of own Emotional Appraisal and Other Emotional Appraisal have positive associations but not at a high degree. Thus, we can deduce that Emotional Intelligence when properly regulated improves the performance of the employee.

The hypotheses that there are the relationships between EI and demographic factors are accepted on the basis of the chi-square tests at 5% level of significance. The following table shows the results of chi-square tests finding relationships between demographic factors (gender, age, education and experience) and EI:

Table 6 Chi-Square Tests

Chi-Square Test (Gender & EI)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	22.803	4	.000
Likelihood Ratio	26.059	4	.000
Linear-by-Linear Association	.081	1	.776
N of Valid Cases	400		

Chi-Square Tests (Age & EI)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	63.758	16	.000
Likelihood Ratio	42.221	16	.000
Linear-by-Linear Association	8.557	1	.003
N of Valid Cases	400		

Chi-Square Tests (Education & EI)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	40.048	20	.005
Likelihood Ratio	44.762	20	.001
Linear-by-Linear Association	.000	1	.992
N of Valid Cases	400		

Chi-Square Test (Experience & EI)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	72.804	16	.000
Likelihood Ratio	63.024	16	.000
Linear-by-Linear Association	1.110	1	.292
N of Valid Cases	400		

The use of domains of emotional intelligence explains the ability of employees to use their different emotions in healthy and positive way for the betterment of organizations. This study has found that the use of emotion domains is highly correlated with performance of IT employees. So IT organizations have to come forward to train its employees on this domain for improving their performance. Regulation of emotions is defined as the ability to monitor and regulate blends of emotions which a person faces in everyday life. The study has found a significant relationship between the regulation of emotion domains and the employee performance.

It is found that there are significant relationships between demographic factors and emotional intelligence of IT employees. In this research, gender, age level, educational qualifications and experience are studied as demographic factors of employees. So IT organizations have to give adequate importance and attention to these factors and their effects. The Human Resource Department should provide information and assistance to IT employees about how to promote and practice emotional intelligence principles. This might include education about the emotion, its use, recognition, appraisal and regulation and how they can use information technology to facilitate appropriate relationships.

Conclusion

The study on the impact of emotional intelligence on the employee performance in information technology sector was a relatively new and interesting field. No major studies and researches were conducted in this area. As employees in Indian IT sector face more challenges and stress situations at their daily workplaces than the employee of other organizations, it was essential and very important to study concepts which would help reduce the work related stress and improve the employee performance.

Some meaningful conclusions were made for Indian IT sector through the careful interpretation and analysis of data. It was found that there is a significant relationship between overall emotional intelligence and the performance of Indian IT employees. This finding highlights the need for training and practice in EI skills for employees. Significant relationships was found between emotional intelligence domains (SEA, OEA, UOE and ROE) and employee performance in Indian IT sector where the Use of Emotion (UOE) domain showed higher relationship and Others' Emotions Appraisal (OEA) showed the lowest relationship with performance. However, we can conclude from these findings that all emotional intelligence domains are positively related to the performance of IT employees and any improvement in employees' EI related skill will result in good overall performance of organizations.

It is concluded from this study that almost all Indian IT employees are emotionally intelligent. They possess the ability to appraise self and others' emotions, to use emotions positively and wisely and to regulate emotions in an appropriate way. The study also concludes that emotionally intelligent IT employees are good at the task performance also as they complete their assigned tasks adequately, fulfil their responsibilities and perform tasks that are expected of them.

The study has concluded that there are significant relationships between the demographic factors and emotional intelligence of IT employees. The demographic factors investigated in this study were gender, age level, education and experience of IT employees and all these factors were found to have significant effects on emotional intelligence.

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