

# EMOTIONAL INTELLIGENCE FOR THE SERVICE SECTOR

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## ABSTRACT

Continuous change in today's work environment calls for competencies that enable managers to operate effectively and efficiently for the achievement of organizational as well as individual objectives. Emotional intelligence helps one to become aware of one's own feeling, understanding them and then use this knowledge for improving interpersonal communication and thus increasing team effectiveness. This paper aims to find the impact of emotional intelligence on the performance of service sector employees. The results observed that emotional quotient does have an impact on the managerial effectiveness of the managers. Respondents who possessed higher levels of EQ dimensions of self awareness, self motivation, emotional stability and empathy are more likely to exhibit a higher level of effectiveness.

**Keywords:** - *Emotional Intelligence, Managerial Effectiveness and Service Sector.*

## INTRODUCTION

With the growing competition and uncertainty in the business world, it has become imperative for the managers to sharpen their managerial skills. As these managerial decisions affect a large number of people, the managers have to make intelligent choices and decisions. Earlier it was thought that managers with higher degrees and qualifications performed better, however this did not prove out to be the case as large no. of highly qualified and intelligent managers proved ineffective in managing teams and people around them. Earlier it was thought that IQ was the only factor affecting intelligence and therefore a person's working ability. However, in 1990s the concept of emotional intelligence came into practice.

## Emotional Quotient

EQ is a score that gives an idea about the person's ability to act and react in situations and with people. People who are emotionally stable most likely score high on an EQ scale and exhibit corresponding behavior when dealing with stressful, unexpected and demanding situations or people in professional or personal front.

Psychologist Daniel Goleman has given five constituents of emotional intelligence:-

1. Self-Awareness
2. Self-Regulation
3. Social Skills
4. Empathy
5. Motivation

## Managerial Effectiveness

Managerial Effectiveness defines the leader's ability to get required results. It also means efficient realization of company's aims. Redin (1970) defined managerial effectiveness as output with relation to one's position in the organization. Campbell, Dunette, Lawler and Weick (1970) have explained that when confronted with a situation of uncertainty and difficulty, an effective manager is one who optimizes the organizational resources for improved performance. Druker (1977) defined managerial effectiveness as a way the manager approaches and solves a given problem.

## LITERATURE REVIEW

A review of literature is an assessment of information available in the literature related to our selected area of interest. Review of literature helps in building the premise for the selected area of study. Garvin, Heaton and Boyle (2006) have investigated the effect of emotional intelligence (EI) scores and leadership effectiveness (subordinate ratings). It was observed that high scores on EQ may act a good predictor of leadership effectiveness. Kunnanatt, (2008) has described the important role that emotional intelligence (EI) might have in building performance levels of individuals and groups and career advancement in organizations, for workers, managers and leaders the world over.

Sivanathan and Fekken, (2002) have worked on to investigate the relationship between emotional intelligence and moral reasoning to the style of leadership and its effectiveness. The result of the data analysis presented that leaders who scored high on EI also showed higher levels of transformational leadership and were more effective. Rosete and Ciarrochi, (2005) explore the relationship between Emotional Intelligence (EI), personality, Intelligence Quotient or Cognitive Intelligence and Leadership Effectiveness. The authors have used Co-relational and regression analyses to arrive at the results that higher levels EI is linked with higher leadership effectiveness.

Tang, Yin, and Nelson, (2010) have explored the relation between the emotional intelligence (EI) and transformational leadership of leaders in Taiwan and the USA. The results of correlation analysis showed that participants' EI was positively correlated leadership practice. Hopkins and Yonker (2015) explored the vital relationship between emotional intelligence (EI) and conflict management styles at the participants workplace. The results of regression analyses show a significant relationships between EI abilities and participants' conflict management styles. Jamali, Sidani and Abu-Zaki, (2008) have explored the idea of EI and worked towards finding its importance at the workplace. The result supports the idea for the need of including the concept of EI into various organizational functions like succession planning etc. Welch (2003) explored the idea of linking that emotional intelligence with the performance of the team. The researcher has found that higher EI leads to better team performance. Campbell, (2007) proposed a holistic view for leaders. This view lays importance on not only cognitive but also spiritual and emotional components of the leader's mindset.

## RESEARCH METHODOLOGY

### Objectives

The service sector in India is growing at a phenomenal rate. It is imperative for the service sector companies to focus on factors that might be having an impact on the effectiveness of their managers. The aim of the study is relationship between EQ and ME.

### Research Design

For this study following scales were used:-

**Emotional Quotient** – Emotional Intelligence Scale by Anukool Hyde, Sanjyot Pethe and Upinder Dhar. In this scale the authors have divided EQ into 10 dimensions which are as follows:-

1. Self Awareness
2. Empathy
3. Self Motivation
4. Emotional Stability
5. Managing Relations
6. Integrity
7. Self Development
8. Value Orientation
9. Commitment
10. Altruistic Behavior

**Managerial Effectiveness** - Managerial Effectiveness Scale by Upinder Dhar, Santosh Dhar, and Preeti Jain.

The questionnaire included statements which the respondents had to rate on the basis of likert scale having responses ranging from 1 to 5.

- 5 = Strongly Agree
- 4 = Agree
- 3 = Neutral
- 2 = Disagree
- 1 = Strongly Disagree

Appropriate questions were added to capture the demographic data of the respondents.

**Sample Size-** The questionnaire was administered to 200 managers. A total number of 186 responses were found to be complete and therefore were used for this study.

**Data Collection-** Primary data was collected by administering the structured questionnaire to the respondents. Effort was made to cover various service sector industries including Hospitality, Education, ITES, Banking and Insurance etc.

**Data Analysis Technique-** Correlation analysis is used to analyze the collected data.

**Hypothesis Formulation-** The null hypotheses are framed according to the objectives of the study. There are a total of 11 hypotheses to examine the relation between Emotional Quotient and Managerial effectiveness of the managers in service sectors.

The null hypotheses framed for the objective achievement are as follows:

- Ho: 1. There is no significant relationship between Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers.
- Ho: 2. There is no significant relationship between Self Awareness dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers.
- Ho: 3. There is no significant relationship between Empathy dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers.
- Ho: 4. There is no significant relationship between Self Motivation dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers.
- Ho: 5. There is no significant relationship between Emotional Stability dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers.
- Ho: 6. There is no significant relationship between Managing Relations dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers.
- Ho: 7. There is no significant relationship between Integrity dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers.
- Ho: 8. There is no significant relationship between Self Development dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers.
- Ho: 9. There is no significant relationship between Value Orientation dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers.
- Ho: 10. There is no significant relationship between Commitment dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers.
- Ho: 11. There is no significant relationship between Altruistic Behavior dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers.

## DATA ANALYSIS AND FINDINGS

### Hypothesis Testing

The statistical tool used for this research is Correlation Analysis. The correlation coefficient 'r' measures the strength and direction of a linear relationship between two variables. The value of r is always between +1 and -1.

**Dependant variable** - Managerial Effectiveness (ME)**Independent variables** -

1. Emotional Quotient (EQ)
2. Self Awareness
3. Empathy
4. Self Motivation
5. Emotional Stability
6. Managing Relations
7. Integrity
8. Self Development
9. Value Orientation
10. Commitment
11. Altruistic Behavior

**Results of Correlations Analysis**

		METotal	EQTotal	EQ_SelfAwareness	EQ_Empathy	EQ_SelfMotivation	EQ_EmotionalStability	EQ_ManagingRelations	EQ_Integrity	EQ_SelfDevelopment	EQ_ValueOrientation	EQ_Commitment	EQ_AltruisticBehavior
METotal	Pearson Correlation	1	.740**	.718**	.650**	.557**	.542	.566**	.566**	.525**	.512**	.504	.528**
	Sig. (2-tailed)		.000	.000	.001	.000	.000	.000	.000	.000	.000	.000	.000
	N	186	186	186	186	186	186	186	186	186	186	186	186

**Ho 1:** There is no significant relationship between Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers. The value of  $r = +.740$  which is  $\neq 0$ , therefore, Null hypothesis is rejected and alternate hypothesis is accepted. As the value of  $r$  is  $+.740$ , there is a strong positive relation between Emotional Quotient (EQ) and Managerial Effectiveness (ME).

**Ho 2:** There is no significant relationship between Self Awareness dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers. The value of  $r = +.718$  which is  $\neq 0$ , therefore Null hypothesis is rejected and alternate hypothesis is accepted. As the value of  $r$  is  $+.718$ , there is a strong positive relation between Self Awareness dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME).

**Ho 3:** There is no significant relationship between Empathy dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers. The value of  $r = +.650$  which is  $\neq 0$ , therefore Null hypothesis is rejected and alternate hypothesis is accepted. As the value of  $r$  is  $+.650$ , there is a moderate positive relation between Self Awareness dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME).

**Ho 4:** There is no significant relationship between Self Motivation dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers. The value of  $r = +.557$  which is  $\neq 0$ , therefore Null hypothesis is rejected and alternate hypothesis is accepted. As the value of  $r$  is  $+.557$ , there is a moderate positive relation between Self Motivation dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers.

**Ho 5:** There is no significant relationship between Emotional Stability dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers. The value of  $r = +.542$  which is  $\neq 0$ , therefore Null hypothesis is rejected and alternate hypothesis is accepted. As the value of  $r$  is  $+.542$ , there is a moderate positive relation between Emotional Stability dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers.

**Ho 6:** There is no significant relationship between Managing Relations dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers. The value of  $r = +.566$  which is  $\neq 0$ , therefore Null hypothesis is rejected and alternate hypothesis is accepted. As the value of  $r$  is  $+.566$ , there is a moderate positive relation between Emotional Stability dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers.

**Ho 7:** There is no significant relationship between Integrity dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers. The value of  $r = +.566$  which is  $\neq 0$ , therefore Null hypothesis is rejected and alternate hypothesis is accepted. As the value of  $r$  is  $+.566$ , there is a moderate positive relation between Integrity dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers.

**Ho 8:** There is no significant relationship between Self Development dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers. The value of  $r = +.525$  which is  $\neq 0$ , therefore Null hypothesis is rejected and alternate hypothesis is accepted. As the value of  $r$  is  $+.525$ , there is a moderate positive relation between Self Development dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers.

**Ho 9:** There is no significant relationship between Value Orientation dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers. The value of  $r = +.512$  which is  $\neq 0$ , therefore Null hypothesis is rejected and alternate hypothesis is accepted. As the value of  $r$  is  $+.512$ , there is a moderate positive relation between Value Orientation dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers.

**Ho 10:** There is no significant relationship between Commitment dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers. The value of  $r = +.504$  which is  $\neq 0$ , therefore Null hypothesis is rejected and alternate hypothesis is accepted. As the value of  $r$  is  $+.504$ , there is a moderate positive relation between Commitment dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers.

**Ho 11:** There is no significant relationship between Altruistic Behavior dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers. The value of  $r = +.528$  which is  $\neq 0$ , therefore Null hypothesis is rejected and alternate hypothesis is accepted. As the value of  $r$  is  $+.528$ , there is a moderate positive relation between Altruistic Behavior dimension of Emotional Quotient (EQ) and Managerial Effectiveness (ME) of the managers.

The results showed that emotional quotient does have an impact on the managerial effectiveness of the managers. Respondents who possessed higher levels of EQ dimensions of self awareness, self motivation, emotional stability and empathy are more likely to exhibit a higher level of effectiveness.

## CONCLUSION

Higher emotional intelligence leads to a greater employee satisfaction which in turn leads to increased customer satisfaction. A satisfied customer is more likely to return to the service provider hence increase the rate of return of the customer. Higher EQ leads to increased empathy, better conflict management and resolution and improved customer understanding and therefore better customer connect. Higher emotional intelligence leads to better work relationships and higher team output. Managers, today need the qualities of emotional intelligence more than the pursuit of profits alone. Training programs for service sector employees incorporating EQ competencies will prove to be very beneficial. A higher focus on improving emotional quotient and well being of service sector employees will provide improved performance outputs for the service sector industries.

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