

*Full Length Research Paper*

# Impact of Emotional Intelligence (EI) on employee's performance in telecom sector of Pakistan

Khurram Shahzad\*, Muhammad Sarmad, Muhammad Abbas and Muhammad Amanullah Khan

Faculty of Management Sciences, Riphah International University, Islamabad, Pakistan.

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To reveal the efficacy of the emotional intelligence (EI) construct in organizational studies, this study focuses on the impact of EI on employee's performance among telecom employees in Pakistan. The paper examines the impact of four significant aspects of EI that is self awareness, self management, social awareness and relationship management. Data was collected from five telecom companies by using questionnaires. The results revealed that a positive relationship exists between social awareness and relationship management and employee's performance while self awareness and self management were not found significantly related to employee's performance. Telecom sector needs to consider meaningful features of EI as a strong predictor for efficient performance of employees.

**Key words:** Emotional intelligence, employee's performance, telecom sector, Pakistan.

## INTRODUCTION

The concept of Emotional Intelligence has emerged as an important but still relatively understudied element of competence (Ashkanasy and Daus, 2005; Giardini and Frese, 2006). Emotional Intelligence (EI) refers to 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). Few topics in the organizational behavior and psychology have been as controversial as EI. However the exaggeration claims for the importance of EI in job performance, leadership and other areas of organizational life have helped fuel the validity of this concept.

Emotional intelligence is conceptually relevant for predicting employees' work performance because organizations require interpersonal interactions to accomplish goals, and because most jobs require the ability to manage emotions. Thus, it is perhaps not surprising that empirical research has established a relationship between emotional intelligence and work performance (Cote and Miners, 2006; Goleman, 1995; Lam and Kirby, 2002; Semadar, Robins and Ferris, 2006).

Simply possessing EI cannot lead to higher performance unless it affects how people use their emotions at work setting. Apparently, employees can handle their emotions accurately and use certain behaviors in the workplace that allow them to gather better information, grip others' behavior or make better decisions about their activities, that result in better performance on the job (Kim, Cable, Kim and Wang, 2009). Thus, the objective of this study is to explore the underlying mechanism that links EI and employees performance at work place. The study helps the Managers at telecom industry to develop and explore the concept of EI to ensure high level of employee's performance resulting in increased achievement of organizational and individual goals.

The study examines the relationship between EI and employees' performance in developing country that is Pakistan among telecom employees. Telecom sector is one of the fastest growing sectors in Pakistan and telecom companies are competing in perfectly competitive market conditions. Any phenomenon that can contribute to performance of employees is crucial to study in such times. Although past research has established a linkage between emotional intelligence and performance in developed countries, little evidence is known about how employees translate their emotional intelligence into enhanced work outcomes in developing countries like Pakistan

\*Corresponding author. E-mail: [kshahzad78@yahoo.com](mailto:kshahzad78@yahoo.com).

Developing countries like Pakistan are rich in emotional sentiments due to strong cultural influence of past experiences on future outcomes. As intelligence operates on distinct information so EI operates mainly on social, perceptual, practical, personal and off course on emotional information (Mayer, Salovey and Caruso, 2008).

This study in an attempt to manipulate EI at workplace while keeping in mind such strong cultural influences on daily working cycle of employees so that they can become star performer. Accordingly, effective handling of EI particularly at work place will provide immense outcomes which eventually increase the productivity of organization and ultimately contributes toward the development of economy of developing countries like Pakistan.

## **LITERATURE REVIEW**

### **Employee's performance**

Performance refers to as the results or impact of activities of an individual over a given period of time. Managing employee's performance is necessary for achieving goals that an organization has for itself. Assessing an employee's competency and measuring his productivity is essential in the overall plan of the organization. Pacing itself production-wise is important and that cannot be done if the employee's potential and his ability to perform are not measured. Employees' performance is directly related to organizational productivity and its success. Better performance of each employee creates immense outcomes which mainly include congruence among employees, quality production and commitment at work place.

Employee's performance is mainly managed by using formal processes that is supervisor rating, management by objectives, 360° appraisals, and peers evaluation etc. to ensure that employees have been contributing towards their own and company's development. In view of efficient performance relationship between feedback from supervisor, task identity and significance is very crucial (Morrison, 1993), while Ashford and Black (1996) found that supervisory association development positively influenced job performance. For attaining outstanding performance emotional competence which is a "learned capability based on emotional intelligence" is equally important (Goleman, 1998). This shows that apart from having technical skills and abilities employees need to have strong interpersonal and intrapersonal competences to become a star performer.

### **Self awareness**

It recognizes the importance of one's own feelings and how it affects one's performance. Self-awareness is the key to realizing one's own strengths and weaknesses.

Among several hundred managers from twelve different organizations, Accurate Self-Awareness was the hallmark of superior performance (Boyatzis, 1982). Individuals with accurate Self-Awareness are aware of their competences which mainly include self confidence, self assessment and emotion handling. Accordingly, they seek out feedback and learn from their mistakes, and know where they need to improve and when to work with others who have complementary strengths. Self-Awareness was the competence found in virtually every "star performer" in a study of several hundred knowledge workers (Kelley, 1998). Self awareness stimulates self confidence competence. The level of Self-Confidence was in fact a stronger predictor of performance than the level of skill. In a sixty-year study of more than one thousand high-IQ men and women tracked from early childhood to retirement, those who possessed Self-Confidence during their early years were most successful in their careers (Holahan and Sears, 1995).

On the basis of above arguments it is safely assumed that self awareness is correlated with performance of employees. However the relationship needs to be tested in telecom sector of Pakistan.

H<sub>1</sub>: Self awareness is significantly and positively correlated with employee's performance.

### **Self management**

It helps in self governing by managing one's own values, impulses, resources and disciplines. It's an ongoing process which directly affects the performance of employees. While facing job stress strong sense of control over one's own beliefs promote to manage anger and depression at work place (Rahim and Psenicka, 2002) which acts as a strong tool for better performance. Managers and executives harness their personal needs and values in the service of the company's goals (Boyatzis, 1982) which enables them to become star performer. Accurate self management creates trustworthiness which let others to know one's values and principles. Trustworthy employees are forthright about their blunders and tackle others about their lapses. A scarcity in this ability operates as a career derailed due to below average performance at work place (Goleman, 1998).

Being conscientious include self discipline in attending various responsibilities which creates outstanding performance right from the bottom to the top (Barrick and Mount, 1991). One of the significant competences of self management is adaptability. Superior performers demonstrate this competence at work place and create immense results (Spencer and Spencer, 1993). Self management creates emotional resilience which enables employees to think "out of the box". Businesses with autonomous and flexible roles and regulations provide a platform for innovation which results in efficient performance of employees (Amabile, 1988).

Employees keep on managing themselves based on their achievements as well. Superior and average performers can be set apart based on their achievements (Spencer and Spencer, 1993). Being proactive and optimistic at work place drives towards better achievement which eventually results in superior performance (Schulman, 1995). Such proactive and optimistic behavior governs self management which is crucial in servicing industry like telecom sector in Pakistan.

On the basis of such arguments it is safely assumed that self management is correlated with employee's performance. However the relationship needs to be tested in telecom sector of Pakistan

H<sub>2</sub>: Self management is significantly and positively correlated with employee's performance.

### **Social awareness**

Social awareness means that one should know what is socially acceptable from him/her in society and how he/she should act in that manner. An empathic individual is socially aware about the emotions and concerns of others. At work place interaction with other people is critical which requires the competency of empathy for better performance. A socially aware person puts him/her self in other's position and then proceeds for certain appropriate action. Manager of product development teams use the ability to read others' needs to enhance innovation (Spencer and Spencer, 1993) which eventually gives superior performance. Empathy is an essential tool to measure social awareness (Goleman, 1998). To avoid performance deficits empathy competence allows us to handle increasingly diverse work force (Steele, 1997).

The ability to identify clients or customer's needs and concerns and then match them to product or services is crucial in servicing industry like telecom. Social awareness plays a significant role in developing service competence. The empathic strategy to utilize service competence distinguishes superior performer from average ones (Spencer and Spencer, 1993). Superior performers mainly in servicing industry have the ability to recognize customer's view point and utilize appropriate assertiveness to guide the customer toward a preference that best satisfies both customer's and company's/vendor's need (McBane, 1995).

Socially aware employees have the ability to understand the overall psyche of organization and political realities in groups. This ability creates organizational awareness that enhance networking and coalition building which makes the individual to wield influence irrespective of their professional role. To become efficient performer social awareness is required at organizational level apart from just at interpersonal one. Social awareness allows reading situations objectively, without any personal biases and distortions which distinguish star performers from average ones (Boyatzis, 1982).

On the basis of such arguments it is safely assumed that social awareness is correlated with employee's performance. However the relationship needs to be tested in telecom sector of Pakistan

H<sub>3</sub>: Social awareness is significantly and positively correlated with employee's performance.

### **Relationship management**

Relationship management inculcates set of competences which include essential social skill, analyzing and influencing others and inducing desirable responses in others. Effective relationship management helps in developing others which is a hallmark of superior manager; among sales managers as it characterizes those at the higher level (Spencer and Spencer, 1993). The ability to sense others' reactions and fine tune responses and be persuasive is a significant characteristic of star performer. This ability is essential for supervisors, managers, executives and for those who are managing front-line work; it has emerged as a fundamental skill for effective leadership as well (Spencer and Spencer, 1993; Goleman, 2000).

Relationship management requires clear line of communication which is a key factor in organizational success. Effective communication allows give-and-take of emotional information, better listening ability, and welcome sharing of knowledge and staying receptive for good as well as bad news. Study has shown that more people prefer to deal with those managers and executives who possess strong communication competency for relationship management (Goleman, 1998). Conflict management competence also improves relationship management. The art of empathizing is critical while handling different people and situations with diplomacy and convincing discussions. Especially in retail business effective negotiating skills which avoid conflict, indicates the health of such business (Ganesan, 1993).

Effective leadership helps to sustain relations at work place and guide the performance of others by holding them accountable. Leaders spread out the energy by exhibiting emotions which are contagious and more positive, cooperative and helpful culture prevails which represents high performance (Bachman, 1988). The ever changing trends due to globalization has fashion up the business environment and effective change management is crucial while developing relationships in business. To make subordinates work more effective and their performance to become better, leader's competency in catalyzing change and building relations affects a lot (House, Woycke, and Fodor, 1988).

On the basis of such arguments it is safely assumed that relationship management is correlated with employee's performance. However the relationship needs to be tested in telecom sector of Pakistan.

H<sub>4</sub>: Relationship management is significantly and positively

**Table 1.** Demographics (n= 100).

Description		Frequency (percentage)
Qualification	MS/M.Phill	4
	Masters	44
	Bachelor	37
	Intermediate	15
Age (years)	18-24	32
	25-31	43
	32-38	13
	39 and above	12
Marital status	Married	33
	Un-married	67
Gender	Male	78
	Female	22
Organizational tenure (years)	1-5	69
	6-10	19
	11-15	7
	16 and above	5
		100

**Table 2.** Correlation matrixes.

	EP	SA	SM	SOA	RM
Employee performance (EP)	1				
Self awareness (SA)	0.215*	1			
Self management (SM)	0.264**	0.511**	1		
Social awareness (SOA)	0.389**	0.264**	0.395**	1	
Relationship management (RM)	0.341**	0.271**	0.305**	0.242*	1

\*\*p < 0.01; \*p < 0.05; N = 100.

correlated with employee's performance.

## METHODOLOGY

The participants included full time employees of five telecom companies in Pakistan. Employees who are were focused towards customer's orientation were targeted specifically which includes call center agents, business development officers and team leaders etc to have a better understanding of their emotional handling at work place. A total of 118 participants were targeted for filling questionnaires however 100 participants fully responded to support the study and filled each and every aspect of questionnaire making a response rate of 84.75%. This shows a sufficient sample size for analyzing results. This response rate is quite better than the other response rates of studies carried out in Pakistan (Shahzad, Rehman, and Abbas, 2010).

The EI questionnaire was based on the questionnaire develop by Petrides and Furnham (2006) for measuring "the role of trait emotional intelligence in a gender-specific model of organizational variables" and employee's performance questionnaire was based

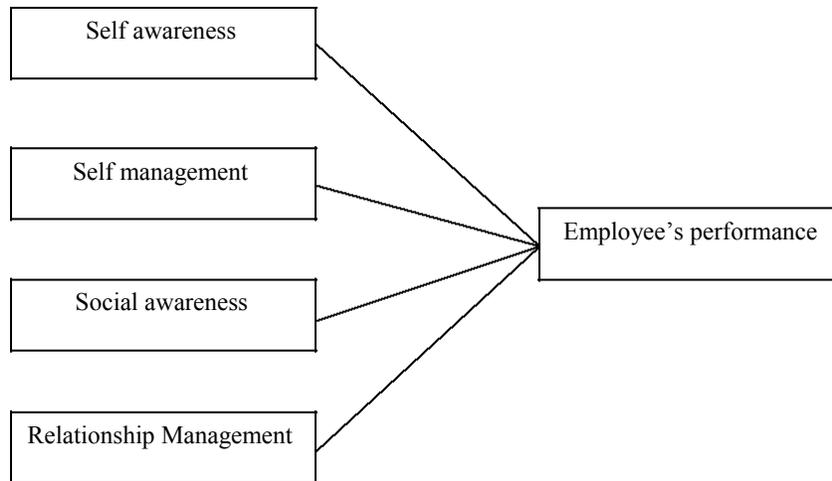
on the measures used by Taseema and Soeter (2006) for measuring impact of various HR practices on employee's performance. However, questionnaire was adopted and adapted because of worth change in culture traits between developed countries and developing country like Pakistan. The questionnaire was well tested by researchers for reliability and validity. The data was acquired on a five-point likert scale (ranging from 1 = strongly disagree to 5 = strongly agree). The alpha reliabilities of the scales are 0.82 for Self Awareness scale (07 items), 0.84 for Self Management scale (07 items), 0.81 for Social Awareness scale (07 items), 0.82 for Relationship Management scale (07 items) and 0.73 for employee performance scale (03 items). As all the alpha values are above the conventional standard of 0.7 providing further evidence for external validity of these measures.

Descriptive statistics were applied to demonstrate the demographics of participates by frequency distribution as show in Table 1. Correlation matrix was used to analyze the relationship between all variables of this study as show in Table 2. Regression analysis was carried out to show the intensity between independent and dependent variable and to measure the impact that an independent variable have on the dependent variable as show in Table 3.

**Table 3.** Regression analyses.

Variable	Beta	t-value	p-value
Constant	2.961	5.435	0.000
Self awareness	0.056	0.422	0.674
Self management	0.063	0.441	0.660
Social awareness	0.173	3.004	0.003
Relationship management	0.137	2.484	0.015

N = 100, R<sup>2</sup> = 0.221, Adjusted R<sup>2</sup> = 0.189, F = 6.749, p < 0.000. Dependent variable= Employee's performance.



**Figure 1.** Theoretical framework.

The demographics are not used in this study to find out their relationship with employee's performance. The objective of Table 1 is to show the composition of respondents to have a better understanding about their response for present study. Call center agents and business development official was particularly targeted apart from other employees because of their crucial orientation with customers on daily basis. Since 2000 telecom sector keep on establishing with its innovative and useful ideas. Qualification and age clearly indicates that majority of employees in telecom sector are youngsters who have completed their masters or bachelors' degree and at an initial stage of their careers. Therefore majority of them are un-married and seems to be passionate to settle down in their career life with grooming and unitizing their abilities at workplace. Their enthusiasm for development to meet future endeavors facilitates them to be emotionally attached with their work. Accordingly, emotional handling for better performance is crucial for such respondents which support the study for better analysis. Figure 1 summarizes the four aspects of Emotional Intelligence (EI).

## RESULTS AND DISCUSSION

The purpose of the study was to examine the impact of emotional intelligence (EI) on employee's performance among telecom employees of Pakistan by focusing on four major aspects of EI that is self awareness, self management, social awareness and relationship management. The correlation matrix indicates that self awareness is significantly correlated with employee's performance (0.215\*, p < 0.05) but as per regression

analyses it is a weak predictor of employee's performance (t = 0.422). Most of the employees at telecom sector joined pro-fession of call center agent or enter in the marketing field of telecom sector as they would like to be a part of such reputed company. Being at the initial stage of their career they would like to be competitive in terms of salary and perks offered by such companies irrespective of analyzing their core competencies and utilizing it for their career development. Their accurate self assessment and confidence is weak due to lack of practical experience which affects their performance and ultimately many employees switch their jobs when they gain some practical experience.

Self management is significantly correlated with employee's performance (0.264\*\*, p < 0.01) but is not a strong determined of employee's performance (t = 0.441) in telecom sector. Most of academic qualification in Pakistan does not emphasize on self development, self management, and self control and adaptability concepts and focuses more towards traditional studies instead of harmonizing in-depth abilities with study pattern. A fresh graduate is preoccupied with multiple thoughts to settle down anywhere in professional life irrespective of analyzing his/her own competences and achievement of career path. Such youngsters when employed in telecom

sector require considerable time to settle down and to be adaptable to work efficiently and give better performance. Therefore poor assessment and management of in-built abilities and just being passionate to earn money results in poor performance in such reputed sector of Pakistan.

Correlation matrix indicates significant relationship between social awareness and employee's performance (0.389\*\*,  $p < 0.05$ ) and it is a strong determinant of employee's performance with regression analysis ( $t = 3.004$ ). Telecom sector created its worth in such short time and capture huge market share in service industry. Keeping such status in mind youngster in particular and other people in general tried to be a part of such leading sector. Being a part of collectivist society employees strongly believe in networking and organizational awareness and tried their best to inherit the norms of telecom sector which results in better performance. By using empathetic ability employees please their bosses which results in sufficient feedback and ultimately results in better performance outcomes.

Relationship management is significantly correlated with employee's performance (0.341\*\*,  $p < 0.05$ ) and it is a strong determinant of employee's performance with regression analysis ( $t = 2.484$ ). Relationships appear to have high priority in our culture as it forms a bridge for exchange of information and enhance of social awareness. Apart from all weak points of academic background, fresh graduates know up to a large extent the art to communicate due to strong emphasis on English language in academics. Such ability enables telecom employees to influence less-literate customers and capture huge market share for the survival of telecom sector. Relationship management improves due to better communication and influencing ability which produces high performance outcomes.

## Conclusion

This study has a number of implications for telecom sector. Firstly the weak correlation and regression between self awareness and self management and employee's performance needs prompt attention. If such self directed and motivated persons will not given preference over unaware and unmanaged persons then the retention level and quality of work will keep on diminishing day by day. Telecom sector needs to outsource their hiring against call centre agents due to their huge strength and processing. This may become part of usual management if such aspects of EI (self awareness and management) will be given priority during hiring of individuals. Management at telecom sector should focus more towards in-built abilities of individual during performance management rather than artificial abilities developed by the influence of experience of others.

As far as social awareness and relationship management is concerned, it creates direct impact on employee's performance which on the flip side supports the important

dimension of Hofstede's study that is individualism v/s collectivism. It was argued that cultural relativity to believe in individualism and collectivism affects employee behavior to perform better (Hofstede, 1983). School education in Pakistan emphasizes learning from the experiences of others rather than to be self motivated and confident to polish one's abilities. Our culture creates strong impact on our beliefs. Accordingly, people in Pakistan manage themselves by focusing more on collectivism rather than individualism which support Hofstede's culture index in which Pakistan was rated at lower level in individualism (Hofstede, 1991).

EI should be a major criterion when it comes to promotion, performance and hiring of individuals (Goleman, 1998). Therefore EI should be given high priority when it comes to hiring and development of employees in Telecom sector. Being an under developed country Pakistan should focus on EI by inculcating it in its education system. Importance of EI should be recognized especially in higher education not just as a usual subject for students, not just for students' employers but for the development and prosperity of country's economy as a whole.

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