

*Review*

# Effects of emotional intelligence, communication effectiveness and strategic alignment in an Organizations performance

\*Halim Daim Francis, Shoba Hakim Hong and Dato Hiew Sulong

Department of Management Studies, University of Nottingham, Selangor, Malaysia.

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In today's complex communication environment, emotional intelligence, communication effectiveness, and strategic alignment remain a key topic of concern among managers and employees worldwide. Communication effectiveness is a key for organization's performance and progress. The interrelationship between emotional intelligence, communication effectiveness, and strategic alignment plays a vital role in the growth and success of organizations of Iran. Emotional intelligence (EI) and communication effectiveness are proposed as an important predictor of key organizational outcomes including strategic alignment. The paper is undertaken to understand the relationship between demographic variables (age and gender) and emotional intelligence, and communications effectiveness to improve strategic alignment in the organizations of Iran. The dimension of emotional intelligence in this study includes: happiness and optimism. Data (N = 82) for this study were collected through questionnaires and the participants were managers in Agriculture Bank and Educational Administrations of Iran. The aim of this paper is to assess the emotional intelligence and communication effectiveness and relationship with strategic alignment. The results showed emotional intelligence can impact on communications effectiveness through demographic variable and also communication effectiveness has a positive impact on strategic alignment.

**Key words:** Emotional intelligence, communications effectiveness, strategic alignment, demographic factors.

## INTRODUCTION

Emotional intelligence (EI) can play a crucial role in today's work settings (George, 2000; Goleman et al., 2002; Law et al., 2004; Sy and Cote, 2004; Wong and Law, 2002). In the background of the emerging 'moving revolution' in social and organizational psychology (Barsade and Gibson, 2007), emotional intelligence (EI) is

proposed as a significant predictor of key organizational outcomes. According to Goleman [2001], emotional intelligence (EI) refers to the abilities to recognize and regulate emotions in ourselves and others. Salovey and Mayer understand EI as the ability to monitor one's own and others' emotions, to discriminate between them, and to use the information to guide one's thinking and actions [Mayer and Salovey, 1990]. Bar-On indicates that emotional intelligence in his model consists of five components (that is, intrapersonal, interpersonal, general mood, adaptability, and stress management) [Bar-On, 2002]. In this paper, the researcher focuses on general mood component that this component includes happiness

\*Corresponding Author. Email: [diam.francis07@yahoo.com](mailto:diam.francis07@yahoo.com)

General mood can impact communication effectiveness in major of organizations. Happiness is defined as ability to enjoy one, and enjoy being with others and the sense of satisfaction with one's own life [Bar-On, 1997]. This element plays a main role with communication because individuals that are happy and satisfied at work and life will have better communications with others [Goleman, 1995]. Critical to understanding moods is that individual voluntarily likes to changes moods that they dislike. Thus, people who can feel better about themselves can actively seek out ways to change their mood. Managers are among the people that might want to keep their mood because how they feel will influence the way they communicate with others [Goleman, 1995]. The result shows that if manager or employee is happy in educational organization, he/she can better communicate and make good relationship effectiveness with others. Thus, general mood has a direct impact on communication and leads to communication effectiveness.

On the other hand, Communication plays an important role in the management of professional organizations and their achievement of success. Communication effectiveness has long been held to be a success factor for managers. Effective communication can add value to organizations [Thamhain, 1992]. Fisher states that communication effectiveness is a vital factor in the workplace, in relationships, and in everyday life [Campbell, 1999]. Communication effectiveness in organizations can unite the managers, workers, decision making, and improve teamwork [Thamhain, 1992]. Emotional Intelligence transformed progressively from a mere notion into a dominant theory in many research areas within which its effects on human behavior were analyzed. Recently, EI received much interest in the study of effectiveness of communications. Results of these studies indicated that emotional intelligence played a pivotal role in human communication. The need to establish the relationship between EI and effective communication was recognized. This relationship was further emphasized by many EI theorists who asserted that managers who are emotionally intelligent communicate well with people (Goleman, 1995; Mayer et al., 2004; Weisinger, 1998). This manuscript describes emotional intelligence and communication effectiveness of managers and employees in educational administration. However, the empirical evidence is scant (Day and Carroll, 2004; Reich and Benbasat, 1996) and no study has examined the interaction effect of managers' EI and employees' EI on communication effectiveness. As such, the goals of this study are to examine the impact of manager and employees' EI and communication effectiveness on strategic alignment.

### **Emotional intelligence**

Mayer et al. (1997) defined EI as "the ability to perceive

emotions, to access and generate emotions so as to assist thought, to understand emotions and emotional knowledge, and to reflectively regulate emotions so as to promote emotional and intellectual growth". Also, Esther et al. (1997) defined EI as "ability to sense, understand, and effectively apply the power and acumen of emotions as a source of human energy, information, trust, creativity and influence". Bar-On describes EI as "an array of non-cognitive capabilities, competencies, and skills that influence one's ability to succeed in coping with environmental demand and pressures" [1997].

### **Communication effectiveness**

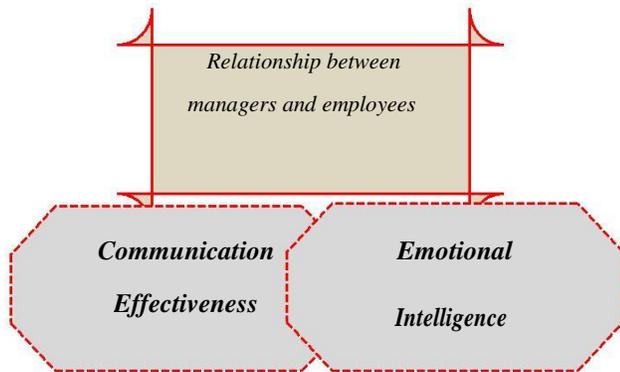
According to Campbell communicative effectiveness is deliberate behavior aimed at augmenting the result of an interpersonal meeting [Campbell, 1999]. Similarly, the expression "communication effectiveness" is often replaced by, "effective communication" (Gudykunst, 1993, 1995, 2005a). A high level of communication effectiveness leads to a high degree of similarities of understandings between the sender and the receiver [Gudykunst, 2005]. In this case, the communication effectiveness of the group managers has positive correlation with maximizing understanding or minimizing misunderstanding of group workers with strategic alignment. According to Campbell communicative effectiveness is deliberate behavior aimed at augmenting the result of an interpersonal meeting [Campbell, 1999].

### **Strategic alignment**

The strategic alignment indicates the degree of business mission, objectives and plans support; that it is supported by information technology missions and objectives [Reich and Benbasat, 1996]. Strategic alignment is very vital and its importance was mentioned since the past decades, as Papp observes, the importance of strategic alignment has been substantiated since 1980s [Papp, 1995]. Review of the aforementioned studies reveals that the importance of the strategic alignment is due to its impact on a number of its principle business deeds, like gaining competitive advantage, competing in a tough competitive market, imposing positive effect in the performance of a company, highest return on IT investment, competing in a diverse market, supporting business strategies and contributing to business value achievement, resulting in better performance, introducing flexibility in response to new opportunities.

### **Relationship between EI and communication effectiveness**

Scientists of emotional intelligence theory argue that emotional intelligence leads to improved communication



**Figure 1.** Communication effectiveness view of managers and emotion intelligence.

effectiveness in messages (Goleman, 1998b; Mayer et al., 2004; Weisinger, 1998). Bar-On said “to be emotionally and socially intelligent is to effectively understand and express oneself, to understand and relate well with others, and to successfully cope with daily demands, challenges, and pressures” [2002]. Goleman [2001] said social awareness of emotional intelligence has direct relationship with people and groups precisely and communication such as “the empathic individual can read emotional currents, picking up on nonverbal cues such as tone or facial expression”. Mayer et al. said “the high EI individual, most centrally, can better perceive emotions, use them in thought, understand their meanings, and manage emotions better than others ... tends to be more open and agreeable ...” (p. 210) [2004]. As shown, these theories focus on the significance of understanding and relating with others which has near connection with case of communication where adaptation and proper use of knowledge and skills are essential when interacting with other persons. For that reason, there could be a common underlying factor which looks to connect emotional intelligence with communication effectiveness. In summary, there is a communication view of emotional intelligence on the interaction and relationship components of the process. The view holds that emotional intelligence is outcome of the communicative process. It follows that to improve manager effectiveness requires a significant emphasis on communication effectiveness since according to this view; it is through communication effectiveness that emotional intelligence occurs. Figure 1 shows this relationship.

### Emotional intelligence and age

Mayer et al. (2000) found that emotional intelligence is also related to age. They found a positive correlation between levels of emotional intelligence and the age of individuals. Kafetsios (2004) also found significant differ-

ences in emotional intelligence based on age. In the study, older study participants outscored younger ones in three of four branches of emotional intelligence: facilitating thought, understanding emotions and managing emotions. In a similar study, older groups scored significantly higher than younger groups, suggesting emotional intelligence can increase with age [Bar-On, 1997]. Emotional intelligence test developers have reported that emotional levels in their normative samples increase with age (Bar-On, 1997, 2002 Mayer et al., 1999, 2002).

### Emotional intelligence and gender

Kafetsios (2004) found significant differences in emotional intelligence and gender groups. Female participants scored higher than males in regard to perceiving emotions and in the experiential dimension (area) of emotional intelligence. Gender has important effects on emotions and emotional intelligence. Our own work, for example, suggests that women may have a slight advantage in the hard skills of emotional intelligence [Mayer et al., 1999].

### GOALS AND METHODS

The goal of the research was to determine the impact of emotional intelligence through communication effectiveness on strategic alignment. Also, demographic variables (gender and age) play an important role in relationship among emotional intelligence, communications effectiveness, and strategic alignment. The research was based on a questionnaire study, which is a quite common form of investigation in this behavior and business field and also provides opportunities for determining relationship between emotional intelligence, communications effectiveness and strategic alignment. The respondents for the research were selected from the Agriculture Bank and Educational Administrations of Iran. The group comprised 82 persons, out of which 502 respondents completed the questionnaire.

### CONCEPTUAL FRAMEWORK

The model for this paper is composed of three key constructs (Figure2) including emotional intelligence, communications effectiveness, and strategic alignment. Based on the existing literature-as stated earlier- there is a positive impact of emotional intelligence on communication effectiveness and also communication effectiveness can impact strategic alignment. Also, reviewing the literature showed that gender and age serving as control variables can impact emotional intelligence. Therefore, we can propose that communication effectiveness mediates the link between emotional intelligence and strategic alignment. Good communication is one factor that has been found to affect strategic alignment [Goleman,

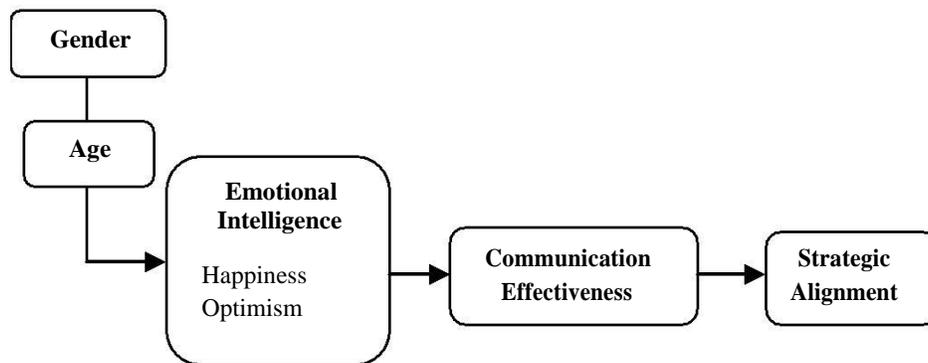


Figure 2. Conceptual framework.

Due to this, the researcher proposed the definition of good communication in current study as communication effectiveness, which has a relationship with strategic alignment.

In the light of the above literature we try to find out the effects of independent variables on the dependent variable; the following hypotheses will help us to do so:

1. H1: Emotional intelligence will have a significant relationship with communications effectiveness
2. H1a: Happiness will have a significant relationship with communications effectiveness
3. H1b: Optimism will have a significant relationship with communications effectiveness
4. H2: Communication effectiveness will have a significant relationship with strategic alignment.
5. H3: Gender factor will have a significant relationship with emotional intelligence.
6. H4: Age factor will have a significant relationship with emotional intelligence.

## OUTCOMES AND DISCUSSION

Emotional intelligence is independent variable in this research, communications effectiveness is a mediator variable and strategic alignment in the Agriculture Bank and Educational Administrations of Iran is considered as the dependent variable. Also, age and gender study plays the role of a control variable in current study. The present research is an applicable one with interrelationship. The researcher tries to investigate a connection between variables. The purpose of this applied study and correlation in this research is the assessment of this connection between variables and making on these predictions the researcher looks for a probable relation between emotional intelligence, communications effectiveness, and strategic alignment in Agriculture Bank and Educational Administrations of Iran. Statistically group consists of 502 subjects sample volume of about 82 people. Data were collected from libraries; other sources

include books, journals, magazines, newspapers, scientific reports, organizations archives, field studies and questionnaire by making use of evaluated specter of Likerts' specter. For hypothesis test, the average questions selected for each variable were specified then the software package (SPSS, Ver16) was used to analyze the connections between both groups of variables. The validity of the questionnaire was evaluated by Cronbach's alpha, which was 88% and acceptable. The reliability of variables consists of: happiness (.79), optimism (.79), communication effectiveness (.91), and strategic alignment (.78). The consistency of the questionnaire was announced by seven authorities at the average of 92%. Statistic methods were used to analyze and explain the present research such as: 1) Kendall's coefficient of concordance. 2) Krosskal and Walice. Based on Kendall's coefficient of concordance by the use of SPSS, Ver16, the following results were obtained:

H1: Kendal's coefficient between independent variable (emotional intelligence) and dependent variable (communication effectiveness) is equal to 76% and there is significantly positive correlation between two variables considering the fact that a rate of 0.999 is significant.

H1a: there is a significant relationship between the happiness of emotional intelligence and communication effectiveness. The correlation coefficient is 0.71 out of a significant level of 0.999; thus, the first hypothesis has been validated.

H1b: there is a significant relationship between assertiveness of emotional intelligence and communication effectiveness. The correlation coefficient is 0.75; thus, the second hypothesis has been validated. H1c: there is a significant relationship between independence of emotional intelligence and communication effectiveness. The correlation coefficient is 0.81; thus, the third hypothesis has been validated.

H2a: Kendal's coefficient between mediator variable (communication effectiveness) and dependent variable (strategic alignment) main hypothesis is equal to 66% and there is significant positive correlation between the

two variables considering the fact that a rate of 0.999 is significant.

H2b: Kendal's coefficient between control variable (gender) and independent variable (emotional intelligence) main hypothesis is equal to 87% and there is significant positive correlation between the two variables, considering the fact that a rate of 0.999 is significant.

H2c: Kendal's coefficient between mediator variable (age) and independent variable (emotional intelligence) main hypothesis is equal to 79% and there is significant positive correlation between the two variables, considering the fact that a rate of 0.999 is significant.

## Conclusion

Over results have shown there is a significant and positive relationship between independent variable emotional intelligence (that is, happiness, assertiveness, and independence) and communication effectiveness with dependent variable (strategic alignment) in Agriculture Bank and Educational Administrations of Iran. From the results of the study, we can conclude that the Agriculture Bank and Educational Administrations of Iran should pay much attention to both communications effectiveness and emotional intelligence as they could lead to maintain strategic alignment. We encourage future research to replicate our findings in wider samples in organizations of Iran. It is important to note that prior researches have ignored the link between emotional intelligence, communication effectiveness and strategic alignment that the current study was developed with the intention of filling the research gap.

## Limitations

The present research is concerned with the study of emotional intelligence and its impact on communication effectiveness and strategic alignment. As such, there are many areas for communication effectiveness and strategic alignment and for further research. In particular, we recognize that our study is subject to some important limitations. The first and most obvious limitation of the present study is limited by cost and time. A second limitation concerns the suggestions made by the study may require policy decisions and top management support for implementations. Finally, the findings of the study can be generalized only to likewise industry and organization of the same size.

## RECOMMENDATIONS

Emotional intelligence, as an important area of human behavior needs a lot of research in the developing countries like Iran. As it directly influences the employees' behavior working in any organization, the decision making power and the abilities are related to handle he

contin-gency situations, which may arise out of blues. There is also need to carry out research regarding intrinsic and extrinsic factors which have impact on the employees' behavior and emotional intelligence of the employees. Sector wise research may also be carried out to see the emotional intelligence level of employees in different sectors of the country, to make country prosper by having business human capital with in the country. On the other hand, further studies with respect to impact of emotional intelligence on organizational performance by different organization variables, are required in this field especially in Iran be it manufacturing industry or service industry.

## Conflict of Interests

The authors have not declared any conflict of interests.

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