

# Innovative strategy for Impact of demographic variables on emotional intelligence and leadership behavior of executives of Private Insurance companies working at Nagpur

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## **Abstract**

*Environmental changes are causing fundamental transformations which have a dramatic impact on organizations and presents new challenges for human resources management in general and leadership in particular. The transformations do represent a shift from traditional intelligence to a new paradigm of Emotional intelligence. It has been human nature to desire stability even in the ever changing professional lives .This system of life and organizations is fluid dynamic and potentially self renewing wherein today's best leaders are learning to "go with the flow "to accept the inevitability of constant change cannot be cuddled and integrated without addressing to the deepest thoughts and feeling of Indian managers. This requires the managers to open up the heart and deal with the emotions, welcoming them into the workplace to ensure success in this ever changing industrial environment. The challenges get multiplied when the industry executives have to work in diverse work culture. It is observed that a person's leadership style changes, the research were puzzled by the fact that while IQ could predict the academic performance to some level, the professional and personal potential, yet there was something in the equation. One could say that they were wasting their potential by thinking, behaving and communicating in a way that hindered their chances to succeed, and the major missing part in the success equation was identified as cognitive skills. The discover of cognitive skills and abilities, through appears to be outside the scope of IQ,yet is indisputably important.*

**Keywords:** Intelligence, cognitive skills,Human,Blend, Emotional Quotient. Etc

## **INTRODUCTION**

What do love, fear, affection, hate shame, disgust, surprise, sadness, elation and anger have in common? These are emotions that are directly affecting your day-to-day life. For long, it has been believed that success at the work place depends on your level of intelligence or intelligence quotient (IQ) as reflected in your academic achievements, exams passed, marks obtained, and so on. In other words, your intelligence credentials are: doing well in school, holding an engineering degree or even on advanced computer degree, obtaining high scores in an IQ test. All these are instances of intelligence of the academic variety .But how smart are you outside the classroom, faced with life's difficult moments? Here, you need a different kind of resourcefulness. You need, what is called emotional intelligence or emotional quotient (EQ), which is a different way of being smart...Why is it that the smartest people are not always the wealthiest, and why some people are instantly liked upon introduction, while others are distrusted? Why some are people sympathetic and caring, and have a rich and fulfilling emotional life?

Why are some people comfortable with themselves and the social universe they inhabit, while many others are not? Why do some people, with less academic achievements, lead a fulfilling life? Whereas many people with high IQ make their own life, and those of people around them, miserable?

Emotional intelligence is what gives a person the competitive edge. Even in certain renowned business establishments, where everyone is trained to be smart, the most valued and productive managers are those who have strong traits of emotional intelligence. Being endowed with great intellectual abilities, you may become a brilliant fiscal analyst or a legal scholar. But a highly developed emotional intelligence is what will make you a candidate for CEO, a brilliant lawyer, a successful politician or a powerful bureaucrats. Your EQ constitutes factors that are most likely to ensure success in your marriage or your affairs, or that you attain dizzy heights in your business. The lack of emotional intelligence explains why people who, despite having a High IQ, have been failures in their personal and professional lives.

Today the rules of the workplace are rapidly changing; a new yardstick is being used to judge people. It is often said that a high IQ may assure you a top position, but it may not make you a top person. This does not measure how smart you are or what your academic.

Qualification is or even what your expertise is. Instead, it measures how well you are able to handle yourselves or others. This yardstick is increasingly applied in deciding who will be hired and who will be ignored and who will be promoted. These new rules predict who is most likely to be successful and who is most likely to fail. Regardless of the field you are currently working in, you are being judge for emotional traits that are crucial to your marketability for future jobs or new assignments. Possibly, employees of large organizations may be evaluated in terms of such abilities, even though they may not be aware of it. If you are applying for a job, you are likely to be assessed in terms of these emotional abilities, though no one will tell you so explicitly. Whatever the job .understanding, how to cultivate these abilities is essential for a successful career.

These emotional traits have little to do with what you were told was important in school, college or other institutions; academic abilities are largely irrelevant to these new standards. Today, it is taken for granted that you have adequate IQ that is the intellectual ability and the technical knowhow to do your job. The focus, instead, is on your EQ-personal abilities such as initiative, empathy, motivation and leadership. To illustrate this point further, it may be said that people involved in the same profession generally fall above a certain threshold of intelligence or IQ. For example, few physicians are of average intelligence since they must have an IQ above certain level to make it through medical college. Some managers are smarter than others. But non are dumb. This is where the question arises of how to differentiate between managers who have more or less.

## Prologue

What determines professional success? Is it primarily your intelligence level or intelligence quotient (IQ), or is it your personality characteristics, or is it a combination of several things? I have pondered over this question for several years without arriving at a convincing answer. According to the proponents of emotional intelligence (EQ), a

person's emotional make-up largely determines his or her professional success. They believe that EQ is the most important determinant of the extent of professional and personal success in life. It is interesting to note that so many people with high IQ fail whereas those with less intellectual endowment are extremely successful. Even in certain renowned business establishments, where people are trained to be smart, the most valued and productive managers are those who have a high emotional Intelligence level, and not necessarily those with the highest IQ. Such examples abound in business, politics, academia and administration. It is increasingly recognized that IQ may account for only about 20 per cent of a person's success in life. The remaining 80 per cent depends largely on a person's emotional intelligence i.e., EQ. The leitmotif of this paper is that the rules for work are constantly changing. People are being judged by a new yardstick: how well they are able to handle themselves and others and not merely in terms of their academic qualifications and expertise. This yardstick is increasingly being applied to decisions regarding the hiring and firing of employees, who will be retained and who will be sidelined and who will be promoted. It is said that in the corporate world a person is recruited on the basis of his or her IQ, but is promoted on the grounds of his or her EQ. These new rules predict who is most likely to become a successful manager and who is most prone to failure. Whatever a person's vocation, he or she is being measured for traits which are crucial to his or her future market ability. These rules have little to do with what you were taught as important in school and college. The new measures take it for granted that you have the requisite IQ and technical know-how to do your job: it focuses instead on personal qualities, such as initiative and empathy, motivation and awareness, all of which constitute EQ. Simply put, EQ denotes 'Emotional Quotient' and is used interchangeably with 'Emotional Intelligence', a term derived from 'Intelligence Quotient' (IQ). In a layperson's language this could be defined as knowing what feels good, what feels bad, and how to get from bad to good. A more formal academic definition refers to emotional awareness and emotional management skills, which enable you to balance emotion and reason so as to maximize your long-term happiness. Emotional intelligence includes qualities such as self-awareness, ability to manage moods, motivation, empathy and social skills like cooperation and leadership. Your level of emotional intelligence is neither genetically fixed, nor does it develop only in early childhood. Unlike IQ, which does not increase after adolescence, emotional intelligence is largely learned and continues to develop throughout life and is conditioned by life's experiences. Unlike IQ, emotional intelligence can be improved throughout life. In the normal course of a lifetime, emotional intelligence tends to increase as you learn to be more aware of your moods, to effectively handle distressing emotions, and to listen and empathize. In short, as you become more mature, you can acquire certain emotional competencies that lead to outstanding performance at work. Some of the negative emotions which require emotional management and regulation are anger, failure, fear, disappointment, frustration, obligation, guilt, resentment, emptiness, bitterness, dependence, depression, loneliness and lethargy. Similarly, positive emotions such as motivation, appreciation, friendship, self-control, satisfaction, freedom, fulfillment, autonomy, peace, desire, awareness, contentment, elation and happiness can be used effectively as and when the situation demands. Why is it necessary to develop EQ? The reason is that people with high EQ are happier, healthier and more successful in their relationships. These people strike a balance between emotion and reason, are aware of their own feelings, show empathy and compassion for others, and have high self-esteem. Emotional intelligence can be instrumental in many situations in the workplace and can help achieve organizational effectiveness. On the basis of advanced research on the requirements of

a CEO's office, psychologists concluded that in the fast changing corporate environment you need more than just brains to run your business. You also need high EQ for making the right decisions and solving problems. Some of the immediate benefits of high EQ are that it can lead to increased productivity, enhanced leadership skills, improved responsiveness and greater creativity. It can also create an enthusiastic work environment, reduce stress levels and resolve emotional issues, improve the well-being of employees and improve relationships all round. EQ can enable employees to resolve past issues and both external as well as internal conflicts, help them attain emotional power and accomplish their goals at all levels physical, mental, emotional and spiritual and improve psychological abilities such as memory, clarity of thinking and decision making. Increasingly, more companies are realizing that encouraging emotional intelligence skills is a vital component of their management philosophy. An organization does not compete with products alone: how well it uses its people is more important for its survival. The Consortium for Research on Emotional Intelligence in Organizations has illustrated how emotional intelligence contributes to the bottom line in any work organization. EQ can be a valuable tool for HR practitioners and managers who need to bring about changes in their own organizations. It is being increasingly recognized that EQ can be effectively applied to the unique requirements of any organization. The principles of EQ can help employees become better team players, show greater creativity in their work and increase overall productivity through the powerful techniques of integrating and applying emotional intelligence at the workplace. For example, learning how to successfully overcome obstacles and blocks, resolve conflicts and deal with any issue that may come in the way of accomplishing managerial objectives. What are the ramifications of EQ for a professional? Clearly, in any discussion of emotional intelligence, it is important to identify the key determinants of success in the workplace. Even more important is the basis on which you for your personal compass, both at the workplace and elsewhere. Having been exposed to the psychological aspects of EQ, readers would want to assess their own EQ level. This work could not have been completed without the active support of a large number of friends and well-wishers. It is not possible to name them all and acknowledge their contribution individually. However, I am particularly grateful to Professor N.K.Chadha, Dr.Ashutosh Paturkar of Dr.Ambedkar College of Nagpur University Payal Mehta, Professor Rajiv Taneja of Pune University, Professors H.C. Ganguli, J N.R. Chatterjee, Parashar, to name just a few. It is my fervent hope that the paper will lead to improved interpersonal relations at the workplace, within the family and elsewhere.

### Statement of the Problem

**Innovative strategy for Impact of demographic variables on emotional intelligence and leadership behavior of executives of Private Insurance companies working at Nagpur**

### AIMS AND OBJECTIVES OF THE STUDY

As can be viewed from the title itself, the principal objective of the study has been to investigate into the impact of select demographic variables on emotional intelligence and leadership behavior of the corporate executives of the private insurance companies in Nagpur.

However, to reach at the prime objectives, the following incidental objectives have been coined out.

- To examine the emotional intelligence of the executives of private insurance companies in Nagpur.
- To explore the leadership frame as exhibited in the Indian corporate sector.
- To explore the level of passive bias amongst the executives.
- To analyze the impact of select demographic variables on the above cited three variables.
- To suggest workable guidelines for enhancing leadership effectiveness through emotional intelligence.

## HYPOTHESIS

1. Executives will be classified on basis of age, gender and marital status.
2. An Individual leadership style changes with age.
3. The emotional stability increases with age.
4. There is close association between emotional intelligence and leadership behavior of the executives.
5. The level of passive biases in both the gender portrays that male executives are more prone to biasness as compared to female executives.

## RESEARCH METHODOLOGY

### Scope and Methodology

The entire phenomenon paradigm shift delves into the concept of emotional intelligence and leadership behavior. The basic contention of this research is to develop a generalist view about the impact of emotional intelligence on leadership behavior of Indian corporate executives. The paper unfolds the existing leadership frame vis-à-vis emotional intelligence level of Indian executives, drawn with help of standard scales on the subjects. The paper concludes with certain important guidelines for enhancing leadership effectiveness through emotional intelligence specifically tailored to Indian industrial environment.

In Indian business, CEOs are often heard saying ‘business done by brain and not by heart’. They view that people with low emotional intelligence lead to low productivity and poor management. Indian professional approach at large could be felt to be very traditional, i.e., non-emotional approach devoid of personal relations.

Many fatal flaws are related to classical emotional failures, such as poor working relations, authoritarianism or excessive ambition and conflict with top management. It is healthy for mind, body, heart and spirit to experience feelings as and when they arise. Leaders who are attuned to their own feelings and the feelings of others can use their understanding to enhance the organization’s effectiveness.

The study at hand has been conducted to examine the leadership frame of Indian executives, their level of emotional intelligence, and also to ascertain the impact of emotional intelligence on leadership orientation and behavior of the executives. The study also aims at suggesting guidelines for enhancing leadership effectiveness through emotional intelligence. Though study has been conducted in the Indian subcontinent yet its findings can be equally useful for rest of the Asian countries due to similarities in the work cultures. In the present study an exploratory-cum descriptive research design has been followed to reach at the above-mentioned objectives. Data has been collected from 150 executives by applying convenience-cum-purposive sampling. Though data has been collected from the executives working in Five different organizations of the Private insurance companies like **ICICI Prudential ,Birla sun life ,HDFC standard life insurance ,Aviva Life insurance and Bajaj Allianz Insurance** companies yet due care has been taken to pick up the respondents from executives and managers to make the sample representative. The data has been collected with the help of three scales/inventories developed by three distinct authorities in their respective fields. The first scale on Leadership Orientation helps in studying the four-leadership frames, i.e., structural, human resource, political and symbolic frames of a learning organization. This scale consists of six questions with four options of each and the respondents were asked to rank them from four to one to ascertain their leadership frame. **Lawrence Otis Graham** has developed the second research instrument on Leadership Development that aims at knowing the 'passive bias' of a leader. This instrument consists of 12 statements to be answered in yes or no, and gives a leader's behavior in his surroundings and its impact on decision-making, as a leader should definitely consider ways to become more diversity aware and culturally sensitive. The third instrument, an Emotional Intelligence Test, has been developed by **N.K. Chadha**, a psychologist at University of Delhi. This test consists of 15 different situations with five options of each to measure the level of emotional intelligence in a leader. The data collected with the above mentioned three research instruments has been duly analyzed, interpreted and correlated to reach at the objectives of the study. In the present study an exploratory cum descriptive design has been followed to reach at the above-mentioned objectives. Data will be collected from 150 executives by applying convenience-cum-purpose sampling. Thus keeping in view the perceived significance of association between emotional intelligence and leadership behavior, the present study has been carried out with the under mentioned objectives.

## Major Findings

### Impact of EI on Age, gender & marital status

Age-wise respondents were categorized in four age groups, i.e., and executives with less than 25 years, 26-35 years, 36-45 and above 45 years of age. The results on the leadership frames reveal that personnel below 25 years of age and those in the age group of 26-35 are of multiple type leadership frames, while those in age group of more than 35 years are of humanistic frame. This connotes that young generation of executives have long-range vision and they recognize and support a diverse organizational community. It also signifies that lower age group executives are more willing to work in global world and trap opportunities from various cultures by capturing unique characteristics of others. However the personnel above 35 years of age have been found less prone to multiple orientations as their experience has turned them to be humanistic and ensnare the opportunities in the same culture instead of diversified

one .The results further illustrate the level of passive bias of executives in relation to their age .It can be gauged that personnel above 45 years of age have high passive bias ,while a absolute passive bias is totally absent from any of the significantly in every age group, yet it is highest in the executive who are less than 25 years of age. Hence it can be concluded that the degree of passive bias increases with age, which in turn indicates that the executive with growing age resist changes, and would like to work in their own manner. The phenomenon of resistance to change increases bias, which is neither appropriate nor desirable for the individual, organization and the society at large .The results demonstrate the emotional intelligence level of the executives in relation to their age reveals a parabolic trend. It means that a person's emotional intelligence level first increases with the age, reach at a peak and then start decreasing it in a age group of below 25 years above 50 percent respondents have an average level of emotional intelligence; those in the age groups of 26-35 years and 36-35 years have recorded high level of emotional intelligence to the tune of 39 percent and 54 percent respectively.80 percent of personnel above 45 years of age have shown an average level of emotional intelligence. Thus the respondents above 25 years but less than 45 years have witnessed comparatively more emotional stability.

### **Impact on Leadership**

The dimension of leadership frames reveals that personnel below 25 years of age and those in the age group of 26-35 are of multiple type leadership frames, while those in the age group of more than 35 years are of humanistic frame. This connotes that the young generation of executives have long –range vision and they recognize and support a diverse organizational community. It also signifies that lower age group executives are more willing to work in the global world and ensnare the opportunities from various cultures by capturing unique characteristics of others .However, the personnel above 35 years of age have been found less prone to multiple orientations as their experience has turned them to be humanistic and ensnare opportunities in the same culture instead of diversified one.

### **Impact on Biasness**

The level of passive biasness of executives in relation to the age demonstrates that the personnel above 45 years of age have high passive biasness. Absolute passive biasness is totally absent from any of the age groups. Though medium level of biasness has been recorded significantly in every age group, it is highest in the executives who are less than 25 years of age .Hence, the degree of passive bias increases with age, which in turn indicates that the executives with growing age resists changes, and like to work in their own manners. The phenomenon of resistance to change increases the biasness, which is neither appropriate nor desirable for the individual, organisation and the society at large.

### **Impact on marital status**

Men and women are two equal partners of the society; even Indian constitution does not permit to discriminate on the basis of sex. However, Indian women generally have to face discrimination due to their being female. Though this tendency is disappearing with advancement of the society, it has not been yet completely uprooted from the common Indian psyche. The change in the attitude of the society has also led the corporate world to change its outlook and attitude towards women executives. Many

research studies have been conducted and the growing philosophy of the organizations towards gender equality has come in the form that today women are expected to “look like ladies and act like men”. Moreover, the organizations of the day are now emphasizing on the women leadership due to specific advantages of the same, we find hardly any organization/ department where women are not leading. Be it a service sector, manufacturing sector or any other administrative assignment, women have marked their presence in bold .In spite of this, certain misgivings about the leadership styles of women executives are still present in the Indian minds. So, what variations emerge on emotional intelligence and leadership behavior of the executives on the basis of gender is the subject of discussion as presented in this of the study

In the Indian culture it is general saying that female is another name of sacrifice and patience, which in turn speaks out her emotional stability.

It is a general belief that marriage brings a sea change in a person’s life due to additional responsibilities, changes in the priorities, interchange of mutual cultures ,etc.This occurrence of change is bound to affect the performance of the individual at workforce as well ,and the industry executives ,who are already burdened with their professional workloads, cannot be an exception to that .Therefore ,to what extent the marital status affects the emotional stability,leadership frame and the biasness of executives at workplace is very relevant and timely in this milieu.

### **Impact of Marital Status on Emotional Intelligence**

Generally it is believed that a person’s life gets a sea change after marriage due to additional responsibilities, changes in the priorities, interchange of culture etc. This occurrence of change is bound to affect the performance of the person at work place as well and the industry executives who are already burdened with the office work. Therefore, to what extent the marital status affect the emotional stability, leadership frame and the bias of executives at work place is very relevant and timely in this milieu.The findings reveal that unmarried executives generally opt for multiple frames followed by multiple frames of leadership .Married executives give equal preference to multiple and humanistic frame of leadership.It is worth noting a fact that unmarried executives did not register their option for humanistic and symbolic frame at all.This difference in the leadership frames perhaps may be due to other factors and additional responsibilities and not because of marriage.Though emotional intelligence does not seem to be dependent on the marital status of a person yet it gives some interesting findings on the subject. The level of emotional intelligence in both the categories ,i:e ...married and unmarried executives has been to be high or average ,how-ever unmarried executives have registered higher amount of emotional stability. Comparatively lower emotional intelligence in the married executives seems to be an outcome of overwork and additional and diverse type of responsibilities. The analysis of above shows that there is not significant correlation between marital status,emotional intelligence and leadership behaviour.whatever little variations have been observed seem to be an outcome of other factors and not that of marriage.

### **Impact of Gender on Emotional Intelligence and Leadership Behaviour**

Many research studies have been conducted and the growing philosophy of the organizations towards gender equality has come in the form that today women are expected to “look like ladies and act like men”. Moreover, the organizations of the day

are now emphasizing on the women leadership due to specific advantages of the same, we find hardly any organization/ department where women are not leading. Be it a service sector, manufacturing sector or any other administrative assignment, women have marked their presence in bold .In spite of this, certain misgivings about the leadership styles of women executives are still present in the Indian minds. So, what variations emerge on emotional intelligence and leadership behaviour of the executives on the basis of gender is the subject of discussion.

In the Indian culture it is general saying that female is another name of sacrifice and patience, which in turn speaks out her emotional stability

### Conclusion

In the present study it is found that a person's leadership style changes with age. As and when a person is less willing to adapt to changes and bring diversity, it will lead to a bias. The reason behind this lies in the fact with growing age though a person's emotional stability increases, but after peak it start declining thereby creating proportionate relationship between emotional intelligence and leadership behaviour of the executives. Marriage does not come much on the way of a leader in terms of his behaviour, and emotional stability. Women executives have been found with humanistic or structural frame of leadership. Male executives' decisions are more biased as compared to female executives but women executives have been found more emotionally intelligent.

In nutshell tomorrow is the day of those industry executives who are more emotionally stable and show leadership effectiveness even in diverse circumstances irrespective of their age, marital status or gender. The study shows the linkage between emotional intelligence of leader and the performance indicates a positive correlation. When a leader exhibits competencies like initiative, nurturing attitude, team building, self-confidence, achievement motivation, and empathy etc, the performance is bound to be more effective. The results of the study can be translated into specific suggestion to enhance leadership effectiveness and that through emotional intelligence. A leader's passion for work reasons less for money or power and his ability to pursue goals vigorously and persistently are more important. Instead of securing short-term gains, achievement for the sake of achievement should be the goal of every manager and which in turn need high level of achievement motivation in the leader to help him in leading from the front. Every leader should be aware that his job is as much about getting people to work together as a team, as it is about motivating individual member of the team. Thus, the leader's aim should be to build a team, which is cohesive, self-supporting and must know where it is going. In order to develop a team spirit, high morale and induce a feeling of shared responsibility for achievement, the leader must foster an environment of mutual trust and confidence and create a feeling of interdependence among the team members.

### Suggestions

When a leader exhibits competencies like initiative, nurturing attitude, team leading, self-confidence, achievement motivation, and empathy etc.,the performance is bound to be more effective. The results of this study can be translated into specific suggestions to enhance leadership effectiveness and that is through emotional intelligence .Under mentioned are some recommendations/suggestions that stammed out of the study ,and

if implemented in letter and spirit ,can go a long way in enhancing leadership effectiveness with more emotional intelligence among corporate executives.

A leader's passion for work reasons less money or power and his ability to pursue goals vigorously and persistently are more important. Instead of securing short term goals, achievement for the sake of achievement should be the goal of every manager and that in turn needs high level of achievement motivation in the leader to help him in leading from the front.

Every leader should be aware that his job is as much about getting people to work together as team, as it is about motivating individual members of the team. Thus, the leader's aim should be to build, which is cohesive, self-supporting and must know it is going. In order to develop a team spirit, high morale and induce a feeling of shared responsibility for achievement, the leader must foster an environment of mutual trust and confidence and create a feeling of interdependence amongst the team members.

Assertiveness is a highly desirable trait for every leader. But assertions with aggression will lead to negative results. Hence, the leaders of the day should be assertive, instead of being aggressive.