

Impact of emotional intelligence in organizations

Manpreet Kaur

*Chandigarh University, Mohali
manpreet.usb@cumail.in*

Abstract

In the competitive business era, organizations are devising strategies to be ahead of others. Organizations are required to create effective leaders and diverse work groups which can work efficiently. Apart from cognitive abilities, emotional intelligence also impacts the organizations in significant manner. This paper studies the impact of emotional intelligence in organizations in varied fields like effective leadership, building interpersonal relations; enhancing job performance and managing stress.

Keywords: *Emotional intelligence, Leadership, Interpersonal Relations, Job performance, Stress*

Introduction

As the business environment is becoming very dynamic in the past few decades, right decisions play a key role in managing business. Cognitive abilities of employees in organizations are much appreciated abilities in organizations. They are in fact important for decision making and analysing different business scenarios. At the same the studies have shown that the role of emotions cannot be denied in building strong organizations and enhancing leadership effectiveness. In order to plan, implement and execute the business strategies effectively, it is vital that the leaders take decisions in a balanced state of emotions. Many a times the leaders in the organizations pay more attention to cognitive abilities than emotions. According to a study (Stephens & Christopher 2006), when cognitive abilities are low and emotional intelligence is high in an employee then also he reflects high job performance in the organization. This study clearly suggests that emotions and emotional intelligence impacts an organization to an appreciated level. Moreover a vivid importance has been given to emotions and intelligence in past few decades. Combining the two terms becomes emotional intelligence. Salovey and Mayer (1990) defined emotional intelligence as the subset of social intelligence that involves the *ability to monitor one's own and others' feelings and emotions, to discriminate among them and to use this information to guide one's thinking and actions*. In a classification coined by Salovey and Mayer (1990) and Goleman (1995), emotional intelligence has five characteristics as :

- 1) Appraising the emotions
- 2) Managing the emotions
- 3) Exercising emotional self control
- 4) Appraising other's emotions or empathy
- 5) Managing and controlling interpersonal relations

Emotional intelligence is not only being aware of emotions but also using emotions in a functional manner. At the same time emotional intelligence is about appraising and understanding others emotions as well. Mayor and Salvovy (1900) are of the view that emotional intelligence focuses on the identification and use of one's own and others' emotional states to solve problems and control

behaviour. Such skills are highly required in organizations to run them smoothly and create high performance work culture. In the proceeding part of this paper the impact of emotional intelligence in varied fields in business is studied.

Methodology

Secondary sources of data are used in this paper. Various research studies are examined and literature is reviewed on emotional intelligence to frame a structured content to understand the impact of emotional intelligence in organizations.

Emotional Intelligence and Effective Leadership

There are numerous leadership theories which discuss various leadership traits and leadership styles. One of the important aspects of leadership is influencing the minds of the followers. In order to attain this objective emotions play a significant role. A leader must be aware about the emotions or feelings of employees and the derived reactions due to these emotions. According to a study done by authors (i.e. Conger & Kanungo, 1998; Locke, 1991; Yukl, 1998), effective leadership includes the following crucial elements:

- Creating of a shared sense of goals and objectives and designing ways to achieve it
- Understanding of the importance of various work activities and behaviours in an organization;
- Creating enthusiasm & excitement in organizations and motivating individuals towards achievement of goals
- Increasing flexibility in change management and decision making
- Developing a meaningful identity for an organization.

Leaders are required to process huge information which can indicate various challenges, opportunities, threats and weaknesses etc. of an organization. In order to process the information correctly it is important that leaders should appraise the emotions when they are taking decisions. According to research (Isen et al., 1987) suggests that positive emotions or moods brings in more creativity and leaders are likely to come up with a compelling vision. It can be vice versa in negative state of emotions. Therefore it becomes important for leaders to control their emotions or to evaluate their decisions in different state of emotions so that the decisions are neither too positive nor negative in current state of business scenarios. For example, if an employee have deceived the leader and the leader is angry then this anger will bring in negative moods and will colour the interactions of the leader in the entire day if these negative emotions are not repaired. Therefore it becomes equally important for a leader to alienate or repair the negative emotions to focus on issues in a positive state of emotions.

Decision making is very critical for leaders as well as for the fate of the organizations. It becomes vital for leaders to consider different alternatives, increase flexibility in decision making and take timely decisions. According to research (Frigda, 1988; Mandler, 1975; Simon, 1982). Emotional intelligence is important in prioritizing various demands while decision making. Moreover, when a leader realizes that emotions caused by low priority demands are sniping with more pressing demands, the leader's ability to manage the emotions will lead to effective decision making. A study (Barling, Slater, Kelloway 2000) suggested that use of transformational leadership is associated with

emotional intelligence. According Goleman (1998) Emotional intelligence is of utmost importance for successful leadership.

Interpersonal Relations

In compelling business scenario, the necessity of creating strong work teams in the organizations cannot be ignored. The interpersonal relations within a team, superior- subordinate, peer relations, client or customer relations have significant importance for running the crucial work activities smoothly. The concept of empathy is a contributor to emotional intelligence where an individual can understand other's feelings or emotions. According to research (Batson,1987; Kessler 1985) empathy is an important skill which enables individuals to provide social support and maintain positive interpersonal relations. As per the research(Schutte, Malouff, Bobik, Coston, Greeson, Jedlicka, Rhodes , Wendorf 2001) higher emotional intelligence scores were related to higher empathetic perspective, higher social skills and more cooperative responses. He added that higher emotional intelligence scores are associated with better relationships. Recognizing emotions, correctly responding to, and influencing follower's emotions is required for leaders to develop high value interpersonal relationships with them (Salovey & Mayer, 1989–90)

Enhancing job performance

Motivating employees and creating excitement related to work assignments are critical for achieving organizational goals and objectives. A study (Steve Langhorn, 2004) suggests that if efforts are put in the emotional development of leaders then they can create a culture and atmosphere where the employees would give their best. Another study (Stephens & Christopher 2006) pointed that when cognitive abilities are low and emotional intelligence is high in an employee then also he reflects high job performance in the organization. This clearly indicates that leaders with high emotional intelligence can make employees work to the best of their abilities and at the same time employees with high emotional intelligence also tend to be more optimistic and committed to their jobs.

Managing Stress

Stress is a common term used by millennials. Stress can be derived from the pressure at the work places, work- life balance, personal issues etc. In order to control behaviour and take righteous decisions it is vital to cope up with stress. According to research (Pike, 2003; Strümpfer, 2003) stress is being explained as internal demands that exceed personal resources, while coping being viewed as emphasising psychological strengths that enable a person to cope with stress. Emotional intelligence contributes to constructive thinking or the capacity to solve issues with least amount of stress (Epstein, 1990; Katz & Epstein, 1991). Constructive thinking is required for managing the conflicts and to build high levels of trust and cooperation.

Conclusion

Emotional intelligence is a critical aspect of an individual's personality. Individuals high in emotional intelligence tend to be effective leaders, develop high quality interpersonal relations, create high performance mechanism among work groups and come out of the stress smoothly. Organizations must work on enhancing the emotional intelligence of employees to create optimism and cooperation in work groups. A vivid research is being done to develop ways to enhance emotional intelligence which can impact organizations in a positive way.

References

- [1] Barling Julian, Slater Frank, Kelloway E. Kelvin , Transformational leadership and emotional intelligence : an exploratory study, *Leadership and organizational development journal*, 21/3(2000), pp.157-161.
- [2] Batson, C.D. Prosocial motivation: Is it ever truly altruistic? In L. Berkowitz (Ed.), *Advances in experimental social psychology*. Vol. 20. New York: Academic Press, 1987, pp. 65–122.
- [3] Conger, J.A. & Kanungo, R.N. *Charismatic leadership in organizations*. Thousand Oaks, CA: Sage, 1998.
- [4] Epstein, S. Cognitive-experiential self-theory. In L. Pervin (Ed.), *Handbook of personality theory and research*. New York: Guilford Press, 1990, pp.165–91.
- [5] Frigda, N.H. The laws of emotion. *American Psychologist*, 1988, 43, 349–58.
- [6] Goleman, D. (1995), *Emotional intelligence*, Bantam Books, New York, NY
- [7] Goleman D. (1998), “What makes leaders?”, *Harvard Business Review*, Nov – Dec, pp.93-102.
- [8] Katz, L. & Epstein, S. Constructive thinking and coping with laboratory induced stress. *Journal of Personality and Social Psychology*, 1991, 61,789–800.
- [9] Kessler, R.C., Price, R.H. & Wortman, C.B. Social factors in psychopathology: Stress, social support, and coping processes. *Annual Review of Psychology*, 1985, 36, 531–72.
- [10] Locke, E.A. *The essence of leadership*. New York: Lexington Books, 1991.
- [11] Mandler, G. *Mind and emotion*. New York: Wiley, 1975.
- [12] Mayer, J. D., & Salovey, P. (1997). What is emotional intelligence? In P. Salovey & D. Sluyter (Eds.), *Emotional development and emotional intelligence: Educational implications* (pp. 3–31). New York: Basic Books
- [13] Pike, A. (2003). *Dealing with stress: Health and safety*. *Emergency Services SA*, 24(5), 20-21.
- [14] Salovey , P. and Mayer J.D (1990), “ Emotional intelligence”, *Imagination, Cognition and personality*, vol 9, pp 185-211
- [15] Schutte, Malouff, Bobik, Coston, Greeson, Jedicka, Rhodes, Wendorf (2001), “ Emotional Intelligence and Interpersonal Relations” , *Journal of social psychology*, 141(4), 523-36
- [16] Simon, H.A. Comments. In M.S. Clark and S.T. Fiske (Eds), *Affect and cognition*. Hillsdale, NJ: Erlbaum, 1982, pp. 333–42.
- [17] Stephane Cote, Christopher T.H.Miners(2006). “Emotional intelligence, Cognitive Intelligence, and Job Performance” *Administrative science Quarterly*, Vol. 51, No. 1 (Mar., 2006), pp. 1-28
- [18] Steve Langhorn, (2004), "How emotional intelligence can improve management performance", *International Journal of Contemporary Hospitality Management*, Vol. 16 Iss 4 pp. 220 - 230
- [19] Strümpfer, D.J.W. (2003). Resilience and burnout: A stitch that could save nine. *South African Journal of Psychology*, 33(2), 69-79.
- [20] Yukl, G. *Leadership in organizations* (4th ed.) Upper Saddle River, NJ: Prentice Hall, 1998.