

**A STUDY ON THE IMPACT OF EMOTIONAL  
INTELLIGENCE OF EMPLOYEES ON ORGANIZATIONAL  
EFFECTIVENESS IN IT INDUSTRY WITH SPECIAL  
REFERENCE TO CHENNAI CITY**

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**ABSTRACT**

Emotional intelligence is a set of qualities and competencies that cover a broad collection of individual skills and characters, usually referred to as soft skills or inter and intra-personal skills, that are outside the traditional areas of specific knowledge, general intelligence and technical or professional skills. The present study addresses such a novel area and attempts to find out how far the organization would be able to identify emotional intelligence of the employee's and relate it to their performance on the job. Hence the study is conducted to measure the emotional intelligence level among the managers and the impact of emotional intelligence of employees on organizational effectiveness in IT industry of Chennai city.

**Key Words: Empathy, Social Awareness, Self-Management, Emotional Intelligence, Organizational Effectiveness.**

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## INTRODUCTION

Emotional intelligence is a set of qualities and competencies that cover a broad collection of individual skills and characters, usually referred to as soft skills or inter and intra-personal skills, that are outside the traditional areas of specific knowledge, general intelligence and technical or professional skills. Sometimes it becomes increasingly difficult for us to connect in this modern world, both with ourselves and others which leads to stressful life. To get connected with ourselves and the surrounding, the only approach is the talent of emotional intelligence.

Quintessence of emotional intelligence (EI) is the ability to identify, understand and manage our emotions in positive ways to relieve stress, communicate effectively and empathize with others, this ability and understanding is, for the most part, a non - verbal process that informs thinking. People with social skills are excellent team players as they have the ability to move an agenda along and keep focus, while at the same time, remain aware of the emotional climate of the group and possess the ability to respond to it. Societal people are excellent at making connections, networking and bringing people together to work on projects. They are able to bring their emotional intelligence skills into achievement in a larger arena.

## FACTORS OF EMOTIONAL INTELLIGENCE

**Self-Awareness:** This attribute makes us to recognize our own emotions and how they affect our thoughts and behavior. It helps us in understanding our own strengths and weaknesses and also helps us in developing self-confidence.

**Self-Management:** This quality creates capacity to control spontaneous feelings and behaviors, managing emotions in healthy ways, taking initiative and by adapting to changing circumstances.

Emotional self-control: keeping disruptive emotions and impulses in check:

- Adaptability: flexibility in handling change
- Achievement orientation: striving to improve or meeting a standard of excellence
- Positive outlook: persistence in pursuing goals despite obstacles and setbacks.

**Social-Awareness:** We can understand the emotions, needs, and concerns of other people, pick up on emotional cues, feel comfortable socially and recognize the power dynamics in a group or organization.

- **Empathy:** sensing other's feeling and perspective and taking an active interest in their concerns.
- **Organizational awareness:** reading a group's emotional currents and power relationships

**Relationship – Management:** It maintains the following:

- Coach and Mentor: sensing other's development needs and bolstering their abilities
- Inspirational leadership: inspiring and guiding individuals and groups
- Influence: wielding effective tactics for persuasion
- Conflict management: negotiating and resolving disagreements
- Teamwork: working with others toward shared goals.
- Creating group: synergy in pursuing collective goals

## **EMOTIONAL INTELLIGENCE AND ORGANIZATIONAL EFFECTIVENESS**

Job satisfaction is “a pleasurable emotional state resulting from the appraisal of one's job - an effective reaction to one's job and an attitude towards one's job” (Shahnawaz&Jafri, 2009). Organizational commitment is “the strength of an individual's identification with and involvement in a particular organization” (porter 1974)

Emotional intelligence improves individual and organizational performance. It plays a significant role in the kind of work an employee produces and the relationship they enjoy in the organization. Being endowed with great intellectual abilities one may become a brilliant fiscal analyst or a legal scholar, but a highly developed emotional intelligence will make a successful bureaucrat. Researchers today are interested in finding the effects of emotional intelligence on employees and thereby, organizations and analyzing the various other facets of EI. Emotional intelligence in the organization supports in identification of employees emotional intelligence level and its impact on employee performance on the job. This would act as an indicator for promotion of employees in the organization.

Merely creating policies is not enough; fostering an organizational culture that supports the use of available policies is also of great importance. Further there is a need for employers and employees alike to find flexible and innovative solutions that maximize productivity without damaging employee's well-being, their emotions and other aspects of life. The impact of emotional intelligence on organizational effectiveness has attracted the attention of many researchers.

Emotional intelligence is a set of competencies, which direct and control one's feelings towards work and performance at work. These set of competencies are the ability of the individual to control and manage his or her feel and impulses on the job. Emotional intelligence in the organization supports in identification of employees emotional intelligence level and its impact on employee performance on the job. This would act as an indicator for promotion of employees in the organization. Most of the researchers are still working to study the concept of emotional intelligence and its relationship with success.

### **NEED AND IMPORTANCE OF THE STUDY**

The present study addresses such a novel area and attempts to find out how far the organization would be able to identify emotional intelligence of the employee's and relate it to their performance on the job. Hence the study is conducted to measure the emotional intelligence level among the managers and the impact of emotional intelligence of employees on organizational effectiveness in IT industry of Chennai city. The findings and outcome of this research will be beneficial to the IT organizations in India, which is a flourishing industry and contributes significantly to the GDP of the country. The study will bring in sharp focus the major challenges encountered in these areas and the solutions that will aid IT organizations to deal more significantly in increasingly their effectiveness.

### **OBJECTIVES OF THE STUDY**

Objectives were framed after a comprehensive insight into the diverse and extensive literature and taking leads from the various studies conducted hitherto, for the verification of the present investigation:

1. To determine the level of emotional intelligence among the employees in IT companies.

2. To measure the prevailing organizational effectiveness in the study domain.

### Study Area

Chennai is referred to as the detroit of South Asia. As IT companies have entered the economic arena, their high level of pay has raised the economic standard of young and educated professionals. Chennai, being the metropolitan city, truly represents employees belonging to various strata of the society. The study is conducted in IT companies in Chennai. Chennai hosts a number of IT companies making the study realistic and meaningful. The city consists of software giants, medium and small software units. The study is conducted using both analytical and descriptive type of methodology.

### Sampling Size and Design

The primary data are collected through survey method. Survey is conducted using well formulated questionnaire. Convenience sampling is applied for generating data. Samples for the purpose of the study are selected systematically. Totally 1000 questionnaires were distributed and 556 were collected out of which 517 completed questionnaires were found usable.

### ORGANISATIONAL EFFECTIVENESS IN IT INDUSTRY

The IT organizations that practice emotional intelligence have more effectiveness on its employees. The quality of employees and their development through organisational effectiveness are major factors in determining the impact of emotional intelligence practices followed in the IT companies. The IT companies practicing organisational effectiveness are identified through 10 statements regarding their prominent role in the organisation. The sample T-test is applied on ten variables of organisational effectiveness. This test is performed with the test value 3 and the following results are obtained.

**Table 1**

#### One-Sample Statistics for Organisational Effectiveness

	N	Mean	Std. Deviation	Std. Error Mean
Interpersonal Relationship	517	3.4315	.89781	.03864
Financial Position	517	3.4593	.80824	.03478
Quality Work Life	517	3.4815	.95036	.04090

Job Security	517	3.6444	.71783	.03089
Career Growth	517	3.5704	.75633	.03255
Career Opportunities	517	3.5167	.77154	.03320
Job Related Problem	517	3.4296	.70029	.03014
Ethical Behaviour	517	3.3130	1.04456	.04495
Personality Development	517	3.6056	.64894	.02793
Decision Making	517	4.2185	.68676	.02955

Source: Computed Data

From the above table, it is found that all the mean values are greater than 3, in particular ranging from 3.31 to 4.21 with their respective standard deviation less than 1, except ethical behaviour having standard deviation greater than 1.

**Table 2**

**One-Sample Test for Organisational Effectiveness**

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
	Lower	Upper	Lower	Upper	Lower	Upper
OE1	11.168	539	.000	.43148	.3556	.5074
OE2	13.204	539	.000	.45926	.3909	.5276
OE3	11.773	539	.000	.48148	.4011	.5618
OE4	20.862	539	.000	.64444	.5838	.7051
OE5	17.524	539	.000	.57037	.5064	.6343
OE6	15.561	539	.000	.51667	.4514	.5819
OE7	14.257	539	.000	.42963	.3704	.4888
OE8	6.962	539	.000	.31296	.2247	.4013
OE9	21.684	539	.000	.60556	.5507	.6604
OE10	41.231	539	.000	1.21852	1.1605	1.2766

Source: Computed Data

From the above table it is found that t-test values are significantly greater than the test value 3 at 5 percent level of significance. Therefore it is concluded that IT employees strongly agree that their companies provide them independence of taking self-decision in work. They moderately agree their companies focus on their personality development, career growth and career opportunities. The employees further stated that their IT companies moderately concentrate on

the job security, the quality of work life, financial position, developing a interpersonal relationship, solving the job related problems of the employees and the ethical behaviour.

## **FINDINGS OF THE STUDY**

The self-awareness in IT industry is decided by the three predominant factors Emotional awareness, Self-assessment and Self-confidence. It is found that the emotional awareness of employees is important to create conducive work environment. Self-assessment improves the learning skills and ability of employees. Self-confidence acquires employee's capabilities value and goals.

The self-regulation depends upon three factors, self-control, adaptability and innovativeness. Self-control of employees helps them to manage their emotion and impulses effectively in problematic situation. Adaptability of employees helps them in handling change and challenges in working environment. Innovativeness of employees is very supportive to generate new ideas and new information for original solutions to problem in organizational life.

The social awareness is decided by two factors empathy and development environment. Empathy is the ability to share and accept another person's feeling in organizational life. Development environment promotes self-motivation and self-esteem among the employees. It can be achieved in the form of delegating responsibilities, enlarging and enriching the job areas in IT companies. Social skills in IT sector are decided by leadership and team capabilities. Leadership competence articulate and arouse enthusiasm for a shared vision and mission and guide the performance. Team capabilities of employees like respect, helpfulness and cooperation, build team identify esprit de-crops and commitment, credit share with group in organizational life.

The social dimension of relationship management is decided by four factors Influence, communication, conflict management and collaboration and cooperation. It also found that influence of employees build them to handle and effectively manage emotions with others. Communication competence is listening well from others and sharing information and foster open communication in workplace. Conflict management competence encourages the debate and open

discussion with others. Collaboration and cooperation of employees promote friendly relationship cooperation climate in IT sector.

It is observed from the study that job related problem of employees in IT industry is influenced by self-regulation and relationship management. The self-regulated employees are appropriately managing their stress level, shift work, transportation problem in working environment. Ethical behaviour of IT employees is influenced by self-regulation and social skills. Further the social skills of employee, increase their ethics and morale in organizational life.

It is found that personality development of employees is influenced by seven factors of emotional intelligence like self-awareness, self-regulation, self-motivation, social awareness, social skills and relationship management and self-valuation. The personal and social dimensions of employees increase self-improvement, positive attitude, creative thinking, problem solving skills in working environment.

## **CONCLUSION**

The study is based on the impact of Emotional intelligence on organizational behaviour of employees of IT companies in Chennai. Emotional intelligence plays an important role of organization success. The Human Resource managers foster self-awareness, self-regulation, self-motivation, social skills, social awareness, relationship management effectively guide employees through the use of these skills. Manager promote these skills in which employees feel comfortable and respond to their opinions, thereby organization growth is successful. The finding of the study shows that age and experience of IT employees does not influence their emotional intelligence. And also observed the most of the respondents moderately agree to emotional intelligence concept in IT industry. The study found that these skills are more important for young stars in IT industry. Therefore organization should think of giving effective Emotional intelligence training program and coaching program for IT employees to raise their performance. The study also gives valuable suggestions to organization for developing emotional intelligence in workplace. Finally it is concluded that emotional intelligence significantly contributes to organizational behaviour of IT employees. Hence, suitably developing the interpersonal relationship, financial position of employees, Quality of work life, Career



growth and opportunities, personality development and decision making these skills are contributes towards organization growth and great efficiency is achieved. It is suggested that emotional intelligence have many advantages, should be used appropriately for a success of both for personal life and organizational life.

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