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## How Does Elevating the Emotional Intelligence of an Organization Affect Performance

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## **How Does Elevating the Emotional Intelligence of an Organization Affect Performance**

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**ABSTRACT:** *Emotional Intelligence (EI) was first introduced in 1964 but did not begin to gain acceptance and notoriety until around 1995. The conceptual theory began to gain acceptance within universities and the field of study of management and psychology. Emotional Intelligence (EI) as outlined by Daniel Goleman as five distinct categories; self-awareness, self-regulation, motivation, empathy, and social skills. Within this manuscript the exploration is based on qualitative and quantitative empirical studies to determine if the construct of emotional intelligence has a causal connection to individual increased productivity and organizational performance. Variable contributing factors are investigated such as if culture, leadership and enhanced emotional intelligence is impacted by certain variables. Additional topics of discussion are presented with supporting literature to include understanding the theoretical concept of emotional intelligence, the impact of organizational culture on emotional intelligence and the contributions of emotional intelligence on leadership style and how leadership may increase individual and organizational emotional intelligence.*

**KEYWORD:** *Emotional Intelligence, Performance, Management, leadership*

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### **I. INTRODUCTION**

Emotional Intelligence (EI) was first introduced in 1964 but did not begin to gain acceptance and notoriety until around 1995. Only after 1995 did the conceptual theory began to gain acceptance within universities and the field of study of management and psychology. There have been many researchers and scholars who have published journal articles and chapters in books, as well as entire books on the topic. As research and acceptance have progressed, it has become a pivotal point in teaching, leadership and management. Based on a website article published by Psychology Today, many professionals contend that EI is more in line with interpersonal skills and not intelligence and some contend there is no correlation between EI and performance (Emotional Intelligence, n.d.-a). Many companies do administer EI tests during the recruiting and staffing process to determine the best candidate fit to the organization's needs. Does the EI assessment provide an accurate indicator to one's performance? This paper will explore the qualitative and quantitative research which may indicate whether a higher level of EI has a causal connection to organizational performance based on individual increased level of EI and if the organization should engage in increasing individuals' levels of EI to affect the overall organizational performance. Variable factors will be explored to determine if culture, leadership and leadership's heightened EI are contributing factors.

### **II. LITERATURE REVIEW**

#### **2.1 Understanding EI**

Emotional Intelligence (EI) as outlined by Daniel Goleman as five distinct categories; self-awareness, self-regulation, motivation, empathy, and social skills (Emotional Intelligence, n.d.-b). EI is based on one's ability to perceive, understand and manage one's own moods and emotions and perceive, understand and respect the moods and emotions of those around us (Jones & George, 2015). The combination of the five categories of EI can be further explained. Self-awareness is the awareness of one's own emotions and needs. This awareness culminates by realizing the impact on work relationships. Such as, awareness of trigger points which could evoke angry outbursts which in turn damages relationships. Self-regulation is controlling one's emotions. Being able to control one's responses to triggers results in productive relationships. Motivation is the desire to create one's own passion and drive for job or objective completion. Although there are numerous motivational theories which may be applied, the primary motivation is based on self-awareness and desire for successful completion. This is intrinsic motivation and based on self-imposed incentives. A critical skill is empathy. This is utilizing self-awareness and moving to awareness and acceptance. Empathy is based on not only one's own emotions and needs but awareness of others needs and emotions. What is needed is acting upon the awareness which is necessary in team building, coaching and mentoring. Finally, a heightened level of social skills. This is based on a combination of awareness and self-regulation, whereas the individual initiates and builds

connections and rapport with others. This is also known as social intelligence. The key point of this category is recognizing one's own behavior and the impact on others. The recognition of one's own behavior and impact is necessary to socially engage, by not only understanding and adjusting one's behavior, but recognizing and understanding others' behavior. This in turn enables an individual to build a level of comfort and trust between oneself and others. The result of social intelligence is support of critical activities between individuals, such as building teams, persuading and influencing.

An important point of emotional intelligence is conceptually if you can recognize and act upon your own emotions, you will be good at reading others' emotions and the result is better individual performance (Schermerhorn, Hunt & Osborn, 2008). The result of a higher EI can result in one's ability to understand their emotions, the ability to perceive and understand others' emotions, regulation of one's emotions and using emotions for constructive gain (Schermerhorn, Hunt & Osborn, 2008). John Mayer and Peter Salovey (Emotional Intelligence, n.d.-b) proposed that the higher the emotional intelligence, the more likely they can use the changes in mood (emotions) to capitalize on multiple viewpoints. Thus, this is termed using emotion to facilitate thought. The fundamental thinking on the topic is lower EI can result in a barrier to facilitating thought, as the individual would reject others' point of view.

## **2.2 Organizational Culture**

Momeni (2009) stated that "Organizational Climate (OC) can be understood to be the perceptions of the outward features of an organization's culture. That is, employees' perceptions and attitudes toward their organization at a given time is the organization's climate" (p. 35). Consequently, OC is based on behavior and attitude. Subsequently, behavior is the result of emotions and perceptions. The EI of the manager is based on the behavior which is the result of emotions (Momeni, 2009). The culture of an organization is established by the leadership of the organization (managers at all level) and permeates down the hierarchical chain of command. The fundamental connection is made that the culture of the organization which is established by the leadership is linked to the EI of management.

Organizational culture has many definitions by scholars. Some are accepted and others are disputed. Using a definition which is accepted in numerous textbooks and Society of Human Resource Management (SHRM) (Culture, n.d.), it is upspoken rules, rituals and certain accepted ways of acting, values, and accepted behavior. Kim Cameron and Robert Quinn listed four specific cultures found in organization; Clans (value family like ties and supportive relationships among employees), Adhocracies (value entrepreneurial spirit), Hierarchies (value efficient, stability and rules) and Market (driven by competition and value results) (Culture, n.d.). Not only is there internal impact on the organization culture, there is also the outside contributors, such as country of origin. This is explained in both Hofstede's cultural dimensions and with Trompenaars's and Hampden-Turner's theories. In most cases, the EI of the manager does have an impact on the culture of the organization, but within some countries, strong cultural ties and expectations can force specific organizational culture. Such as, United States managers may attempt to mold a culture of individualism but operating in a far east country (such as Japan) may force communitarian (collectivist).

## **2.3 Leadership style and organizational culture**

The question is posed as to whether a chosen leadership style is directly impacted by the organization's culture or is the culture of the organization influenced by the leadership style or styles chosen and employed by the leadership of the organization? As stated in the study by Maamari and Majdalani (2017) since leadership is a theory proposing that people are influenced and moved toward a specific outcome, then the leadership style chosen is directly linked to the development and control of the organization's culture. There are many leadership theories and there have been numerous journal articles and books written on the study of organizational culture and the impacts on culture. There is no definitive connection as to what unequivocally proves if leadership styles impact organizational culture or vice-versa. The contention of many researchers is there is a myriad of factors which impact leadership styles. These factors are emotional intelligence, personality, education, age and region of the world (Maamari & Majdalani, 2017; Chen, Min-dau, & Yu-Hsiang, 2015; McEnrue, Groves, & Shen, 2009). Although, based on their research Maamari and Majdalani (2017) contend that organizational culture is positively correlated with leadership style.

Chen, et al (2015) proposed in their research article that transformational leadership is the most influential leadership theory proposed by scholars. The rationale is since this theory is based on transforming people and organizations by leading them in change, it stands to reason that the culture of the organization is more likely impacted. However, they also contend that EI, leadership theories and organizational culture has only been conclusively tested on western cultures. Thus, what seems to be the norm in the western cultures cannot be definitively stated for eastern and mid-Eastern cultures (Chen et al, 2015). They also propose that their study and other studies confirm that transformational leadership style (theory) is well tested and documented. The results indicate that transformational leadership does impact the development and sustainment

of organizational culture. My contention is the culture of any organization is established and reinforced by the leadership of the organization. Thus, any leadership style used is based on multiple contributing factors to include personality, experience, education, and the EI of those being led/managed within an organization.

#### **2.4 Emotional intelligence and leadership**

There is an argument of scholars and practitioners that intelligence in general has a positive impact on leadership style and ability to lead. Brown, Bryant and Reilly (2006) further contend that emotional intelligence has a direct impact on leadership styles and success in leading. The research of empirical studies further supports that people in leadership positions with higher than average emotional intelligence is better prepared to select and employ a leadership style which positively impacts successful leading of people. Whether the style selected is transformational, transactional, servant leadership, situational leader, charismatic, laissez-faire, people-centric or growth-oriented, the selection is based on one's ability to use self-awareness, an element of EI measured by agreement between self and other ratings of behaviors, is positively related to the style targeted and employed (Brown, Bryant & Reilly, 2006).

"The emotional self-awareness aspect of EI makes it a key variable in self-other agreement research and the theory of self-awareness in leadership success" (Bratton, Dodd, & Brown, 2011, p. 131). The primary question in these studies is the exploration of does the emotional self-awareness aspect of EI have a positive relationship with a manager? The probability of leadership success and style chosen has a causal connection with emotional intelligence. As such, the higher the level of one's own self-awareness and keen sense to interpret other emotions, desires and needs, the greater the ability to choose the best leadership approach. The empirical study of Bratton, Dodd and Brown (2011) (although primary focus was on transformational leadership) resulted in an appearance based on the results that there is a connection between EI and leadership styles and success, however it was not definitive nor 100% consistent. The rationale is the diverse contributing factors such as environment, personality, culture and diverse situations which may skew the results. However, Chin, Min-day and Yu-Hsiang (2015) argue that their research resulted in the belief by some scholars that "EI is an elusive construct and significantly overlaps the concept of personality traits" (p. 441). The totality of the research conducted by many scholars and practitioners indicates there appears to be a connection between EI and leadership style chosen and effectiveness, but it is not inclusive. McEnrue, Groves and Shen (2009) content "We believe that EI is a key competency since the process of leadership development involves significant personal change. The value of investigating the role of EI in affecting development outcomes and enhancing the EI of training and development professionals is potentially huge" (p. 166). The contention of this author is it is more likely that a higher emotional intelligence has a greater impact on leadership styles chosen and applied and the ultimate success of leading.

#### **2.5 Emotional Intelligence and organizational culture**

Another question which arises in the exploration of elevating organizational emotional intelligence is focused on changing the organizational culture. If elevating the overall organizational emotional intelligence may impact the organization's performance, then might not the culture of the organization be changed? Consequently, if improving the individual leaders EI within an organization, this would probably indicate the entire culture of the organization would shift. Thus, if the leadership's emotional intelligence is elevated, it would stand to reason that leadership styles and tactics would change. And, if individual leaders shift based on improved emotional intelligence, then there is a high probability that the culture of the organization would shift. Such as the leadership employing a growth-oriented or laissez-faire style of leadership and a shift from Adhocracies, Hierarchies, or Market Culture to a Learning Organizational Culture or Clan Culture.

Momeni (2009) contends in her research that the more developed the manager's emotional intelligence, the more impact on the organization climate (culture). It is logical to assume and supported by research that the dimensions of emotional intelligence identified as emotional perception and expression, emotional facilitation of thought, emotional understanding and emotional management (Akbarzadeh, 2000) when increased are directly related to Self-Awareness, Self-Management, Social Awareness, and Relationship Management as outlined by Goleman, Boyatzis, and McKee (2001). Over the years, organizations have focused on recruiting and developing leaders with specific skills which would impact the organization's bottom line. These skills were focusing on efficiency and productivity. However, the focus has seemed to shift to add emotional intelligence as a specific skill or to at least provide leaders and managers with resources, mentoring and specific development of (enhancement) emotional intelligence. This in turn does impact the organization's bottom line by changing the emotional culture of the organization (Momeni, 2009). Momeni (2009) further stated "Analyzing the relationship between dimensions of EI and OC show there is a positive correlation between all dimensions of both constructs" (p. 46). She further stated, "the results show that self-awareness and self-management have the most influence on OC and that credibility has the most influence on EI" (Momeni, 2009, p. 46).

## **2.6 Emotional intelligence and impact on performance**

There are opponents of emotional intelligence which contend that only those individuals with a higher Intelligence Quotient (IQ) are able to lead and impact performance. These opponents of the existence and relevance of EI are misinformed. There are numerous empirical studies which provide creditable evidence that there is a link between EI, effective leadership and individual performance (Nafukho, 2009; Kim, Yoo, Lee, & Kim, 2012; Sendaro&Baharun, 2019; Han, Kim & Kang, 2017). Kim, Yoo, Lee and Kim (2012) contend based on their empirical study that a heightened emotional intelligence is paramount to the success of frontline hotel employees. The higher the level of emotional intelligence the better probability of expanded productivity and performance to serve customers.

Within the banking industry the service of customers is directly related to a higher level of emotional intelligence. When employees possess a higher awareness of their own feeling and the feelings of others, they are better able to identify and convey those individual feelings. According to Sendaro and Baharun (2019) there was enough evidence in the results of their study to confirm a causal connection in performance and a heightened level of emotional intelligence. And, Han, Kim and Kang (2017) came to the same conclusion of a connection between a higher emotional intelligence and productivity. Of all the studies reviewed by this author, the findings are in line with the positive relationships of the constructs between events, affective attitude and behavior. Since Emotional Intelligence (EI) as outlined by Daniel Goleman as five distinct categories (self-awareness, self-regulation, motivation, empathy, and social skills) (Emotional Intelligence, n.d.-b) and EI is based on one's ability to perceive, understand and manage one's own moods and emotions and perceive, understand and respect the moods and emotions of those around us (Jones & George, 2015), there is a definitive connection of emotional intelligence to effective leadership and productivity. It is a logical rationale that having a developed ability of self-awareness, self-regulation, motivation, empathy, and social skills would likely positively impact one's ability to both lead and increase the probability of productivity and effectiveness.

## **III. DISCUSSION**

"Although intellectual and technical abilities play an important role in employee performance, intelligence researchers have recognized that the construct is broader than the narrow cognitive and technical skills measured by traditional intelligence quotient" (Nafukho, 2009, p. 673). Although, emotional intelligence is relatively new in the discipline of Human Resource Management, general management and leadership, there is continuous research being conducted to lend credence to the concept and new theories being developed. "EI is emerging as an important construct in predicting a range of positive outcomes such as improved performance, good work climate, increased productivity, and career and life success" (Nafukho, 2009, p. 673). The Business Case for Emotional Intelligence provides compelling cases based on empirical research and practice to demonstrate how EI has been used by organizations to contribute to their improved performance. Whereas, the focus in the past was the intelligence quotient, there is a shift toward emotional intelligence as a better predictor in both developing good leaders and productive employees. There is still a place for IQ, but not as great of a focal point as in the past. IQ scores have been used for educational placement, assessments and job evaluations. Today's leaders, managers and business professionals are relying more on experience and the development of emotional intelligence. Many professional feel EI cannot be measured. This has been true in the past, but with continuous research and advancement, such as the 16-item scale (WLEIS) developed by Wong and Law (Kim, Yoo, Lee, & Kim, 2012), the reliability and creditability of measuring EI is more valid.

## **IV. RESULTS AND CONCLUSION**

Although EI is not considered a type of intelligence in a pure form, it is a model of a type of intelligence which is correlated with cognitive capacity (Sastre-Castillo & Del Valle, 2017). The empirical studies presented in this manuscript has shown that a heightened level of EI impacts leadership style and abilities and further impacts productivity. The studies focused on the industries of banking, hospitality and restaurant, but further studies in high-skilled executives and low-skilled back office personnel show that EI is a contributing factor to increased productivity (Sastre-Castillo & Del Valle, 2017). In addition, the study results presented by Love, Edwards, and Wood (2011) indicates that increased productivity is present in the construction industry when there is a higher level of EI. It is further stated by Sastre-Castillo and Del Valle (2017) "in the context of work performance, a large number of studies have shown that individual differences in general EI, as well as in specific dimension of EI, positively predicts work performance (p. 685). Consequently, there are scholars and practitioners who contend that there is not reliable measurement of EI or the impact. However, there are theories and measurements which have been developed using a theoretical framework such as those of Danvila and Sastre (2010). Studies conclude that affective commitment impacts job performance and affective commitment is directly correlated with heightened EI. In addition, a higher level of EI impacts a leadership style of leading/managing and thus is transferred to employees through the theory of transference. As such, leaders with higher levels of EI have a positive impact on increasing the EI of employees which in turn



increases employees job satisfaction and productivity. Based on research “regarding EI, intrapersonal skills and mood management were the dimensions of EI with higher predictive power” (Sastre-Castillo & Del Valle, 2017, p. 692). Thus, the results were increased productivity of employees. As further stated in Sastre-Castillo and Del Valle’s (2017) study, hypothesis two (EI positively predicts affective commitment) and hypothesis three (higher EI and affective commitment as associated with better work performance) were substantiated.

Variable factors were explored to determine if culture, leadership and leadership’s heightened EI are contributing factors to increase productivity in employees. As presented in this manuscript, there is sufficient evidence based on exploring qualitative and quantitative empirical research which indicated a higher level of EI has a causal connection to organizational performance based on individual increased level of EI.

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