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## Article

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## **Developing human capital by linking emotional intelligence with personal competencies in Indian business organizations**

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### ***Abstract***

The concept of emotional intelligence has become so popular in the management literature that it has become imperative to understand and leverage it for the sake of enhancing the capacity of human capital in organizations. As the pace of change is increasing and world of work is making ever greater demands on a person's cognitive, emotional and physical resources, this particular set of abilities are becoming increasingly important. Since majority of the concerns in organization involve people in different roles, emotional intelligence must become a determining factor for their effective management. It has also been found that ultimately it is the emotional and personal competencies that we need to identify and measure if we want to be able to predict performance at workplace resulting in its effectiveness, thereby enhancing the worth of the human capital. In this scenario the competencies possessed by the people will have a bearing on the extent to which they can actualize their emotional intelligence. The current paper sets out to examine the relationship between the emotional intelligence of executives in Indian business organizations with their personal competencies. The result suggests that emotional intelligence is significantly related with the personal competencies of employees and the variables of personal competency namely, people success, system success and self success have a predictive relationship with emotional intelligence.

**Keywords:** emotional intelligence, personal competencies, self success, people success, task success, system success

## **1 INTRODUCTION**

James Dozier discovered the power of emotional intelligence in 1981, which resulted in saving his life. Dozier was a U.S. Army Brigadier General who was kidnapped by the Red Brigades, an Italian terrorist group. During the initial days his captives were euphoric with excitement and were agitated and irrational at times and he felt that his life was in danger. To save himself, he remembered something he had learned about emotion in an Executive Development Program at the Center for Creative Leadership in Greensboro, North Carolina.

Emotions are contagious, and a single person can influence the emotional tone of a group by modeling. He first thought of getting his own emotions under control, quite a difficult task to achieve! He tried to calm himself and conveyed his calmness to his captives through his actions. He then realized that his captors also caught his calmness and became more rational. In retrospect when Dozier looked back on this episode, he was convinced that his ability to manage his own emotional reactions and those of his captors literally saved his life (Campbell, 1990).

The term emotional intelligence (EI) had not been coined in 1981, but James Dozier actually experienced it live and gave us an initial framework to identify what it is: "The ability to perceive and express emotion, assimilate emotion in thought, understand and reason with emotion, and regulate emotion in the self and others" (Mayer, Salovey, & Caruso 2000). Dozier could perceive accurately the emotional reactions of his captors, and he also diagnosed the danger that those reactions posed for him. By regulating his emotions and then expressing them effectively, he was able to manage the emotions of his captors. This incident illustrates emotional intelligence in action.

Since then the concept of emotional intelligence has become so popular in the management literature that it has become imperative to understand and be aware of the research and theory on which it is based. It is also useful to consider how emotional intelligence is important for effective performance at work place. As the pace of change is increasing and world of work is making ever greater demands on a person's cognitive, emotional and physical resources, this particular set of abilities are becoming increasingly important.

Traditional measures of intelligence, although providing some degree of predictive validity, have not been able to account for a large portion of the variance in work performance and career success. As Goleman (1998) states, "When IQ test scores are correlated with how well people perform in their careers the highest estimate of how much difference IQ accounts for is about 25 percent (Hunter & Hunter, 1984; Schmidt & Hunter, 1981). A careful analysis, though, suggests that a more accurate figure may be no higher than 10 percent and perhaps as low as 4 percent" (Sternberg, 1997).

### **The Impact of Emotional Intelligence on Workplace Effectiveness**

Look deeply at almost any factor that influences work place effectiveness, and you will find that emotional intelligence plays a role. Any growing and prosperous organization needs to retain good employees, particularly those with the competencies that are important in the high-tech economy. What is it that can make an employee stay with an organization for a longer duration? A Gallup Organization study of two million employees at seven hundred companies found that duration of stay of an employee in a company and his productivity would be determined by his relationship with his immediate supervisor (Zipkin, 2000). In another study by Spherion, a staffing and consulting firm in Fort Lauderdale, Florida, and Lou Harris Associates, it was found that only 11 percent of the employees who ranked their bosses as excellent were likely to look for another job, however, 40 percent of those who ranked their bosses as poor wanted to leave. In other words, people who have good relation with boss are four times less likely to leave than are those who have poor relationship (Zipkin, 2000).

The greatest challenges that the organizations face today include (Cherniss, 2001):

- Coping with massive, rapid change.
- Employees need to be more creative in order to drive innovation.
- Managing huge amounts of information.
- Enhancing customer loyalty.
- Employees need to be more motivated and committed.
- Need for collaborative effort.
- The organization needs to make better use of the special talents available in a diverse workforce.
- The organization needs to identify potential leaders in its ranks and prepare them to move up.
- The organization needs to identify and recruit top talent.

- The organization needs to make good decisions about new markets, products, and strategic alliances.
- The organization needs to prepare employees for overseas assignments.

These and many more concerns today confront work organizations, both public and private. Since majority of these concerns involve people in different roles, emotional intelligence must become a determining factor for their effective management. And in virtually every case, emotional intelligence must play an important role in handling the concern. For instance, while dealing with the process of change in an organization a lot of emotions get generated which may range from very positive to very negative (Singh, 2005). This requires ability on the part of both the employer and the employees to perceive and understand the emotional impact of change on self and others. To be effective in helping their organizations manage change, leaders should be aware of and manage feelings of anxiety and uncertainty of their employees (Bunker, 1997). They also should be able to appreciate the emotional reactions of other employees and help them to cope up with change. Besides the leader, the other members of the organization should be also able to monitor and manage their own emotional reaction as well as of their colleagues. Ultimately it is these social and emotional competencies that we need to identify and measure if we want to be able to predict performance at workplace resulting in its effectiveness.

## 2 LITERATURE REVIEW

### Emotional Intelligence

Salovey and Mayer (1990) coined the term emotional intelligence in 1990, while being aware of the previous work on non-cognitive aspects of intelligence. They described emotional intelligence as "a form 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 action". In the early 1990's Daniel Goleman became aware of Salovey and Mayer's work, and this eventually led to his book on Emotional Intelligence.

Goleman proposes that cognitive skill 'can help you get a job' in a company, but emotional skill helps you 'grow in the job' once you're hired. To illustrate Goleman's point, psychologist Stein and Book (2006), marketers of tests that assess employees' emotional intelligence quotient (EQ), cite the example of a Harvard business graduate who received numerous job offers from companies clamoring to hire her. However, due to a lack of emotional intelligence, the woman continually sparred with her employers and couldn't keep any of the jobs. Goleman (1998) concludes by stating that 'Emotional intelligence matters twice as much as technical and analytic skill combined for star performances. And the higher people move up in the company, the more crucial emotional intelligence becomes.'

To rise higher in one's professional competence at the workplace, it is not just essential that individuals are good in their jobs. They are required to be more positive, approachable, warm, empathetic and optimistic. A number of studies in the area suggest that it takes more than traditional cognitive intelligence to be successful at work. The emotional intelligence of the person which include his ability to restrain the negative feelings and focus on positive feelings plays an important role in determining his success. The idea got further boost with the release of a book by Daniel Goleman, 'Emotional Intelligence: Why it Can Matter More than IQ,' (1995).

In another book, 'Working With Emotional Intelligence', Goleman (1998) focused on the need for emotional intelligence at work, an area often considered more head than heart. The notion does not remain limited to the managers and leaders of the organization but any job that requires dealing with people would require the input of emotional intelligence. Also, whereas IQ is relatively fixed, emotional intelligence can be built and learned. Companies can test and teach emotional intelligence, and many employers are already beginning to do so.

For the purpose of the present study, emotional intelligence has been discussed with the help of following dimensions:

**Self Awareness:** Self-awareness is being conscious of and being able to connect with our personal feelings, thoughts and actions. This helps a person get a clearer perception of what he wants to achieve in life and therefore be able to work on his level of competencies. Self-awareness may also include some degree of self-disclosure so that we can develop effective relationship with other people around us and lead a more fulfilling life by sharing and receiving information.

**Commitment:** True commitment is a virtue and a personal trait that is learned very early in life. Being committed is a state of mind and is determined by number of factors. It is based on one's own personal choices as well as the expectations from other people around us. It is also determined by the

quality of relationship we share with people, groups, organizations or tasks that we are supposed to be committed to be.

**Resilience:** Resilience refers to one's ability to adjust well in adverse stressful and crises situations. It is the ability to perform well and consistently in a range of situations and when under pressure. The degree of resilience can vary amongst individuals from being high to low on resilience. A number of factors determine a person's ability to be resilient even in adversities. These include age, gender, and frequent exposure to stressful situations.

**Optimism:** Optimism is defined as an approach in life where a person has a positive belief that good things will happen independent of one's ability. It could be the result of both the inherited characteristics as well as experience. Some of us are naturally inclined to be positive thinkers and therefore optimistic while few of us also acquire it through social interaction. Companies, as well as individuals, create their own internal expectations of optimism or pessimism. The attitude starts with the basic belief in things around us - good or bad.

**Compassion:** Compassion has been defined as awareness about the suffering of others and a desire to relieve that suffering. It is a kind of emotion: a feeling in motion. In addition to the wish to help the other person in distress it may also involve taking actions and making efforts to help them overcome it. It is an active feeling. When a feeling is active, it can be used as a tool. As a tool, it can be used in a positive or negative manner.

**Interpersonal Connectivity:** Interpersonal connectivity can be described as an ability to develop effective relationship with other people around you and get along with them both in personal and professional lives. The success of this connectivity would be determined by the response from the other party.

**Personal Integrity:** Personal integrity refers to a quality of a person's character. This includes being honest with oneself as well as with others around you. It also involves being responsible for what you seek and undertake in life and being able to own up one's own faults in cases of failure. It encompasses the concept of wholeness, intactness and purity about one's thoughts, feelings and actions.

**Emotional Regulation:** Emotional regulation is the ability to regulate one's emotions whenever required. It may be required to either enhance or reduce one's emotion according to the demands of the situation. Emotional regulation can also be described as a range of skills that are instrumental in keeping the emotional system healthy and functioning. It includes being able to recognize the emotional response and understand it; accept the response as being your own; identify strategies to reduce or enhance the intensity of the emotions; and engage in the goal directed behaviour.

### **3 PERSONAL COMPETENCIES**

According to Boyatzis (1982), competence means different things to different people. However, it is generally accepted as encompassing knowledge, skills, attitudes and behaviours that are causally related to superior job performance. This understanding of competence can be either described on the basis of attribute-based inference (Gonczi & Hager, 1992) or on the basis of performance-based approach which demonstrates performance at pre-defined acceptable standards in the workplace (Gonczi et al., 1990).

The definition of "competency" adopted from Parry's (1998) work includes a multi-dimensional approach to understand competency. According to this definition competency:

- is "a cluster of related knowledge, attitudes, skills, and other personal characteristics that affects a major part of one's job,
- correlates with performance on the job,
- can be measured against well-accepted standards,
- can be improved via training and development and
- can be broken down into different components".

The major components of competencies include: abilities, attitudes, behaviour, knowledge, personality and skills. Another definition of "personal competency" which has been adopted from Finn (1993) and Crawford (1997) states that personal competency is "the core personality characteristics underlying a person's capability to do a project. These are behaviour, motives, traits, attitudes, and self concepts that enable a person to successfully manage a project".

According to Spencer and Spencer (1993) the six components of competency are:

- Achievement and action: This competency consists of achievement orientation; concern for order in quality and accuracy; initiative and information seeking.

- Helping and human service: This competency implies that the manager has customer service orientation and interpersonal understanding.
- Impact and influence: This competency comprises impact and influence capability; organisation awareness and relationship building.
- Managerial competency: This competency includes teamwork and cooperation; capability in developing others; team leadership and directiveness, assertiveness and positional power using.
- Cognitive: This competency implies that the manager has both analytical thinking capability and conceptual thinking ability.
- Personal effectiveness: This competency covers self-control; self-confidence; flexibility and organizational commitment.

Considering the understanding of a number of corporate giants, such as, AT & T, Chevron, Citicorp, General Electric, Honeywell and Pepsi-co, Ryback (1998) has proposed seven core competencies of today's successful managers:

- Strategic planning
- Communication and alignment
- Team building
- Continuous learning
- Dynamic accountability
- Systematic results
- Actualized integrity

#### **4 LINK BETWEEN EMOTIONAL INTELLIGENCE AND PERSONAL COMPETENCIES**

As a person makes a transition from the transactional to transformational approach to create a necessary socio-emotional nearness with people around him, the trait of emotional intelligence becomes a reality. The resultant strengthening of bonds between the individuals help both parties to establish trust and mutuality based on common interests, goals, and a sense of mission, creating the necessary conditions for achievement of personal and organizational goals. Essentially, in order to connect the individual has to bring into play certain personal, social and organizational competencies in mutually acceptable combinations for achieving organizational excellence. Thus, emotionally intelligent behaviour addresses the basic issues for bringing workplace effectiveness and helps to attain higher levels of organizational growth and excellence. This essentially aids in the process of developing congenial work environment in the organization leading to efficiency at the workplace and development and enhancement of human capital.

Recently, some of the American companies have started concentrating on this dimension of the human being. It deals with those ultimate human capacities and potentialities, which have a significant impact on the various aspects of organizational climate. Enrichment of the emotional dimension would help to solve behavioural problems arising from material and social dimensions and contribute to the true effectiveness of an organization (Elankumaran et.al, 2005).

With the opening up of the Indian economy through liberalization, privatization, globalization and natural thrust towards information technology the tasks of Indian business executives has become more demanding. The challenges get multiplied when the Indian executives have to work in diversified work cultures. The workforce diversity has not only offered the emotional stability to the executives but has also come on the way of leadership behaviour and effectiveness (Punia, 2004). Technology represents only 5% of the transformation process; the other 95% of a company's metamorphosis is represented by the changes in organizational behaviour and culture that are the heart of leadership.

The emotional intelligence intervention is partly a response to the problems that businesses face today. There is a need to develop the highest standard of leadership skills, the challenges of high team turnover, ever increasing demands of customers for high quality goods and services, rapidly changing business environment, economic demands or escalating costs. What companies need is people who have both technical knowledge and social and emotional abilities which will enable them to delight the customers. Emotional intelligence can contribute to developing those skills and abilities that are linked with this aspiration (Orme & Langhorn, 2003). Personal competencies play a very vital role in influencing the emotional intelligence of employees in organizations.

For the purpose of present study following four dimensions of personal competencies have been identified:

- People success
- Task success
- System success
- Self success

**People Success:** This competency involves understanding behaviour in interpersonal context, where people refer to connectivity and building bridges with others for attaining and maximizing common goals. Interactivity denotes interrelationship among people and refers to how they relate to one another. Empathy, service and organizational awareness are corner stones of social connectivity. Emotional intelligence is becoming crucial in the context of individual's behaviour within the organizational context. With the flattening of the organization structure, the span of control is now larger for the leader who has to adapt emotionally intelligent behaviour to generate people success. In a study by Singh (2007), it was found that the relationship dimension of individual behaviour is important to be effective leader and adds to his success. Jordan and Troth (2004) also found that emotional intelligence was directly related to performance at group level and emotions are important contributing directly to team performance. Thus the following hypothesis is proposed:

Hypothesis 1 (H1): Emotional intelligence is significantly related to people success.

**Task Success:** This competency refers to the ability of the individual to focus on the current task in hand and try to do it with utmost efficiency and accuracy. This will also involve the use of creative thoughts and innovative principles in handling the tasks more effectively. In a study by Lyons and Schneider (2005), it was found that certain dimensions of emotional intelligence were related to more challenge and enhanced performance, thereby increasing task success. Lopes et. al. (2006) found that employees high on emotional intelligence received greater merit increases and held higher company rank than their counterparts. These employees also received better peer and/or supervisor ratings of interpersonal facilitation and stress tolerance. A study by Jaeger (2003) revealed a strong relationship between emotional intelligence and performance of employees leading to task success. On the basis of these findings the following hypothesis is proposed:

Hypothesis 2 (H2): There is a significant positive relationship between Emotional intelligence and task success

**System Success:** With this competency, individuals are focused on the organizational issues and the act of doing things together in the organizational context becomes a reality. The following processes occur with this competency in the organizations:

- The person identifies the organizational and environmental variables that control his or her behavior.
- The person works with others to discover the personalized set of environmental or organizational contingencies that regulate their behavior.
- The individuals jointly attempt to build bonds to cultivate and maintain a web of relationships to produce more mutually reinforcing and organizationally productive outcomes.

Sy, Tram and O'Hara (2006) reported managers' emotional intelligence had a stronger positive correlation with job satisfaction and job performance. Lyons and Schneider (2005) found that high emotional intelligence levels promote challenge appraisal and lead to better performance. It has been suggested in one of the studies that a link between the emotional intelligence and work place measure of effectiveness would lead to enhanced system success (Rosete & Ciarrochi, 2005). Thus the following hypothesis is proposed:

Hypothesis 3 (H3): Emotional intelligence has a significant positive relationship with system success

**Self Success:** This competency consists of self-awareness, which is the basic foundation on which emotionally intelligent behaviour germinates and refers to the ability to read one's own emotions and recognizing their impact to guide decisions. It is necessary for the individuals to have an accurate self assessment by knowing his/her own strengths and limitations (Self directed learning). A self directed

learning leads to a positive evaluation of one's self worth and capabilities which are vital for one's success.

Since emotional intelligence comprises both intra-personal and interpersonal abilities, the success of self is the key component of emotional intelligence. Stein and Book (2006) elaborated the concept of self as the ability to recognize one's feelings and to be able to differentiate between them, to know what you are feeling and also to know what caused that feeling. An emotionally intelligent person is able to do thereby leading to self success. Thus the following hypothesis is proposed:

Hypothesis 4 (H4): Emotional intelligence is significantly related to self success.

For the competencies to be effectively converted into developing an empowered workforce, the following steps are necessary to create an environment in which people can grow:

- Focus on development should be well-communicated.
- Individual should own up the responsibility for their own development and leaders should help them in providing with resources and support.
- After an assessment of the strengths and weaknesses and therefore on the basis of competency gaps, individuals should be able to develop their development plans.
- A deadline should be formulated to achieve the targets with proper feedback system in place.
- A proper reward system needs to be developed to keep the employees of the organization motivated.

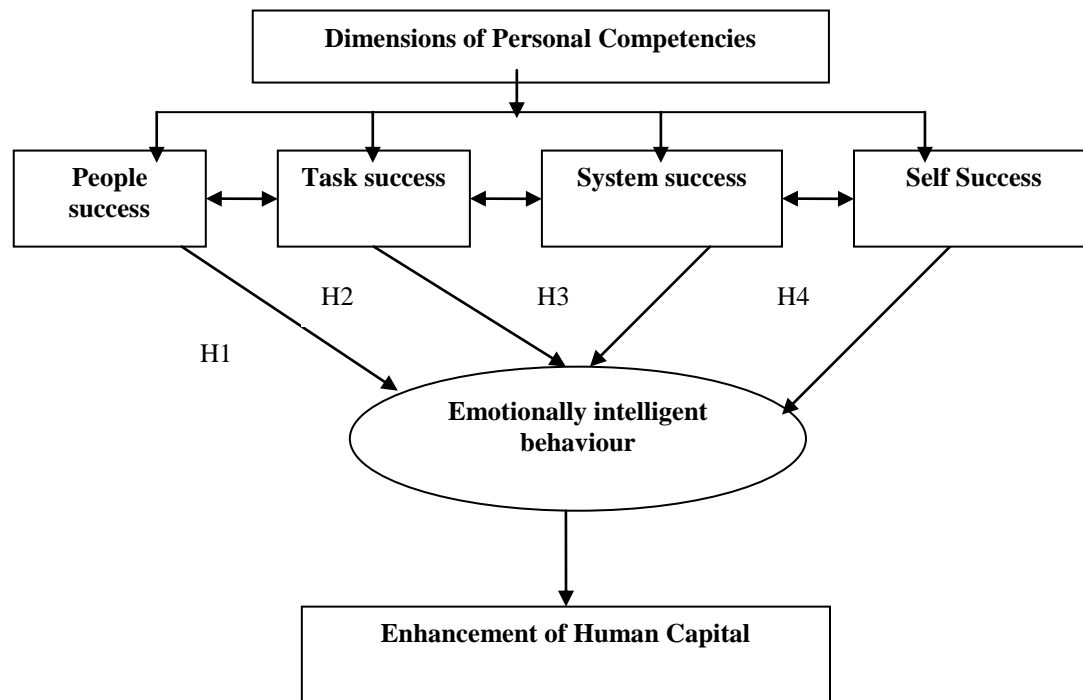
## **5 CONCEPTUAL FRAMEWORK**

The present study intends to determine the relevance of the concept of emotional intelligence to the business organizations and to explore the extent to which it may be possible to utilize this concept as a means of creating a sustainable competitive advantage by attracting, motivating, training and retaining customer conscious employees at all levels of the organization.

The objective of the study is to develop a framework to identify the relationship between emotional intelligence and personal competencies of executives in Indian business organizations. The expected linkage between the dimensions of personal competencies and emotional intelligence are presented in Figure 1. The model (Figure1) below depicts the influence of personal competencies on emotional intelligent behaviour which is instrumental in enhancing the human capital in this emerging paradigm. In this theoretical construct the dimensions of personal competencies are the independent variables and emotional intelligence is the dependent variable. The model proposes to suggest that to develop an emotionally intelligent work force; personal competencies need to be promoted in business organizations.



**Figure1: Relationship between Personal Competencies and Emotionally Intelligent Behaviour**



## 6 METHOD

This section discusses sample size, data collection along with suitable statistical tests used for evaluating research hypotheses.

### Sample and Data Collection

A total of 500 self-administered questionnaires were distributed at managerial level. Against the targeted sample of 500 questionnaires, 378 questionnaires have been collected and analyzed. Stratified random sampling was used to collect the data. The distribution of the questionnaire was done on the basis of suitability mostly by personal contact, e-mail and use of postal services. The concerned person was contacted through phone or email before sending the questionnaire. As the questionnaire was self explanatory, the respondents were asked to respond as per the instructions given in the questionnaire and were assured of confidentiality. A total of 378 correctly completed questionnaire were returned by the respondents.

There were three sections of the questionnaire used to collect the necessary data. The first portion of the questionnaire inquired about the personal information of the respondents. The second portion focused on emotional intelligence (dependent variable) and consisted of 8 dimensions measured with the help of 40 items with the highest score being 200. The eight dimensions were:

1. Self awareness
2. Commitment
3. Resilience
4. Optimism
5. Compassion
6. Interpersonal Connectivity
7. Personal Integrity
8. Emotional Regulation

The scales used in the questionnaire included the Likert Scale. The Likert scale uses a rating of 1 to 5, where 1 indicates 'Strongly Disagree' and 5 indicates 'Strongly Agree'. The reliability statistics Cronbach Alpha was calculated to be 0.81 for the items.

The third section of the questionnaire focused on personal competencies consisting of four dimensions spread over 20 items (measured on a five point scale). This has been developed on the basis of the personal competencies assessment developed by Axiometrics International, Inc. and Workforce Solutions, Inc. It measures four different competencies of the employees namely:

1. People Success
2. Task Success
3. System Success
4. Self Success

The scales used in the questionnaire included the Likert Scale. The Likert scale uses a rating of 1 to 5, where 1 indicates 'Strongly Disagree' and 5 indicates 'Strongly Agree', with the highest score in each of the competencies being 25. The reliability statistics Cronbach Alpha was calculated to be 0.79 for the items.

### Analyses of the Data

The data was subjected to statistical analysis for the purpose of interpretation. Descriptive statistics such as mean, standard deviation and intercorrelations were computed to understand the interdependence between the variables. Multiple regression analysis was used to test the hypotheses.

While collecting the data it was observed that there was non-willingness on the part of the executives to participate in the study for the fear of being quoted and identified. Since the study was based on self reported data, so the findings may be biased by common method variance and spurious cause/effect inferences. The generalizations occurring from the study are more conducive and limited to a particular group of employees who participated in the study. In other words, the limitations come from the sampling techniques used, which is non-probability based convenience sampling.

## 7 RESULTS

### Profile of the Respondents

The total sample size was 378. The group comprised of 102 (27%) females and 276 (73%) males. In the group 26% respondents were in the age group of 21-25 years. 32% of the respondents were in the 26-30 years age category and 22% were in 31-35 years of age. Rest of the respondents were more than 35 years of age. 53% of the respondents were married. While drawing the experience profile of the respondents it was seen that 70% of them had an experience of 5-15 years, followed by 25% with an experience of less than 5 years. 5% were found to be having an experience of 15.25 years. The data was collected from Indian organizations which were situated in and around Delhi, the National Capital of India.

### Relationship between the variables

The following table (Table 1) depicts the mean scores and the standard deviations of the variables under study.

**Table 1: Mean and Standard deviation of the variables under study**

S. No.	Variables	Mean score	Standard deviation	Total number of respondents
1.	Emotional Intelligence	152.21 (200)	11.32	378
2.	People Success	20.63 (25)	2.04	378
3.	Task Success	20.35 (25)	2.38	378
4.	System Success	20.48 (25)	2.17	378
5.	Self Success	20.17 (25)	2.08	378

From the above Table 1 it can be observed that the emotional intelligence and the competency level of the employees' shows a higher score on the mean indicating that executives in business organization generally possess a high level of personal competency and emotional intelligence. The next step in the study is to find out the relationship between the emotional intelligence and the dimensions of personal competencies.

The correlation matrix in Table 2 shows the correlation coefficient between the independent variables as identified for the research. A correlation coefficient indicates the strength of the association between the variables. A correlation coefficient is considered significant if the *p*-value is

less than 0.05. As shown in Table 2, in the Indian Business organizations all the dimensions of personal competencies like people success, task success, system success and self success have a significant positive relationship with emotional intelligence.

It is observed that system success has the highest correlation with emotional intelligence followed by people success indicating that both have a strong association with emotional intelligence. The next highest is task success followed by self success. The above findings can help us to conclude that employees in Indian organizations perceived that the focus on personal competencies in organizations will be favourable for the existence and sustenance of emotional intelligence.

**Table 2: Correlation between emotional intelligence and the dimensions of personal competencies**

Variables	1	2	3	4
People success	-			
Task Success	0.262**			
System Success	0.290**	0.450**		
Self Success	0.336**	0.366**	0.157*	
emotional intelligence	0.480**	0.375**	0.516**	0.360**

\*\* Correlation is significant at the 0.01 level, \* Correlation is significant at the 0.05 level

### Multiple Regression Analysis

To gain an insight into the relationships further between the independent and dependent variables and to identify the predictive relationships between the two sets of variables, if any, multiple regression analysis was done.

From the correlation tables it can be seen that there are a many significant linear correlation between the emotional intelligence and the constructs of personal competencies. Multiple regression analysis was used to diagnose the relationship between a single dependent variable (criterion) and a number of independent variables (predictors). A set of independent variables is weighted to develop the regression equation or model to explain its relative contribution towards one dependent variable. The dimensions of personal competencies were entered in the model as independent variables, while the emotional intelligence was the dependent variable. The results are depicted in Table 3.

**Table 3: Results of Regression Analysis**

Independent variables	coefficient	t	p-value
People success	0.298	6.906	.000*
Task success	0.064	1.367	.172
System success	0.399	9.681	.000*
Self success	0.198	4.716	.000*

R Square = 0.421, Adjusted R square = 0.416, F-change = 22.239, Durbin Watson – 2.322

\*Significant at 1%, \*\*Significant at 5%

Table 3 reveals the results of regression analysis. Independent variables explained 42.1% of variance of emotional intelligence (F change = 22.239,  $p < .05$ ). The result indicates that there are three dimensions of personal competencies namely, people success ( $\beta = 0.298$ ,  $p < .01$ ), system success ( $\beta = 0.399$ ,  $p < .01$ ), and self success ( $\beta = 0.198$ ,  $p < .01$ ), which are positively associated with emotional intelligence. It can be therefore proposed that these three dimensions of personal competencies are directly responsible for presence and sustenance of emotional intelligence in Indian business organizations. Moreover it can be concluded from the findings that people success and system success of executives are the most important variables that explain the variance in emotional intelligence followed by self success. Thus hypothesis H1, H3 and H4 were confirmed.

However, one of the dimensions of personal competencies namely, task success ( $\beta = 0.064$ ,  $p > .05$ ) is not significantly related to emotional intelligence. Though it is one of the important competencies for the executive to possess but the contribution made by it to emotional intelligence is not direct. Thus hypothesis H 2 is not confirmed as its significance level is  $>$  than .05.

## 8 DISCUSSION

Indian economy is moving towards high-tech: high-touch, service based stage of development, which presents new challenges for Human Resource Management. Competencies like managing one's emotions, handling conflicts, teamwork, leadership, motivation, interpersonal sensitivity, skills at negotiation and personal or internal qualities like empathy, initiative, adaptability, confidence and optimism are much more crucial than academic competence, technical expertise and professional education which constitute relatively only a small part of the picture. This transformation represents a shift from traditional intelligence or cognitive intelligence measured by Intelligence Quotient (IQ) to emotional Intelligence measured by Emotional Quotient (EQ). This study is designed to gain an insight into the development of emotional intelligence on the basis of personal competencies. It has been proposed in the study that it is essential for the executives of the present day business to possess high emotional intelligence and personal competencies impact the presence of emotional intelligence.

The results of the study indicate that people success is one of the important constructs of personal competencies and is strongly related to emotional intelligence. It therefore suggests that an understanding of the ability to relate well with each other in the organizational context paves the way for high emotional intelligence. This has been also supported by the study done by Singh (2007) where it was found that ability to form effective relationships at work place results in high efficiency of employees. Further Jordan and Troth (2004) also suggested that team performance was directly related to the emotional intelligence of employees in organizations.

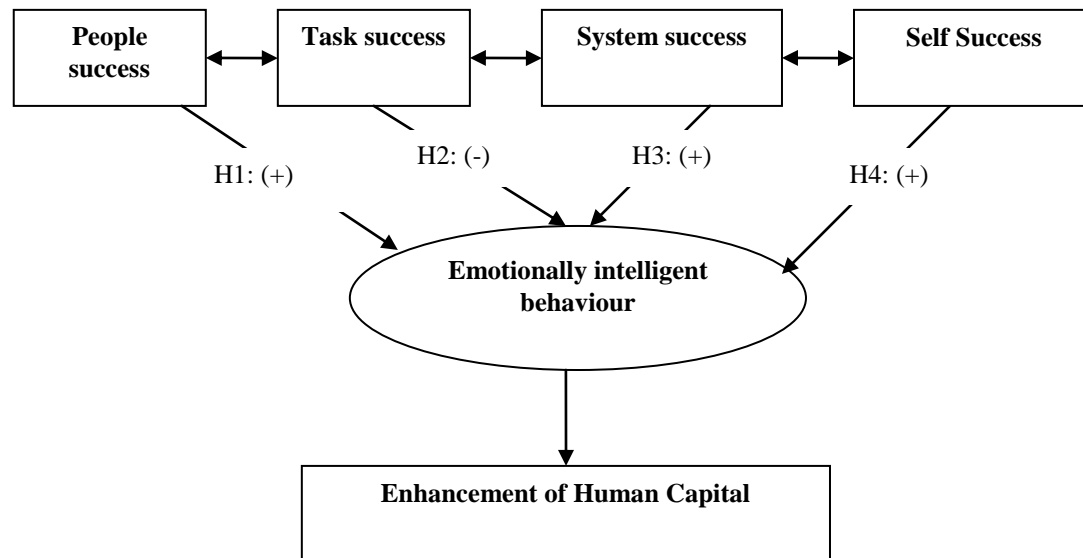
The study also indicates the importance of system success in predicting emotional intelligence of executives in Indian Business organizations. The competency of system success fosters individuals to focus on the organizational issues and identify with the organizational variables that control his or her performance and satisfaction. This finding is supported with the study by Sy, Tram and O'Hara (2006) which reported a strong relationship between emotional intelligence and job performance and satisfaction. Rosete and Ciarrochi (2005) also suggest that a strong association between emotional intelligence and workplace effectiveness lead to system success. Further in a study on 100 bank employees by Manila University (cited in D. Singh 2001) it was found that IQ scores were virtually unrelated with job performance whereas, EQ had high association with job performance.

Besides this, self success, one of the dimensions of personal competencies also contributes to predict emotional intelligence. Self success is an indicator of self-awareness which helps a person to comprehend one's emotions and recognize its impact on their decisions. Stein and Book (2006) suggested that an emotionally intelligent person is able to identify one's own feelings and to know the cause behind them thereby leading to self success. Further a national survey of American employers revealed that six of seven desired traits for entry-level workers were non-academic (Goleman, 1998) and were related to the understanding and recognition of self and others' feelings and taking appropriate actions (Sims, 1998)

However, task success was found to be a low predictor of emotional intelligence. This finding highlights that the ability of the individual to focus on the current task in hand and do it effectively does not have strong association with emotional intelligence. It could be more of a factor of cognitive intelligence rather than emotional intelligence. This finding can be supported by Goleman's (1995, 1998) argument that task performance may not be directly related to emotional intelligence except for providing a bedrock for other competencies to be successful. This has been further supported by (Cavallo & Brienza, 2002). However this finding is in contrast to the study by Jaeger (2003) which revealed a strong association between emotional intelligence and employee performance leading to task success.

With respect to the model proposed the result of the present study can be depicted as follows:

**Figure 2: Results depicted in the proposed model**



Overall the study provides enough evidence to prove that any improvement in the level of personal competencies of executives in the business organization is likely to improve the level of emotional intelligence of the employees too. Therefore to enhance the emotional intelligence of employees in organization, management has to aim to improve the levels of personal competencies of its employees. Employees in organization have to be trained for developing their people focus so that they can have better interpersonal relationship and connectivity in the organization. Management also has to dwell upon the focus on the way the organization operates its systems and processes and train its people to work effectively to work on the existing systems to add on to their levels of emotional intelligence. Besides this individuals have to be emphasized to have a focus on completion of their tasks and lead to its success along with the development of self. All these efforts on the part of the management will help in creating an organization which comprises of emotionally intelligent employees and add to the human capital of the organization.

## 9 CONCLUDING COMMENTS

The study reports an investigation of the relationship between the dimensions of personal competencies and emotional intelligence of executives working in Indian Business organizations. In the present study personal competencies were identified and studied as independent variables that influence the presence of emotional intelligence. To enhance the emotional intelligence of executives organizations have to enhance the competencies of people success, system success and self success.

Human Problems have three dimensions: material, social and metaphysical. Even after adoption of all the external or environmental focus approaches like job enrichment or enlargement, management by objectives, management by exception and participative management; every organization experiences behavioural problems like low level job involvement, job satisfaction and productivity on the one hand and high employee turnover and absenteeism, stress, communication gaps and lack of trust amongst employees on the other hand. The above-mentioned approaches might have failed because they consider the material and social dimensions of human resource only and not the emotional.

To grow and develop in the present kaleidoscopic scenario organizations need to constantly focus on learning so as to gain sustainable competitive advantage. This requires organizations to undertake continuous training and development efforts to impart cognitive as well as emotional learning. Most management and executive development efforts are targeted to work on non-intellective and non-cognitive aspects or competencies such as self-management, motivation, teamwork, conflict management, stress management, leadership, empathy, sales and customer relations etc.; so that the individual and organizational goals can be attained by engaging organizational members in the desired patterns of thought, feeling and action.

Irrespective of the national boundaries, the outcome of this study can be universally employed to the employees of any organization for the purpose of improving their emotional intelligence so that their competence and effectiveness at the job gets enhanced.

The above mentioned findings can lead us to conclude that emotional intelligence is one of the prerequisite for the success of any business enterprise. Emotional intelligence is an ability which can be developed among people with exposure and training. The existence of personal competencies among people has a major role to play in developing and enhancing the emotional intelligence of employees in business organizations. An attempt to develop the personal competencies of executives in organization can go a long way to improve their emotional intelligence. These efforts are to be made from both the sides i.e., the management and the employees to create a culture in the organization in which competencies are enhanced through training and development which then add up to level of emotional intelligence of the working executives.

A major step in this direction can be played by the leaders who have to keep their employees in high self esteem and create an environment where there is openness in sharing of ideas and thoughts. Employees have to be encouraged to develop their social skills which would lead to their greater acceptance among their colleagues and subordinates thereby smoothening the work process leading to success in the organization. There may be a discontentment that personal growth in the organizations is not encouraged and rewarded though there are lots of possibilities to be experimental and inventive. Management has to encourage people to experiment with the systems and processes leading to personal and organizational growth.

#### **10 SCOPE FOR FURTHER RESEARCH:**

The present study leaves a lot of scope for further research in the area of Emotional Intelligence and Personal competencies. Some of the specific ones are:

1. The researcher in future can do a comparative analysis to find the difference between private and public sector organizations in relation to their levels of emotional intelligence and personal competencies.
2. An international comparison between developed and developing economies will help us become aware of the major transitions taking place in the area of emotional intelligence at the global level.
3. An extensive study of formal implementation of the developmental programs to enhance the emotional intelligence of executives in business organizations could be carried out to facilitate effective and congenial work environment.

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