

Enhancing Employee Engagement through Emotionally Intelligent Leaders

Nupur A Veshne

Department of MBA
Assistant Professor
KLS, Gogte Institute of Technology, Belagavi
nupurvashne@gmail.com

M M Munshi

Department of MBA
Professor
Visvesvaraya Technological University, Belagavi
mmmunshi@rediffmail.com

Abstract: *In today's competitive environment survival is the biggest challenge. Leaders are facing too many challenges in facilitating organization's performance. In such a challenging situation employee engagement practices can make a huge difference in the organizations. Leaders look for productivity such engagement can bring, where on the other hand employees are increasingly desiring for fulfilling work. Employee engagement is more than only job satisfaction. While satisfied employees might do just well enough, they are not likely to put the extra, discretionary effort that is seen when they're really engaged in their work. Emotional intelligence is one strategy that leaders can use for increasing engagement and develops their employees. Organizations with emotional climate can effectively engage employees when they have leaders who have empathy, teamwork skills, ability to coach and mentor, and inspirational leadership competencies Empathetic leaders who can better understand unspoken emotions can influence employee commitment and enhance organizational performance. Employees will support their co-worker, use their creativity at work, and advocate for their employer when they feel that their leaders really care about them. This research paper aims to analyze the influence of a leader's emotional intelligence in enhancing employee engagement for increased organizational performance. Pearson's Product-Moment Correlation was used to analyze the relationship between emotional intelligence of leaders and the level of employee engagement of their direct reports. The results of the study indicate that there is a significant relationship between emotional intelligence and the dimensions of employee engagement.*

Keywords: *Emotional Intelligence, Employee Engagement, Employee Commitment.*

Introduction

Over the last decade, employee engagement concept has become increasingly mainstreamed into management to gain a competitive advantage through the human resource. Employee well being is an internal state of mind resulting out of employee engagement. The internal state of mind here means a physical, mental and emotional state that demonstrates work effort, organizational

commitment, and job satisfaction. These are some of the common terminologies used in organizations to describe employee's level of engagement i.e discretionary effort, going the extra mile, feeling valued and passion for work. Employee engagement is seen as a route to business success. A workplace with engaged workforce encourages employee commitment, energy and productivity to improve business performance.

An engaged employee always keeps track of the business situation and accordingly initiates actions to enhance performance on the job for the benefit of the organization. To nurture employee engagement organizations should work to develop a two-way relationship between employee and employer. It has been observed that organizations who have engaged workforce produce improved results. These results are financial i.e higher revenue and profits; as well as human i.e low levels of stress reduced absenteeism among employees and increased customer satisfaction and quality-related i.e higher product and process quality and safety.

A leader with a high Emotional Quotient can infuse a deep sense of engagement among employees. When there is no sense of engagement organizations are likely to witness a high rate of turnover that threatens the well-being organization, as these employees will not be motivated to work and hence less productive. Leaders need to possess traits like understanding and empathy to be able to establish connections with employees on a human level. Employees will always follow and support leaders who are open-minded and sensible, those who will always stand by them in difficult times at the forefront.

Unexpected challenges or threats can be handled when organizations have leaders with a high Emotional Quotient, as they are more confident, more adaptable and well prepared to handle the situation. Glenn Llopis says “Leaders become more valuable when they can increase productivity, employee engagement and results by creating a teamwork environment that gets the best performance from everyone.” “This requires leaders to be strong mentors as well as sponsors who can help their colleagues better navigate workplace opportunities and catapult their careers.”

Literature Survey

Employee Engagement

Employee engagement has become a popular concept during 1999-2005 which was extensively discussed among the players in the industry. It has drawn the interest of academicians to a large

extent only from the year 2006 (Welch, 2011) when numerous studies were able to line this theory of employee engagement to organisation engagement, job engagement and work engagement. Saks (2006) using Khan’s (1990) definition developed the construct that includes job and organisation engagement. According to Saks, the “antecedents of employee engagement were: job characteristics, perceived organisational support, perceived supervisor support, rewards and recognition, procedural justice and distributive justice.” “On the other hand, the consequences of engagement were: job satisfaction, organizational commitment, intention to quit and organisational citizenship behaviour.” A number of studies have indicated that the presence of a higher level of employee engagement can considerably reduce the employee’s intention to quit (Maslach et al., 2001; Saks, 2006).

According to Joshi and Sodhi (2011), the critical determinants of engagement were namely; job content (“autonomy, challenging opportunities for learning”), compensation/monetary benefits (“attractive salary and responsibility, adequate compensation for the work and intra-organisation parity”), work-life balance (“appreciative of personal needs, able to spend time with family”), top-management employee relations (“approachability of top management, their values and ethical conduct, equality in treatment, respecting the views of subordinates, providing an environment of working together”), scope for advancement and career growth (“well-designed policy, adequate opportunities for career growth and advancement, clearly laid down career growth paths; implementation of the promotion policy in a fair and transparent manner, help the employees in achieving growth”) and team orientation/teamwork (“importance, cooperation in inter- and intra-department teams”).

Emotional Intelligence

Emotional intelligence concept is very popular in the business context and has become more popular in the recent past. Communication and leadership are the two areas greatly influenced by organizations with social network setup and

who use emotional intelligence as a social communication model. (Shooshtarian et al., 2013) defined Emotional intelligence “as the ability to manage one’s own and others’ feelings and emotions in such a way to guide their own thinking and actions.” Leaders high on emotional intelligence use self-awareness and self-control to influence others by understanding how their behaviour affects others. Emotional intelligence consists of five personality attributes, they are social skills, empathy, self-awareness, self-management, and motivation. According to (Ioannidou & Konstantikaki, 2008) “EI involves the ability to recognize, determine, and manage the emotions of one’s self, of others, and of groups”.

Major theoretical models have emerged from research over the last 25 years. Ability model was introduced by Mayer and Salovey; Emotional-Social Intelligence trait model was developed by Reuven Bar-On; and an advanced model by Daniel Goleman known as the model of trait and ability (Fernandez-Berrocal & Extremera, 2006).

Mayer and Salovey’s model discusses four abilities which include perception, assimilation, understanding, and regulation of emotions (Mayer et al., 2004). He defines these abilities as “Aptitude to recognize emotions of self and others is perception; Assimilation is the ability to generate, feel, and use emotion in decision making and communication; Understanding emotion is the ability to understand and value emotion; Lastly, Mayer and Salovey describe regulation of emotion as a leader’s ability to monitor and control one’s emotions when interacting with others.”

Bar-On’s model has given a broad definition of emotional intelligence (Fernandez-Berrocal & Extremera, 2006). According to Bar-On, Tranel, Denburg, and Bechara (2003) “Emotional and social competencies help inadequately understanding and expressing one’s self and these competencies are classified into five main dynamics: intrapersonal skills, interpersonal skills, adaptability, stress management and general mood.”

According to Goleman (2005), emotional intelligence has five essential elements: self-awareness, self-regulation, building and maintaining relationships, empathy, and motivation. In his research, he points out the difference between these two terms: emotional intelligence and emotional competency. He says “emotional intelligence is the capacity to learn emotional competency” (Krone, 1999).

To pursue performance effectiveness it requires organizational leaders to understand the employee talent and their capability which impacts the effectiveness of the workplace (Boyatzis, 2009). Emotional intelligence helps in encouraging and nurturing positive work attitudes and promotes selfless behaviours and work outcomes (Carmeli, 2003). Carmeli also mentioned that high emotionally intelligent leaders are empathetic, sensitive, and responsive to the needs and feelings of their employees. This sense of connection with employee provides a possibility for commitment and improved job performance among employees.

Leaders high on emotional intelligence can understand their own emotions because they have high confidence and self-awareness (Freshman & Rubino, 2004). Emotionally Intelligent leaders understand how their behaviour influences people around them. In simple words, it means that leaders with high emotional intelligence are aware and are honest in expressing their strengths and weaknesses. A leader with high competency in emotional intelligence will demonstrate the ability to remain calm and composed and manage their anger and frustration in the most annoying situations (Freshman & Rubino, 2004).

Emotional intelligence and Employee Engagement

Employee engagement is seen as a critical driver to business performance and success. Organizations which are able to exhibit high levels of engagement witness low employee turnover, higher productivity and increase the annual net profit. Level of engagement amongst employees acts as an important indicator of leadership success when leaders demonstrate

responsibility for driving and maintaining engagement within the organization. Leaders can significantly influence on employee engagement, and this can be measured by observing the relationship employees have, the role they execute, and the return they receive. Organizations should understand the leader's personality traits and how these traits can impact the drivers of engagement.

Dr Mark Slaski (2003), in his research study indicated that "leaders with higher emotion perception lead teams with a greater sense of voice and togetherness at work." This means that if leaders are able to identify emotional reactions of others and adjust their behaviour accordingly in order to motivate their team, they will be able to facilitate trust and cooperation, resulting in a more conducive work environment where employees are likely to express their ideas, opinions and feel appreciated. This helps in recognizing that specific personality characteristics are related to successful leadership outcomes including employee engagement. The role of a leader is not limited to merely influencing and coaching their teams but also to be able to really establish connect with their equals across the business. Undoubtedly to be successful in business today, we need to high on emotional intelligence.

Need for the study

Leadership and their relationship with subordinates play a vital role in organizations success and growth. In the recent past, a lot of studies were undertaken to establish a relationship satisfaction and job performance of employee and results indicate that employee engagement is the result of the relationship they have with the leaders in the organization. This is the main reason why leaders need to be conscious of the way they engage with their subordinates. Emotional Intelligence is a competency that can be acquired and it affects the way leaders use it and make decisions. (Nelson & Quick, 2006).

Problem Statement

Employee engagement depends on how much an employee is emotionally involved with the

organization. So leaders have to establish connect with employees at a human level to encourage productivity and employee engagement and this requires traits i.e. both understanding and empathy among leaders. These attributes are key elements of what is known as emotional intelligence. Leader's emotional intelligence better navigates workplace opportunities and catapults the employee's career. Hence the study attempts to explore the relationship between a leader's emotional intelligence and work engagement of their direct reports in a financial services organization.

Objectives of the Study

- To determine the relationship between leaders emotional intelligence and employee engagement in a financial services organization.
- To suggest measures to enhance employee engagement through emotionally intelligent leaders.

Hypotheses

Null Hypotheses (H0): Emotional Intelligence has no significant impact in influencing employee engagement comprising of vigour, dedication and absorption.

Alternate Hypotheses (H1): Emotional Intelligence has a significant impact in influencing employee engagement comprising of vigour, dedication and absorption.

- H1a0: Emotional Intelligence has no significant impact on influencing vigour of employees.
- H1a: Emotional Intelligence has a significant impact on influencing vigour of employees.
- H1b0: Emotional Intelligence has no significant impact on influencing dedication of employees.
- H1b: Emotional Intelligence has a significant impact on influencing dedication of employees
- H1c0: Emotional Intelligence has no significant impact on influencing the absorption of employees.

- H1c: Emotional Intelligence has a significant impact on influencing the absorption of employees.

Research Method

- For this study, Explorative and Descriptive research methodology is proposed.
- Method of Data Collection: Primary data were obtained from survey method using both interview and structured questionnaire survey from various financial service organization employees. Secondary data were collected from books, journals, newspaper and websites.
- Questionnaire: A self-administrated questionnaire was used to conduct this study. To collect data on employee work engagement, the Utrecht WE Scale (UWES) (Schaufeli et al., 2002) is used which consists of 17 items, scored on a seven-point rating scale, varying from 0 (“never”) to 6 (“always”). To measure Emotional intelligence, the Wong Law Emotional Intelligence Scale (WLEIS) survey instrument consisting of 16 items is used to assess a leader’s emotional intelligence.
- Sample: The sample frame represented the employees working in financial service organizations working on all levels. In selecting the sample stratified random

sampling techniques was used. The sample size was 125 employees and 15 supervisors and managers. The questionnaire evaluated the respondents’ emotional intelligence and measured their level of engagement in the organization.

Data Analysis & Results

Data have been collected using two instruments and were statistically analyzed using a Pearson’s Product-Moment Correlation which is a bivariate correlation procedure. The dependency between the two variables i.e emotional intelligence and employee engagement is measured by using Linear correlation the Pearson’s *r*. Hypothesis testing was done by using the Pearson’s Correlation to either accept or reject the relationship that existed between emotional intelligence and employee engagement.

Data Analysis & Discussions

To determine the statistically significant correlation between the leader’s level of emotional intelligence and engagement of their direct reports within the workplace quantitative analysis has been conducted.

To measure the reliability of the scale items Cronbach’s alpha was computed as a measure of internal consistency.

Table 1. Cronbach’s Coefficient Alpha

Reliability Coefficient			
	No. of cases	Alpha	No. of items
WLEIS	15	0.91	16
UWES	125	0.84	17

Based on the 16 item questionnaire on the sample of 15 managers or supervisors WLEIS reliability was computed to be 0.91. UWES’s reliability was determined to be 0.84 based on the sample of 125 employees who participated in the current research.

The responses collected from the employees through the questionnaire were analyzed to draw

inferences regarding the relationship between emotional intelligence of leaders and employee engagement.

The dimensions of the independent variable emotional intelligence that were measured in the study comprised of Self-Emotional Appraisal (SEA), Others’ Emotional Appraisal (OEA), Use of Emotion (UOE) and Regulation of Emotion

(ROE). The dependent variable employee engagement was measured through vigour,

dedication and absorption dimensions. Four correlations were found through the statistical analysis for each of the dimensions.

Table: 1. Emotional Intelligence and Vigour

The first hypothesis speculated that Emotional Intelligence has a significant impact on influencing vigour of employees. The Pearson Product Moment Correlation was used to ascertain the relationship between emotional intelligence and vigour. The study revealed significant relationship between Self-Emotional Appraisal (SEA) and vigour ($r=0.47$ $p<0.01$) and Others' Emotional Appraisal

(OEA) and vigour ($r = 0.40, p< 0.01$). A positive relationship was established between Use of Emotion (UOE) and vigour ($r = 0.45, p< 0.01$) and a reasonably good relationship was found to exist between Regulation of Emotion (ROE) and vigour ($r = 0.38, p< 0.01$). As all variables are having a positive significant relationship H1a hypothesis is accepted. (Table: 1)

Table: 2. Emotional Intelligence and Dedication

Emotional Intelligence	Dedication
Self-Emotional Appraisal (SEA)	($r = 0.47, p < 0.01$)
Others' Emotional Appraisal (OEA)	($r = 0.40, p < 0.01$)
Use of Emotion (UOE)	($r = 0.45, p < 0.01$)
Regulation of Emotion (ROE)	($r = 0.38, p < 0.01$)

The second hypothesis speculated that Emotional Intelligence would be positively correlated to Dedication. The Pearson Product Moment Correlation was used to ascertain the relationship between Emotional Intelligence and dedication. The study revealed a significant relationship between Self-Emotional Appraisal (SEA) and dedication ($r = 0.48, p < 0.01$). A

moderate relationship was established between Others' Emotional Appraisal (OEA) and dedication ($r = 0.38, p < 0.01$) and Use of Emotion (UOE) and dedication ($r = 0.42, p < 0.01$). A good relationship was found to exist between Regulation of Emotion (ROE) and dedication ($r = 0.44, p < 0.01$). As all the variables are having a positive significant relationship H1b hypothesis is accepted. (Table: 2)

Table: 3. Emotional Intelligence and Absorption

The third hypothesis speculated Emotional Intelligence would be positively correlated to absorption. The Pearson Product Moment Correlation was used to ascertain the relationship between Emotional Intelligence and absorption. The study revealed significant relationship between Self-Emotional Appraisal (SEA) and absorption ($r = 0.39, p < 0.01$). A positive relationship was established between Others' Emotional Appraisal (OEA) and absorption ($r = 0.44, p < 0.01$). A reasonably good relationship was found to exist between Use of Emotion (UOE) and absorption ($r = 0.32, p < 0.01$) and emotional intelligence and absorption ($r = 0.38, p < 0.01$). As all the variables are having a positive significant relationship H1c hypothesis is accepted. (Table: 3)

Summary & Conclusions

The study reveals a positive correlation between emotionally intelligent leaders and the degree of employee engagement of the employees who directly report them. This is significant because this result demonstrates the importance of a leader's emotional intelligence on how much the employees are engaged which is leading to an increase in organizational performance. Although there are plenty of researches found on the relationship between emotional intelligence and employee engagement, there have been very few noteworthy studies conducted to demonstrate this potential relationship within the financial sector. The study reveals a potential strategy to tackle these challenges. Leaders with higher emotional intelligence in the workplace can enhance the productivity of employees, customer satisfaction, and organizational loyalty than those possessing lesser emotional intelligence.

Additionally, the study complements the work of other researchers that leaders high on emotional intelligence are more competent to encourage their direct reports towards the goals of the organization and its strategic focus (Harter et al., 2002; Truss et al., 2014). As a result of the relationship with their immediate supervisor and commitment to the organization, employees are willing to work harder for the organization performance (Alvi, Haider, Haneef, & Ahmed, 2014; Harter et al., 2002).

To transform organization's performance organizations need to develop educations and training programs focused on developing emotional intelligence competencies of the leaders which will strengthen the management's abilities to create and sustain a workplace of an engaged, customer-oriented workforce. To ensure that organizations stay intact with such managerial competencies they can heir candidates with high emotional intelligence during the hiring process itself. Organizations can develop customer-centric strategies which have an intentional emphasis on employee engagement practices and doing so it will create a positive work environment, resulting in engaged, self-motivated, and hardworking workforce. In today's competitive and rapidly changing business world, the emotional intellect of organizational leaders can be the key differentiator in sustaining organizations performance and success (Barthwal & Som, 2012).

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Others' Emotional Appraisal (OEA)	($r = 0.44, p < 0.01$)
Use of Emotion (UOE)	($r = 0.32, p < 0.01$)
Regulation of Emotion (ROE)	($r = 0.38, p < 0.01$)

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