



The influence of emotional intelligence sustaining future business performance

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Abstract. The business environment has been unstable and unpredictable. In the past few years, the business world has seen not only natural causes but also human causes which affect the stability of the environment. The COVID-19 and riots are some examples of these situations which influence the future of the business environment. Despite all these uncertainties, business leaders need to be able to formulate strategies that will see the organization sustaining to the future. It was argued that employees' attitudes influenced by the level of emotional intelligence would be a strong competence towards sustaining and sustainability. To examine this relationship between emotional intelligence and sustaining business performance, a local manufacturing organization in Selangor was chosen. A total of 110 executives in the organization participated in the study. The GENOS emotional intelligence questionnaire was used in the study. Based on the findings, emotional intelligence does sustain the performance of the organization.

Keywords: Workplace, Competency, Productivity

1 Introduction

The long-term survival of a business depends on growth. It supports the organization's ability to fund investments, recruit fresh talent, and acquire assets. Additionally, it boosts revenue and business performance. Every company's leader wants to see gradual improvement and growth within their organization. The company would be able to seize environmental opportunities and become a market leader. Business leaders concentrate on the future of their company's operations to guarantee that the company will keep expanding forever. Business leaders must make sure their organization is resilient and will be able to sustain itself in the long run if they want that to happen. In the recent past, a virus nearly destroyed the commercial environment. To stop the virus's spread, many heads of state and government were forced to enact control orders. Unfortunately, some organizations were unable to continue and had to close. Some organizations, though, can support themselves. The goal of this paper is to ascertain how emotional intelligence affects maintaining business performance.

2 Literature Review

2.1 Sustainability

Business organizations are driven to succeed by maintaining business performance through the accomplishment of business goals and objectives [1]. However, the path to success is paved with obstacles that could halt progress while also depleting the satisfaction already attained. They might also deplete the business organization's resources. A new set of skills are necessary to manage a reliable and steady company in a volatile business environment [2]. The constantly shifting nature of business conditions raises the danger of wildly unpredictable performance. Together, these lead to complexity, which is a term used to describe a business environment in which change is the new norm.

Businesses must plan strategically to deal with volatility, uncertainty, complexity, and ambiguity (often referred to as the VUCA environment), but they must also maintain the ability to flex dynamically as levels of unpredictability and uncertainty rise. The three long-term goals of organizations are direction, discovery, and destiny, according to Hamel & Prahalad [3]. According to their definition, the term "long term" refers to continuously maintaining business performance. Sense of direction implies the competitive position of the organization in the long run perspective. It would be seen as having a strong competitive position and looking to the future. Sense of discovery considers the goal of standing out from the competition through the work product and employee attitudes. In the context of destiny, which refers to the organization's future, the emotional Being a benefit to the organization is regarded as a worthwhile goal. And as a result, each employee exemplifies a particular set of competencies.

"Competencies" refers to superior performance and high motivation and focuses on behavior, motivations, and other personal traits [4]. This characterization is attribute-based because it is based on the individual's personal characteristics [5]. The term "competencies" is frequently used synonymously or in place of "competence," "skills," "abilities," "capabilities," and other similar concepts. When it comes to sustainability, competences are interconnected with the knowledge, abilities, attitudes, and values that allow for practical, embodied action in response to real-world sustainability issues, opportunities, and challenges.

2.2 Emotional Intelligence

A group of people who collaborate in an organized manner for a common goal is an organization. As the work environment and behaviors associated with it determine characteristics that may unleash side-effects in employees' well-being, the current pandemic is urging everyone to include mental health as one of those purposes [6]. The term "emotional intelligence" refers to a person's capacity to comprehend, manage, and understand their own emotions. When someone can control their emotions, they will react to any situation much more effectively rather than automatically going into fight, flight, or freeze mode (behaviors driven by the reptilian brain). It enables people to manage stress and see clearly, leading to better life decisions. It increases a person's capacity for resilience, or the capacity to recover from setbacks [7]. The capacity to control one's own emotions as well as comprehend those of those around them is referred to as emotional intelligence [8]. Emotional intelligence skills are the foundation for many of the soft skill core competencies. The capacity to recognize, experience, comprehend, and express human emotions in constructive and positive ways is known as emotional intelligence. Five essential emotional competencies, according to The Genos, formerly known as Swinburne University's Emotional Intelligence Unit, are relevant to the workplace [9].

First, emotional recognition and expression refers to both the capacity to recognize one's own feelings and emotional states as well as the ability to communicate those feelings to others. The capacity to recognize and understand other people's emotions, including those that are triggered by work environments and staff meetings, is empathy, which is the second skill. "Emotions direct cognition" refers to the extent to which emotions and emotional knowledge are incorporated into situations requiring decision-making or problem-solving.

Another aspect of emotional management is having the ability to control one's own emotions as well as those of others. In addition, emotional control is the ability to control strong emotions such as rage, stress, anxiety, and frustration that may arise at work. Employees with high emotional intelligence would be able to identify their feelings, understand what they mean, and understand how those feelings affect their behavior, which in turn affects the feelings of their coworkers at work.

Strong interpersonal skills and high emotional intelligence are essential in the workplace, particularly in the areas of conflict resolution and interpersonal communication. Employees who can control their emotions often have better decision-making skills. They have the capacity to reason critically before acting. Working in a team requires having empathy and understanding for one another. An employee will be better able to manage relationships and make others feel heard if they can connect someone's behavior to an underlying emotion.

A person's resiliency was put to the test during the coronavirus pandemic. Employees must maintain their composure during the pandemic because everyone in the organization and the entire world are affected. Especially the emotional dimension of competencies Direct cognition focuses on how people evaluated their work environments and used positive evaluations to inspire them to manage their current lives. Positive feelings make it easier for the worker to handle difficult circumstances [10].

3 Research Methodology

This study aims to investigate the relationship between an organization's business performance and emotional intelligence in the manufacturing sector. Malaysia's manufacturing industry is still essential to the nation's economic transformation [11]. Despite the uncertainty surrounding the global economy, the nation's growth was guaranteed by its contributions to export revenue and job creation. Production of more high-value-added, diverse, and complex products will continue to be prioritized, especially in the catalytic sub-sectors of electrical and electronics (E&E), machinery and equipment (M&E), and chemicals and chemical products. Medical devices and aerospace, the other two high potential growth sub-sectors, will also be pursued.

3.1 Sampling Plan

A successful manufacturing organization in Selangor, Malaysia has been chosen for the study. This organization has been in existence for more than 50 years. The organization started from a 2 men team to a team of more than 1000 employees with branches in Penang, Selangor, and Melaka. The organization has also adopted the concept of digitalization. Their latest investment in Melaka is situated in a smart investment center known as SIC. The SICs uses the latest advancement in technology in their methods of production. The SICs are in line with the government's effort to move towards Industrial Revolution 4.0 (IR 4.0).

A total of 110 executives in the organization took part in the study. Until to date, the organization has not retrenched any of their employees. 3 sets of questionnaires were distributed to all the executives with the help of the Human Resource personnel. The Genos Emotional Intelligence questionnaire developed by Palmer and Stough [9] has been used to examine the level of emotional intelligence among the executives in the organization. For business performance, the financial rates, which include sales, profits and market share are used to examine performance.

4 Findings and Discussion

Table 1 shows the demographic analysis of the respondents from the organization. Most of the executives are males and about 60% of them are more than 40 years old. 58.18% of them have worked in the organization for more than 10 years. This may indicate that the employees are satisfied with the management style. 56 executives are in the production area (Production = 21; the Engineering = 30; Store and Logistics = 6), while 54 are with the administration side (Human Resource = 21; Finance and Accounts = 12; Sales and Marketing = 20). Based on the manpower distribution, it was found that the management focused on 2 departments, e.g., engineering and sales and marketing. They need the 2 sets of departments to ensure that there are sales, and the product meets the quality standard set by the customers.

Table 1: Respondents' Demographics

		Fre- quency	Percent- age	Cumulative Percentage
Gender	Male	70	63.6	63.6
	Female	40	46.40	100.0
Age group	Less than 30 years old	2	1.82	1.82
	More than 31 but less than 35 years old	18	16.36	18.18
	More than 36 but less than 40 years old	30	27.27	45.45
	More than 41 but less than 45 years old	40	36.36	81.81
	More than 46 years old	20	18.19	100.0
Nationality	Malaysian	110	100	100
Marital Status	Single	6	5.46	5.46
	Married	104	94.54	100.0
Department	Human resource and ad- ministration	21	19.09	19.09
	Finance and accounts	12	10.91	30.00
	Production	21	19.09	49.09
	Sales and marketing	20	18.18	67.27
	Engineering	30	27.27	94.54
	Store and logistics	6	5.46	100.0
Education Level	Diploma and lower	48	43.64	43.64
	Bachelor's degree	58	52.73	96.37
	Master's degree	2	1.82	98.19
	Professional qualifica- tion	2	1.81	100.0
Length of Em- ployment	Less than 2 years	4	3.64	3.64
	More than 2 but less than 5 years	12	10.91	14.55
	More than 5 but less than 10 years	30	27.27	41.82
	More than 10 years	64	58.18	100.0

The research question was to examine the relationship between emotional intelligence and business performance. As seen in Table 2, it was found that based on the 5 dimensions of emotional intelligence, only understanding other emotions was not found to have a significant relationship with business performance as $p > 0.05$. From the remaining 4 dimensions of emotional intelligence, emotional recognition and expression was found to have a high t value. A high t value indicates a stronger effect to the outcome variable, in this case, it is business performance. Emotions direct cognition was also found to have a high t value. From the analysis, emotional recognition, and expression and emotions direct cognition have been found to have a stronger impact towards business performance. These soft skills investigate the individual knowing themselves and can solve issues or problems in the organization. It is noted that 65.7% of the variations in business performance are related to emotional intelligence. A high percentage- age showed the importance of the skill in enhancing the performance in the organization. This is more so during a volatile and uncertain situation like the pandemic.

During periods of uncertainty, employees are expected to be able to understand the situations experienced by the organization. The soft skills needed during such times include conflict resolution, flexibility and problem solving. These soft skills relate to emotions direct cognition, how emotions aid the individual to decide in a more effective way. Soft skills such as teamwork, communication, dependability, and adaptability are reflected in emotional management and emotional control. The pandemic has created feelings of uneasiness and panic among many. These feelings affect emotional stability

and employees need to be able to manage and control the extremes of their emotions so that there would be harmony.

Table 2 : Regression Analysis between Emotional Intelligence and Business Performance

Model	Unstandardised		Standardised	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	0.023	0.331		0.069	0.945
ERE	0.320	0.070	0.325	4.565	0.000
UOE	0.158	0.082	0.149	1.931	0.056
EDC	0.250	0.072	0.263	3.477	0.001
EM	0.164	0.076	0.168	2.155	0.033
EC	0.178	0.069	0.167	2.596	0.011
a. Dependent variable: BP					
Model	R		R Square		
1	0.811a		0.657		

Key : ERE – Emotional Recognition and Expression; UOE – Understanding Others Emotions; EDC – Emotions Direct Cognition; EM – Emotional Management; EC – Emotional Control; BP – Business Performance

5 Conclusion

The purpose of the study was to examine the relationship between emotional intelligence and business performance. In the analysis, it was found that emotional intelligence does enhance the performance of the business. From the dimensions of emotional intelligence, emotional recognition and expression, emotions direct cognition, emotional management and emotional control were found to have a positive and significant relationship. These 4 dimensions focus on good communication among colleagues, good teamwork spirit, conflict resolution and good problem-solving skills.

5.1 Area of future research

The current study focused on successful organization in the manufacturing industry. Findings from the study may not be generalized to organizations from other industries. Moreover, in this study, the variables are the dimensions of emotional intelligence. For future study, it would be beneficial to examine the effects of emotional intelligence from organizations from other industries such as automobile, construction or oil and gas. Reviewing the study in other business sectors would increase the knowledge gained and would be useful for organizations if they would like to apply emotional intelligence into their organization.

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