

IMPACT OF EMOTIONAL INTELLIGENCE IN INCREASING EMPLOYEE ETHICS TO ENHANCE PERFORMANCE

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ABSTRACT

Emotional Intelligence (EI) is a key element that is accountable for determining success in an organization's effectiveness and life in general by playing an important part in ethical decision making. Emotional Intelligence is gaining traction as organizations are having increased work requirements which require employees to adjust and deliver better quality of work by means of high ethical measures and values. This research focusses on how an emotional intelligent person can make the right decision which is in favour of the organization and self as well, thus improving the overall performance of employees. The objectives of this paper are to comprehend the connection between an EI, ethics and job performance, to research the connection between EI, ethics, demographics and job performance and to suggest how employees can enhance their emotional intelligence and ethics levels to improve performance.

The respondents' data have been collected from 115 employees from different sectors and was analysed through Pearson Correlation. Purposive Sampling technique a nonprobability sampling method was used to select the respondents. As per this study findings, there exists a strong relationship between emotional intelligence, ethics and performance. Furthermore, since significance value is less than .05 for EI, Ethics and Performance there exist significant correlation between Gender and EI, Ethics and Performance. Results indicate that emotional intelligence and ethics have a positive effect on job performance of employees.

Keywords: Emotional Intelligence, Employee, Ethics, Performance, Workplace

Introduction

With the increase of competition and global integration of economies, organizations are now faced pursuing corporate profits and benefits. Many times, it gets difficult for top management and individual employees too to comply with the set ethical standards. There is very often an ethical dilemma faced, leading to ethical compromise for the sake of competitive advantage. The concepts of ethics comprise of business ethics, work ethics and organizational ethics. It can be pointed out that business ethics refer to how an organization conforms to the code of conduct of ethical norms during commercial activities. Organizational ethics and work ethics refer to how an employee performs in a work situation in accordance with ethical norms. Work ethic is set to be the fundamental root of professional ethics. It allows individuals to resolve inner conflicts, environment related disagreements while enhancing performance and job efficiency. The need to evaluate the dimensions of emotional intelligence (EI) on an international front is becoming the need of the hour. However, this does not lessen or devalue the role of Intelligence quotient (IQ). It has been discussed that an individual's performance is not determined by IQ but majorly by EI. There is also proof that the ability to feel, ponder and decide is the collaborative effort of both emotional and cognitive thinking as individuals who tend to ignore emotions are very short-sighted. Two of the three mental states—cognition and affect, or intellect and emotion—must be combined in order for there to be emotional intelligence (EI). The capacity to recognise, manage, and assess emotions is referred to as emotional intelligence. While some academics contend that emotional intelligence is an inborn trait, others contend that it can be learnt and increased.

Emotions seem to be inherent to a logical process of ethical conclusion, so it's crucial not to disregard them but to integrate them in the process, leading to enhanced ethical behaviours. The ability to make ethical decisions is thought to be significantly influenced by emotional intelligence, a crucial factor in predicting overall success in life. Often EI is viewed as the replacement of intellect however it is merely the combination of both that leads to overall performance success. A huge awakening of the existence of unethical conduct in companies have led many scholars to explore this area of research. Employees with high levels of emotional intelligence are more likely to be able to express their emotions in productive ways and understand the emotions of others they work with, which improves collaboration and productivity. Being weak is not a requirement for emotional intelligence. Being able to use one's emotions to guide decision-making in the heat of the moment and exercise

better self- and other-control is a new kind of intelligence. We may think more creatively and use our emotions to solve difficulties when we have emotional intelligence. There is definitely some overlap between general intelligence and EI. The necessity for employees to have a solid grasp of ethical behaviour that allows them to examine the influence of their behaviour and activities on corporate organisations and towards society is becoming more and more important. According to studies, emotional intelligence traits can promote self-regulation and manage disruptive behaviours by having a knowledge of others' thoughts and feelings. Emotions are viewed as crucial contributors to ethical decision-making in organisations, and ethical competence is a key tool for dealing with moral issues in corporate ethics. Individuals with high emotional intelligence are better at analysing their own feelings as well as other people's behaviour, and they utilise this knowledge to inform their decisions and actions. Therefore, they may be more inclined to use emotional intelligence to steer themselves towards ethical cognition and behaviour. Individuals would benefit from having this skill in order to recognise moral actions and the morality of others. As a result, those with high emotional intelligence would be better able to control their emotions and respond to other people's actions with less aggression and more ethically. When the culture and condition of the organisation change, emotional intelligence enables employees to adapt to their surroundings and make decisions that are advantageous to both the organisation and their personal lives.

This study aims to pinpoint the demand for integrating emotional intelligence into the ethical decision-making process. The behaviours linked with emotional intelligence may be realistically implemented to improve and boost the productivity of the employee. Employees with emotional intelligence are capable of excelling in all areas. It can be argued that EI plays a crucial role in moral judgement. This is an art, and with practice we might learn to use emotional intelligence to master the art of decision-making, which might improve performance.

The current study advances knowledge of the relationship between the influence of emotional intelligence on ethical competence as well as how these factors can improve performance. This study reveals that in a business scenario, the utilization of feelings/emotions can be sincere or just a means to an end to achieve the intended objective of the organization which could lead to overall enhanced job performance. Finally, it may be said that emotional intelligence has been shown to be a good indicator of ethical competence, hence boosting worker performance. Therefore, organisations need to think about how emotional intelligence may mesh with ethical competence and offer valuable insights into the area of growing social concern.

Literature Review

Ferrell, Skinner (1988) refers to top management in order to execute notable reforms, must apply and impose ethical policies of the organization. Ethics in the workplace have been associated with numerous ineffective actions with negative financial implications for organizations such as high absenteeism, deteriorated quality of work, vandalism, theft, destruction of property, intentional losing of time, angry behaviour, as well as behaviours consisting of lawlessness, criminality and action deviation.

Salovey, Mayer (1990) have expounded and explained in their book how EI can be seen as the capability to evaluate one's own feelings as well that of others, along with the ability to differentiate as well as take charge of an individual's behaviour, actions and thoughts. The capability to comprehend and take charge of one's own emotions/feelings as well understand and take charge of another's emotions/feelings is known as Emotional Intelligence (EI). While some scholars claim EI to be an inborn trait many others believe it can be nurtured and strengthened.

Goleman (1995) in his book popularized the term Emotional Intelligence and why it matters over IQ. EI refers to the competence that is able to identify, express emotions, distinguish, combine, monitor as well as control positive and negative thoughts in one's self and in others.

Salovey, Mayer (1997) devised an EI Model with dimensions. This model consists of sub- dimensions of capabilities of skills that together comprise the various areas of Emotional Intelligence. More specifically this EI Model involves the abilities to:

Perceive Emotions	Recognize dishonest behaviour
	Distinguish between positive and negative emotions
	Perceive emotions of others through facial clues, tone & behaviour
Facilitating Thought through Emotions	Emotions prioritize thoughts to important information
	Generate emotions to help judgement and memory
	Using emotions to empathize with others
Understanding Emotions	Recognize cultural differences and diversity
	Appraise emotions that may elicit emotions

	Ability to label emotions
Managing Emotions	Successfully managing other's emotions
	Engage with only required emotions
	Evaluate plans to control, reduce or increase emotional response

Table No. 1: Salovey & Mayer EI Model Dimensions

Solomon (2000) pointed out that the need for emotional intelligence is a very crucial factor for organizational success and efficient performance leading to an improved working climate. Another key element is that as an organization's system apex is Ethics, an important part is contributed by emotions towards the building and combination of considerations connected to future benefits. From early research emotions were referenced from an ethical point of standpoint. The study also states that the perception of ethical behaviour is built on an individual as well as others behavioural perceptions, EI is familiarly associated with achievement perceptions as well as ethics. The authors additionally draw attention to the fact that prior studies and theory both hint to a connection between emotional intelligence and emotional well-being. Emotional well-being involves a happy mood and strong self-esteem; emotional intelligence includes the capacity to comprehend and regulate emotions.

Davies, Stankov & Roberts (1998) stated that assessment, employment and control of emotions is vital in awareness, attitude and ethical functioning. Therefore, emotional intelligence and the workplace ethics are depending on the intellect and emotional involvement of the human conduct and organization on whole. The study contends that the measurement limitations of its tests limit the status of the emotional intelligence notion. The dependability of measures based on consensus scoring was poor. The study findings offer debatable proof of the existence of a distinct Emotion Perception component, which (perhaps) denotes the capacity to keep track of the emotions of others. This element is more limited than what is suggested by the current emotional intelligence models.

Fraedrich (1993) said it is crucial to understand the connection between EI management and the employees' ethical attitude and behaviour as it is against lack of transparency, authorization, self – justifying communication and mediocrity of the masses as emotions and ethics have always been historically and synchronically interconnected. He stated that ethics affects the way individuals make decisions in their life. Ethics has been also called as moral philosophy and stems from a work in Greek meaning 'Ethos'. This refers to spirit, habit and or disposition. It also broadly covers the stated dilemmas: How can an individual live an accomplished life; our rights and responsibilities; just and unjust behaviour; right and wrong language and moral decisions of what is good and bad. Ethics stands for a group of principles which seeks to explain that which is acceptable and a compilation of rules how human behaviour is directed through which accomplishment of this, is the crux where fairness is reposing. His research discusses that human behaviour with the outcome of right and wrong is ethical. We must always remember that ethics is a part of true values which every individual must incorporate in their respective lives and every organization has the duty of promoting ethical behaviour in internal and external conditions. Within organizations there is an ever-rising number of ethical dilemmas. This is due to the dynamic, volatile and complex business environment where employees' have unethical attitudes and behaviours, chasing after short term gain while ignoring the long-term adverse impact on the organization.

Baker, Hunt, & Andrews (2006) studied the replacement of intellect however it is merely the combination of both that leads to overall performance success. A huge awakening of the existence of unethical conduct in companies have led many scholars to explore this area of research. The researchers also express the important part held by organizations in the society and country as a whole where ethical and unethical behaviour are present as individual's integrate and involve them.

Fang (2006). The society is also getting alert with regards to business dealings and multiple organizations are enforced to reevaluate their ethical standards, influenced by borderless competition of a global market. Because of their importance and positioning within the management horizon, the themes of this research were established as being Emotional Intelligence, Ethics, and Success. Individual ethics have been shown to be a predictor of emotional intelligence.

Lysonski, Gaidis (1991) discusses that ethics of business always does not indicate any special element of ethics but rather a general application in all organizational activities both within and outside. By examining how they responded to moral quandaries in a variety of ethically troubling scenarios, the ethical tendencies of the participants were assessed. These conundrums included paternalism, conflict of interest, physical environment, coercion and control, and personal integrity. For business education and future study, conclusions are reached.

Terpstra, Rozell, & Robinson (1993) discusses how a person who transgresses owns up to their irregularities, many times as explanation for their behaviour was an obligation for success, in an environment somewhat few or nothing ethical. This study also examines the connection between the impression of unethical pro-organizational behaviours among co-workers and the theory of social information processing. From a theoretical development and research standpoint, this study adds to and broadens previous research on unethical pro-organizational behaviours. It also offers management ideas for businesses.

Mesmer-Magnus, Viswesvaran, Deshpande & Joseph (2010) discussed how one undiscovered element that can have a seriously positive impact on ethical behaviour as well as strong ability to make decisions is emotional intelligence. They also pointed out that no research has explored the Emotional and ethical connection. According to the authors that an emotionally educated person is less prone to utilise immoral methods to strive towards success.

Morgan (1993) studied how a predictor element of work performance and job contentment led to life gratification. Past research has depicted those infringers have deviated from the set conduct, engaging in unethical behaviour because simply they wish to attain success or maybe to keep pace with their colleagues who are also resorting to these unethical activities.

Grover (2005) studied how a particular grade of each person will be well linked to unethical implementations that are required precursors of achievement. Every manager deals with the complex, morally ambiguous situation of lying occasionally. Although people occasionally intentionally lie for their own gain, competitive and social pressures often lead to business lies. People differ in their particular predisposition to lie in similar circumstances, nevertheless. Only a few people lie when confronted with mildly divergent expectations, in contrast to the vast majority of people who lie when bargaining. There are suggestions made for managerial action intended to have a good impact on honesty.

Schutte et.al (2002) in the study pointed out how people who are having greater levels of intelligence, are generally more successful while dealing with other people, achieving high deliverable results, as being fierce through the use of focussed behaviours, leading to increased self – esteem development as stated by. Moreover, individuals with high self- respect and esteem have a greater recognition of their individual self-worth and tend to perceive that it’s possible to be successful at their own uncertainty.

Objectives of the Study

1. To comprehend the connection between an EI, ethics and job performance.
2. To research the connection between EI, ethics, demographics and job performance.
3. To suggest how employees can enhance their emotional intelligence and ethics levels to improve performance.

Hypothesis

- H0 - Emotional Intelligence, Ethics and Performance are not significantly correlated.
 H1: Emotional Intelligence, Ethics and Performance are significantly correlated.

Research Methodology

The respondents for this study consist of 115 employees from various sectors. Purposive Sampling technique was used to select the respondents. The questionnaire was tested for its reliability. As the value of Cronbach's Alpha is higher than .7 hereby stating that it has an acceptable internal consistency. Hence, the questionnaire used is reliable.

Cronbach's Alpha	N of Items
.805	18

Table No 2: Reliability Statistics

Data Analysis

		Frequency	Percentage
Age	21-25	55	47.83
	26-30	9	7.83
	31-35	12	10.43
	36-40	16	13.91
	41-45	17	14.78
	46-50	6	5.22
	Total	115	100
Gender	Female	44	38.26
	Male	71	61.74
	Total	115	100
Annual income	less than 3 lakhs	40	34.78
	3-6 lakh	18	15.65
	6-9 lakh	14	12.17
	9-12 lakh	17	14.78
	12-15 lakh	20	17.39
	more than 18 lakhs	6	5.22
	Total	115	100
Highest Education	Graduation	33	28.70
	Post-graduation	58	50.43
	PhD	24	20.87
	Total	115	100

Table 3: Profile of the Respondents

It was observed that most of the respondents were 21-25 old, male, with post-graduation as their highest education and having less than 3 lakh annual income.

The respondents are required to give their responses extending from high to low level of competence: Strongly Agree (5), Agree (4), Neutral (3), Disagree (2), Strongly Disagree (1).

	N	Mean	Std. Deviation
I recognize how my feelings affect my performance	115	4.289	1.0652
I consistently act ethically at work	115	4.1402	0.9854
I use my organization's core values in making decisions	115	4.1325	0.9354
I show sensitivity and understanding towards others' perspectives	115	3.9854	0.9865
I am skilled in influencing others	115	3.8564	0.9854
Valid N (list wise)	115		

Table No 4: Descriptive Statistics- EI Scale

From the table it is observed that the highest mean (4.28) was recorded for the statement- 'I recognize how my feelings affect my performance'. However, since the standard deviation is high, we cannot generalise this observation.

	N	Mean	Std. Deviation
I am clear about my personal values of what is right and wrong	115	4.4123	0.5029
I will be uncomfortable to carry out a job task that I felt was wrong	115	4.3421	0.51246
My peers seem to be less concerned about ethics than I am	115	4.3215	0.59357
I am willing to compromise my personal values to achieve my organisation's expectations	115	4.2321	0.49869
I am confident that I understand the values of my organization	115	4.1243	0.56049
Valid N (list wise)	115		

Table No 5: Descriptive Statistics- Ethics Scale

The highest mean 4.41 was recorded for - 'I am clear about my personal values of what is right and wrong' and the lowest mean 4.12 was found for - 'I am confident that I understand the values of my organization'.

	N	Mean	Std. Deviation
I focus on positive aspects of work instead of negative ones	115	4.3102	1.2315
I actively participate in all activities at work	115	4.2254	0.8465
I am able to carry out my assigned tasks effectively.	115	3.1124	0.7864
I keep in mind the work result I need to achieve	115	3.0546	0.8254
I come up with creative solutions for new problems	115	2.9854	0.6845
Valid N (list wise)	115		

Table No 6: Descriptive Statistics- Performance Scale

The highest mean 4.31 was received for 'I focus on positive aspects of work instead of negative ones. Few employees were of the opinion that they come up with creative solutions for new problems.

The data was analysed with Pearson Correlation In order to explore the relationship of demography on EI, Ethics and Performance, ANOVA test was utilized.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
EI	Between Groups	3.121	1	3.121	14.355	.000
	Within Groups	24.566	113	.217		
	Total	27.687	114			
Employee Ethics	Between Groups	3.297	1	3.297	10.881	.001
	Within Groups	34.234	113	.303		
	Total	37.530	114			
Performance	Between Groups	3.297	1	3.297	18.782	.000
	Within Groups	19.834	113	.176		
	Total	23.130	114			

Table No 7: Inferential Statistics - Gender and EI, Ethics and Performance

Since ANOVA table value is less than table value 0.05 ($p < .05$) there is a significant relationship between gender, EI, Ethics and Performance.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
EI	Between Groups	.587	3	.196	.801	.496
	Within Groups	27.100	111	.244		
	Total	27.687	114			
Employee Ethics	Between Groups	.414	3	.138	.412	.744
	Within Groups	37.117	111	.334		
	Total	37.530	114			
Performance	Between Groups	.807	3	.269	1.338	.266
	Within Groups	22.323	111	.201		
	Total	23.130	114			

Table No 8: Inferential statistics - Age and EI, Ethics and Performance

Since ANOVA table value is less than table value 0.05 ($p < .05$) there is a significant relationship between age, EI, Ethics and Performance.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
EI	Between Groups	.083	1	.083	.338	.562
	Within Groups	27.604	113	.244		
	Total	27.687	114			
Employee Ethics	Between Groups	.275	1	.275	.835	.363
	Within Groups	37.255	113	.330		
	Total	37.530	114			
Performance	Between Groups	.229	1	.229	1.132	.290
	Within Groups	22.901	113	.203		
	Total	23.130	114			

Table No 9: Inferential statistics -Education and EI, Ethics and Performance

Since ANOVA table value is less than table value 0.05 ($p < .05$) there is a significant relationship between education, EI, Ethics and Performance.

		EI	Performance
EI	Pearson Correlation	1	.929**
	Sig. (2-tailed)		.000
	N	115	115
Employee Ethics	Pearson Correlation	.704**	.649**
	Sig. (2-tailed)	.000	.000
	N	115	115

Table No 10: Correlation between EI, Ethics & Performance

Since Significance value is less than .05 ($p < .05$) we failed to accept null hypothesis that there is no significant correlation between EI, Ethics and Performance. Thus, we accept alternate hypotheses. The correlation between EI, ethics and performance is very strong since the correlation coefficient is greater than .7.

Findings

The findings of this study are listed as below:

1. There exists a strong correlation between EI, ethics and job performance.
2. There is a significant relationship between age, EI, ethics and performance.
3. There is a significant relationship between gender, EI, ethics and performance.
4. There is a significant relationship between education, EI, ethics and performance.
5. EI and ethical decision-making have a favourable impact on enhancing an individual's job performance.
6. The degree to which an employee promotes responsibility, quality, self-discipline, and a sense of teamwork in the performance of their duties determines whether or not they have good work ethics and their emotional intelligence level.

Conclusion

It is evident that emotional intelligence (EI) has a favourable effect on raising employees' ethical standards, which in turn helps to boost performance as a whole. Organizations can increase the ethical quotient of

employees by increasing the emotional quotient first. In this study ethics is seen as a strong predictor to success hereby adding to the extended life satisfaction element. This study reveals that in a business scenario, the utilization of feelings/emotions can be sincere or just a means to an end to achieve the intended objective of the organization.

Emotions are a huge part of ethical decision making and an organization's culture can play a huge role to further the emotional intelligence of employees as this could have a direct impact on their ethical decisions.

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