

CONSEQUENCES OF EMPLOYEES' EMOTIONAL INTELLIGENCE AND JOB STRESS ON THEIR PERSONAL DEVELOPMENT AND FINANCIAL PERFORMANCE OF ENGINEERING COMPANIES IN COIMBATORE DISTRICT

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ABSTRACT

Emotional intelligence is an essential factor responsible for determining success in life and shaping interaction between individuals and work. The present study aimed to determine the profound effect of employees' emotional intelligence and job stress on personal development and financial performance of the engineering companies in the Coimbatore district. Participants were 50 employees who completed a questionnaire package. The finding shows that Emotional intelligence and job stress significantly predicts personal development and financial performance. This research suggests that emotional intelligence must be a part of employees training to uphold employees' ability to develop successful performance with their organization.

Key words: Emotional intelligence, stress, personal development and financial performance.

INTRODUCTION

The revolutionary changes witnessed in the nature of work in business organizations, particularly during last four decades, have greatly influenced the work culture and performance of these organizations. There was a huge introduction of new technology, predominantly the use of computers, into the place of work followed by a massive shift towards globalization, with many organizations undergoing strategic alliances, acquisitions, mergers and privatizations. The end result of this entrepreneurial period was increased economic competitiveness in international markets. A major

restructuring of work took place in the 1990's. Many organisations in different countries hit by recession were downsizing in an effort to survive. With the first light of the 21st century, this trend for downsizing and restructuring continued in many organizations, together with an increase in outsourcing and sub-contracting, in order to survive and compete successfully in the increasingly competitive and dynamic global market. Stress at workplace is a moderately new phenomenon of today's lifestyles. The characteristic of work has gone through strong changes from the last few century and it is still changing at fast speed they have touched almost all professions. Occupational stress poses a threat to physical health being. Working at occupation related stress in the life of organised employees, as a result, affects the health of organisations (Sanyo Moosa, 2009).

In a time when the very concept of a —job is rapidly replaced by portable skills, and when there are no guarantees of job security, these are prime qualities that make and keep an employee employable. Talked and discussed about loosely for decades under a array of names, from personality and character to competence and soft skills, there is at last a more precise understanding and importance of these human talents, and a new name for them: Emotional Intelligence (EI), measured in terms of Emotional Quotient (EQ). The term Emotional Intelligence (EI) refers to the ability to identify, use, understand and manage emotions and emotional information. It has been suggested that there are individual differences in our ability to utilize emotions and emotional information (Mayer & Salovey, 1993) and as such EI has become a popular construct with researchers and practitioners alike. The popularity of EI has stemmed primarily from the suggestion that it underpins various aspects of performance and success that are not accounted for by other psychological constructs (such as intelligence and personality). One of the rapidly growing areas of interest with regard to EI is its role in the workplace. Traditionally the workplace has been considered to be a cold and rational environment, a place where there is no room for the experience or expression of emotions and in fact researchers fostered the belief that emotion is the anti study of rationality' (Ashforth & Humphrey, 1995; Ashkanasy, Zerbe & Hartel, 2002).

PROBLEM FOCUSED

The utility of emotional intelligence has been found manifold insightful into personal productivity, work/life-balance, team performance, career-success, stress management, motivation, talent retention, leadership, conflict resolution, customer satisfaction and so on. Further development of EI skills/ability can benefit a wide range of employees within an organisation, namely bank professionals, business executives, team leaders, sales professionals, technical professionals, customer service representatives, etc. As the ability to get things done through people is the vital task of the managers,

emotional quotient is an important factor. If managers do not balance their intelligence quotient skills with emotional intelligence like understanding and empathy, employees might feel insecure and unappreciated. At times they can even feel underestimated, criticized and disrespected. These negative feelings can result in seething dissatisfaction leading to absenteeism, passivity, lack of productivity and attrition. As an employee with desired potential is scarce these days, only those who are adept in retaining employees can excel in their jobs and competitive environment.

Since emotional intelligence is expected to play a major role in moderating behavioral issues and related outcomes so it will be desirable to study emotional intelligence among bank employees working in different banks. We all know that behavior outcomes and emotions are related but how far performance suffers and stress levels rise because of the lack of emotional skills is a question that still bothers our mind. There is a little evidence to support the claim that emotional intelligence predicts better performance and moderates employee's job stress especially among engineering employees in the Indian setup. With the present setting, the study strive to find the answer to analyze the impact of employees' emotional intelligence and job stress on their personal development and financial performance of the companies.

OBJECTIVE OF THE STUDY

The exclusive objective of the study is to investigate the impact of emotional intelligence and stress on the employees' personal development and financial performance of the company.

HYPOTHESIS OF THE STUDY

H₀₁: The emotional intelligence and stress of the employees will have no significant difference on their personal development and financial performance of the company

SAMPLING DESIGN

A total of 50 personnel from the various companies of engineering industry in the Coimbatore district are being chosen for the study. The sampling technique adopted here is simple random sampling and the data collection is made through structured questionnaires.

STATISTICAL TOOLS USED FOR THE STUDY

The statistical tools used for the study are;

1. Multivariate Analysis of Variance (MANOVA)
2. Multiple Regression

LIMITATIONS OF THE STUDY

1. The study has been made in consideration with the engineering industry and the results and the suggestions may not be applicable to other industries.

MULTIVARIATE ANALYSIS OF VARIANCE

Multivariate Analysis of Variance has been used to analyse the significance of differences between the emotional intelligence and stress of the employees and their personal development and financial performance of the selected companies.

H₀₁: The emotional intelligence and stress of the employees will have no significant difference on their personal development and financial performance of the company

TABLE 1: MANOVA FOR EMOTIONAL INTELLIGENCE AND STRESS ON PERSONAL DEVELOPMENT AND FINANCIAL PERFORMANCE

General Linear Model: Personal development, financial performance versus emotional intelligence and stress

MNOVA for Personnel optimization Techniques			
S = 2 m = - 0.5 n = 132			
Criterion	Test Statistic	F	P
Wilk's	0.52521	6.217	0.0002
Lawley-Hotelling	0.95623	12.120	0.0003
Pillai's	0.41112	6.982	0.0000
Roy's	0.84632		0.0000

Source: Calculated and compiled using Primary Data

The table 1 presents the multivariate analysis between the emotional intelligence and stress of the employees and their personal development and financial performance of the selected companies. It is inferred that the p values are being significant and hence the null hypothesis is rejected and concluded that the various techniques of the emotional intelligence and stress of the employees will have significant impact on their personal development and financial performance of the selected companies.

MULTIPLE REGRESSION ANALYSIS

H₀₂: The emotional intelligence and stress of the employees will have no significant impact on their personal development and financial performance of the company

The hypothesis is broken into sub-hypotheses each for personal development and financial performance.

IMPACT OF EMOTIONAL INTELLIGENCE AND STRESS ON PERSONAL DEVELOPMENT

H_{02a}: The emotional intelligence and stress will have no significant impact on the personal development of employees

TABLE 2: IMPACT OF EMOTIONAL INTELLIGENCE AND STRESS ON PERSONAL DEVELOPMENT

Variable	Coefficient	Std. Error	t-Statistic	Prob.
EI	-1.19	8.21	-0.62	0.52
S	2.63	8.23	0.63	0.51
C	-5.18	1.90	-3.83	0.00
R-Squared	0.68		Durbin-Watson stat	1.22
Adjusted R-squared	0.79			
F-statistic	5.55			

Source: Calculated and compiled using Primary Data

The table 2 shows the regression analysis between emotional intelligence and stress with personal development. The analysis placed personal development as dependent variable and emotional intelligence and stress as independent variable. The analysis shows ($R^2 = 0.68$), which states that the emotional intelligence and stress contributed significantly for the personal development of the employees. It can be

inferred from the table that Adjusted R-square value is 0.79. The F-statistic is significant indicating the hypothesized relationship between the variables is validated. The value of Durbin-Watson statistic is 1.22 indicating that the model is not suffering from auto correlation problem. The calculated F value is more than the table value and hence, the null hypothesis is rejected and concluded that the emotional intelligence and stress has a significant impact on the personal development of the employees.

IMPACT OF EMOTIONAL INTELLIGENCE AND STRESS ON FINANCIAL PERFORMANCE OF THE COMPANY

H_{02a}: The emotional intelligence and stress will have no significant impact on the financial performance of the company

TABLE 3: IMPACT OF EMOTIONAL INTELLIGENCE AND STRESS ON FINANCIAL PERFORMANCE OF THE COMPANY

Variable	Coefficient	Std. Error	t-Statistic	Prob.
EI	-0.65	7.32	-0.54	0.85
S	0.55	8.65	-0.29	0.07
C	-3.32	1.32	-4.36	0.00
R-Squared	0.45		Durbin-Watson stat	1.66
Adjusted R-squared	0.58			
F-statistic	8.32		Prob (F-statistic)	0.00

Source: Calculated and compiled using Primary Data

The table 3 shows the regression analysis between emotional intelligence and stress with financial performance. The analysis placed financial performance as dependent variable and emotional intelligence and stress as independent variable. The analysis shows ($R^2 = 0.45$), which states that the emotional intelligence and stress contributed significantly for the financial performance of the company. It can be inferred from the table that Adjusted R-square value is 0.58. The F-statistic is significant indicating the hypothesized relationship between the variables is validated. The value of Durbin-Watson statistic is 1.66 indicating that the model is not suffering from auto correlation problem. The calculated F value is more than the table value and hence, the null hypothesis is rejected and concluded that the emotional intelligence and stress has a significant impact on the financial performance of the company.

CONCLUSION AND RECOMMENDATION

Of all resources available to the organization, human resources enjoy primacy of position because without it, all other resources will remain idle. From this research study, it can be deduced that human resource department must be seen as a pivotal unit in facilitating competitive advantage. It is imperative that the human resource department serves as a communication link between the stakeholders, management and employees in a business organization. The present study provided a better understanding between emotional intelligence and occupational stress with the personal development and financial performance among employees of engineering industry and the findings showed much significance. Emotional intelligence has drawn significant interest from HR practitioners and academics over the last decade, throughout the world. The development and understanding of emotional intelligence ability/skill is important because it is an area that is generally overlooked when skills development programs are designed. And yet research shows that emotions, properly managed, can drive trust, loyalty, and commitment. Many of the greatest productivity gains, innovations, and accomplishments of individuals, teams, and organizations have occurred within such a framework.

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