

# EMOTIONAL INTELLIGENCE – A CATALYST FOR SUSTAINABILITY IN MODERN BUSINESS

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## Abstract

Emotional Intelligence is not just a buzzword anymore. While research has shown it is not a magical cure-all that will solve all of the problems in an organization, it is nevertheless a key factor in achieving organizational goals and also recruiting, developing and keeping talent loyal to the organization.

Emotional Intelligence is one of the key factors in a sustainable business. Without it, unwanted phenomena such as organizational stress and emotional attrition have a greater chance of appearing. But with emotional intelligence, even if the changes in productivity are only slight, the real benefits are felt by the people who work in the organization. It really is one thing to work in an emotionally intelligent environment as opposed to working in an environment where EI is lacking. The former offers the right environmental conditions for sustainable business development, whereas an environment devoid of EI constitutes an obstacle in for sustainability.

**Keywords:** emotional intelligence, sustainable business, leadership, workplace satisfaction, family life satisfaction, symbolic utility.

## 1. INTRODUCTION

Emotional Intelligence is far from being a new term anymore. Even though defining it and measuring it can prove quite the challenge, a lot of interest and a lot of research has been given to this topic by the academic community.

In this article we will use some of the data we collected as part of a larger research project concerning the impact of Emotional Intelligence on productivity in both the public and private sector in Romania to explore how Emotional Intelligence can serve as a catalyst for sustainability in business.

The positive impact of having an emotionally intelligent workforce or the negative impact of having workers or leaders low in emotional intelligence is not to be underestimated. Emotional Intelligence is particularly important at the top levels of management, where the decisions and interaction styles of an individual directly impact the activity and welfare of all those subordinated to that individual.

Emotional Intelligence is one of those subtle, hard to define yet far reaching constructs. Not all variables are as clear-cut and obvious as let's say hours spent online / month or GDP / capita. Even though there are models of defining and measuring emotional intelligence, we have to admit whichever measure we

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choose, it is going to be imperfect. But that doesn't mean we should give up trying to measure it altogether because the definitions and the instruments we use to measure are fallible.

Organizations with emotionally intelligent leaders and workers are in a better positions to negotiate and peacefully resolve arising conflicts and tensions, whereas for organizations low in emotional intelligence, instead of turning into a creative negotiation, a conflict can devolve either into organizational attrition, or into strikes, employee turnover, loss of trust from employees, and even a negative image for the corporation as an employer.

With the advent of the internet and social media, it is easier than before to get a sense of the emotional environment in an organization before actually joining it, and there are times where no matter how big the wage is, talented people will not join a company simply because the forum posts and employee reviews from people who have actually worked in that company do not recommend that organization as a healthy, constructive working environment.

It is true, for many people, their main drive for working is still money, but with the millennial generation on the ascendancy, employers face a newfound pressure to look to the "soft" aspect of the job and actually make sure the emotional working environment is at least healthy if not downright inspirational.

People in generation X (born between 1960 – 1980) are known for their conscientiousness and loyalty to their employer, but the following generation, generation Y, or as we know them, the Millennials, actually finding meaning and fulfillment in the jobs they do, and not only having the stability of bringing home a paycheck and being able to feed their family. Emotional intelligence is an essential part of possibly being able to offer not only a paycheck, but an actually fulfilling job.

Sabie et al. (2020, p.52) have shown that there is a strong correlation between emotional intelligence and employee performance in Romania's private organizations: "The Pearson correlation coefficient ( $r = .547$ ) between EI and Performance indicates a strong relationship on those two, with an error probability less than 0.001."

Palmer et al. (2002) study the correlation between emotional intelligence and life satisfaction, while Côté et al. (2010) look to the influence of EI on emergent leadership, which is basically the degree to which someone who is not the official leader of a group influences others in that group (Lord et al., 1986, Fedorov & Mikhaylov, 2019).

MacCann et al (2020) shows that various ways of measuring emotional intelligence all have a positive, but different effect on academic performance, depending on what model we use to measure emotional intelligence.

This paper aims to study the influence emotional intelligence has on variables such as workplace satisfaction, satisfaction with the family's material situation, and also satisfaction with family life, and determine if and to what extent emotional intelligence impacts them.

The data in the research is taken from a survey developed and applied during April – May 2020 by a team of faculty members as part of a research project aiming to study the impact of emotional intelligence on the performance of employees in both the public and private sector in Romania (IEIPA).

## 2. LITERATURE REVIEW

The most widely credited authors to have coined the term Emotional Intelligence are Peter Salovey and John Mayer (1990), and possibly the best-known author to have contributed through his work to the popularization of the term is Daniel Goleman (1995)

Also, of note in the field of Emotional Intelligence are the works of Bar-On (1997), founders of the Bar-On EQ-I or Konstantinos V Petrides (2007), promoter of the Trait EI model.

### 2.1. Definitions and models of emotional intelligence

It's not easy to define Emotional Intelligence, because really, there are various angles we could take to define it. For example, we could define Emotional Intelligence as Mayer and Salovey (1997, p.9) do:

"The ability to perceive accurately, appraise, and express emotion; the ability to access and/or generate feelings when they facilitate thought; the ability to understand emotion and emotional knowledge; and the ability to regulate emotions to promote emotional and intellectual growth".

Or we could take Bar-On's (1997, p.1) definition:

"The emotional, personal, social, and survival dimensions of intelligence (...) is concerned with understanding oneself and others, relating to people, and adapting to and coping with the immediate surroundings to be more successful in dealing with environmental demands"

We could even construct another definition, highlighting still different aspects of Emotional Intelligence, all of them equally belonging to the term, and all of them equally worthy of taking center stage in the definition.

One thing is for certain however. Whichever way we slice it, Emotional Intelligence is about working intelligently with emotions, both those belonging to oneself, and those belonging to others. It is about understanding yourself on an emotional and affective level, but also understanding others and relationships not just on a surface level, but deeply, with rich nuance. It is about understanding how to

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protect and nurture yourself in a healthy way, while at the same time having the skills to do the same thing for others. It is about being able to inspire, to soothe, to connect, to communicate what you feel in a non-invasive way, and also to read past the emotional smoke-screen others project out of fear of vulnerability and getting to the sensitive yet powerful Truth. It is about all of these and more.

And as much as we can try to define or measure such a complex phenomenon, we can try our best, but something about the nature of emotions is just too complex, too nuanced, and too indescribable to put into a formula or a couple of questions.

There are basically 3 main ways in which we conceptualize Emotional Intelligence:

- The Ability EI Model, proposed mainly by Mayer, Salovey and Caruso (2004) with their associated instrument, the MSCEIT – the Mayer, Salovey and Caruso Emotional Intelligence Test
- Mixed models, such as Daniel Goleman's (1995) or Bar-On's Model (1997), which define Emotional Intelligence in terms of emotional and social competencies
- Trait EI models, such as Petrides's et al. (2007) model, which defines Emotional Intelligence

All of the three main models are self-report models, and even though objections can be made with regard to the validity of such measures which can suffer from the personal bias of the ones who take the test, their reliability and usefulness has been proved time and time again.

Without insisting too much on the particularities of each model, we could briefly investigate the way Daniel Goleman's (1995) model divides up the components of Emotional Intelligence. According to him, there are 4 main characteristics of EI:

- Self-Awareness
- Self-Management
- Social Awareness
- Relationship Management

Even though each model emphasizes and defines the components of Emotional Intelligence in their own way, with this model we have a pretty good understanding of what the structure of Emotional Intelligence is. It involves both self and others, and it combines awareness with the intelligence of how to use that awareness to better manage emotions, both of self and others.

***2.2. Emotional intelligence and its influence on leadership***

As much as we fancy being rational, objective creatures, we know full well that humans are often driven by their emotions and although with a greater frame of mind we can understand how our behavior makes

sense, it is not exactly what we would call a perfectly rational and self-interested behavior which maximizes expected (practical) utility.

Philosopher Robert Nozick discusses in his 1993 book “The Nature of Rationality” the concept of Symbolic Utility. People are not, as Rational Choice theory predicts purely materialistic, self-interested individuals, pursuing pragmatic utility above all else. We do have a materialistic, pragmatic side to us, that’s self-obvious. But to define and reduce what it is to be human to only that would miss out on what it is to be quintessentially human.

On top of having material needs, we also have symbolic needs, and in pursuing those we evaluate pay-offs and make choices based on algorithms that at first glance may seem irrational. An emergent field that takes inspiration from both Sociology, Psychology and Economy is Behavioral Economics, and it’s hard to talk about Behavioral Economics without talking about Bounded Rationality, with authors like Daniel Kahneman & Amos Tversky (1979) and their Prospect Theory, or Dan Ariely (2009) explaining why we don’t really act “rationally” when computing utility functions and making decisions.

Napoleon Bonaparte is rumored to have said: “A soldier will fight long and hard for a bit of colored ribbon”. Whether it was Napoleon who said it or someone just made that up is really of no consequence. What is of consequence is the underlying message behind this quote. It speaks of just how far people will go to satisfy their symbolic needs, even forgoing basic pragmatic needs.

This has always been the case with humans, but it is only recently that we really began to articulate it and think about it in an organized way. If organizations and leaders understand this, a whole world of possibilities opens up to them.

As Linda Sistad (2020) shows, emotional intelligence does have an overall positive impact on leadership, but not all leadership styles are affected equally. Transformational Leadership for example, which tends to be people centric and focused on catalyzing change benefits very much from emotional intelligence, while directive leadership with its impersonal focus on the objective to be achieved and the deadline and much less on the individuals and how they are impacted benefits far less.

Emotional Intelligence is not a cure all, a magic pill that will solve all of an organization’s problems and make it a Mecca for employees where dreams come true and nothing can go wrong. But it does help an organization in finding creative and positive ways to deal with the emotional complexities and frictions that are bound to arise when people have to work together under a fixed set of rules and expectations to achieve a common goal.

While it may not be the end-all-be-all of business, Emotional Intelligence certainly has its part to play and cannot be easily discounted as mere nonscientific fancy.

### 3. RESEARCH DESIGN

In our endeavor to see what the relation between emotional intelligence, organizational culture and overall performance is, the research team conducted a survey during April – May 2020, at the beginning of the CoVid-19 pandemic. Following the literature review, we constructed a questionnaire that was distributed online to respondents from both the public and the private sector in Romania, with the sampling method being convenience sampling.

Our Emotional Intelligence scale consisted of 54 items which for the purpose of calculating the overall Emotional Intelligence Quotient were recoded so as to have either a score of 0 (indicating the absence of Emotional Intelligence) or a score of 1, indicating the presence of emotional intelligence.

The internal reliability of our Emotional Intelligence Scale, computed in SPSS 26 is 0.839, which is above 0.7, reassures us as to the consistency of the compound measuring scale, as well as to the consistency of the answers.

TABLE 1 - THE INTERNAL RELIABILITY STATISTICS COEFFICIENTS

Emotional Intelligence scale		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.839	.867	54

Our total number of respondents was 911 over both the public and the private sector in Romania. Out of these 830 declared their gender, of which 58,6 % were Female, and 41,4% were Male.

TABLE 2 - RESPONDENT GENDER

Respondent Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Feminine	486	53.3	58.6	58.6
	Masculine	344	37.8	41.4	100.0
	Total	830	91.1	100.0	
Missing	System	81	8.9		
Total		911	100.0		

For the purpose of this article, the research question we wanted to answer is:

***Are Emotionally Intelligent people more satisfied with their job, family life and family's material situation?***

#### 4. DATA ANALYSIS

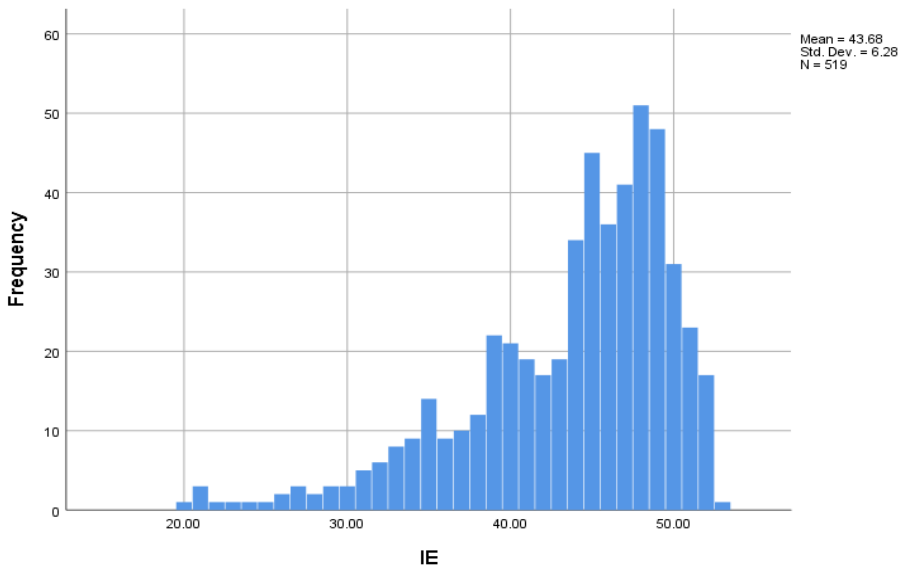


FIGURE 1 - THE EMOTIONAL INTELLIGENCE HISTORGRAM  
Source: Data Analysis from the IEIPA Survey, processed in SPSS 26

First, we want to look at the distribution of Emotional Intelligence. In order to calculate the EI score, we only took as valid those respondents which gave an answer to each of the 54 items of the EI scale. We had a total of 519 valid cases, as the histogram shows.

The overall mean of the distribution was 43.68 out of a maximum of 54, with the standard deviation being 6.28. As we can see, the distribution is skewed toward the right, which indicates that most respondents declare they exhibit most of the behaviors and traits we associate with Positive Emotional Intelligence.

When correlating Emotional Intelligence with workplace, material and family life satisfaction, although the correlation is indeed positive and significant at the 0.01 level ( $\text{sig} < 0.01$  in all cases), its intensity is relatively small.

The greatest intensity of correlation out of the 3 is between Emotional Intelligence and family life satisfaction, which has a 0.191 Pearson Coefficient, while the smallest correlation strength is between EI and the satisfaction with the material situation of the family.

From this table of correlation, we see that the most intense correlation is between the material situation of the family and the satisfaction with family life, with an intensity of 0.462, which indicates that when people feel satisfied with the material situation of the family, it translates directly to satisfaction with the family life.

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TABLE 3 - CORRELATION BETWEEN EMOTIONAL INTELLIGENCE AND MEASURES OF SATISFACTION

		I.E. Correlations			
		IE	How satisfied are you with your work?	How satisfied are you with the material situation of your family?	How satisfied are you with your family life?
IE	Pearson Correlation	1	.151**	.138**	.191**
	Sig. (2-tailed)		.001	.002	.000
	N	519	503	515	504
How satisfied are you with your work?	Pearson Correlation	.151**	1	.373**	.287**
	Sig. (2-tailed)	.001		.000	.000
	N	503	873	862	842
How satisfied are you with the material situation of your family?	Pearson Correlation	.138**	.373**	1	.462**
	Sig. (2-tailed)	.002	.000		.000
	N	515	862	897	869
How satisfied are you with your family life?	Pearson Correlation	.191**	.287**	.462**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	504	842	869	876

\*\* Correlation is significant at the 0.01 level (2-tailed).

Nevertheless, even though it might be rather low in intensity, we still see that Emotional Intelligence positively impacts satisfaction both in terms of job satisfaction and in terms of family life satisfaction, so to the research question we posed, we will answer “Yes, Emotionally Intelligent people are more satisfied with their job, family life and family’s material situation, but only slightly”.

## 5. CONCLUSIONS

Even though the strength of the correlation between EI and workplace and family satisfaction is low, it should not be disregarded or dismissed. Rather, we can look at it as a necessary and useful factor in any individual and in any organization, and understand that there are a lot of aspects about emotional intelligence that we really don’t understand.

In today’s day and age, it’s pretty much expected from leaders and even from ordinary individuals to work on their emotional intelligence and when interacting with others to be pleasant and welcoming.



Emotional Intelligence won't single handedly make employees love their bosses, their jobs or the organizations they work for, but the absence of it may be a deal breaker that leads to all sorts of unwanted complications.

And finally, let us remember that at the highest levels of leadership, especially for transformational leadership styles or other styles that promote high trust and goodwill among employees, emotional intelligence is a must.

## 6. LIMITS AND FURTHER RESEARCH

There are several obvious limits to this research. Firstly, there is the inherent subjective nature of self-evaluation for measuring Emotional Intelligence. We need to feel proud of who we are and we also need to look good in the eyes of others, and often these motives are more important than answering truthfully. However, we try to transcend this subjectivity, in the end there is no control over how the respondent responds to the questions by which we try to measure the presence of Emotional Intelligence.

There is also the situation of sample size. Even though 911 people answered, not all of the answers could be valid when constructing the compounded Emotional Intelligence scale. So there is a need for more respondents. This way, despite some respondents not being able to be processed in the overall EI scale, with more overall answers, there will also be more valid answers to choose from.

As for further research, apart from reaching more people and organizations both in the public and the private sector in Romania, it would be of benefit to extend this research abroad, for starters in the area of Eastern Europe, as well as possibly extending the research to also include other data such as what employees think are the main ways in which emotional intelligence manifests in their leaders, and what impact this has on their motivation, growth and productivity.

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