

The Relationship between Emotional Intelligence, Organisational Commitment and Employees' Performance in Iran

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Abstract

Emotional intelligence (EI) means knowing one's feelings and others, determining emotions and feelings controlling them and sympathizing with other people. The importance of EI is out of question especially among organisation managers and principals. For professional successes are a lot factors. So this paper deals with reviewing the relationship EI, organisational commitment (OC) and employees' performance (EP) in Iranian Red Crescent Societies (IRCS). The paper aims to empirically examine this relation. EI is independent variable, and OC and EP is dependent variables. Age, gender, and education are control variables. Statistics society consists of some managers and employees' who are 21 and 95 members. A hypothesis has been examined in this paper. By using of Kruskal-Wallis, Mann-Whitney U experiments and binominal test and Spearman's coefficients results are obtained. The findings are considered that there is a significant relationship between employees' EI, OC and their performance. The findings also make that managers' EI does not affect on employees' OC and their performance. In addition, the findings prescribe that there is not a significant difference between male and female employees' EI, OC and their performance. Also is not significant difference between managers' and employees' EI. The results indicate that EI plays an importance role in the OC and employees' performance, even in other organisations like IRCS.

Keywords: Emotional intelligence, Organisational commitment, Employees' performance, Iran

1. Introduction

This paper seeks to accomplish three objectives. The first is to provide meaning of EI, OC, and EP. The second is to develop an integration model showing the relationships among EI, OC, and EP. The third is to invest in people through EI activities, OC and EP programs. Lack of recognition of the interconnection among EI, OC, and EP in the literature motivated the authors to write this paper.

At present, there is very little empirical literature on EI within the context of the IRCS, particularly on relationships EI with OC and EP and how manager's EI is affected on OC and EP that have attracted considerable attention in the organisational literature.

In the next section, we review the literature on theories of EI, OC, and EP and of the link between EI, OC, and EP. This review leads to the development of the hypotheses to be tested in this study. We then give details concerning the data used in this study, including some descriptive information on our sample of the IRCS. Next, we discuss our results, the limitations of our study, and recommendations for future research. Finally, we discuss our conclusions.

2. Literature Review and Hypotheses

2.1 Emotional Intelligence

EI is defined by Salovey and Mayer (1990) as the intellectual processes involved in the recognition, use, understanding, and management of one's own and others' emotional states and the ability to use those feelings to motivate, plan, and achieve. Just as there are various definitions and applications of human resource development and social capital, scholars take various approaches to understanding emotions as they affect

individual and organisational performance. Where psychology once considered human emotion as disruptive, disorganised, and characteristic of poor adjustment, new theories suggest that emotions play an important role in organizing, motivating, and directing human activity (Salovey and Mayer: 1990, pp. 185-211).

Wechsler (1958), who is generally attributed with developing the Intelligence Quotient test, included the capacity to act purposefully, to think rationally, and to deal with environmental demand in his definition of general intelligence. Over the past 15 years, new technology has allowed breakthroughs in brain research that has increased our understanding about the mutual interaction between feeling and cognition. Defining the nature and significance of this interplay between thought and emotion is at the heart of the emerging research on EI.

2.2 Organisational Commitment

OC is difficult to define, and there is little consensus among the definitions found in the commitment literature. However, Meyer and Allen (1991) put forward a three-component model of commitment that has received much empirical support (Meyer, Stanley, Herscovitch, & Topolnytsky, 2002). Specifically, this model comprises affective commitment (one's emotional attachment to his or her organisation), continuance commitment (being cognizant of the costs associated with leaving one's organisation), and normative commitment (feeling obligated to remain with an organisation). In terms of remaining with an organisation, affective commitment can be thought of as wanting to stay, continuance commitment can be thought of as needing to stay, and normative commitment can be thought of as feeling though one ought to stay (Meyer & Allen, 1997).

2.3 Employees' Performance

Huselid (1995) found that human resource practices influence various aspects of organisational performance, including turnover, productivity, and corporate financial performance. Delaney and Huselid (1996) and Lai and Cheng (2005) considered perceived market performance and productivity performance as an important index of organisational performance. Furthermore, Guest et al. (2004) perceived organisational performance outcomes as management rating of employees' s performance, employees' innovation, and employment relations. Empirical researchers have investigated the effects of human resource practices using financial performance, efficiency and employees' turnover, productivity, and employees' relations ([Ahmad and Schroeder, 2003], [Delery and Doty, 1996] and [Huselid, 1995]).

3. Relationship between EI, OC and EP

Studies have shown the impact of EI on OC, climate, culture and EP (Goleman et al.: 2002). Kets de Vries and Miller (1984) illustrate that organisational success and failure can be determined by the emotional tone set by the executive or presumed leader of an enterprise. Therefore, EI can be conceptualized as collateral for developing OC and EP within organisations. In the section that follows (Figure No. 1) we make effort to integrate EI, OC and EP. Therefore, the hypothesis is that:

H1: There is significant relationship between employees' EI and their OC.

H2: There is significant relationship between employees' EI and their performance.

H3: Managers' EI affects employees' OC.

H4: Managers' EI affects EP.

4. Methodology

4.1 Purpose

This research is designed to investigate the relationship between EI, OC and EP in IRCS. No studies currently exist on the relationship between EI, OC and EP in IRCS. The results of this study should help Iranian managers determine whether tight human resources should be expended on OC and EP programs or if the finding could be better utilized elsewhere within the IRCS.

4.2 Sample and Respondents Characteristics

All of the IRCS involved in the study are located in Lorestan which is one of large province in Iran and plays a vital role in the social/economic development of the country. A list of all IRCS was compiled from the following sources: the Department of Planning, Red Crescent Societies Office, Statistics Office and Red Crescent Societies Directories.

A questionnaire was used to collect the data. It included closed questions and was organised into four sections. Section one consisted of 6 questions concerning Red Crescent Societies and responder demographics. Section two focused on information about employees' EI. Sections three focused on information about OC. Section four dealt with information about employees' performance. One hundred sixteen (116) managers/ employees

participated in the study. The survey was personally delivered to and collected from a chosen sample of 76 manager/ employees based on Kohan-Mogan-Korjsay chart.

About 75 percent of respondents were married and 25 percent were unmarried. Also about 19.2 percent falls within the age bracket of 20-30 years, 33.3 percent were between 31-35 years, 30.3 percent were between 36-40 years, 8.1 percent were between 41-45 years, and about 9.1 percent were between 45-60 years. Over 70 percent have worked for 1-15 years, while 30 percent have worked for over 15 years. Most of the respondents were well educated with 68.7 percent possessing a basic university degree or higher and 31.3 percent had professional qualifications. About 51.6 percent of the respondents were formal, while 48.4 percent were informal.

5. The Procedure and Measure

The research instrument, a questionnaire, contained two parts. The first part seeks demographic information. The second part was measured on a five point Likert- type scale, measuring three concepts: EI, OC, and EP.

5.1 Emotional Intelligence

Perceptual measures developed by Salovey and Mayer (1990) and adopted by Hein (2007) in research on EI were used for this study. The measures were slightly modified based on consultations with IRCS and human resource management experts and pilot studies conducted in Iran. Specifically, a multi-dimensional EI measure, based on self-reported ratings, was employed to estimate EI. Managers/ employees were asked to indicate on five-point scales, ranging from 1 = "never" to 5 = "always", the degree of importance they attached to each of 4 EI dimensions. These dimensions were self- understanding, self- managerial, social aware, and relationship management. The respondents were further asked to indicate the extent of their importance with their EI along each of the four EI dimensions.

5.2 Organisational Commitment

Perceptual measures developed by Meyer and Allen (1991) and adopted by Mody & et al. (2003) in research on OC were used for this study. The measures were slightly modified based on consultations with IRCS and human resource management experts and pilot studies conducted in Iran. Specifically, a multi-dimensional OC measure, based on self-reported ratings, was employed to estimate OC. Managers/ employees were asked to indicate on five-point scales, ranging from 1 = "disagree" to 5 = "agree", the degree of importance they attached to each of 2 OC dimensions. These dimensions were emotional dependent to organisation, and psychological dependent to organisation. The respondents were further asked to indicate the extent of their importance with their EI along each of the four EI dimensions.

5.3 Employees' Performance

Perceptual measures developed by Becker, B., & Gerhart, B. (1964) and adopted by Guest et al. (2004) in research on EP were used for this study. The measures were slightly modified based on consultations with IRCS and human resource management experts and pilot studies conducted in Iran. Specifically, a multi-dimensional EP measure, based on self-reported ratings, was employed to estimate EP. Managers/ employees were asked to indicate on five-point scales, ranging from 1 = "very less" to 5 = "very high", the degree of importance they attached to each of 2 EP dimensions. These dimensions were level of EP, and organisation satisfaction with EP. The respondents were further asked to indicate the extent of their importance with their EP along each of the two EP dimensions. Table No. 1 shows the measures for variables.

5.4 Control Variables

We introduced three control variables to account for variance explained in OC and EP. We controlled for age to understand whether employees' may be less likely to accept OC and EP arrangement than managers. We also controlled for gender to determine how gender influences OC and EP. Education has been shown to be positively related to OC and EP. Age and gender were measured with self- reported single item question. Education was measured using six categories. The subjects were asked, "What is the highest level of education that you have attained?" Manager choices included: undergraduate degree, master degree, associate degree, and employees' choices included: high school, undergraduate degree, associate degree.

6. Analysis and Results

6.1 Hypothesis Test

Hypothesis 1:

H1: There is significant relationship between employees' EI and their OC.

H0: There is not a significant relationship between employees' EI and their OC.

Since EI and OC variables have ranking ratio, we have used Spearman coefficient correlation for testing hypothesis. The results are implied in the Table No. 2. Because calculated amounts for Spearman coefficient correlation ($r = 0.394$) is significant in the level of $\alpha = 0.01$ ($P = 0.01$), the hypothesis (H1) is confirmed. In which by 99 percent of confidence, with increasing of employees' EI, their OC will increase well.

Hypothesis 2:

H1: There is significant relationship between employees' EI and their performance.

H0: There is not a significant relationship between employees' EI and their performance.

Since EI and performance variables have ranking ratio, we have used Spearman coefficient correlation for testing hypothesis. The results are implied in the Table No. 3. Because calculated amount for Spearman coefficient correlation ($r = .316$) is significant in the level of $\alpha = 0.01$ ($P = 0.01$), the hypothesis (H1) is confirmed. In which by 99 percent of confidence, with increasing of employees' EI, their performance will increase well.

Hypothesis 3:

H1: Managers' EI affects employees' OC.

H0: Managers' EI does not affect employees' OC.

Since OC variable has ranking ratio, we have used Kruskal-Wallis test for testing hypothesis. First in according to obtained scores for EI, managers are divided according Table No. 4 in three groups. Also Table No. 5 shows comparison employees' OC according to their manager's EI. Because the calculated amount for Chi- square statistic (1.974), in the level $\alpha = 0.05$ with freedom degree 2, is lower than Chi- square of standard table (5.991), the research concluded that there is not a significant difference between the average of the three groups' OC ranks. So, the hypothesis (H1) is not confirmed.

Hypothesis 4:

H1: Managers' EI affects EP.

H0: Managers' EI does not affect EP.

Since EP variable has ranking ratio, we have used Kruskal-Wallis test for testing hypothesis. The consequences are implied in the Table No. 6. Because the calculated amount for Chi- square statistic (2.926), in the level $\alpha = 0.05$ with freedom degree 2, is lower than Chi- square of standard table (5.991), the research concluded that there is not a significant difference between the average of the three groups' performance ranks. So, the hypothesis (H1) is not confirmed.

6.2 Lateral Found

6.2.1 Comparison between Male & Female Employees' EI

In this section for comparing male and female EI, nonparametric "U- Man Vitni" test is used. According to the obtained results from the Table No. 7, the calculated amount for Z Statistics (0.443) is not significant in the level $\alpha = 0.05$ ($P = 0.658$). This research concluded that there is not a significant difference between male and female EI.

6.2.2 Comparison between Employees' OCs in According their Sex

According to the obtained results from the Table No. 8, the calculated amount for Z Statistics (0.974) is not significant in the level $\alpha = 0.05$ ($P = 0.330$). This research concluded that there is not a significant difference between male and female employees' OC.

6.2.3 Comparison between EPs in According their Sex

According to the obtained results from the Table No. 9, the calculated amount for Z Statistics (0.89) is not significant in the level $\alpha = 0.05$ ($P = 0.929$). This research concluded that there is not a significant difference between male and female EP.

6.2.4 Comparison Responder's Employees' EI in According to their Position

According to the obtained results from the Table No. 10, the calculated amount for Z Statistics (1.78) is not significant in the level $\alpha = 0.05$ ($P = 0.075$). This research concluded that there is not a significant difference between EI of managers and employees'.

7. Discussion

There are four key important aspects of this study, namely, to test the relationship between employees' EI and their OC, to test the relationship between employees' EI and their performance, to test the managers' EI affects

employees' OC, and lastly to test the managers' EI affects EP in an integration model. The testing of these interactions was to fill the gap identified by Goleman, D., Bayatzis, R. and Mckkee, A. (2002) in the current studies involving the relationship between EI, OC, and EP. A major contribution of this study is the testing of the integration affects EI, OC, and EP that adapted by past studies. The results of the analyses indicate that there is significant relationship between employees' EI and their OC, while managers' EI does not affect. The positive relationship between employees' EI and their OC agrees with the 'Goleman et al. studies' (2002). Also, it was found significant relationship between employees' EI and their performance, but managers' EI does not affect. It adapts to Ket de Vries and Miller studies (1984).

8. Conclusion

In summary, this paper reports an exploratory investigation of the relationship between EI, OC and EP in IRCS. The results have demonstrated support for the study of hypotheses with partial support for others. The findings show that there is a significant relationship between employees' EI, OC and their performance. The findings also indicate that manager's EI does not affect employees' OC and their performance. In addition, the findings suggest that there is not a significant difference between male and female employees' EI, OC and their performance. Also, there is not a significant difference between managers' and employees' EI. Considering the hypotheses 1 and 2 are confirmed, it is dedicated there is a significant correlation between EI, OC and performance of Red Crescent Societies employees' and this relationship is direct. So it's suggested to increase EI, OC and EP by increasing mandatory skill trainings. Also, it suggests the key post and managing them more action are needed, because these people have high OC and key significant and sensitive information of the organisation and they show the organisational image well.

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Table 1. Measures for Variables

Study Variables	No. of Items	Alpha for Sample	Source of Scale
EI	15	0.91	Salovey and Mayer
OC	15	0.75	Meyer and Allen
EP	20	0.89	Becker

Table 2.

The correlation between	N	r	p
EI & OC	79	0.394	0.01

Table 3.

The correlation between	N	r	p
EI & EP	79	0.316	0.01

Table 4.

Variables	Low		Average		High	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
EI& OC	96	118	120	129	130	149

Table 5.

Managers EI	N	Average of employees' OC ranks	Kruskal-Wallis test		
Low	7	9.29	Chi-square Statistic	d.f	P
Average	7	13.64			
High	7	10.07	1.974	2	0.373
Total	21				

Table 6.

Managers EI	N	Average of employees' performance ranks	Kruskal-Wallis test		
Low	7	10.79	Chi- square statistic	d.f	p
Average	7	8.29			
High	7	13.93	2.926	2	0.232
Totall	21				

Table 7.

Sex	N	The average of employees' EI	U- Man Vitni Test		
Female	10	37	U- Man Vitni Statistic	Z Statistic	Level of meaning
Male	69	43.40			
Total	79		315	0.443	P = 0.658

Table 8.

Sex	N	The average of employees' OC	U- Man Vitni Test		
Female	10	40.33	U- Man Vitni Statistic	Z Statistic	Level of meaning
Male	69	96.40	279	0.974	P = 0.330
Total	79				

Table 9.

Sex	N	The average of EP	U- Man Vitni Test		
Female	10	40.60	U- Man Vitni Statistic	Z Statistic	Level of meaning
Male	69	39.91	339	0.89	P = 0.929
Total	79				

Table 10.

Position	N	The average of EI	U- Man Vitni Test		
Manager	21	40.48	U- Man Vitni Statistic	Z Statistic	Level of meaning
Employee	79	53.16	619	1.78	P = 0.075
Total	100				

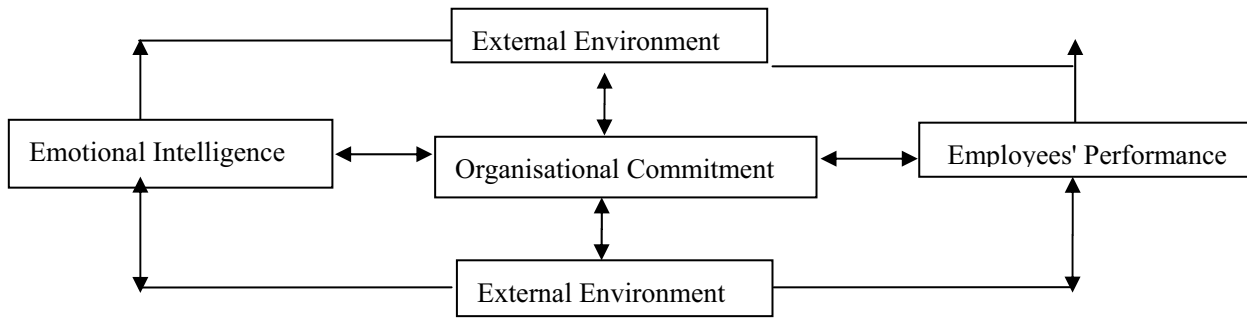


Figure 1. Integration of EI, OC and EP