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# A Study on Emotional Intelligence in Service Organizations for the Sustainable Development

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## ABSTRACT

*Organizations cannot afford to continue doing business as usual when the competition heats up and the speed of change intensifies. Organizations have been forced to redefine their structures, systems, and processes in a strategic manner as a result of the changing environment, particularly liberalisation, privatisation, and globalisation, as well as technological advancement, to not only keep up with but also to survive and progress. Every strategic response necessitates the participation of people and invariably has an impact on them. Individuals are affected by the convergence of cultures, systems, and processes in mergers, whereas quality and benchmarking initiatives necessitate a significant shift in how people approach diverse problems. Emotions are powerful feelings that arise from a person's current situation, state of mind, and relationship with another person. It is also the intuitive sense that arises from his or her particular judgement and understanding. Emotions are seen as an integral or structural component of a person's personality.*

*Emotional intelligence is a collection of non-cognitive traits, skills, and abilities that influence a person's ability to succeed and manage external pressures and demands. In order to perform well, a person's general intelligence must be supplemented by his capacity to notice, analyse, and control his emotions (Bar-On 1997). The most extensively used model is Goleman's emotional intelligence model. According to Goleman in 1996, when people are distressed emotionally, they are unable to recall, attend, learn, or make clear decisions, indicating that there is a link between emotional intelligence, decision-making, and job stress. The purpose of the study is to examine the impact of emotional intelligence on sustainability in educational Institutions and Banking Sector. The study has selected 155 respondents from the service organizations in Indore city. Through the developed questionnaire by UpinderDhar, Anukool Hyde and SanjyotPethe, the conclusion has surfaced by applying regression analysis and found the role of individuals in putting strategy answers into action has a big impact on the success rate. As a result, it is critical for organisations to consider the human concerns at hand before implementing any strategy answers. Human resource difficulties are in fact business challenges since they affect the essence of an organization's competitiveness, adaptability, profitability, and existence.*

**KeyWords:** *Emotional Intelligence, Sustainability, Adaptability, Competitiveness, Strategic Role.*

## INTRODUCTION

Personal attributes like self-assurance, integrity, awareness of one's strengths and shortcomings, adaptability to change or adversity, persistence, and the ability to get along with others are all based on emotional intelligence. High levels of emotional intelligence are necessary for successful professional interaction in dynamic work contexts, increasing productivity (Money & Peter, 2014).

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Undoubtedly thought-provoking, the study of emotional intelligence makes one want to see what effects it might have on a person who is always involved in the beginning and expanding a business. It would be fascinating to see if emotional intelligence may be a significant factor in determining an employee's performance.

Based on the foregoing explanation, one is curious to see whether emotional intelligence will serve as a crucial criterion for venture growth and venture success. Understanding whether emotional intelligence has a role to play in the survival of a business founded, maintained, and grown will be fascinating. As a result, this research aims to investigate the connection between emotional intelligence and the sustainability of their organizations. Businesses cannot afford to carry on as usual when the competition is fierce and change is happening quickly. Due to the changing environment, particularly liberalisation, privatisation, and globalisation as well as technological innovation, organisations have been obliged to strategically redefine their structures, systems, and processes in order to not only keep up with but also to survive and advance. The strategic responses of organisations ranged from mergers and acquisitions to delaying action. Every strategy solution requires the involvement of people and inevitably affects them. Mergers cause cultures, systems, and processes to converge, which has an impact on people, whereas quality and benchmarking campaigns demand a considerable change in how people approach various problems. Delaying retirement results in both employment enrichment and job insecurity for the retiree. The success rate is significantly impacted by how individuals participate in putting strategy answers into practise. As a result, before implementing any strategy solutions, organisations must take into account the current human issues. Problems with human resources are actually business concerns since they have an impact on a company's ability to compete, adapt, and be profitable.

Emotions are strong feelings that a person experiences as a result of their environment, mindset, and relationships with others. Additionally, it is the intuitive sense that results from his or her unique judgement and comprehension. Emotions are considered to be a structural or intrinsic part of a person's personality. These are only a handful of the emotions we experience and respond to: joy, fear, love, and anger. These elements directly affect how we think and act.

One of many persons who recognised the significance of emotions was Charles Darwin. According to him, "emotions" give behaviour that is essential for survival energy. In his book "The Expression of the Emotions in Man and Animals," he states that emotions "come promptly and immediately in response to a scenario and cannot be halted or held back." He also covers the usefulness of emotions in the same book. Through several experiments, he has also shown that expressing one's emotions helps one adjust to any situation, which is still true today and most likely will be true in the future. Emotion can be a thought, a state, or an experience. It is comparable to the sea's waves, which come in waves following waves and are entirely unpredictable in terms of their strength and power. Emotions can take many different shapes, both positive and negative. All of your decisions, big or small, will be influenced by pleasant emotions in a way that is fair in judgement and produces favourable consequences. Negative feelings sabotage and compromise logical reasoning, making it difficult to make wise decisions. It would lead to unethical decisions being made, which would affect how an activity turns out or produces results.

The emotional, personal, social, and survival facets of intelligence are discussed in relation to emotional intelligence, which are frequently more important for day-to-day functioning than the cognitive or mental facets. In many ways, emotional intelligence is a good indicator of future emotional and personal success. Emotional intelligence needs to be evaluated in children, adolescents, and adults. Emotional intelligence assesses traits including empathy, social responsibility, impulse control, and the capacity to interact with others in a mature and responsible way. An individual's capacity to manage pressures and obstacles from without is measured by their emotional intelligence. Each person has a unique personality and varying levels of emotional intelligence, which are reflected in their behaviour, attitude, values, feelings, and motivation.

## Relevance of the Study

In the past two decades, researchers have studied how emotional intelligence affects several areas of human behaviour, particularly in the service industries. Since these industries are expanding quickly, it is important to encourage these traits in employees in order to maintain. Despite the lack of a thorough, unbiased analysis to support the claim, experts' opinions and workplace studies suggest that emotional intelligence increases performance and productivity. It has been investigated if emotional intelligence can account for an improvement in individual cognitive performance above and beyond what can be explained by traditional intelligence.

## LITERATURE REVIEW

In the Pakistani software industry, Zahid and Nasir (2008) addressed how emotional intelligence can help organisations improve their service quality, which results in organisational success. They discovered that anything related to enhancing social or interpersonal skills is frequently given a low priority and ignored. They recommended that management acknowledge the significance of putting money into helping people develop their soft skills and emotional traits. Zainab N, Saeed C, Fazalur R, and Nabi BJ (2011) examined the impact of emotional intelligence on work performance in Pakistan's higher education sector. The Wong and Law emotional intelligence scale, which includes the four components of emotional intelligence, was used in this study to assess emotional intelligence (self-emotional appraisal, others' emotional appraisal regulation of emotion, and use of emotion). It has been established that emotional intelligence improves team performance. According to Prentice & King (2011), emotional intelligence is a highly effective predictor of the customer service performance of casino frontline staff. A sample of 152 casino frontline employees from a sizable casino in Australasia were polled as part of a study for the high-roller market. According to the research, in order to achieve that design, service companies must consider the emotional context and content of their operations or brands, as well as how the surroundings and interpersonal interactions would appear and feel.

Another study by Cavazotte, Moreno, and Hickmann (2012) examined how emotional intelligence and leader intelligence affect managerial success in Brazil. Managers in Brazil's energy sector were evaluated on their emotional intelligence using the Wong and Law emotional intelligence scale, a self-report evaluation. The results showed a substantial association between emotional intelligence and performance, but this relationship vanished once intellect and personality were taken into account, showing that leadership was the best predictor of manager performance in this study. Farh et al. (2012) looked into the moderating impacts of working context as well as the effectiveness of emotional intelligence workgroups and job performance. This research sought to determine whether there was a relationship between MCEIT-measured emotional intelligence and job performance when the job's context was taken into consideration. More specifically, the findings showed that emotional intelligence was positively related to performance in contexts of jobs requiring management of businesses with high managerial work demands. This may be because these contexts activate and permit highly emotionally intelligent people to act in ways that support their performance.

Bahadori (2012) conducted research on the influence of emotional intelligence on entrepreneurial performance behaviour in an Iranian medical science university. This study's objective was to examine how emotional intelligence affects organisational effectiveness and entrepreneurial behaviour. The findings demonstrated that, in terms of organisational success, all four categories of emotional intelligence positively impacted managers' entrepreneurial behaviour. The results show that managers with higher levels of emotional intelligence are more likely to recognise and seize opportunities as well as be able to control their own and others' emotions, all of which can have an impact on their entrepreneurial behaviour and help them succeed more than other managers.

In a different study, Preeti B. (2015) examined the relationship between emotional intelligence and job performance in the service sector. The study's objective was to identify the traits that influence industry performance and classify them into a conceptual model. Based on a review of comparable studies, the study found that emotional intelligence can help to improve performance in the service sector.

In a different study, Raed M. (2016) looked at how emotional intelligence might improve the organisational efficiency of Jordanian information technology managers. The Wong and Law emotional intelligence scale was used to assess the four elements of emotional intelligence for this investigation. The results revealed that age and experience had a considerably different effects on how much emotional intelligence affected organisational effectiveness.

Rohana Ngah, Wahyukaton, Zarina Salleh, and Rahima Sarmidy present a comparison of research on emotional intelligence (EI) and entrepreneurial orientation (EO) among students from two institutions in Malaysia and Indonesia (2016). The study examined the contrast between students' EI and EO exam scores. On the EI, students from the two universities received varying results. The entrepreneurial tendency of Indonesian students was found to be influenced by both EI and EO, however, only EO was found to be important for Malaysian students. There is a proposal for additional research.

In their study on employee emotional intelligence (EI) across sectors, Padmalita Routray, Ashok Kumar Dash, Pragnya Paramita Ray (2017) concentrated on factors including self-awareness, self-regulation, self-motivation, social awareness, and social skills. With the exception of social skills, the data highlighted the variations between industries in terms of EI. It was hypothesised that employees in the telecommunications sector have higher EI scores than those in the banking and hospitality sectors. In the current study, we tried to include these components. The study also made an effort to pinpoint how HR systems contribute to the creation and upkeep of expertise. The service sector needs a high level of networking, organisational awareness, sympathetic capacity, high communication and influencing skills in order to become more people-focused.

## Research Gap

The study examined a number of earlier investigations and, based on its findings, identified some gaps and investigated those elements that would not have been investigated. Researchers QurratulainZahid and Nasir Wasim have evaluated some studies on emotional intelligence and its underlying components. SaiqaRaziq (2008) discovered how emotional intelligence might improve service quality in the software industry. Similarly, in Pakistan's higher education sector, Zainab N, Saeed C, Fazalur R, and Nabi BJ (2011) investigated the effect of emotional intelligence on work performance and However, in the current study, the researcher has looked at the impact of emotional intelligence on the sustainability of ventures in the service sectors with new ideas that invest in technology, innovate continuously, and sell for profit. Cavazotte F, Moreno V, and Hickmann M. (2012) examined the effects of leader intelligence personality and emotional intelligence on managerial performance. Investing in an organization's employees' emotional intelligence has been proven to have moderating impacts on job performance and workgroup effectiveness in numerous research, including Farh et al. (2012). Employee relationship management is a novel approach to managing human resources that depends on information technology to establish and maintain individualised and mutually beneficial connections with employees, according to A.Mani, K.Lohith Kumar, and K.Manjula (2017). These studies thus illustrate the components of emotional intelligence, but the research in the current study has identified ten emotional intelligence dimensions (self-awareness, empathy, self-motivation, integrity, value orientation, managing relationships, emotional stability, commitment, and altruistic behaviour) that regulate individuals' mental states to accomplish goals. These emotional intelligence traits give individuals the full personality necessary to compete in business and are beneficial in sustaining initiatives in all conceivable facets.

## Objectives of The Study

- ❖ To study the relationship between the factors of emotional intelligence and sustainability of service organizations.
- ❖ To examine the impact of emotional intelligence on sustainability of service organizations.

## RESEARCH METHODOLOGY

**Research Design:** The current study is descriptive in nature since it examines in great detail the correlation between the elements of emotional intelligence and how that affects the long-term viability of the service organizations.

**Universe:** In this study, 155 employees from the Indore city's service sector were the participants. A total of 310 questionnaires were distributed for the study, and 155 of them were filled out, yielding a response rate of 50%

**Sampling Method:** Random sampling method is used as equal chance is given to all the participants.

### Research Instruments

The Emotional Intelligence Scale: We employed an emotional intelligence scale created by UpinderDhar, Anukool Hyde, and SanjyotPethe for the analysis. Following a thorough analysis of the literature, they created 106 things, each of which was placed on a card. A panel of 50 judges with postgraduate degrees and more than 10 years of experience was chosen for the purpose of inspection. Finally, 155 employees took tests on 34 separate items. Scale reliability is .848 hence it was used for the additional analysis.

### The Sustainability of Ventures Scale

This scale was created with the aim of this investigation. After carefully reviewing the literature, the construct was first defined as follows: "Venture sustainability is the management and coordination of environmental, social, and financial demands and concerns combined with the personal intent and competence to ensure responsible, ethical, and ongoing success of the venture." Ten statements in all have been included.

### Variables of the Study

Emotional intelligence is the important independent variable considered for the study. The instrument used for gauging emotional quotient (EQ) as a measure of emotional intelligence had assessed ten dimensions of the concept, namely, self-awareness (SA), empathy (E), self-motivation (SM), emotional stability (ES), managing relations (MR), integrity (I), self-development (SD), value orientation (VO), commitment (C) and altruistic behaviour (AB).

### Statistical Tools

To investigate the association between emotional intelligence aspects and the sustainability of ventures (service sectors), the study used a correlational research approach. Regression and correlation are used.

### Data Analysis & Findings

H01: There is no significant relationship between underlying factors of Emotional Intelligence of employees and sustainability development in service organizations.

Ha1: There is a significant relationship between underlying factors of Emotional Intelligence of employees and sustainability development in service organizations.

**Correlations on factors of Emotional Intelligence and Sustainability Development**

	SD	SA	E	SM	ES	MR	I	SD	VO	C	AB
SD	1.000 p=.000	.854 p=.000	.798 p=.000	.736 p=.00 0	.696 p=.00 0	.802 p=.00 0	.637 p=.00 0	.599 p=.00 0	.558 p=.000	.589 p=.00 0	.607 p=.00 0
SA		1.00 0	.952	.886	.816	.920	.746	.694	.633	.681	.685
E			1.00 0	.937	.867	.904	.766	.715	.660	.691	.675
SM				1.00 0	.927	.861	.696	.669	.613	.645	.630
ES					1.00 0	.858	.642	.656	.617	.614	.634
Pearson Correlation MR						1.00 0	.698	.674	.641	.643	.640
I							1.00 0	.612	.620	.639	.587
SD								1.00 0	.926	.958	.923
VO									1.000	.938	.868
C										1.00 0	.909
AB											1.00 0

\*All the variables are significant at 0.000

The table shows the correlation matrix among the independent variables for emotional intelligence and the dependent variable, sustainability development.

The relationship of pivotal people drivers with self-awareness is significant at 0.05, and the value of correlation value (.854) is very strong. In the same way, the relationship with the factor of emotional intelligence i.e empathy with sustainability development (.798) significant at 0.05.

Another variable self-motivation has also an R-value of 0.736 so the relationship with the dependent variable, sustainability development is significant.

The relationship of emotional stability with the dependent variable, sustainability development is significant at 0,05 as the correlation is .696.

The correlation between managing relations with the dependent variable, sustainability development is significant and the R-value is 0.802.

In the same way, the relationship between integrity and the dependent variable, pivotal people drivers is significant and the correlation value is 0.637 at 0.05.

Self-development has also a moderate relationship with the dependent variable, sustainability development as the correlation is .599.

The relationship with value orientation is also significant at an R-value is .558. The independent variables commitment and altruistic behaviour have a positive relationship with sustainability development found significant at 0.05 and the correlation value is 0.589 and 0.607 respectively.

The second correlation matrix is found among the independent variables under which all the independent variables have a positive relationship with sustainability development at 0.000 so it is stated that the relationship among the independent variables is accepted at 0.000.

H02: There is no significant impact of Emotional Intelligence on sustainability development.

Ha2: There is a significant impact of Emotional Intelligence on sustainability development.

**Model Summary<sup>b</sup> on Emotional Intelligence & Sustainability Development**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.854 <sup>a</sup>	.729	.728	.66605	.729	532.330	1	153	.000

a. Predictors: (Constant), Emotional Intelligence

b. Dependent Variable: sustainability development

Since the significant value (p-value) of 0.000 is less than 0.05, the table indicates that there is a 0.854 correlation between emotional intelligence and sustainable development. Therefore, it can be said that sustainable development and emotional intelligence have a substantial relationship. Employee Emotional Intelligence accounts for 72.9% of the variation in sustainable growth, according to the coefficient of determination R<sup>2</sup> of 0.729. It implies that employees' emotional intelligence has a substantial impact on sustainable development. In light of this, the null hypothesis H02 namely 'There is no significant impact of Emotional Intelligence on sustainability development' is rejected.

**CONCLUSION**

This study intended to solve the crucial problem of starting a firm that is sustainable. The study also discovered that the sustainability of ventures has a significant impact on the underlying elements of emotional intelligence, including self-awareness, empathy, integrity, self-motivation, managing relationships, emotional stability, self-development, commitment, value orientation, and altruistic behaviour.

Self-awareness recognises the importance of one's own emotions and how they affect behaviour. Self-awareness is needed to recognise one's own strengths and weaknesses. Self-awareness served as the

benchmark for superior performance (Boyatzis, 1982). People with the right level of self-awareness are aware of their abilities, such as self-assurance, self-evaluation, and emotion control. These sustainability professionals provided self-awareness strategies and advice, as well as stories of occasions when they had to change their process design on the fly. According to the findings, self-motivation, an aspect of emotional intelligence, had a substantial impact and a positive work environment and psychosocial elements had an impact on job satisfaction. Additionally, it was discovered that an increase in monetary remuneration and benefits did not make employees happier. The study by Nepwanga Maria Amaanda (2011) supports the research's findings and assessed how staff empowerment and motivation affected the provision of great service and raised customer satisfaction for Namibian company X. The results indicated that management must make sure workers are motivated in accordance with the risks associated with the mining sector in order to decrease the rate at which workers engage in industrial unrest, which has a detrimental effect on performance, and workers must adhere to health and safety regulations because the sector has a significant impact on the nation's Gross Domestic Product (GDP).

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The research also came to the conclusion that managing relationships, a factor of emotional intelligence, is significantly impacted by relationship management. Managing relationships involves managing emotions well in relationships, accurately reading social situations and networks, and interacting smoothly. It also involves using these skills to persuade and lead, negotiate and settle disputes, and promote cooperation and teamwork. Integrity was a key concept in comprehending governance. Future research in these areas should take this into consideration, especially empirical studies on the actual value of honesty and morality in government.

The current study also discovered a strong impact of Value-Orientation, a component of emotional intelligence, on the advancements in sustainability in service firms. Value orientations affect the organisational culture, and it has been determined what factors affect the variations in value orientation structures. Customer value orientation, brand value, and corporate ethics, according to Leslier Maureen and Valenzuela Fernández (2016), were all significant drivers of long-term customer relationships and sales growth. The results demonstrated that Commitment, a feature of employees' emotional intelligence, had a substantial impact on sustainability development. Every organisation struggles but must make the effort to instil quality in the work life of its workers, and this is especially true for those who work in the service industry. Modern management fosters employee commitment to the organisation by rewarding loyalty, as it is believed that those who are loyal perform better. The results show that organizations must cultivate a climate that encourages commitment, equitable compensation, job satisfaction, safety and health, training and development, opportunity for skill development and progression, and social integration in order to sustain. The results showed that altruistic behaviour, a component of employees' emotional intelligence, has a significant impact on the sustainability of service firms. Psychological egoism, which is driven by the desire to enhance one's personal well-being, is opposed to psychological altruism (Sills, 1968).

## SUGGESTIONS

Employees should be helped to become more self-aware and offered self-development opportunities to help them become more perceptive of the demands and nuances of undertakings. To keep people engaged and motivated, corporate strategies and future goals should be clearly communicated to them. One of the key characteristics of employees that may provide a firm with a competitive advantage is the right kind of attitude.



Other significant characteristics are optimism, faith in the organisation, adaptability, openness to change, and emotional stability. They should experience a sense of community both within the firm and with one another, therefore organisations should promote cooperation and collaboration. For the successful attainment of high performance, the emotional abilities of empathy and self-awareness must be significantly strengthened.

### Future Implications for Practitioners and Policymakers

This study has shed light on and demonstrated a better understanding of how an individual's personality and emotional intelligence (EI) affect an employee's talents to face the challenges in ventures, which has been helpful information for management, particularly of industries falling under the Indian service sector. The top management in the service sector will benefit from this research's important information about how to use EI and personality to choose the correct kind of employees to provide them with a competitive advantage. The study has very clearly shown us the importance of emotional intelligence in assessing how well individuals perform in service organisations for sustainable development.

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