A Study to Find the Impact of Emotional Intelligence on Employee Motivation in the Organization

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Abstract

Purpose: The purpose of the study is to examine the impact of emotional intelligence on employee motivation in the organization and to find the relationship between six factors namely, Organizational commitment, Reward, Recognition, Performance Appraisal, Job Satisfaction, and Emotional Exhaustion.

Methodology/Approach: An online survey was conducted to collect the data from 57 employees, who are currently working in various IT Companies. The conceptual model was tested, and the findings were validated and statistically analyzed using SmartPLS.

Findings: The factor Emotional Exhaustion was found to be significant on Organizational Commitment, whereas Reward, Recognition, Performance Appraisal, and Job Satisfaction were found to be not significant on Organizational Commitment.

Implications: Employers can use this study to find out which factor is affecting the motivation level of employees in the organization.

Keywords: Employee Motivation, Emotional Intelligence, Reward, Recognition, Performance Appraisals, Job Satisfaction, Employee Exhaustion, Organizational Commitment

Introduction

In a current global economy, companies are trying very hard to survive in this competitive environment. Managers have impressive technical skills and extensive education, but somewhere they are not able to effectively relate these skills and knowledge to motivate the employees effectively. That is why, employee retention is a common challenge to a manager despite the size of the company (Manzoor, 2011). It is still a challenge for a manager to motivate the employees to be productive.

People feel motivated by the interaction of conscious and subconscious factors, like what are their desires and need, what reward they get after completing a task or goal, and also as an individual what they expect. To enjoy their job, to feel good but their
job employees need motivation, some employees get motivated by money and some find rewards and recognition as motivation. To re-motivate your staff, you can do it by awarding them with monetary incentives or by non-monetary incentives. There is a very important role of emotional intelligence in helping people to cope with the dynamic change in the business environment. Application of emotional intelligence help in recognizing and understanding people’s emotions and emotional intelligence to manage /her relations with others.

**Review of Literature**

According to the English Oxford dictionary, motivation is the reason for which one is acting or behaving in a particular way. Defines motivation as the intrapersonal force that influences employees’ work-related behavior (Devadass, 2011).

(Shiraz et al., 2011) said monetary rewards had a great influence on employee motivation, over time, many organizations have used extrinsic rewards like increased pay, bonuses, promotions as a tool to motivate employees for high performance.

Emotional intelligence is best understood as a competency, they said that emotional intelligence competency is how an individual is perceiving, understands, and uses his emotional status and leads them to effective performance (Emmerling et al., 2012). Emotional Intelligence is a skill that can be measured and can be used at the time of recruitment, retaining employees, and motivating within an organization (Goel et al., 2021).

(Wei et al., 2020) states that money is important to motivate employees for better performance. A study conducted in China’s manufacturing industry shows how performance is related to employee welfare, this study is done to analyze how Employee welfare affects the innovation performance of manufacturing corporations. The study (Wei et al., 2020) states that a higher level of employee welfare helps corporations to retain outstanding employees and also enhance innovation capability and promote innovation output in the organization. Employee welfare motivates the employee to perform better for the organization. The result shows that employee welfare promotes the quality of innovation but not quantity.

Emotions are regarded and also taken into negative aspects within the sphere of business administration because they are not allowed space in business decisions. However, the phrase “Emotional Intelligence” is employed in a positive sense because it is utilized to predict organizational outcomes. Emotions, according to this study, are psychological subsystems that include cognition, responses, and awareness. Emotional intelligence is defined as the convergence of emotions and intellect, according to researchers. Emotional intelligence is a legitimate intellect that demonstrates mental ability and established intelligence, according to them. Intelligence can be developed with the passage of time, age, and experiences, according to their findings (Mayer et al., 2001). (Goel et al., 2021) examine the relationship between EI and motivation to succeed with a focus on confirming the mediational function of resilience in the EI-achievement relationship. The findings indicate that the three constructs studied have a substantial relationship: EI appears to be a powerful predictor of achievement motivation, as it has a direct impact on employees’ motivation, which did not vanish even after controlling for their resilience.

Emotional intelligence can be learned and improved at any point in one’s life. However, to do so, you’ll need a lot of enthusiasm, a well-structured learning environment, and lots of practice (Christie et al., 2007).

To attain organizational greatness, organizations focus on educating and strengthening the emotional intelligence of their leaders. This sounds reasonable, as a more mature leader should be better able to accomplish organizational success. Emotionally intelligent people are thought to be self-motivating and have a better understanding of the requirements for increasing employee
motivation. As a result, this study focuses on all employees of the company, not just the CEO, and makes a case for developing emotional intelligence for everyone (Gardner & Stough, 2002). Emotionally intelligent employees are more likely to be satisfied with their life, which fuels individual drive (Christie et al., 2007) and this encourages others in the workplace to be more motivated. These employees are successful in all aspects of life (Christie et al., 2007). High levels of emotional intelligence also help with stress management in the workplace (Christie et al., 2007). People who are unable to regulate their emotions jeopardize their ability to think clearly (Christie et al., 2007) and this may have an impact on the quality of their decisions (Hess & Bacigalupo, 2011).

The Objective of the Study
The objectives of this study are to:
• To examine the factors that impact employee motivation.
• Analyze the relationships among various factors that affect the motivation of the employee in an organization.

Conceptual Model & Hypothesis

Figure 1: Conceptual Model of Impact of Emotional Intelligence on Employee Motivation

Organizational Commitment
Organizational commitment (OC) is seen to be a key factor in determining the efficiency of a company. Organizational commitment has been proven to predict some organizational outcomes, including improved work performance, decreased turnover and withdrawal cognitions, lower absenteeism, and enhanced organizational citizenship behaviors, according to research. Employees who are strongly motivated to give their time and energy to the achievement of corporate goals are increasingly recognized as an organization’s most valuable asset (Gunu, 2014).

Reward
One of the keys to motivating employees to perform as expected is to reward them. Cash, recognition, and praise, or a combination of these, can be given as a reward. Group performance-related schemes provide a group or team of employees a monetary award for meeting a predetermined goal. These programs are all aimed to improve company performance by matching employees’ interests with the company’s financial performance (Anon, 1997).

H1: Reward has a positive impact on organizational commitment.

Recognition
The most effective intrinsic incentive for improving employee performance is recognition, which is a nonmonetary reward. When recognition is established inside a business, a positive working environment is created, motivating workers to achieve at their best (Wanhihia, 2016). Employees see recognition as a sign of their worth and respect, which raises employee morale and, as a result, increases organizational productivity. Recognitions are strongly linked to the process of motivation.
and have an important part in deciding substantial job performance (Anon, 1997).

**H$_2$**: Recognition has a positive impact on organizational commitment.

**Performance Appraisal**

Employee motivation and salary collide when it comes to performance appraisal. The great intensity of motivation from side-to-side monetary incentive is support on the additional key foundation to wealth. When the remuneration is higher, the worker becomes more productive. Performance appraisals provide a recognized, verified, and usual evaluation of an individual’s routine, as well as a blueprint for future expansion (Anon, 1997).

**H$_3$**: Performance Appraisal has a positive impact on organizational commitment.

**Emotional Exhaustion**

Emotional exhaustion is a state of emotional and physical exhaustion that lasts for a long time. Traditional stress reactions investigated in occupational stress research, such as fatigue, job-related sadness, psychosomatic problems, and anxiety, are quite similar to emotional exhaustion (Cropanzano et al., 2003).

**H$_4$**: Emotional Exhaustion has a positive impact on organizational commitment.

**Job Satisfaction**

Job satisfaction is characterized as the result of a non-regulatory mood tendency; it is a pleasant or positive affection state that develops as a result of a person’s evaluation of their work experience. Job satisfaction refers to whether or not an employee’s job promotes pleasant emotions and positive feelings. The goal of affection-oriented job satisfaction is to assess employees’ sentiments and emotions while they are at work. Positive sensations or emotions indicate a high level of job satisfaction (Hamermesh, 1999).

**H$_5$**: Job satisfaction has a positive impact on organizational commitment.

**Research Methodology**

A target population is a group of people or items for which data can be collected or observations made to develop the necessary data structure and information (Jariwala & Sharma, 2013). A sample is a group of people chosen at random from the population. The procedure of obtaining the required number of items from a big population is known as sampling (Sankaran & Chakraborty, 2021). This research is quantitative and primary data is collected for the research study through a questionnaire via online mode using google form.

**Sampling Procedure**

A convenience sampling method was used to collect data from respondents who are working in private organizations. A total of 57 responses were collected, out of which one was removed due to unengaged responses. Unengaged responses are ones in which all of the items on the Likert scale have the same rating (Sankaran & Chakraborty, 2021).

**Instrumental Development**

The instrument/questionnaire has two sections, first section is related to demographic profile, while the second section includes 5-point Likert scale questions related to employee motivation and emotional intelligence. The questionnaire consists of 24 questions, where reward and organizational commitment have 5 questions each, Recognition and Emotional Exhaustion has 4 questions each, and Job satisfaction and performance appraisal has 3 questions each. This study
empirically validates the customized scale, which was verified in the Indian context (Sankaran & Chakraborty, 2021).

**Data Collection**

Primary data was collected from 57 respondents using online mode. Then Microsoft Excel is used to remove the duplicates.

**Data Analysis**

The data was statistically analyzed by using SmartPLS which is the most comprehensive and advanced program for statistical analysis. Multivariate Analysis was used in SmartPLS to statistically analyze multiple variables simultaneously (Hair Jr et al., 2017). The advantage of using SmartPLS it can accommodate small sample sizes and there are no distribution assumptions, which is non-normal data that can be used. The data analysis is performed in a two-stage process, the first step is to consider a path model to visually consider the relationship between the variable as per this study. In the second stage, the measurement model describes the relationship between the latent variables and their measures. Cronbach Alpha was used to assess the components’ internal consistency.

**Descriptive Statistics**

From the usable sample of 57 respondents, (Figure 2) 33.3% are females and 66.6% are males (Figure 3) 84.2% of respondents are from the age group of 21-30, followed by 12.3% in 31-40 age group and 1% in the age group of 41-50 and 1% are above 50 age (Figure 4) 80.7% of respondents have less than 4 years of work experience in the organization, followed by 10% of respondents who have work experience between 5-10 years and 8.8% of respondents have work experience of more than 10 years.
Figure 4: Responses based on work Experience

Instrumental Reliability
Cronbach Alpha

Cronbach Alpha is used to check the reliability of data. The recommended value of the Cronbach Alpha (used to find the internal reliability of all the closely related factors) is 0.7 (Hair Jr et al., 2017). As we can see in Table 1 all values are found to be greater than 0.7 except one, which is nearly 0.7. The results obtained indicate the factors are reliable. The reliability of factor Performance appraisal can further be improved with additional data collection.

| Factors                | Cronbach Alpha |
|------------------------|----------------|
| Emotional Exhaustion   | 0.887          |
| Job satisfaction       | 0.844          |
| Organizational Commitment | 0.705        |
| Performance Appraisal  | 0.643          |
| Recognition            | 0.904          |
| Reward                 | 0.746          |

Outer Loading

Two items OC2 and OC3 were removed due to low inter-item correlation. This improved the reliability of factor Organizational Commitment to 0.705 (Hair Jr et al., 2017).

Similarly, the item RECO1 was removed due to low inter-item correlation, which improved the reliability of factor Recognition to 0.904. Same in the case of reward, REW1, REW2, and REW4 were removed due to their low inter-item correlation, which improved the reliability of REW to 0.74.

| Factors | EE  | JS  | OC  | PERF | RECO | REW |
|---------|-----|-----|-----|------|------|-----|
| EE1     | 0.843|     |     |      |      |     |
| EE2     | 0.873|     |     |      |      |     |
| EE3     | 0.835|     |     |      |      |     |
| EE4     | 0.903|     |     |      |      |     |
| JS1     |      | 0.839|     |      |      |     |
| JS2     |      | 0.888|     |      |      |     |
| JS3     |      | 0.882|     |      |      |     |
Construct Validity

The significant value of Composite reliability (CR) should be greater than 0.7, and from Table 3, we can notice that the value of every factor is greater than 0.7 (Hair Jr et al., 2017), which shows the reliability of the factors (Sankaran & Chakraborty, 2021).

The value of Average Variance Extracted (AVE) should be higher than 0.5 to ensure the validity of the data, from the given Table 3 it is clear that all the factors meet the recommended criteria (Hair Jr et al., 2017).

| Factors               | CR  | AVE  |
|-----------------------|-----|------|
| Emotional Exhaustion  | 0.922 | 0.746 |
| Job satisfaction      | 0.903 | 0.757 |
| Organizational Commitment | 0.838 | 0.635 |
| Performance Appraisal | 0.845 | 0.732 |
| Recognition           | 0.939 | 0.837 |
| Reward                | 0.887 | 0.797 |

Discriminant Validity

In Table 4, we notice that a Correlation value of every item is less than the square root of Average Variance Extracted (AVE) (Hair Jr et al., 2017; Sankaran & Chakraborty, 2021), Discriminant reliability refers to how distinct one construct is from another in terms of empirical standards.

| Factors                              | EE    | JS    | OC    | PERF  | RECO  | REW   |
|--------------------------------------|-------|-------|-------|-------|-------|-------|
| Emotional Exhaustion (EE)             | 0.864 |       |       |       |       |       |
| Job Satisfaction (JS)                 | -0.364| 0.87  |       |       |       |       |
| Organizational Commitment (OC)        | 0.697 | -0.188| 0.797 |       |       |       |
| Performance Appraisal (PERF)          | -0.115| 0.405 | -0.177| 0.856 |       |       |
| Recognition (RECO)                    | -0.311| 0.357 | -0.158| 0.635 | 0.915 |       |
| Reward (REW)                          | -0.398| 0.332 | -0.251| 0.574 | 0.707 | 0.893 |
Path Analysis

The path model is detailed in figure 2. The recommended value of inter-item correlation is 0.7 (Hair Jr et al., 2017), items having a value less than 0.7 were removed. As noticed in the model, item REW1, REW2, REW4 were removed due to the inter-item correlation value of 0.51, 0.52, and 0.3 respectively.

Similarly, item RECO1, item PERF3, item OC2, and OC4 had low/negative values.

Results

Bootstrapping is a resampling approach that draws random samples with replacement from the data and uses these samples to estimate the path model (Figure 5). As part of this study, 5000 bootstrap values are used as recommended by (Hair Jr et al., 2017). As given in Table 5, one factor is supported and others are not supported because the p-value is greater than 0.05.

|                      | t-Statistics | p-values |
|----------------------|--------------|----------|
| EE - OC              | 8.56         | 0        |
| JS - OC              | 0.94         | 0.34     |
| PERF - OC            | 1.71         | 0.08     |
| RECO - OC            | 1.24         | 0.21     |
| REW - OC             | 0.288        | 0.77     |

Limitations

This study analyses the impact of emotional intelligence on the motivation of employees, but there are many more factors that can affect employee motivation. As part of this study, the responses obtained are very few, that is 57 samples. With a larger sample size, the findings of the study may alter.
## Appendix for Questionnaire

### Table 6: Questionnaire

| Factors                  | Items   | Description of Items                                                                 |
|--------------------------|---------|---------------------------------------------------------------------------------------|
| Reward                   | REW1    | I Am happy and satisfied with my current salary and benefits                           |
|                          | REW2    | The compensation package offered is good and adequate                                  |
|                          | REW3    | Being offered a good salary and compensation package motivates and makes me improve my performance.    |
|                          | REW4    | I receive a bonus every year which boosts my morale                                     |
|                          | REW5    | Non-monetary rewards like paid vacations and gift vouchers would greatly motivate me     |
| Recognition              | RECO1   | The achievement and recognition system of the organization is adequate                  |
|                          | RECO2   | Being recognized for my work achievements motivates me.                                  |
|                          | RECO3   | Public recognition for my efforts at work boosts my morale                               |
|                          | RECO4   | Being recognized for my achievements at work would greatly motivate me into improving my performance.    |
| Performance Appraisal    | PERF1   | I always receive timely feedback on the appraisal carried out                           |
|                          | PERF2   | I enjoy appraisal sessions as a learning opportunity on where am doing well or where I need to improve |
|                          | PERF3   | Performance appraisal results are often used for the promotion of employees              |
| Emotional                | EE1     | I feel emotionally drained from my work.                                               |
|                          | EE2     | I feel frustrated by my job.                                                           |
| Emotional                | EE3     | Working with people directly puts too much stress on me.                                |
|                          | EE4     | I feel like I am at the end of my tether.                                              |
| Job Satisfaction         | JS1     | My job is very pleasant.                                                               |
|                          | JS2     | My job is very worthwhile.                                                             |
|                          | JS3     | I am very content with my job.                                                        |
| Organizational Commitment| OC1     | If the organization could hire someone to replace me at a lower salary it would do so. |
|                          | OC2     | The organization takes my goals and values into account.                                |
|                          | OC3     | The organization would ignore any complaint from me                                    |
|                          | OC4     | The organization cares about my well-being.                                            |
|                          | OC5     | Even if I did the best job possible, the organization would fail to notice.            |

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