

Strength of Emotional Intelligence in Impacting Organizational Behaviour: An Exploratory Study in the Service Industry in Southern India

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Abstract— Emotional Intelligence or EQ is among the major social skills that impact employee engagement, job satisfaction, customer service and mainly organisational behaviour. The following research has been focused on elaborating on the impact of this specific skill on the organisational behaviour of the service sector of Southern India. In section 1, The Introduction part has highlighted the background of the research, its problem and the aim and objective of conducting the research. In section 2, through the Literature Review, existing studies on the topic have been explored and Bandura’s Social Cognitive Theory has been illustrated. In section 3, suitable methods that have been used in the study have been briefly described. The secondary data collection method has been followed and thematic analysis has been conducted. The results suggest that EQ is crucial for effective performance in the service sector as this industry thoroughly depends on customer service.

There are some specific factors that influence organisational behaviour such as environment, mental health condition, structure and others. Emotional intelligence helps employees to control their emotions that improves communication and creates an efficient and flexible workplace. It is identified that consumer-company interaction is the main focus of the service industry of Southern India and emotional intelligence among employees leads to the achievement of this goal. Thereafter, organisational behaviour effects business management and emotional intelligence among employees contributes in improved business management within the service industry of Southern India.

Keywords: emotional intelligence, organisational behaviour, job satisfaction, employee engagement, improved service.

I. INTRODUCTION

1.1 Background of the study

The study introduces organisational behaviour and its significance within the service sector of Southern India. The service sector of India includes defence services, finance services, It services and transport services. It can be noticed in the figure below that the services sector has the largest contribution to the GDP of the country. Including all the

services, the service sector contributed **53.89%** to the GDP of India in 2021 (Statisticstimes, 2021). Organisational behaviour refers to the interconnection between human behaviour and organisational structure that highly impacts business management. Thereafter, emotional intelligence refers to the emotional strength of an individual to understand and manage emotions positively. Identifying the impacts of emotional intelligence on organisational behaviour within the sector is the purpose of this article.

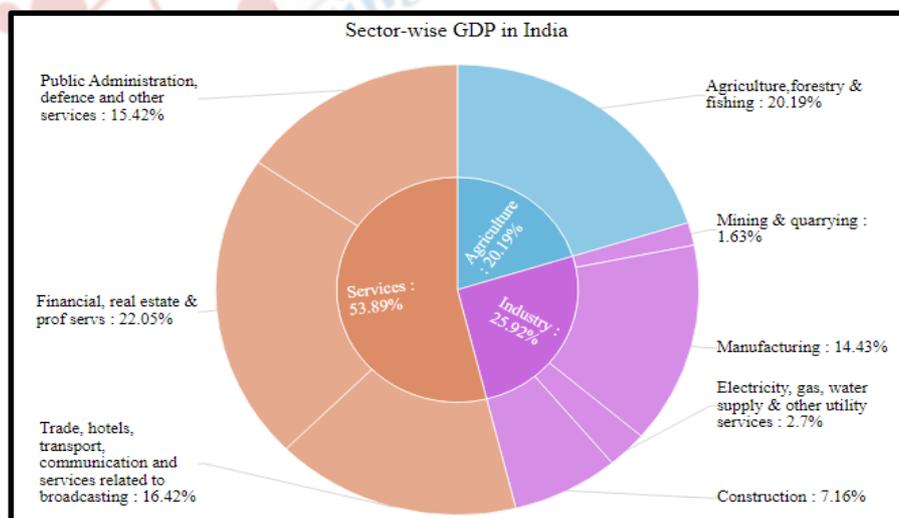


Figure 1: Section-wise GDP contribution in India in 2021
(Source: Statisticstimes, 2021)

1.2 Problem statement

The service sector of India is one of the largest sectors that contribute a large percentage to the GDP of the country. In 2020, the GDP contribution of the sector was 55% which changed to 54% in 2021 (Ibef.org, 2022). A slight decline in the GDP contribution indicates that the industry must be aware of business management which requires effective and

positive organisational behaviour. Hence, strong emotional intelligence is required among the employees of the sector for improving their capabilities as well as business performance. In short, the industry should be concerned about the improvement of GVA value for the GDP growth of the country. Therefore, establishing the emotional intelligence of the employees will be accurate for GVA development.

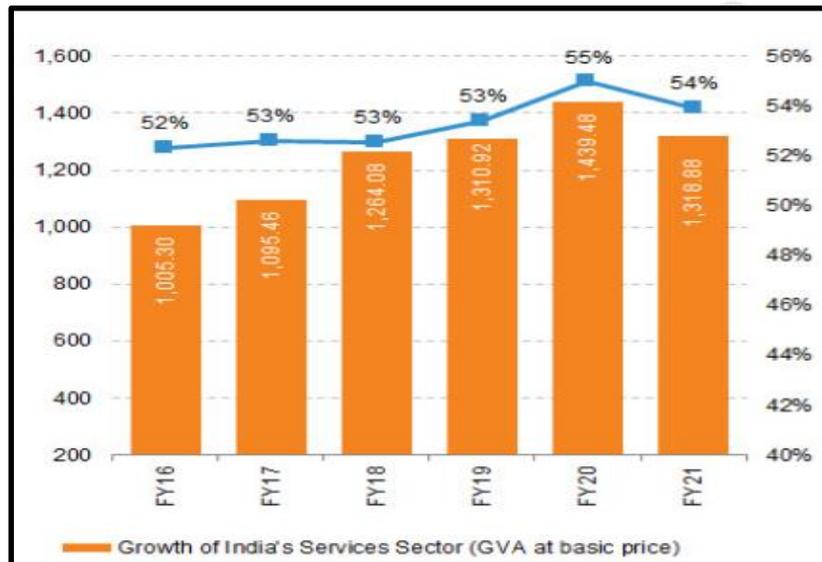


Figure 2: Gross value added by the service sector of India (Source: Ibef.org, 2022)

The study aims to understand the impacts of emotional intelligence on organisational behaviour within the service industry of Southern India.

II. LITERATURE REVIEW

2.1 Concept of Emotional Intelligence

Emotional Intelligence or EQ involves the ability of understanding and utilise personal emotions and feelings as well as others and empathise with them. Having EQ can help to communicate and empathise with other persons effectively in order to build strong relationships. EQ stands among the major "social and emotional skills" and influences personal performance (MacCann et al, 2020). This skill consists of several aspects, including "self-management", "social awareness", "self-awareness" and "relationship management". EQ is crucial for improving personal behaviour and competencies along with establishing collaboration within an organisation. This skill pose a direct impact on performance and knowledge and enables one to learn about understanding and identifying feelings as well as influencing by empathising and performing as per need. Additionally, it is one of the most important personal competencies that involve three models, such as "trait, mixed and ability models" (Kanesan & Fauzan, 2019). This intelligence directly impacts organisation performance by influencing and motivating associated persons and improving emotional abilities.

2.2 Factors that influence Organizational Behaviour

There can be several factors influencing organisational behaviour; however, the major factors are environment, people, structure and technology or innovation. The environment is the main aspect that has the most influential impact on the performance and behaviour of an organisation. It influences other factors and can be divided into internal and external environments. The internal organisational environment has been found to have an indirect however moderate influence on employee retention (Dias et al. 2022). People are another major factor which is present in every part of a company, in short, organisational performance remains thoroughly surrounded by people. They can be consumers, employees, leaders, investors and suppliers. Any organisation is generally formed through groups of interested people and the interests can vary.

Structure refers to the framework of the collaboration and relations between employees, stakeholders and leaders. According to the viewpoints of Nwachukwu & Chladkova (2019), "organisational structure" directly influences the utilisation of the resources and capabilities of an organisation. Another important factor is technology or innovation which involves providing major required resources to the organisation along with influencing individual performances. Nowadays, it has become a crucial factor as it provides several advantages as well as comes with some major barriers

too. Having high technical capabilities can provide effective growth opportunities to a company and improve its behaviour as well as collaboration in the workforce.

2.3 Significant role of organisational behaviour in business management

“Organisational behaviour” or OB involves with behaviour and performance of the individuals present in an organisation, especially, the groups associated with the workforce. The main aspects of OB are associated with psychology, anthropology, sociology, political science and social psychology. Effective OB helps to provide efficient solutions for challenging problems related to business management, such as helping to hire suitable candidates and survive in a competitive market. On the other hand, it helps leaders to manage diversity and differences in the workforce and establishes inclusion in a diversified workplace. OB has a moderate impact on employee retention and turnover practices (Balwant, 2018). This factor is one of the crucial aspects related to business as it involves empowering the workers which enhances their productivity, and improves retention and job performance.

Efficient OB comes with numerous advantages for any business, including improving the customer service that impacts the market performance and customer base of the company. This practice ultimately improves the financial capability of an organisation as well as enhances the consumer base. Improving OB through integrating digitalisation can increase the financial outcomes of a company which eventually provides it with a competitive edge (Collins et al. 2020). Thus, OB poses a direct and positive impact on organisational performance and enhances skills and competencies related to better performance. It also fosters ethical practices and behaviour along with improving the work-life balance of employees and establishes an effective work environment.

2.4 Theoretical application

Bandura’s Social Cognitive Theory

The Social Cognitive Theory or SCT discusses the impact of surrounding environmental factors, actions and experiences on behaviour. Therefore, the theory is associated with providing social support through observations and gaining knowledge in order to upgrade behavioural functions. SCT is one of the crucial theories that explore the main factors associated with motivation and influence (Schunk & DiBenedetto, 2020). The theory consists of some core components, such as “self-efficacy”, “self-control”, “expectations”, “reinforcements”, “observations” and “expectancies. The main aspects of this theory define that any individual is able to change behaviour and performance by gaining experiences from their surroundings. Applying this theory in organisations can help to achieve collaboration and improve work performance by providing an effective opportunity of utilising EQ more efficiently. Along with that,

it can improve OB by upgrading the self-efficacy and awareness of the workers and enhancing relevant skills to improve work performance.

2.5 Literature gap

The Literature Review chapter has explored existing studies on the research subject and has addressed some relevant gaps in the literature. The positive impact of EQ in OB has been identified and demonstrated, however, no clear evidence has been observed about its connection with the service industry of Southern India.

III. METHODOLOGY

The research has been carried out to illustrate the impact of EQ on OB in the service industry of Southern India and this section has been aimed to present the suitable methods and techniques used for the research. *Interpretivism* has been chosen as the appropriate research philosophy in order to observe the impact and interpret effective solutions to improve the influence of EQ. This research philosophy generally involves variables and detailed insights into a phenomenon (Alharahsheh & Pius, 2020). On the other hand, *exploratory design* has been selected as the suitable research design. This research design involves explaining the data collection process (Asenahabi, 2019). The most appropriate research approach has been selected as the *inductive approach*. An inductive research approach involves collecting relevant data on the research subject. This research approach will help to guide the data collection method along with providing in-depth insights about the research problem. Hence, these methods have been chosen to collect relevant data and develop appropriate solutions for the research.

The researcher has planned for following a secondary data collection method for the study. Reliable and valid secondary sources, such as government websites, journals published in or after 2018, and newspaper articles have been used for collecting the data. On the other hand, to analyse the collected data, a thematic analysis has been planned to follow. Thematic analysis is mainly used to analyse and illustrate qualitative data in studies (Castleberry & Nolen, 2018). The methods and techniques have been chosen by focusing on the type of data needed for the research and relevant research ethics have been maintained. During the data collection process, no bias has been entertained and no natural elements have been harmed. Therefore, these methods have helped the data collection process to be conducted efficiently in order to develop effective strategic solutions for improving the influence of EQ in the service industry of Southern India.

IV. RESULTS:

Theme 1: Organisational behaviour within the Service Industry in Southern India

OB involves group behaviour of the persons attached to a business organisation and poses a direct impact on companies.

Generally, it impacts business performance by influencing the management of the organisation. OB provides several types of advantages and opportunities and considering its core aspects can improve the business performance (Indiatimes, 2022). The service industry of South India is emerging at a significant speed and company-consumer interaction is the main priority, the sector has applied EQ for

improving this segment. The travel and tourism industry stands among the major segments of the service industry of Southern India and Chennai has been observed to be the major player in this sector by 2025 (Indiatimes, 2022). Additionally, it has become of the emerging industries of India.



Figure 3: Financial aspects of the Tourism industry in India
(Source: Keelery, 2022)

In the service industry, the main priority is improving interaction with customers in order to improve their satisfaction and experiences. In this regard, having an effective OB enables the employees to represent the business segment and having high EQ allows them to perform more effectively by analysing the feelings and opinions of the consumers. The tourism industry has a large contribution to the GDP of the country, accounting for 122 billion Dollars (Keelery, 2022). Apart from this, there are several business sectors within the service industry of South India and the travel and tourism industry is the largest among them. Another important sector of the industry is the transport segment which has a direct connection with the tourism industry.

The employees of the service industry have to perform effectively with consumers in order to grab their attention and expand the business and having the knowledge of EQ enables them to improve their social skills. Thus, EQ not only improves OB but also has a major impact on the communication skills and practices of the employees of the services industry. The banking sector is another important segment within the service industry and the employees face different emotional conditions in the industry (Sharma, 2022). Thus, it can be stated that effective OB is crucial for individual sectors within the service industry of Southern India and helps to improve customer engagement as well as the job performance of the employees.

Theme 2: Impact of Emotional Intelligence on organisational behaviour

EQ enables one to understand and perform as per the feelings and emotions of surrounding persons. This key social skill generally influences the core components of OB,

including people, environment, structure and technology. EQ helps business leaders develop and maintain effective interactions with employees along with fostering organisational commitment towards their well-being (Dixit & Singh, 2019). EQ also influences “organisational citizenship behaviour” and has a correlation with the behaviour and performance of the people associated with an industry. An Emotionally Intelligent business leader is allowed to influence and motivate subordinates more effectively as well as establish collaboration in teamwork. These practices ultimately improve the organisational environment and increase financial and human capital. A leader with high EQ can influence the business structure by developing efficient emotional interaction with the stakeholders. It has been observed that having a high knowledge of EQ in business administration increases productivity upgrades engagements and improves workplace culture.

EQ positively affects OB and has the potential of improving business performance by establishing efficient engagement with consumers. This skill mainly upgrades personal competencies that increase several social skills, such as improving communication and interaction practices and improving understanding of feelings and thoughts of other persons in order to perform as per their opinions. According to the viewpoints of Naz et al. (2019), EQ involves knowledge sharing in an organisation which influences the satisfaction and experience of the employees. It helps to develop the most required social skills among the workers and also encourages them to control and use their emotions effectively for business success.

One of the major components of EQ is "self-awareness", which helps employees and leaders to learn and understand personal capabilities and improve problem-solving skills.

Thus, this skill enhances the flexibility and efficiency of the organisation. EQ influences various dimensions related to job satisfaction and workplace engagement of employees (Extremera et al. 2018). Thus, the skill influences the overall performance of an organisation by impacting the OB and is crucial for the OB of the service industry. The service industry mainly involves interacting with consumers and different personnel associated with the business, hence, it is essential to have high EQ among the employees and executives having the responsibility of communicating with the stakeholders and shareholders as they are the main pillars of the industry.

V. DISCUSSION

The impact and influence of EQ on OB of the service industry of Southern India have been analysed and illustrated through this research. Thematic analysis has been conducted to elaborate secondary qualitative data and two relevant themes have been developed in this regard. The first theme emphasises the OB within the service industry of Southern India and discusses several sectors within the industry. The service industry consists of different business sectors; however, the main motive of the individual sector is to provide efficient customer service. It has been observed that efficient leadership and effective organisational culture can improve the work engagement of the employees by boosting their satisfaction and experience (Karatepe, Ozturk & Kim, 2019). The need for EQ in different service sectors, such as the tourism industry, banking sector and telecommunication industry has been illustrated.

The second theme has focused on the impact of EQ on OB and the findings suggest that leaders having high EQ can improve the core aspects related to OB. the impact of EQ on each of the components has been illustrated and its importance for improving OB and enhancing business performance has been suggested. As per the statements of Burcea & Sabie (2020), leaders with high EQ can influence the behaviours of their subordinates and improve outcomes. Thus, the findings have provided an efficient overview of the strength of EQ influencing OB of the service industry of Southern India. Additionally, EQ is the most essential competence required in the service industry to improve customer service by implementing several relevant skills and competencies among the workers.

VI. CONCLUSION

The research has been carried out to address the impact and influence of EQ in OB of the service sector of Southern India and effective methods and techniques have been used for collecting relevant data. Existing literature has been illustrated through the Literature Review section and Bandura's Social Cognitive Theory has been applied. Appropriate research methods have been used to collect reliable and valid data from secondary sources thematic analysis has been conducted to illustrate the collected data.

The results have revealed that EQ is crucial for the service industry for engaging and developing effective interactions with consumers. Leaders with efficient knowledge of EQ are able to influence and motivate subordinates more effectively in order to improve OB and associated business performance. An influential impact of EQ on employee satisfaction, work performance and engagement has been observed as well as its importance for improving the skills and competencies of the employees.

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