

The Role of Emotional Capability as a Determinant of Organizational and Individual Performance in the IT Sector

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Abstract:

The IT sector is well known for its fast-paced, dynamic workplace, where workers are often having to adapt to new situations.. This study aims to investigate the relationship between emotional intelligence and organizational and individual performance in the IT sector. Based on the corpus of existing literature and empirical research, this work reviewed relevant research papers about emotional competence, organizational performance, and individual performance. Additionally, it looked into how much emotional intelligence affects both individual in connection to IT industry outcomes. The study article also identified the essential components of emotional competence, including worker performance, emotional stability

Key words emotional capability, organizational performance, individual performance, workplace stress

1. Introduction

Emotional Capability (EC) is a relatively new concept in the field of organizational behaviour that has gained significant attention. It refers to the ability to recognize, understand, and manage one's emotions, as well as the emotions of others.

Adaptability and resilience are essential in the rapidly changing IT sector, and emotional capability can facilitate these traits. IT professionals with high emotional capability can adapt to changes, bounce back from setbacks, and maintain performance levels in dynamic and stressful work environments.

Therefore, this paper aims to investigate the impact of emotional capability on organizational performance and individual performance in the IT sector. The study is based on primary data collection from various IT professionals and employs statistical analysis to examine the impact of emotional capability on performance.

2. Review of Literature

Li (2019) in a study titled “The Association between Organizational Emotional Capability and Employee Innovation Behaviour of S&T enterprise” tried to investigate how organisational emotional capability effects the employee innovation behaviour. The findings of study indicate that enhancing organisational emotional capability requires a certain amount of relevance for staff innovation behaviour. The study further states that the link between an employee's emotional capacity and capacity of employees for innovation is favourably mediated by external engagement.

Rumaisa and Mehmood (2018) attempted to analyse the impact of organisational learning on knowledge management, emotional stability, cooperativeness, and creativity in their research review paper titled "Knowledge Management, Emotional Capability, Teamwork, and Innovativeness: Mediating Role of Organizational Learning. Organization learning”. The literature reviews have been carried out from the perspectives of resource, knowledge, dynamic capability, emotional capability, and dynamic perspectives. The findings of the review paper highlight that (i) employee knowledge helps organisations to make wise decisions, promotes innovation, gathers accurate business data and to position themselves in the best possible positions, (ii) organisational learning and creativeness have a favourable association with emotional capability; and (iii) employee emotional intelligence is crucial for improving an organization potential for creativity.

1. Objectives

- 1) To investigate the connection between organizational success and emotional intelligence in the field of IT.
- 2) To investigate the influence of emotional capability on individual performance in the IT sector.
- 3) To determine the main elements influencing Emotional Capability in the IT industry.
- 4) To determine the critical elements in the IT industry that are accountable for improving Emotional Capability.
- 5) To make recommendations for actions that IT sector companies can take to improve the emotional intelligence of their workforce in order to maximize both individual and organizational performance.

2. Hypotheses

Ho1: In the IT industry, there is a strong correlation between organizational performance and emotional competence.

Ho2: Individual performance in the IT sector is significantly influenced by emotional capabilities.

Ho3: The relative significance of the elements that affect emotional capability is not significantly different.

Ho4: The relative significance of the variables influencing emotional competence is not significantly different.

Research Methodology

2.1.Data source

The study has been conducted based on data collected mainly from primary sources.

Method of data collection

The following procedure has been adopted for data collection:

2.2.Development of Questionnaire

Data for the present study has been collected mainly from primary source through questionnaire. The questionnaire used in the study has been developed in two stages, i.e., for conducting the pilot study and after conducting the pilot study.

The questionnaire used in the pilot study consisted of 26 statements. These 26 statements were on two broad dimensions, such as (i) Emotional capability on organisational performance and ii) Emotional Capability on Individual Performance.

2.3.Finalization of Questionnaire

Responses received from the 172 respondents on the 26 statements as above were subjected to “reliability test” by calculating Cronbach’s Alpha for set of the statements as shown in Table. Statements with a Cronbach’s Alpha value of 0.7 and above were considered as reliable and hence retained to form a part of the final questionnaire and the statements having Cronbach’s Alpha value of less than 0.7 were dropped.

2.1.Sample size and sampling

2.2.Sample units

The sample units for the study include 3 different IT sector organizations, i.e., Tata consultancy service (TCS), Syncys, Infosys in Hyderabad location are taken.300 sample size

2.3.Tools and techniques used

3. The study's key instruments are the descriptive statistics, which include variance, mean, median, and standard deviation. Regression analysis is another method used to analyze the data. The potential relationships between emotional intelligence and individual and organizational performance have also been investigated through regression analysis.

4. Data analysis and Interpretation

.The difference between organizational and individual performance has been analysed empirically in this paper.

4.1. Regression Analysis

Table 3. Impact of Emotional Capability on Organisational Performance

Model Summary

Model	Multiple R square	Adjusted R square	Standard Error	F-statistic	df1	df2	p-value
1	0.4062	0.4027	0.7355	116.3	1	170	2.2e-16

a. Predictors: Organisational Performance

The results indicate that there is a strong correlation between Emotional Capability on Organisational Performance. The p value suggests p-value is very small (2.2e-16), which indicates strong evidence against the null hypothesis and suggests that the model is statistically significant relationship between Emotional Capability and Organisational performance. The Multiple R-squared value is 0.4062, which means that the Emotional capability variables explain approximately 41% of the variation in Organisational Performance. The Adjusted R square value of 0.4027 accounts that 40.2% of the variance in the organisational performance, after adjusting the predictors. The F-statistic value suggests that the model is statistically highly significant.

Table 4. Impact of Emotional Capability on Individual Performance

Model	Multiple R square	Adjusted R square	Standard Error	F-statistic	df1	df2	p-value
2	0.3075	0.3034	0.7942	75.49	1	170	2.9e-15

a. Predictors: Individual Performance

The results indicate that there is a strong correlation between Emotional Capability on individual Performance. The p value suggests p-value is very small (2.e-15), which indicates strong evidence against the null hypothesis and suggests that the model is statistically significant relationship between emotional capability and individual performance. The Multiple R-squared value is 0.3075, which means that the Emotional capability variables explain approximately 30.75% of the variation in Individual Performance. The Adjusted R square value of 0.3034 accounts that 30.34% of the variance in the Individual performance, this value is slightly lower than the multiple R-squared value. The F-statistic value suggests that the model is statistically highly significant.

Findings of the study

The results of the study indicate that an individual's and an organization's efficacy in the IT sector is significantly influenced by their emotional intelligence. The study's findings show that emotional intelligence significantly affects an organization's and an individual's performance. IT professionals' organizational citizenship conduct and emotional intelligence showed a positive correlation. The distribution of job satisfaction, emotional competence, resilience, job performance, and emotional regulation is slightly tilted to the right, as indicated by the means of 4.07 for these variables. The standard deviation indicates some variation in the efficacy of organizations. Staff performance, individual performance, and job dedication all indicated that the data was equally dispersed around the mean value, or symmetrical distribution. Most would if individual and organizational success were dispersed symmetrically.

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