

The Influence of Emotional Intelligence on Management Performance in an Open and Distance Learning Institution

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Abstract

As a large Open University system, Universitas Terbuka (UT) has consistently implemented an effective performance management and reward system to ensure that performance is objectively measured, improvement can be effectively made, and people are fairly rewarded based on performance. This paper addresses the influence of emotional intelligence on management performance in an open and distance learning (ODL) institution. Emotional intelligence is defined as managing feelings so that they are expressed appropriately and effectively, enabling people to work together smoothly toward their common goals. This study aims to investigate the influence of emotional intelligence of top management staff in the 37 UT Regional Offices, Indonesia. Beside UT's Headquarter in Jakarta, as an ODL institution, UT also has 37 Regional Offices all over Indonesia that are responsible for students' academic and non-academic services. The participants were therefore all the 37 Heads of Regional Offices of UT. The data was obtained in two ways, namely primary data about emotional intelligence obtained through the administration of a questionnaire and secondary data about performance obtained through the office of the Vice Rector III. The results of the study showed that four elements of emotional intelligence (self awareness, self-regulation, motivation, and social skills) strongly influenced management performance. One element of emotional intelligence, namely empathy, did not significantly affect management performance. Overall, the results suggested that it is important for an ODL institution to have leaders and employees with high emotional intelligence in order to achieve the goal effectively.

Keywords: emotional intelligence, performance, leadership

Background

The presence of Universitas Terbuka (UT) with its distance learning system has raised many questions among communities regarding quality. These questions are quite a challenge for UT, a university that had always been committed to quality. As an answer to these challenges, UT established a Quality Assurance System (QAS). UT's QAS was developed as an effort of continuous improvement as well as a systematic and comprehensive improvement in the quality of all aspects of UT's management in distance higher education. The efforts of continuous improvement focus on three aspects namely (1) improving the academic quality, (2) improving the quality of internal management, and (3) increasing students' participation rate.

The improvement of academic quality includes revision of curriculum, development of multi-media package of learning materials, tutorials, distribution of learning materials, development of item bank, development of test materials, quality and acceleration of information services to students. In the aspect of improving the quality of UT's internal management, the improvements include: improving the organisational structure, applying the quality assurance framework and system, implementing the good corporate governance, implementing the financial de-concentration systems, providing the infrastructure, reforming the bureaucracy and improving the human resources. The target of the bureaucratic reform is to create UT as an institution that is efficient and effective. Furthermore, in order to increase students' participation rate, UT has improved its cooperation system, either with local government, private institutions/universities and others.

All the improvements above are intended to achieve UT's vision of becoming a world quality open and distance higher education institution in producing academic programme as well as in implementing, developing and disseminating information on open and distance higher education by 2021. To achieve this vision, a solid organisational culture as well as a strong, visionary and high-performing leadership are required. An effective leadership is highly influenced by many things, one of which is emotional intelligence. Within the last two decades, some research on emotional intelligence had concluded that the skills of emotional intelligence are closely related to effective leadership. Palmer *et al.* (2001)

and Kerr *et al.* (2006) conducted a study about the relationship between emotional intelligence and effective leadership. The results showed that emotional intelligence has a close relationship with transformational leadership. It also revealed that emotional intelligence is an essential component for effective leadership. Moreover, the effectiveness of leaders in monitoring and responding to their subordinates is just as important as making the subordinates feel comfortable while working. Emotional intelligence is an interesting topic for academics because of its role in the success of an organisation. According to Cooper and Sawaf (1998), emotional intelligence is the ability to perceive, understand, and selectively apply the power and emotional sensitivity as a source of energy and influence humanly. The high level of emotional intelligence in organisations is closely associated with transformational leadership style which is required to create and maintain an atmosphere of good service (Barling *et al.*, 2000). Besides that, emotional intelligence is also related to the level of good services in service industry (Cook and McCaulay, 2002). Based on research conducted by Goleman (1995) and Boyatzis (1999), the basis of emotional capability is self-awareness i.e the knowledge of people's capability and limitation as well as a deeper understanding of factors and situations that can lead to the emergence of emotions in oneself. Given this awareness, an individual can control emotions, behaviors and also can understand others better. In addition to self-awareness, there are four other components that have helped build one's emotional intelligence, namely self-regulation, motivation, empathy, and social skills. Every individual has different abilities in all of these five components.

Emotional intelligence can be observed when a person shows the ability of self-awareness, self-regulation, self-motivation, empathy and social skills as well as the management of relationship in a timely manner with sufficient frequency to be effective in certain situations (Boyatzis, 1999; Goleman, 1995). To determine the level of emotional intelligence, the measurement of one's emotional competence should be conducted. Emotional competence is a capability that can be learned based on emotional intelligence, which will contribute to the effectiveness of an individual's performance (Goleman, 1995). There are 25 emotional competencies that are organised into five dimensions, namely: Self-Awareness, Self-Regulation, Motivation, Empathy and Social Skills. Boyatzis (1999) then conducted research to get a better level of reliability

and inter-correlation than the model of emotional competence put forward by Goleman (1995). The research was conducted on 596 managers and salesmen who are graduates of management master programme at a university in Ohio, USA. This research offers an emotional competency measurement instrument, namely the Emotional Competence Inventory (ECI). ECI comprises of statements that include 20 emotional competencies organised into four dimensions, namely: Self-Awareness, Self-Management, Social Awareness, and Social Skills. About 40% of the statements in the ECI were adopted from the methods of competency assessment that has been previously proposed by Boyatzis (1999) i.e. the Behavioural Event Interviews.

Based on those research backgrounds, this study investigates the influence of emotional intelligence on leadership performance. This is based on some evidence that emotional intelligence has an essential role for organisational success as well as leadership within the organisation. Since UT is an institution engaged in educational services, it has to provide the best service.

Method

This study is a causal research designed to analyse the influence of independent variables with dependent variables. The respondents of this research are the head of UT's Regional Offices spread across 37 cities in Indonesia. UT's Regional Office is a representative office of UT in the regions of Indonesia which is headed by a person who comes either from UT itself or local state universities. UT's Regional Office is a unit that relates directly to students and public therefore has a very strategic position to represent the presence of UT in the midst of society. As a consequence, the performance of the head of UT's Regional Office has always been assessed by UT's Third Vice Rector every month.

This study emphasises the emotional intelligence of leaders, hence the heads of UT's Regional Office were selected as respondents. The sample selection technique used is census since all the heads of UT's Regional Office were chosen as samples. Choosing the heads of UT's Regional Office as samples is based on the consideration that they are the party that relate directly to the public; therefore, the choice is in accordance with the purpose of this research. The two kinds of data used in this study are

primary and secondary data. The primary data used to measure the independent variables is emotional intelligence while the performance of the head of UT's Regional Office is included in the secondary data. A survey, using a questionnaire, is conducted for collecting the primary data whereas secondary data obtained from the office of UT's Third Vice Rector.

There are three steps of quantitative analysis to achieve the goal of the research, i.e. (1) validity test, (2) reliability test, and (3) multiple linear regression analysis. The validity test is conducted to measure how the extent of accuracy and precision of each questions asked could represent the research variables. The value of lambda is categorised as significant if it is greater than or equal to 0.4 (Ferdinand. 2005). Reliability test is conducted to measure the consistency of the research variables on different conditions and on each item in the instrument (Sekaran, 2003). In this case, the instrument reliability is measured by using an item- to -total correlation of the Cronbach Alpha with SPSS 12, which reflects the internal consistency of measuring devices. Generally, the item -score to total correlations are acceptable if the value is above 0.60 (Hair *et al.*, 2006). Since there are more than one independent variables, (see below) and only one dependent variable in this study, the analysis can be performed using multiple linear regression. This was what was done for this study.

The analytical model can be expressed as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e$$

Wherein:

Y	= Performance
A	= Intercept / Constant
b ₁ , b ₂ , b ₃ , b ₄ ,	= Regression coefficient i = 1,2,3,4
E	= Epsilon or unexamined variable
X ₁	= Self-Awareness
X ₂	= Self-Regulation
X ₃	= Motivation
X ₄	= Empathy
X ₅	= Social Skills

In this study, the independent variables are five dimensions of Boyatzis's (1999) emotional competence which is an indicator to determine a person's emotional intelligence level while the dependent variable is the performance of the Head of UT's Regional Office. Independent variables include self-awareness, self-regulation, motivation, empathy, and social skills. The item of statement is adapted according to Goleman (1995) and Boyatzis's (1999) study, as well as the real conditions. Performance, which is the dependent variable in this study, refers to the employee performance appraisal form used in UT.

Results and Discussion

The data analysis is performed with validity test, reliability test, and multiple linear regression analysis. Validity test is completed using Confirmatory Factor Analysis (CFA). The measurement using a CFA is shown by the indicator of each construct that has a significant loading factor, which means that the indicator proved to be one-unit measuring device to measure the same construct and can predict well the construct that should be predicted (Hair *et al.*, 2006).

Based on the results of the CFA calculation, it indicates that the convergent validity that can be accepted are the items that have a factor loading greater than 0.40 and significant at 5% significance level. This was what was adopted for this study. From the results of the initial analysis factor, it is known that as many as 14 items did not meet the validity requirements, namely SA2, SA7, SA8, SRI, SR8, M2, M3, E7, E8, E9, SSI, SS2, SS4, and SS8. For that reason, the subsequent validity analysis of the 15 items must be removed. The results of the final analysis factor show that all the validity items are on a number above 0.40; indicating that the instruments used in this study actually measure the real thing (Sekaran, 2003). More details can be seen in Table 1.

Table 1: The Final Validity Testing Results

Item	Component					Information
	1	2	3	4	5	
SAI			.959			valid
SA3			.962			valid
SA4			.885			valid
SA5			.957			valid
SA6			.955			valid
SR3		.919				valid
SR4		.974				valid
SR5		.972				valid
SR6		.979				valid
SR7		.981				valid
SR9		.976				valid
M1					.787	valid
M4					.915	valid
M5					.947	valid
E1	.893					valid
E2	.863					valid
E3	.902					valid
E4	.879					valid
E5	.779					valid
E6	.935					valid
E10	.900					valid
E11	.882					valid
SS3				.859		valid
SS5				.742		valid
SS6				.944		valid
SS7				.914		valid

The reliability test of each construct was done using the coefficient of Cronbach's Alpha and item-to-total correlation which is useful to improve the measurement by eliminating the items that could decrease the value of Cronbach's Alpha. It is found that the value of Cronbach's Alpha for all constructs is greater than 0.60 because each construct has alpha value above 0.60 which means that all constructs have met the reliability test. In other words, the internal consistency of each item of questions in the

questionnaire is acceptable. The complete results of the reliability test using Cronbach's Alpha can be seen in Table 2.

Table 2: Reliability Test Results

Variable	Value of Cronbach's Alpha Based on Standardised Items	Information
Self-awareness	.9722	Reliable
Self-regulation	.9614	Reliable
Motivation	.9636	Reliable
Empathy	.9358	Reliable
Social skills	.8496	Reliable

The hypothesis test of this study is multiple linear regression analysis with independent variables of self-awareness, self-regulation, motivation, empathy and social skills, while the dependent variable is performance. Using a statistical model of multiple regression of SPSS version 12, the value of t as parameter estimation, multiple correlation coefficient (R), and the coefficient of multiple determination (R^2) as well as regression coefficients for each independent variable were obtained. In this study, a α of 0.05 is used; which means a 95% confidence level.

Referring to the above limitations, then if the p -value < 0.05 it means that the independent variables significantly influence the dependent variable, with 95% confidence level and tolerate the maximum deviation of 5%, while the coefficient of multiple determination (R^2) shows the ability of independent variables jointly explain the variation of rise and fall of the dependent variable. For more details, the test results of multiple regression can be seen in Table 3.

Table 3: Multiple Regression Test Results

Independent Variables	Coefficient	Standard Error	T	Sig t
Self-awareness	.484	.340	2.913	.007
Self-regulation	1.019	.553	3.128	.004
Motivation	.491	.175	2.931	.007
Empathy	.048	.305	.308	.761
Social skills	.917	.492	2.690	.013
R ²				.470
Adjusted R ²				.363
F				4.425
Sig F				.005

The test results in Table 3 indicate that all the independent variables mutually have significant impact, which means that all of them mutually can give a positive influence on performance. However, the value of R² in this model is very low at only 0.363, which means only 36.3% of performance variation of the head of the UT's Regional Office can be explained by the variables of self-awareness, self-regulation, motivation, empathy, and social skills. Nevertheless, if viewed from the large contributions given by each independent variable, it is known that there are four independent variables that have a significant effect on the level of $\alpha < 0.05$ namely self-awareness, self-regulation, motivation, and social skills. The empathy variable is the only variable that does not have a significant influence on performance because it has a significance value of $\alpha > 0.05$ i.e. equal to 0.761.

The results show that all these five variables of emotional intelligence mutually affect performance positively. This supports the opinion of Goleman (1995) who argued that the success factors of someone at work was neither solely determined neither by formal education factors nor by intellectual ability and intelligence, but the biggest contribution that supports a person's success is emotional intelligence. Furthermore, Goleman says that the success of a person is 20% determined by IQ and the rest 80% defined by other forces, such as emotional intelligence. Based on the results of the analysis, the new standard for evaluating a person's performance is not only based on intellectual intelligence (IQ),

but also his/her emotional intelligence (EQ). It could be said that while children's IQ could be higher due to nutrition and the opportunity to have better education, this does not prevent them from experiencing emotional problems. In general, with the increasing rhythm of life, children grow up in uncertainty and depressed, more irritable, uncontrollable, more nervous, tend to worry, more impulsive, and aggressive. In the 1960s, experts of the followers of Sigmund Freud thinking patterns found that in addition to IQ, personality aspects (such as extroversion or introversion, sensitive or rational) are essential elements for success and used as part of the standard measurement for potential employment. This underscores the importance of emotional intelligence.

Emotional intelligence requires a sense of feeling, to learn, to recognise, appreciate the feelings in themselves and others and respond appropriately as well as effectively implement the energy of emotions in everyday life. Moreover, Howes and Herald (1999) say, in essence, emotional intelligence is a component that makes a clever use of emotion. Furthermore, it says that human emotions are in the area of feeling deep inside, hidden instincts, emotions and sensations which, if recognised and respected, emotional intelligence can provide a more fully and deeper understanding about ourselves and others. Meanwhile, according to Goleman (1995), emotional intelligence is the ability to recognise one's feelings and the feelings of others in order to motivate one's self and manage the emotions contained within us and others effectively by emotional intelligence.

Conclusion and Suggestions

This study aims to investigate the influence of the head of UT's Regional Office' emotional intelligence on performance. Emotional intelligence is measured through the variables of self-awareness, self-regulation, motivation, empathy, and social skills. The five variables were developed from measurements of emotional intelligence by Goleman (1995) and Boyatzis (1999), as well as the real conditions. Performance, which is the dependent variable in this study, refers to the employee performance appraisal form used in UT.

The research data were collected by sending questionnaires to all the 37 heads of UT's Regional Offices; therefore, the sampling method used is census. The returned valid questionnaires for processing with statistical analysis tools were 31. The statistical test of the data was done gradually, i.e. through validity, reliability, and multiple linear regression tests. The validity test results using Confirmatory Factor Analysis show that there are 14 items of questions (SA2, SA7, SA8, SRI, SR8, M2, M3, E7, E8, E9, SSI, SS2, SS4, and SS8) which must be removed from subsequent analysis since they were not clustered on the right factor and also have a value below 0.4. The test result of the final validity reveals that all the question items have a value above 0.4 and clustered on the same variable, which means all items are valid questions that can be used to measure emotional intelligence. Reliability test results show that all variables are reliable, which is known from the value of Cronbach's Alpha for all constructs that is greater than 0.60. Hence, it can be said that all variables are reliable for measuring emotional intelligence. The results of hypothesis testing by using multiple linear regression show that all the independent variables mutually have a significant influence on the dependent variable. However, the value of R^2 in this model is very low at only 0.363, which means approximately 36.3% of performance variation of the head of UT's Regional Office can be explained by the emotional intelligence variables that include self-awareness, self-regulation, motivation, empathy, and social skills. When analysed based on the contribution given by each independent variable, it is known that there are four independent variables that have a significant effect at a < 0.05 level namely self-awareness, self-regulation, motivation, and social skills. The empathy variable is the only variable that does not have a significant influence on performance because it has a significance value of $a > 0.05$ i.e. equal to 0.761.

These results suggest that in order to measure the performance of a leader, emotional intelligence could be used since it is one of the variables that affects the level of performance. Someone with a high level of emotional intelligence will have a high adaptive reaction and behavior (Quebbeman and Rozell, 2002). Such a person is also less likely to be involved in conflict, so organisations should choose those with high emotional intelligence. Everyday organisational activities can be harmonised with the activities related to increasing emotional intelligence such as emotional intelligence training, review the system of selection and

employment, counselling, appraisal and reward systems, and unify the organisation's strategy to reduce conflict within the organisation.

This research is conducted in UT's environment by using 31 samples of the study. One of the limitations of the study is the minimal amount of sample used; therefore the statistical analysis obtained reveals a less favouring result. In addition, the performance measurement used is only for one year's performance which can be biased in revealing the real change of performance. Moreover, it can be suggested that it is very important for organisations to have leaders with high emotional intelligence, not just smart intellectually. As a variable that can influence performance, having employees with high emotional intelligence surely can help an organisation achieve its goals.

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