



**THE IMPACT OF EMPLOYEES' EMOTIONAL
INTELLIGENCE ON JOB SATISFACTION:
THE EXPERIENCE OF EMPLOYEES
AT VISTA POINT SDN BHD**

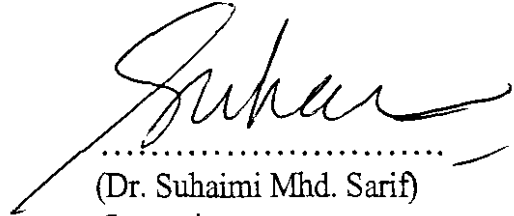
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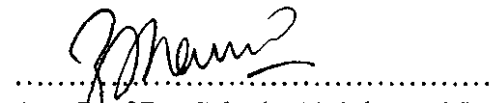
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APPROVAL PAGE

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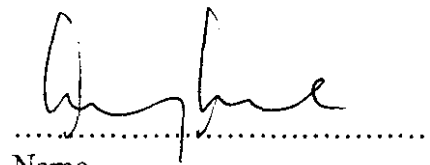

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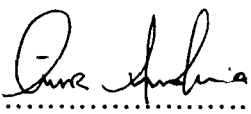
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I hereby declare that this research is the result of my own investigations, except where otherwise stated. Other sources are acknowledged by footnotes giving explicit references and a bibliography is appended.

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LIST OF ABBREVIATIONS

EI – Emotional Intelligence

IQ- Intelligence quotient

EQ- Emotional quotient

VTP- Vista Point Sdn Bhd

EMS- Electronic Manufacturing Service

ABSTRACT

There are many factors (such as working conditions, remuneration system, etc) that can influence employees' job satisfaction. However, major organisational behaviour literature had identified employees' emotional intelligence as a contributing factor for employees' job satisfaction. This study aims to examine the impact of employees' emotional intelligence on their job satisfaction. The research model is constructed based on the findings of previous studies. The study conducted self-administered survey to all employees at Vista Point Sdn Bhd. The results of the survey confirmed that there are positive correlations between employees' emotional intelligence and employees' job satisfaction. However, the results have to be read with a few limitations. The future research suggests bigger sample size from different companies to improve the results.

CHAPTER 1

INTRODUCTION

There have been numerous studies on the impact of employees' emotions on their job satisfaction (Saari and Judge, 2004; Lew, 2008; Simin *et al.*, 2008). The ability to manage emotions, also known as "EI" is essential for employees (Barsade and Gibson, 2007, pg.39). This phenomenon can be observed when organisations ponder on the impact of emotions on members of organisations, particularly employees' emotions on their job satisfaction (Pinto, 2009). These questions are very important as they will have direct influence on job satisfaction and the productivity of the employees.

The aim of this study is to examine the impact of employees' emotions on their job satisfaction among employees of Vista Point Sdn Bhd. The survey instrument is constructed based on EI model to collect data on employees' emotions and their job satisfaction. The results of the study are very important for both academic and practical purposes. In terms of academic contributions, this study provides a perspective of employees' emotions and job satisfaction in the context of manufacturing company.

Practically, this study could help industry decision makers to include EI aspects in the human resource policy. Such contribution can help organisations to realise employees' capabilities and focus more attention on the emotions and psychological issues. A manufacturing company like Vista Point Sdn Bhd is a commendable place to conduct research on employees' emotions and job satisfaction, since Vista Point is a multinational company that is based in Malaysia and most of the employees are foreign

employees. The researcher is convinced that the context of the company provides a great opportunity to collect data.

This study refers to EI as the ability of employees to manage their emotions at the workplace properly so that they are able to perform in their jobs. In managing their emotions, employees must have self awareness about their emotions to enable them to manage their own emotions. Once the employees manage to control their emotions, they become aware about what they are doing. Thus, they are able to recognise and be empathetic towards those around them. Employees' emotions are not genetically fixed but are influenced through learning from experience in the environment (Goleman, 1998).

There have been extensive studies about employees' emotions associated with EI (Cooper and Sawaf, 1997; Goleman, 1995, 1998). For example, Goleman (1995) argued that EI is increasingly relevant to organisational development and developing people, because the EI principles provide a new way to understand and assess people's behaviours, management styles, attitudes, interpersonal skills, and potential. In addition, Goleman (1995) contended that EI is an important consideration in human resources planning, job profiling, recruitment interviewing and selection, management development, customer relations and customer service. Likewise, Cooper and Sawaf (1997) contended that EI as a set of emotion processing abilities that together contribute to improving social interactions. This study uses quantitative data collection method, which is in the form of survey questionnaire to all employees of Vista Point Sdn Bhd. The main advantage of using the quantitative method through survey is that the study can

use smaller sample size to make inferences about larger groups which would be very expensive if the study were to be conducted on the population (Holton and Burnett, 1997).

1.1 RESEARCH PROBLEM

There have been studies about employees' emotions and job satisfaction. Wong and Law (2002) found the significant relationship between EI, job satisfaction and job performance. Jordan *et al.* (2002) showed EI was associated with job productivity.

The intelligence component is essential to know whether employees can identify their emotions. Indeed, employees' emotions contribute significantly to their job satisfaction, which is an important factor to determine organisational commitment (Lew, 2008; Golemen 1995; Testa, 2001 and Simin *et al.*, 2008). Job satisfaction, in this study, refers to an employee's feelings or state-of-mind on the nature of their work. Hence, managers in today's organisations have placed great importance on the issue of job satisfaction.

The main reason, job satisfaction is crucial is because employees who are very satisfied with their jobs tend to be more likely to be committed to their organisations (Steinhaus and Perry, 1996). Job satisfaction can be influenced by a variety of factors, for instance, the quality of one's relationship with their supervisor, the quality of the physical environment in which they work, degree of fulfilment in their work, etc. As the pace of change increases in the world of work, organisation makes ever greater demands on a person's cognitive, emotional, and physical resources (Siddiqui, 2008).

More companies are now looking at EI skills as a vital component of any organisation's management (Pinto, 2009). That is why the emotional aspect of employees should be emphasised in addition to the cognitive aspect. EI can create a pleasant workplace and affect employees' job satisfaction, efficient management and organisation development (Patra, 2004).

In recent years, the fast changes in technology and societal values, employees' performance are now being examined differently. For example, employees are not going to be accepted just because they are academically sound (first degree holders; higher CGPA, etc.) or the length of experience and expertise that they possessed. Rather, employees are now being accepted when they can handle themselves and each other in such a way that they produce excellent performance and generate good profit for the company (Singh, 2006, p.16).

Mayer and Salovey (1997, pg.5) defines EI as *“the ability to perceive emotions, to access and generate emotions to assist thought, to understand emotions and emotional knowledge, and to reflectively regulate emotions to promote emotional and intellectual growth.”* From this definition, one can infer that the ability to manage one's emotion at the workplace is important because it can impact the level of one's job satisfaction.

A few EI scholars (such as Cooper and Sawaf, 1997; Goleman, 1995) suggest EI in various ways such as the ability to manage one's EI as a crucial determinant of job and career success and may even be more important than general mental ability for determining career success. Based on this situation, a quick question would trigger that: “Why should an organisation with employees of high EI (ability to manage one's

emotion) be more successful than those who possess employees of low EI?" One possible explanation is that those employees who are emotionally intelligent are able to recognise and use their own and others' emotional states to regulate behaviour and deal with the environment (Huy, 1999).

A study by Ria (2007) also found that EI has some effect on the success of one's career commitment. Based on this trend, one's career success is influenced by factors that can be quantifiable as well as non quantifiable such as the frequency of attendance and the output for every frequency. For instance, one can work for more than 8 hours a day, five or six days a week without fail, but can the person produce the expected output during the 8 hours? One may just be sitting in front of a desktop (pretending to work) but there is no guarantee that the person can produce the amount of output expected of them.

In other words, people with high emotional aptitude are more satisfied with their job than those with low emotional aptitude because of their high sense of career commitment. Therefore, they should be more successful in what they do and more satisfied than those lacking such competencies. Apart from that, a study by Zaiton (2006) on the effect of EI on conflict management style suggested that a person with the ability to perceive, identify, and manage emotions provides the basis for the kinds of social and emotional competences that are important for success in almost any job.

Previous studies also found that people who are prone to negative emotions to experience dysfunctional job-related thought processes, dwell on their failures, and have low job satisfaction (Judge and Locke, 1993). All these require EI attributes such as emotional self-awareness and self-control.

1.2 OBJECTIVE OF THE RESEARCH

This study aims to examine the impact of employees' emotions (ability to manage their emotion intelligently) on employees' job satisfaction in an organisation. Specifically, the study aims to:

(a) Identify the emotional factors that are influencing employees' emotion. The research questions for this objective are as follows:

- i. Does self awareness influence employee's emotions?
- ii. Does self management influence employee's emotions?
- iii. Does social awareness influence employee's emotions?
- iv. Does relationship management influence employee's emotions?

(b) Determine the degree of relationship between the employees' emotions and job satisfaction. The research question for this objective is as follows:

- i. Do employees' emotions influence employees' job satisfaction?

Based on the literature on EI and job satisfaction, the study argues that employees' ability to manage their emotions intelligently can have an impact on their job satisfaction. Thus, this assumes that, firstly, employees' emotions give direct impact on their job satisfaction. Secondly, employees' ability to understand their emotions (self awareness) can influence the state of the employees' emotions. Thirdly, employees' ability to manage their own emotions (self management) can influence the state of the

employees' emotions. Fourthly, employees' ability to be aware of the influence of the society on their own emotions (social awareness) can influence the state of the employees' emotions. Finally, employees' ability to manage their relationships with people (relationship management) can influence the state of the employees' emotions. All these factors are illustrated in Figure 1.

RESEARCH MEASUREMENT MODEL

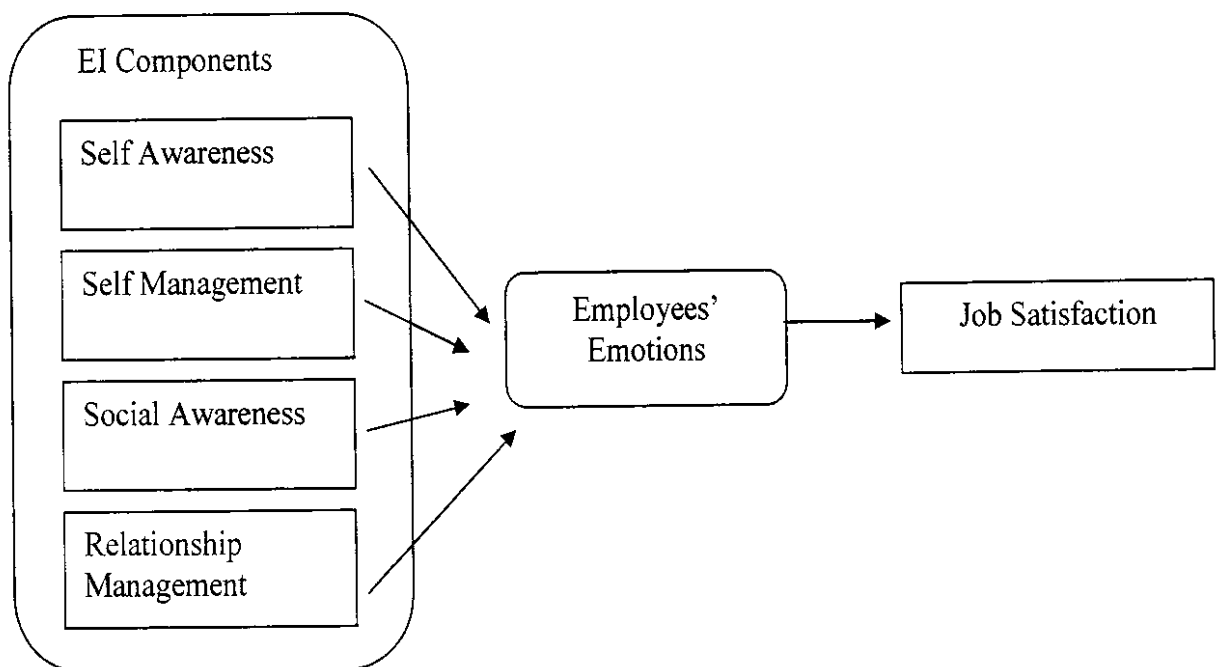


Figure 1: Research Measurement Model

In short, the research aims to investigate the factors influencing employees' emotions and the impact of employees' emotions on job satisfaction. The EI concept prepares people emotionally to face challenges from the individual factor (self awareness and self management) and collective factor (social awareness and relationship) (Goleman, 1995).

1.3 HYPOTHESIS

The literature on motivation, emotions and job satisfaction concluded that it is important for employees' with good ability to control themselves and others to control their emotions positively so that they can earn job satisfaction (Morris and Feldman, 1996). In other words, if employees experience low level of emotions, they have high tendency to show low level of productivity, emotionally exhausted to take more problems, low organisational commitment, and low job satisfaction (Abraham, 1999; Morris & Feldman, 1997).

This study argues that emotion is positively related to job satisfaction. Thus, in light of previous studies, the hypotheses for this study are as follows:

Hypothesis 1:

Manufacturing employees with good command about themselves are more likely to control their emotion positively to be calm and relaxed when facing difficulties at work.

Hypothesis 2:

Manufacturing employees with good people skill are more likely to control their emotion positively to be more patient and persevere.

Hypothesis 3:

Manufacturing employees that are sensitive about themselves and other people within their surroundings are more likely to control their emotion positively in their interactions.

Hypothesis 4:

Manufacturing employees that can manage relationships with many people are more likely to control their emotion positively in the relationships.

Hypothesis 5:

Manufacturing employees who can control their emotions positively are more likely to experience high level of job satisfaction.

1.4 SIGNIFICANCE OF THE STUDY

The results from this study will provide an insight to organisations and employees on the importance of employee EI in the work place. Thus, this will help the employers or government or workers' unions to deal with their EI in the organisation. The results of the study can be used by organisations (employers) to formulate human resource policies that are useful for employers and is inspirational for the employees. In addition, the human resource department can benefit from the study to improve their recruitment system in hiring employees for specific positions.

The knowledge about EI is important because it influences how one behaves with oneself as well as with other people, especially during conflicts. Therefore, the results of the study could convince employers and policies makers to conduct training on EI for their employees. It is generally thought that although standard intelligence or *Intelligence Quotient* (IQ) is a given matter that cannot really be altered; EI is something that can be developed through training.

Malaysia is striving to achieve the status of a developed country by the year 2020 (Monash and Marlia, 2004). This target is important for Malaysian employees and employers to understand on how to achieve a balanced level of EI and intelligence quality, which is the main ingredient for competence and competitiveness of a developed country. The awareness of and ability to manage one's emotions in a healthy and productive manner is required in business industry in this millennium (Nelson and Prescott, 2003).

Finally this study is also significant because it describes the dimensions of EI and appropriate behaviours that are required by a highly centralised industrial system. For the Ministry of Human Resource, it acts as a directive of organisation curriculum for a major proportion of the industrial administrative process and training.

CHAPTER 2

REVIEW OF RELATED LITERATURE

The management process in an organisation can be described as the application on certain principles and techniques to achieve organisational objectives (Toulson and Smith, 1994). Management can therefore be conceptualised as the achievement of specified objectives by utilising the three basic resources; money, capital and people (Toulson and Smith, 1994). In addition to that, one of the outcomes that employees produce will give a great impact to an organisation.

There are many factors that make a company sustain and achieve their objectives and goals (Daniel, 1960). Studies done by Lew (2008) had confirmed that satisfied employees will be more committed to their organisations and offer high quality service to the customer. Employees who are satisfied with their organisations are more likely to take pride in organisational membership, believe in the goals and values of the organisation and, therefore, exhibit higher levels of performance and productivity (Steinhaus and Perry, 1996).

2.1 Job Satisfaction

Job satisfaction is defined as “the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs” (Spector, 1997 pg 27). This definition suggests that job satisfaction is a general affective reaction that individuals hold about their job benefits (Williams, 2004). The sense of fulfilment and pride are felt by those who enjoy their

work and do it well. It seems to be a common assumption that employees, who are happy with their jobs, should also be more productive at work (Spector, 1997).

There has been a recent research that had shown positive relationships between personality and job performance in fire fighters (Liao, Arvey, and Butler, 2001). According to Herzberg (2000), various factors influence job satisfaction such as remuneration, working relationships, status, and job security (also known as “hygiene factors”) because they are concerned with the context in which somebody works. Hygiene factors do not in themselves promote job satisfaction, but serve primarily to prevent job dissatisfaction. Motivators contribute to job satisfaction which includes achievement, recognition, the work itself, responsibility, advancement, and growth. An absence of job satisfaction can lead to poor motivation, stress, absenteeism, and a high labour turnover.

Job satisfaction has been related to various factors, like physical and mental health, as well as overall life satisfaction, so it is important for people to be satisfied at work (Balzer et al., 1997). Economic concerns are of interest to employers because they want to get the most from their employees. If happier employees lead to increased productivity, then it is worth the employers’ time to make the employees satisfied. Job satisfaction can also lead to various factors like decreased absenteeism, reduced turnover, and fewer on the job injuries (Balzer et al., 1997).

Employees’ EI is also one of the factors that contribute to job satisfaction (Golemen, 1998). Organisation leaders in the 21st century tend to provide educational facilities for their employees so that they improve their physical, psychological, emotional and mental capabilities (Ashkanasy *et al*, 2002). Studies show that EI is extremely important in productivity and job satisfaction (Jordan *et al*, 2002; Mallinger