

A COMPARATIVE STUDY OF IMPACT OF EMOTIONAL INTELLIGENCE COMPETENCIES ON THE PERFORMANCE OF EMPLOYEES IN PUBLIC V/S PRIVATE SECTOR LIFE INSURANCE COMPANIES: SETTING AN AGENDA FOR RESEARCH

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ABSTRACT

If your emotional abilities aren't in hand if you don't have self-awareness if you are not able to manage your distressing emotions if you can't have empathy and have effective relationships, then no matter how smart you are, you are not going to get very far, says Daniel Goleman (1998). This paper by way of a research framework outlines the proposal for a comparative study of the impact of Emotional Intelligence Competencies on the performance of employees in Public v/s Private sector life insurance companies from India. Its objectives include measuring Emotional Intelligence (EI) of insurance company employees, measuring Employee Performance (EP) of insurance companies, ascertaining the impact of EI on EP, comparing the EI, EP and impact differences between private and public sector employees, identifying key issues with EI and offering solutions to address these EI issues. EI is the independent variable while EP is the dependent variable. Taking the population of insurance employees as a large one, a sample size of 400 employees has been fixed for the study. The paper outlines key elements of the proposal on the same title that has been submitted to the SantGadge Baba Amravati University, Amravati..

Keywords: Emotional Intelligence, Employee Performance, Insurance Companies

Introduction

The ongoing years have seen the quick modification towards globalization and competitiveness among a handful of business organizations. Along these lines, another age of skilled employees ought to be utilized by these associations to handle the movements and seriousness and battle with this circumstance. Human Resource Development (HRD) has an essential job in the officials' possibilities to be created and improved as its end is to focus on and build up the assets towards the equivalent triumph of people and associations brought by the people to the associations. As per Swanson and Holton III, 2001, two center point strings of HRD include (1) the learning of people and associations, and (2) the exhibition of people and associations. The vertical part ought to be situated inside the human asset improvement perspective and this additionally can affect the activity execution, in particular, Emotional Intelligence.

This paper plots the sketch of the framework for proposed research on a comparative study of the impact of Emotional Intelligence Competencies on the performance of employees in Public v/s Private sector life insurance companies from India.

Professional management goes for the improvement of human capital, particularly in their managers. They scan for approaches to enlarge the presentation separately and hierarchically. To arrive at this point, they utilize an assortment of courses. What's more, there exist opposing results in enthusiastic insight and employee performance. In this manner, dealing with this subject has the need and thusly, this examination is going to fill this gap and to build up a hypothesis of employee performance. Up to now, research shows that there is no connection between employee performance and emotional intelligence theoretically in the insurance industry as shown in the literature.

While the concept of emotional intelligence is making rapid strides in the management circles, the insurance industry is growing at a brisk pace. Organizations like the insurance company are service-based organizations and their success depends significantly on the contribution from their human capital. In this regard, the concept of emotional intelligence and its impact on employee performance assumes importance and hence this study.

In light of the (a) research studies consulted; (b) time in history the consultation has taken place, and (c) popular culture of that time about

emotional intelligence, the subject of emotional intelligence has been defined controversially. To certain authors, emotional intelligence is characterized as a study that searches for human subjective capacities past customary scholastic knowledge (Zeidner et al., 2004). Researchers have ordered their definition dependent on either a capacity model or a blended model. In light of the Mandell and Phewanti (2003's) capacity model, "emotional intelligence is characterized as a lot of capacities that include seeing and thinking uniquely with data that rises out of sentiments" (p. 389). Investigations of John D. Mayer and Peter Salovey (1997) have upheld this model expressing that emotional intelligence is characterized as "the capacity to see precisely, assess, and express feeling; the capacity to get to and additionally produce sentiments when they encourage thought; the capacity to get feeling and passionate information; and the capacity to control feelings to advance passionate and scholarly development" (p. 35). Also, Mayer, Salovey, and Caruso (2004) gave the meaning of emotional intelligence as "the limit to reason about feelings to improve thinking. It incorporates the capacity to

precisely see feelings, to get to furthermore, create feelings to help thought, to get feelings and enthusiastic information, and to brilliantly control feelings to advance passionate and scholarly development" (p. 197). On the other hand, Bar-On what's more, Goleman (1995) were the pioneers of the blended model and they acquainted this methodology concurring with their led examines. Goleman (1995) gave another definition to emotional intelligence "as the capacity to perceive and control feelings both inside oneself and inside others" (p.39), and as "A variety of non-cognitive capacities, capabilities, and aptitudes that impact one's capacity to prevail with regards to adapting to natural requests and weights" (Bar-On, 2004a, p.140). All in all, the blended model is identified with the capacity as it manages the social practices, highlights, and attributes.

The rationale for the selection of public v/s. private life insurance companies

Reference to IRDA annual reports show the following data of the share in new policies between public and private life insurance companies in India:

Table 1: Number of new policies sold (in Lakhs)

Year	LIC	Private	Total	% LIC	% Private
2003-04	269.68	16.59	286.27	94%	6%
2004-05	239.78	22.33	262.11	91%	9%
2005-06	315.91	38.71	354.62	89%	11%
2006-07	382.29	79.22	461.51	83%	17%
2007-08	376.13	132.62	508.75	74%	26%
2008-09	359.13	150.11	509.24	71%	29%
2009-10	388.63	143.62	532.25	73%	27%
2010-11	370.38	111.14	481.52	77%	23%
2011-12	357.51	84.42	441.93	81%	19%
2012-13	367.82	74.05	441.87	83%	17%
2013-14	345.12	63.60	408.72	84%	16%
2014-15	201.71	57.37	259.08	78%	22%
2015-16	205.47	61.92	267.39	77%	23%
2016-17	201.32	63.24	264.56	76%	24%
2017-18	213.38	68.59	281.97	76%	24%
2018-19	214.04	72.44	286.48	75%	25%
CAGR	-2%	10%	0%	-1%	10%

(Source: IRDA Annual Reports)

Interestingly while the CAGR of LIC over the period 2003-04 to 2018-19 is -2%, it is 10% for private sector companies. These numbers make the Indian life insurance sector an interesting proposition for a researcher. A comparative

analysis between the two-sector companies concerning emotional intelligence and employee performance may provide some clues to the trend that has emerged over the past 15 years.

Conceptual model

Emotional Intelligence (EI) was considered as an independent variable impacting the

dependent variable, Employee Performance (EP). The study can be conceptualized as under:

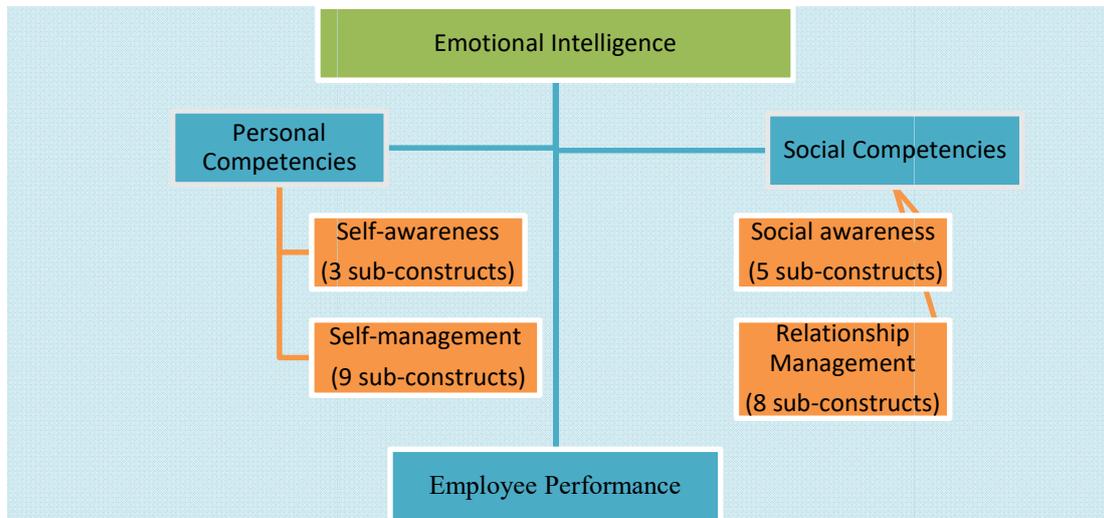


Figure 1: Conceptual model for the study

EI variable will be assessed on a scale based on the Framework used for this assessment is based on Daniel Goleman's Emotional Intelligence Framework, prepared and adapted by The Consortium for Research on Emotional Intelligence; adapted into a questionnaire by Belinda Davies.

EP variable will be measured based on a template from www.smartsheet.com (2020).

Literature Review

Emotional Intelligence creates innovational imagination in people and subsequently, helps in the improvement of employee performance (Ganji, 2011; Hasanzadeh, 2009). Furthermore, what is of central significance during the time spent employment execution is encouraging the correspondence inside association which is another capacity of Emotional Intelligence (Ganji, 2011). Emotional Intelligence has the ability to more readily clarify the individuals' work environment execution. Its job is to change endeavors, the executive's viability, preparing and the presentation of association inside the association, (for example, bank, school, organization).

It is of importance to research Emotional Intelligence, its effects, and the absolute impact in the improvement of the exhibition to more readily comprehend the space of Human Resource Development (HRD) and the job it

plays in the advancement of the vital capacity of associations. As to calling decision, the Emotional Intelligence helps individuals to pick their activity appropriately in a correct manner and causes them to prevail in the association by enlarging the degree of their activity execution. As indicated by Mayer et al. (2000a), results that identify with the work, for example, work execution might be influenced by Emotional Intelligence. Goleman (1995, 1998) accepts that the forecast of Emotional Intelligence for people is effective life and work. Because of the impact of Emotional Intelligence on every part of people's work life, a significant level had Emotional Intelligence representatives are considered as "star entertainers". Subsequently, as expressed in the past segments, there exists a positive relationship between Emotional Intelligence and employee performance. All things considered, a greater part of tests done beforehand have bolsters for the connection between these two variables, namely Emotional Intelligence and Employee Performance (Cavallo and Brienza, 2002; Duleciwz and Higgs, 2003; Day and Carroll, 2004; Rieck, 2008; Jacques, 2009, Harris, 2013).

Research Gap

There is a good number of studies on the relationship between the concept of Emotional

Intelligence and Employee Performance. However, such a study in the Indian context and that too in the life insurance sector is not on record. As stated in the introduction a stiff competition between the two intra-sectors, private and public, has been witnessed over the last 15 years and it is expected that the same will only intensify further in the years to come. Hence this study has been taken up.

Research questions, objectives, and hypothesis

In light of the discussion carried in the introduction part and based on the review of the literature, the following research questions, objectives, and hypotheses emerged:

Research questions:

1. What is the EI competency of employees of the Indian life insurance sector employees?
2. What is the Employee Performance level of employees of the Indian life insurance sector employees?
3. What is the impact of EI on EP?
4. How do the variables compare between private and public sector life insurance companies?
5. What are the key issues with EI?
6. How these EI issues can be addressed?

Objectives:

- a. To measure the Emotional Intelligence of insurance company employees,
- b. To measure Employee Performance of insurance companies,
- c. To ascertain the impact of EI on EP,
- d. To compare the EI, EP, and impact differences between private and public sector employees
- e. To identify key issues with EI and
- f. To offer solutions to address these EI issues.

Hypotheses

Ho1 – There is no significant impact of EI on EP

Ha1 - There is a significant impact of EI on EP

Ho2 – There is no significant difference in the variables (EI and EP) between private and public sector

Ha2 - There is a significant difference in the variables (EI and EP) between private and public sector

Ho3 – There are no significant issues with EI

Ha3 – There are significant issues with EI

Research Methodology

Research Variables

The independent variable of Emotional Intelligence (EI) had two sub-constructs – personal competency (PC) and social competency (SC). Each of these two has two sub-constructs – self-awareness (SA) & self-management (SM) and social awareness (SoA) and relationship management (RM).

Taking into account the sub-constructs the following equations were formulated for the study:

$$SA + SM = PC \dots\dots\dots(1)$$

$$SoA + RM = SC \dots\dots\dots (2)$$

$$PC + SC = EI \dots\dots\dots (3)$$

$$EP_y = mEI_x + b \dots\dots\dots (4)$$

Where y is the dependent variable, x the independent variables and m is the slope, and b is the Y-intercept.

Population

Google search showed the following employee numbers for LIC:

As on 31 March 2018, LIC had 111,979 employees, out of which 24,510 were women .

Subsidiaries: IDBI Bank; LIC Housing Finance; ...

Type: Statutory Corporation established by an; ...

Number of employees: 111979 (Mar 2019)

(Source: www.google.com, 2020)

Thus the employee strength of the public sector is a large population. For an employee strength of more than one lakh in the public sector, it can be reasonably assumed that the strength in the private sector should be easily around 20,000 which again is a large population.

Sample size

As per Krejcie and Morgan sample size table (1970) accessed from google.com, for a large population the sample size is 377. This will be rounded off to 400 each.

Sampling unit

The sampling unit will be the employees from 3 cadres – Managers, Officers, and Staff.

Method of sampling

For the target sample size of 400, the questionnaire would be sent to 600 randomly selected employees and the first 400 responses would constitute the sample.

*Life Insurance Companies considered for Sample**Private sector companies*

- HDFC Life
- ICICI prudential
- Max Life
- Kotak Mahindra

Public sector companies

- LIC
- SBI Life

An instrument for the collection of primary data

An MS Excel-based menu-driven questionnaire would be used for collecting primary data. The questionnaire will cover the profile information, and the two areas, namely, EI & EP as stated in the objectives and hypotheses. It will be also put on Google Forms.

EI variable will be assessed on a scale based on the Framework used for this assessment is based on Daniel Goleman's Emotional Intelligence Framework, prepared and adapted by The Consortium for Research on Emotional Intelligence; adapted into a questionnaire by Belinda Davies.

EP variable will be measured based on a template from www.smartsheet.com (2020).

Use of statistical tests

Tests like Cronbach's Alpha, t-test, etc., would be used for testing the reliability of the questionnaire and for data analysis.

Techniques of correlation and regression would be used for inferential analysis.

Research variables

Independent Variable – Emotional Intelligence (EI)

Dependent Variable - Employee Performance (EP)

Data Analysis

The data analysis would be done in three ways. The first part will deal with a descriptive analysis that will describe the demographic and profile features of the sample. The second part will deal with inferential analysis wherein the hypotheses would be tested for rejection or non-rejection. Finally, finer data analysis would be done to find out special aspects if any like correlation between demographic variables and responses, etc.

Expected Outcome

Emotional intelligence forms the junction at which cognition and emotion meet. EI facilitates the capacity for motivation, empathy, resilience, reasoning, communication, stress management, and our ability to deal effectively with a plethora of social situations and conflicts. Emotional intelligence matters and if cultivated rightly allows one to realize a more fulfilled and happy life.

Emotional intelligence is not just an organizational concept; it is a personality concept as well. Emotional intelligence affects not only employee performance but it also has an impact on the personal life of the employees. Undoubtedly the concept is of paramount importance.

This study apart from its conceptual significance has a special contextual significance as no such study is on record concerning public and private sector life insurance companies in India. The study is expected to explain the overall performance difference between public and private sector life insurance companies.

The study will provide valuable insights to both academicians and professionals in practice.

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