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Impact of Managers' Emotional Competencies on Employee Performance

Yousef Al-Khashem Maen Al-Mutairi Dr. Ahmad Alsaber
Department of Management, college of Business and Economics,
American University of Kuwait, PO Box 3323, Safat, 13034, Kuwait 1

Abstract
This paper explains the impact of emotional intelligence (EI) on organizational performance and identifies how qualities like emotional self-awareness, achievement orientation, adaptability, optimism, and self-control are applied to observe if these competencies have a statistically significant effect on an organization's performance. Specifically, the paper will study the impact of managers' EI on employee performance. The authors conducted this analysis by sending out a questionnaire to a medium-sized company in Kuwait, where managers would rate certain aspects of their work on a 5-point scale. The data was then analyzed through Microsoft Excel, Jamovi software, and Smart PLS statistical analysis software. The data failed to prove the hypothesis that there is a positive connection between emotionally intelligent managers and employee performance on the following fronts: quality of work, time management, achievements, and work relationships. One possible source of error was failing to narrow down the research to a specific field.
Keywords: emotional intelligence; employee performance; time management; quality of work; achievements
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1. Introduction

General Background

Companies usually apply different types of concepts to effectively implement strategies within their organization. The purpose of this paper, as suggested in the abstract, is to clarify the importance of the relationship between emotional intelligence and employee performance. In the current millennium, organizations hire employees who can operate in multicultural environments issues because these characteristics will allow them to remain competitive and to survive in multicultural environments (Michell Martin-Rough et al.) There are many leaders around the world who thrive in executing the personal, social, business, and cultural aspects of global literacy. A common technique to develop transformational employees who can demonstrate elevating levels of moral conduct is by implementing the notion of trust with constructive impatience. Organizations analyze outputs based on their financial position, value to their stakeholders, and comparative performance relative to peer organizations. On a higher level, individuals with higher emotional intelligence display prosocial behaviors, indirectly acquiring the traits to behave appropriately in interpersonally challenging situations (Victor Pinos et al.)

Literature

Emotional Intelligence (EI) has been found through numerous studies to have a positive effect on all aspects of business. It has overall been found that managers with higher EI are more effective leaders and more successful than their counterparts, resulting in superior productivity levels (Rashid Maqbool et al). Furthermore, it has been established that managers who have higher levels of EI create are more productive work environment compared to their counterparts (Jorfi). As a manager with a higher EI develops a stronger and more positive connection between managers and employees resulting in superior workplace environments that allow productivity to flourish. As EI is a critical factor for an organization's output as well as growth it is important for competitive organizations to therefore employee managers that have a higher EI. A study by Hassan Jorfi has shown that a manager with a higher EI result in a positive impact on the performance of the origination.

Aim and Objectives

This paper tries to target the effects of managers' emotional intelligence and their competency in such regards. We will try to examine the leading variables in how a manager's ability to read and analyze the environment translates into productivity, and how it affects employee performance in an active organization. Targeted variables will be emotional self-awareness, adaptability, achievement orientation, optimism, and emotional self-control (Strugar Jelača et al.) We hypothesize that an emotionally intelligent and capable manager does indeed retain a profound impact of employees' performance in the department that is being analyzed and reviewed. Employee performance will be evaluated based on the quality of their work (in terms of its accuracy and completeness), job knowledge (Comprehension of the field occupied and required skills), Working Relationships (Communication skills, ability to be a team-player), Achievements ("Employee Work Performance"). We also hypothesize that in contrast, a manager that is not emotionally intelligent may lead to negative results and is quite detrimental to employees' performance in the specified department of the organization.

Significance and advantages of your work

Kuwait is a rentier state and happens to retain an oil dependent economy. Over the past few years, Kuwait has begun to fund small and medium enterprises (SMEs) to create new jobs, diversify income, and relief the pressure on government agencies to pay salaries (Al Sharekh). Many SMEs in the economy are found to be lacking in educated approaches to management, and the effects of management's poor coordination with subordinate employees in the department. Seeing as the number of SMEs in Kuwait is growing in an exponential manner, especially with the introduction of new and various plans to bolster economic growth (Al Sharekh), we seek to view and analyze the impact of managers' EI competence on employee performance, given that this field has little-to-no studies in the local region. This comes at a crucial time since the aforementioned plans by the Kuwaiti government to expand economic growth within the region, and thus encouraging Kuwaiti entrepreneurs to pursue opening businesses to help improve economic development. With Kuwait maintaining its focus to aid SMEs in the region, this research seeks to expand upon a field that is lightly touched upon, and only recently is being researched by major corporations within the country, such as Kuwait Petroleum Corporation and its subsidiaries implementing training courses for their managers and observing their effects on their departments. When it comes to SMEs however, we observe numerous miscoordinations between management and subordinate employees, and therefore wish to examine the effects and results of said influence. This research, therefore, is presented to shed light on the necessity of properly training managers, which leads to improved employee output.

2. Materials and Methods

The research design is qualitative, focusing on gathering data and performing statistical analysis. The study dimensions used for this paper are split between dependent and independent variables. The dependent variables include the following: Financial Performance, Employee Performance, and Operational Performance. The independent variables, which we focus more on for this paper, are: Emotional Self Awareness, Achievement Orientation, Adaptability, Optimism, and Self Control. For this analysis, a sample of employees from Small and Medium Enterprises (SME's) located in Kuwait were surveyed. While not all participants worked for the same enterprise, all of them had worked for SMEs, since it is the focus of our study. Due to their size, SMEs are an excellent starting point for our analysis. Smaller companies tend to have better interaction between employees and management and are more transparent than large corporations (Zetlin).

The instruments used to gather the data necessary include Excel, which was used to write the questions and assess which variables are dependent or independent, Google Survey, which was used to send out the questions written, and Jamovi software. The latter was used to create different study variables, such as mean, standard deviation, and Cronbach's reliability coefficient, to accurately assess the data. In addition, SmartPLS software was used to conduct further statistical analysis. Mainly, this software produced cross-loading values, Fornell-Larcker criterion values, reliability and validity values, and bootstrapping calculation values, all of which essential for testing the hypothesis.

The Likert scale was used in this surveying process. According to Dr. Saul McLeod, "A Likert scale assumes that the strength/intensity of an attitude is linear, for example: On a continuum from strongly agree to strongly disagree and makes the assumption that attitudes can be measured." Though simplistic in nature, Likert scales offer numerous benefits and advantages such as checking for variations such as frequency, quality, and importance. Through the Likert scale we can summarize the median or the mode and display the distribution of observations in a bar chart. The survey sent out to employees had three main parts:

1. Scales that are directly related to the demographic being assessed (age, gender, and marital status)
2. Scales that measure the emotional intelligence of the people being surveyed, which were developed as a team effort after research
3. Scales that measure the performance of organizations as viewed by the employees

To begin the analysis, the data collected was first used to assess the demographic from whom the data was received. A table was created to show the percentage of gender, age range, and marital status, to give a basic understanding of the survey sample, as seen in Table 1.

3. Results

Table 1: Demographics

Sample Size (n)		213
Gender		
Male	127	59.6%
Female	86	40.4%
Age		
20-30	58	27.2%
31-40	143	67.1%
41-50	12	5.6%
50+	0	0.0%
Marital Status		
Married	136	63.8%
Single	77	36.2%
Educational Level		
Diploma	12	5.6%
Bachelor	154	72.3%
Master	47	22.1%
Current Work Duration		
2 - 3 years	108	50.7%
only one year	14	6.6%
more than 3 years	80	37.6%
less than 6 months	11	5.2%
Work Change		
twice	47	22.1%
once	12	5.6%
more than two	21	9.9%
none	133	62.4%
Work Change - Reasons		
Nature of work = YES	27	22.1%
Supervisor = YES	51	23.9%
Working hours = YES	53	24.9%

Table 2: Reliability Analysis (Using Jamovi)

Average of Variables	Mean	SD	Cronbach's α (Highest to Lowest)
OPP	**3.90**	**0.784**	**0.817**
ESA	**3.96**	**0.614**	**0.803**
AD	**4.02**	**0.600**	**0.801**
ESC	**3.71**	**0.809**	**0.801**
AO	**4.08**	**0.678**	**0.784**
OP	**3.87**	**0.866**	**0.780**
FP	**3.90**	**0.674**	**0.770**
EP	**3.40**	**0.753**	**0.712**

Table 3: Correlation Matrix (n = 213; Using Jamovi; Highest in Each Column in Bold)

	ESA_AVG	AO_AVG	AD_AVG	OP_AVG	ESC_AVG	FP_AVG	EP_AVG	OPP_AVG
AD_AVG	**0.918**	0.785	-	-	-	-	-	-
AO_AVG	0.800	-	-	-	-	-	-	-
EP_AVG	0.514	0.623	0.469	**0.576**	0.585	0.489	-	-
ESA_AVG	-	-	-	-	-	-	-	-
ESC_AVG	0.661	**0.837**	**0.658**	0.346	-	-	-	-
FP_AVG	0.905	0.812	0.842	0.400	0.746	-	-	-
OP_AVG	0.546	0.414	0.522	-	-	-	-	-
OPP_AVG	0.654	0.823	0.589	0.265	**0.828**	**0.810**	**0.492**	-

Note. * p < .05, ** p < .01, *** p < .001

Table 4: Linear Regression Using Jamovi - EP_AVG Dependent Variable

Model	R	R^2		
1	0.743	0.552		
Predictor	**Estimate**	**SE**	**t**	**p**
Intercept	0.4079	0.2462	1.657	0.099
ESA_AVG	0.0259	0.1555	0.167	0.868
AO_AVG	0.5286	0.1191	4.436	< .001
AD_AVG	-0.3794	0.1512	-2.509	0.013
OP_AVG	0.3916	0.0484	8.09	< .001
ESC_AVG	0.2015	0.0791	2.548	0.012

Table 5: Linear Regression Using Jamovi - - OPP_AVG Dependent Variable

Model	R	R^2		
1	0.878	0.771		
Predictor	**Estimate**	**SE**	**t**	**p**
Intercept	0.4434	0.3403	1.303	0.196
ESA_AVG	0.3711	0.2169	1.711	0.091
AO_AVG	0.7973	0.1736	4.592	< .001
AD_AVG	-0.6798	0.2469	-2.753	0.007
OP_AVG	-0.0553	0.0686	-0.807	0.422
ESC_AVG	0.4516	0.1129	3.999	< .001

Table 6: Linear Regression Using Jamovi - - FP_AVG Dependent Variable

Model	R	R^2		
1	0.932	0.869		
Predictor	**Estimate**	**SE**	**t**	**p**
Intercept	-0.0237	0.1191	-0.19895	0.843
ESA_AVG	0.8689	0.0753	11.54698	< .001
AO_AVG	0.0243	0.0577	0.42138	0.674
AD_AVG	0.000714	0.0732	0.00976	0.992
OP_AVG	-0.0989	0.0234	-4.22079	< .001
ESC_AVG	0.205	0.0383	5.35631	< .001

Table 7: Cross Loading Values Using SmartPLS

	AD	AO	EP	ESA	ESC	FP	OP	OPP
AD2	0.891	0.778	0.464	0.878	0.694	0.882	0.468	0.693
AD1	0.854	0.667	0.629	0.842	0.528	0.688	0.786	0.500
FP1	0.843	0.795	0.470	0.892	0.711	0.914	0.482	0.729
ESA2	0.816	0.796	0.451	0.891	0.700	0.884	0.450	0.726
ESA1	0.811	0.666	0.651	0.858	0.543	0.698	0.807	0.523
ESA3	0.785	0.567	0.314	0.789	0.463	0.758	0.382	0.420
AD3	0.781	0.544	0.288	0.742	0.433	0.737	0.374	0.392
FP2	0.759	0.516	0.294	0.742	0.431	0.765	0.381	0.381
OP3	0.750	0.600	0.624	0.770	0.464	0.612	0.920	0.427
AO2	0.726	0.897	0.505	0.749	0.788	0.756	0.511	0.777
AO3	0.696	0.735	0.723	0.691	0.559	0.566	0.577	0.416
EP1	0.642	0.647	0.789	0.632	0.524	0.528	0.542	0.395
AD4	0.631	0.502	0.287	0.461	0.440	0.429	0.344	0.305
FP3	0.596	0.713	0.514	0.652	0.737	0.813	0.357	0.877
AO1	0.591	0.867	0.426	0.596	0.769	0.712	0.175	0.850
OPP3	0.582	0.725	0.512	0.646	0.737	0.789	0.344	0.888
ESC1	0.561	0.662	0.547	0.527	0.791	0.565	0.230	0.524
ESC3	0.559	0.771	0.371	0.562	0.842	0.680	0.215	0.851
OPP2	0.516	0.651	0.416	0.570	0.722	0.609	0.376	0.817
ESC4	0.504	0.658	0.410	0.563	0.749	0.608	0.362	0.836
OPP1	0.502	0.757	0.345	0.512	0.778	0.644	0.140	0.863
ESC2	0.492	0.575	0.560	0.489	0.773	0.506	0.464	0.463
OP2	0.440	0.318	0.458	0.433	0.196	0.301	0.856	0.141
EP3	0.406	0.445	0.824	0.412	0.411	0.417	0.596	0.379
OP1	0.242	0.173	0.444	0.256	0.247	0.182	0.723	0.154
EP2	0.195	0.424	0.776	0.258	0.461	0.243	0.325	0.410

Table 8: Overview of Data Reliability and Validity Using SmartPLS

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
OPP	0.818	0.821	0.892	0.734
AD	0.805	0.855	0.871	0.632
ESA	0.804	0.823	0.884	0.718
ESC	0.800	0.806	0.869	0.623
OP	0.794	0.935	0.874	0.701
AO	0.781	0.798	0.874	0.699
FP	0.776	0.798	0.871	0.693
EP	0.714	0.720	0.839	0.634

Table 9: Fornell - Larcker Criterion Using SmartPLS

	AD	AO	EP	ESA	ESC	FP	OP	OPP
AD	0.946	0.808	0.563	0.847	-	-	-	-
AO	0.887	0.816	0.512	0.923	0.755	0.833	-	-
EP	0.797	0.836	-	-	-	-	-	-
ESA	0.795	-	-	-	-	-	-	-
ESC	0.671	0.852	0.586	0.682	0.790	-	-	-
FP	0.634	0.490	0.625	0.646	0.395	0.494	0.837	-
OP	0.622	0.832	0.494	0.671	0.871	0.795	0.330	0.857
OPP	0.542	0.643	0.797	-	-	-	-	-

Table 10: Bootstrapping Calculations Using SmartPLS

	Original sample (O)	Sample mean (M; Highest to Lowest)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
AD -> EP	0.783	0.787	0.094	8.301	0.000
AD -> FP	0.590	0.588	0.062	9.512	0
AD -> OPP	0.495	0.497	0.064	7.714	0
AO -> EP	0.469	0.462	0.114	4.121	0
AO -> OPP	0.407	0.411	0.079	5.142	0
ESA -> EP	0.221	0.223	0.025	8.863	0
ESA -> FP	0.164	0.172	0.084	1.946	0.052
ESC -> EP	0.103	0.097	0.091	1.123	0.261
ESC -> FP	-0.043	-0.036	0.169	0.256	0.798
ESC -> OPP	-0.054	-0.057	0.060	0.900	0.368
OP -> EP	-0.070	-0.069	0.031	2.246	0.025
OP -> FP	-0.167	-0.166	0.036	4.620	0
OP -> OPP	-0.215	-0.223	0.147	1.456	0.145

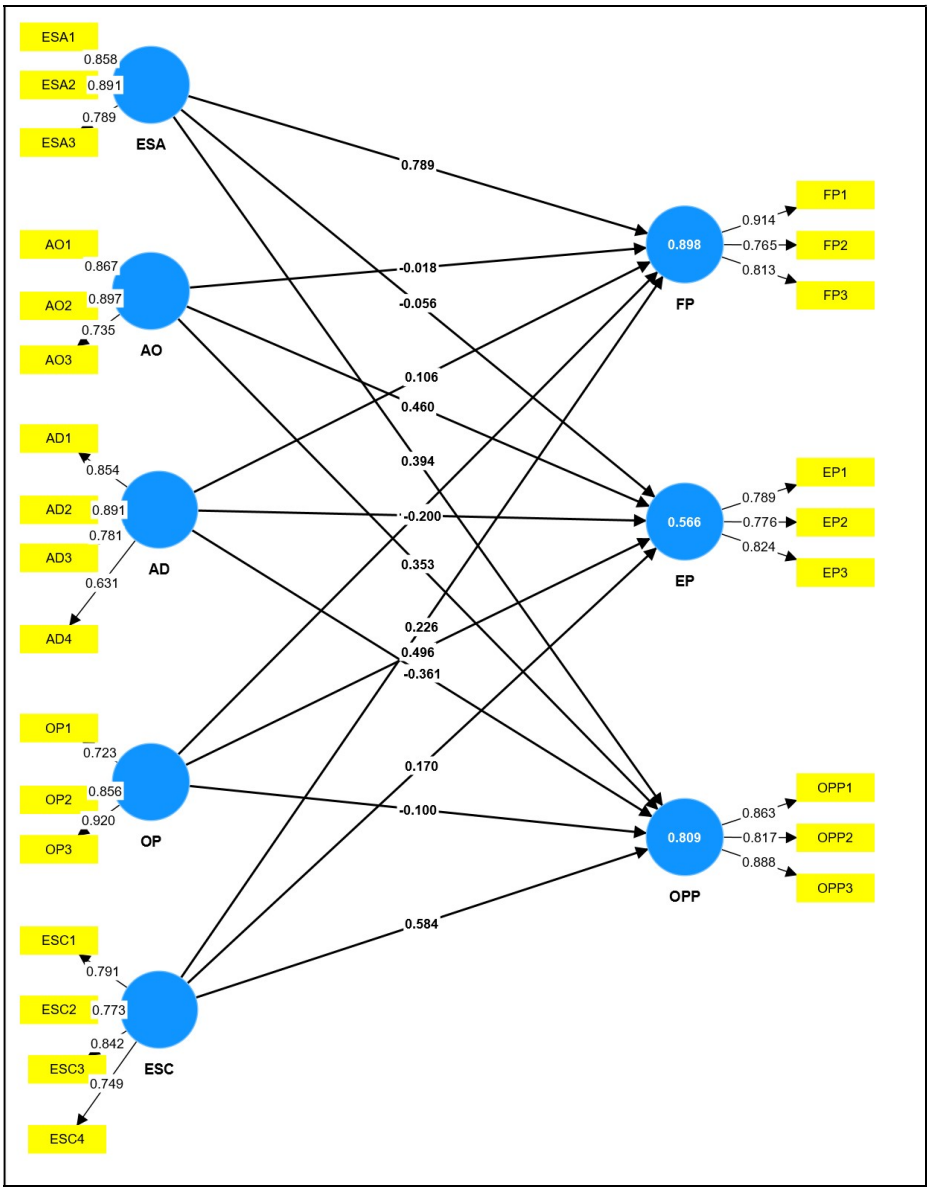

Figure 1. *Cross Loading Values As Obtained by SmartPLS*

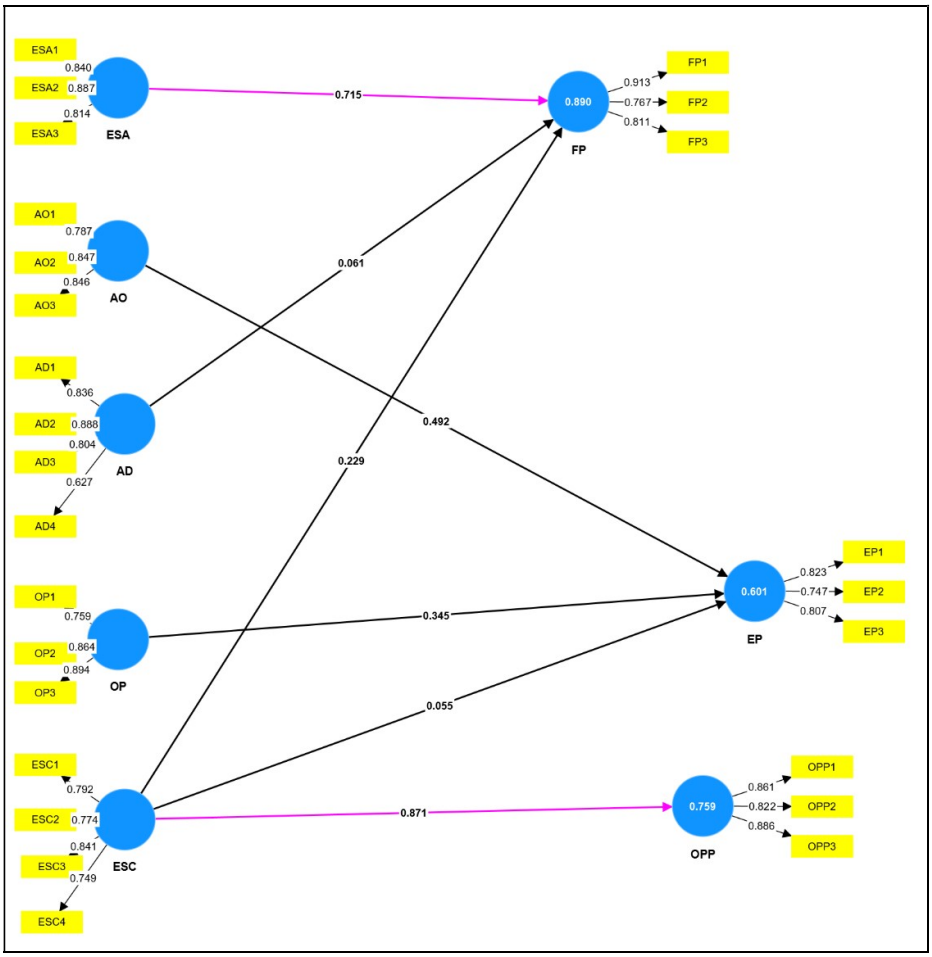

Figure 2. *Cross Loading Values After Removing Some Low Values*

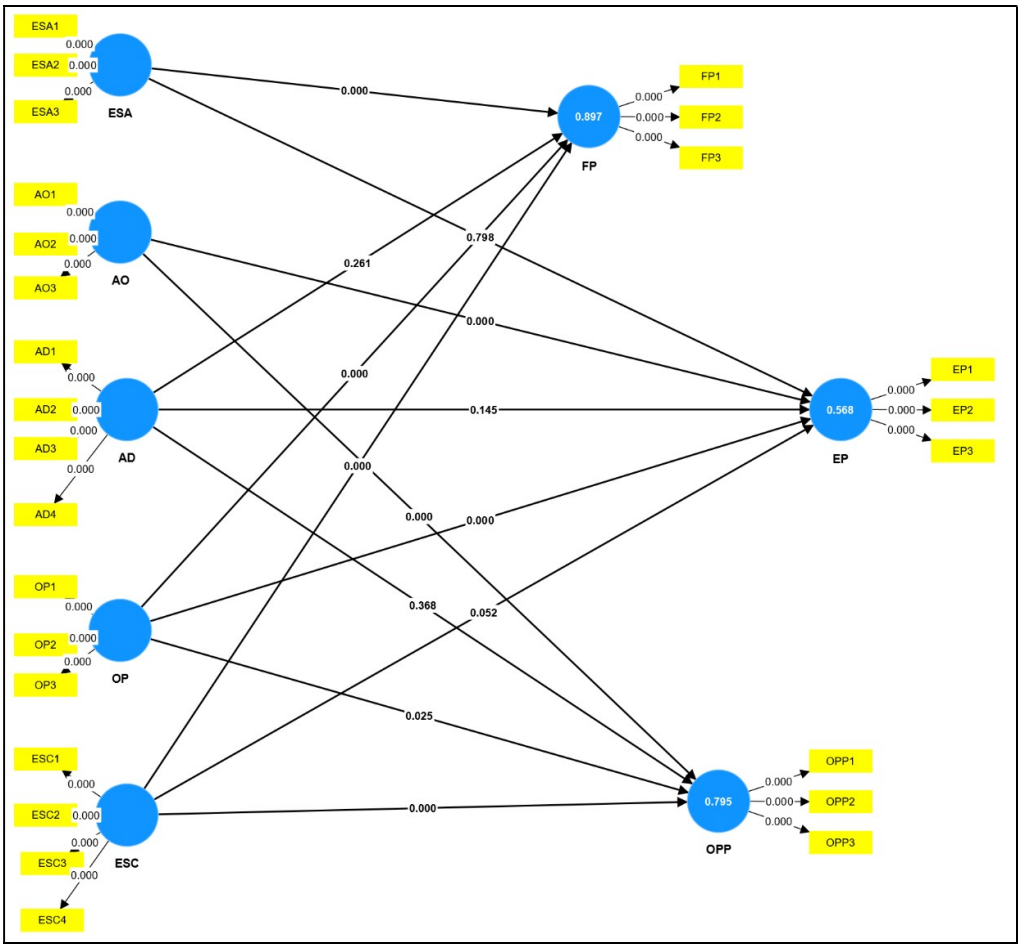

Figure 3. *Bootstrapping Values*

4. Discussion and Conclusion

After creating the questions on Excel, the team transferred the questions to Google Surveys to allow anonymity. This is essential, as it guarantees that the questions will be answered honestly. The pilot's research data (previously submitted for your approval) proved that the obtained information was not reliable. This is evident specifically with AD3 which had a Cronbach's α drop of 0.6202. Secondly ESC4 which had a Cronbach's α of 0.4217. Overall, many variables are decreasing Cronbach's which can be removed to improve the overall reliability. Furthermore, we used the three statistical methods, firstly reliability analysis to be combined demographic. Secondly, a correlation matrix was used to establish a correlation between each variable. Lastly Linear Regression plots were created. This preliminary analysis was conducted through Jamovi and will need further reviewing before the data can be accepted.

After editing the questions, a new survey was sent out to workers in any industry in Kuwait. As indicated in Table 1, 213 people had responded. The results of their survey were analyzed first through Jamovi software. Through it, the team obtained an estimate of the Cronbach's α, correlation matrix values (Tables 2 and 3, respectively), and linear regression values, presented in Tables 4, 5, and 6. The data was then analyzed through SmartPLS statistical analysis software. Table 7 displays the cross-loading values which are also shown in Figure 1. Table 8 displays the reliability and validity values calculated from the data, and Table 9 shows the Fornell-Larcker criterion values. Figure 2 also displays the cross-loading values after deleting some extremely low points. Lastly, Table 10 and Figure 2 both show the bootstrapping calculation obtained through the software.

The Cronbach's α values were all above 0.70 (or 70%) from both the Jamovi (Table 2) and Smart PLS (Table 8), meaning that the data is acceptable for further analysis, as this indicates that the responses from participants across the set of questions given were consistent (Frost.) The result of the correlation matrix through Jamovi (Table 3) indicates that the correlation between the variables is fluctuating and mostly low, while the linear regression analysis found high R^2 values, as indicated in Tables 4, 5, and 6. These high values signify that the data has an obvious trend over time. This, however, contradicts the findings of SmartPLS. The cross-loading

values (which returned correlation coefficient R^2 values in this analysis) were surprisingly low, and some were negative, as indicated in Figure 1 and 2. Table 7 shows the extreme range of R^2 values (after some were deleted through SmartPLS as they were too low), with the highest being 0.920, and the lowest being 0.140, meaning that the variables did not correlate well, and there are no meaningful connections between them to prove the hypothesis.

The Fornell-Larcker criterion (presented in Table 9) is a calculation used to determine the discriminant validity of the measurement model or, more specifically, "shows you how well a test measures the concept it was designed to measure… [and] specifically measures whether constructs that theoretically should not be related to each other are, in fact, unrelated." Meaning that it will see how well the data collected test the hypothesis it was designed to test. The numbers returned showed that, while some were high, the Fornell-Larcker criterion numbers were fluctuating within each column, indicating that not all the variables had meaningful correlations regarding the hypothesis (Nikolopoulou).

Finally, the bootstrapping calculation was conducted through SmartPLS to allow the assessment of standard errors, the construction of confidence intervals, and to perform some type of hypothesis testing for the collected data (Soltis). The bootstrapping values between each studied variable is presented in Figure 3. SmartPLS stated that there were no indirect effects from this model. The data returned from bootstrapping (Table 10) indicates that the data does not show any indication of being interconnected, as well as high levels of error.

Judging by the SmartPLS-SEM calculations presented in Figure 2 (conducted through the software to find cross-loadings), the most significant correlations were between:

- Emotional self-awareness (ESA) & financial performance (FP) at 0.715
- Emotional self-control (ESC) & operational performance (OPP) at 0.871

One of the least significant correlations was between:

- ESC & employee performance (EP) at 0.055

Judging by the bootstrapping calculations presented in Figure 3 and Table 10, the most significant correlations were between:

- ESA & EP at 0.798

While the least significant was between optimism (OP) & OPP at 0.871, with many variable connections having a value of 0. A high bootstrapping value means that there is high confidence that there are no extremities within each branch of data, while a low bootstrapping value means that there are high chances of extreme data points (Soltis). Since bootstrapping values for this model were extremely low, and most were 0, the team has decided that there is low confidence in this data, and therefore it fails to support the hypothesis.

One possible source of error includes focusing on the quantity of data rather than its quality. Since the team wanted at least 200 data points, we opted to send the survey to workers in any industry in Kuwait. Since we also were constrained on time, this was the better option. Therefore, as the demographic varies greatly in background, the results when it comes to emotional competencies also vary. The analysis conducted here is still helpful. What can be learned from this is that, in the future, this type of analysis should be conducted with a narrower group. By focusing on a smaller demographic, for example only workers with 3 years or less of experience and all within the same field, the major errors experienced here would be eliminated. In addition, if time permits, the study can be repeated on a large scale but focusing on a single industry, rather than any SME in Kuwait, as this paper initially aimed.

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