Impact of Emotional Intelligence on Employee Performance in Customer Facing Roles

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Abstract

This paper investigates the impact of Emotional Intelligence (EI) on employee performance in customer-facing roles, with a particular focus on how EI influences interpersonal interactions. In an era where customer satisfaction and loyalty are crucial to organizational success, employees' ability to understand and manage their emotions—and to empathize with and respond appropriately to the emotions of customers—plays a pivotal role in shaping the overall customer experience. The paper examines the key components of EI—self-awareness, emotional regulation, empathy, and social skills—and their effects on employee performance in terms of attitudes, behaviours and expertise.

Keywords: Emotional Intelligence, Employee Performance, Attitudes, Behaviours, Expertise.

1. Introduction

Employee performance is a key determinant of organizational success. Traditionally, factors such as technical skills, IQ and experience were considered to be primary drivers of performance. However, growing research highlights the significance of Emotional Intelligence (EI) – the ability to perceive, understand, manage, and regulate emotions in oneself and others – as a crucial element influencing effective workplace performance. (Goleman, 1995). This is particularly relevant in the context of employees in customer facing roles. The present paper investigates how emotional intelligence impacts employee performance in customer facing roles.

2. Literature Review

Emotional Intelligence (EI) has gained significant attention in Organizational Psychology, Human resource management, and business leadership. Researchers and Practitioners have increasingly recognized EI as a key determinant of employee performance, workplace relationships, and overall organizational success (Goleman, 1995; Salovey and Meyer, 1990). This literature review explores the relationship between EI and Workplace performance, covering theoretical foundations, empirical studies and the role of EI.

Theoretical Foundations of Emotional Intelligence: EI is broadly defined as the ability to perceive, understand, manage, and regulate emotions in oneself and others (Salovey and Mayer, 1990). Various models of EI have been proposed.

A) Ability Model (Mayer and Salovey, 1990 and 1997) - Views EI as a set of cognitive abilities related to emotional processing.

B) Mixed Model (Goleman, 1995) – Combines cognitive abilities with social and emotional competencies such as self-awareness, motivation, and empathy.

C) Trait Model (Petrides and Furnham, 2001) – Defines EI as a personality trait encompassing emotional self-perception and behaviour. These frameworks serve as the basis for understanding how EQ contributes to workplace effectiveness.

2.1 Emotional Intelligence and Workplace Performance:

Several empirical studies have demonstrated the impact of EI on Job Performance and Productivity, emphasizing the following aspects:

- Employees with higher EI demonstrate better task performance, problem-solving skills, and adaptability (Joseph and Newman, 2010).

- O'Boyle and et al. (2011) found that EI correlates positively with job performance across various industries, particularly in roles requiring interpersonal interaction.

- EI enhances stress management, allowing employees to remain productive under pressure (Bar-On, 2006).

2.2 Employee Performance:

Employee performance has been defined as "Provider performance involves developing authentic understanding, provision of extras and orchestration of primary goals in addition to functional performance"[1] (Price, Arnould and Tierney, 1995): It has been conceptualised in the context of satisfaction, service failure, complaints and switching behaviour, customer oriented boundary spanning behaviours, effective sales performance, building trust, productivity and quality. Largely the conceptualisation has been about behaviours and actions of employees in the context of their interactions with customers.

Swan and Combs (1976)[2] have proposed that product performance as seen by customers, comprises two dimensions – instrumental performance which is related to the technical aspects of the product and expressive performance which is related to experiential aspects of the product. Without doubt, interaction with employees and their performance is an important part of this experiential aspect. The notion of interactive quality of employee performance was first proposed by Lehtinen and Lehtinen (1982)[3]. Elsewhere, researchers have emphasized the relational aspect of the service experience. Gummesson (1987)[4] identifies two dimensions of the relational aspect: professional relations and social relations. While professional relations are about the service provider's display of competence, social relations refer to the social interaction with the customer. In the context of retail sector, Dabholkar, Thorpe and Rentz (1996)[5] include two measures of interaction quality of employee performance:

1. Personal Interaction: which refers to the courteous and helpful nature of service providers that inspires confidence and trust in the customers and;
2. Problem Solving: which refers to problem solving behaviour of service providers in the context of customer complaints, returns and exchanges.

A study conducted by Brady and Cronin (2001)[6] indicated three distinct aspects of employee performance in the context of interactions with customers: attitudes, behaviour and expertise.

It is evident that interpersonal interactions with employees have a significant effect on perceptions of customers.

3. Gap

Extant literature has established the link between emotional intelligence and workplace performance. In the present study the researchers extend this relationship by hypothesizing that emotional intelligence positively influences employee workplace performance with specific reference to interactions with customers.

4. Research Questions

The researchers have adopted Brady and Cronin's view (2001) that employee interactions are evaluated by customers in terms of attitudes, behaviours and expertise. Hence employee performance may be evaluated in terms of attitude, behavior and expertise. Therefore, the following hypotheses:

1. Emotional Intelligence directly influences Employee Performance

2. Emotional Intelligence directly influences attitudes of employees towards customers

3. Emotional Intelligence directly influences behaviours of employees towards customers

4. Emotional Intelligence directly influences expertise of employees in interactions with customers.

5. Methodology

5.1 Instrument:

A survey was conducted using self-reporting questionnaires to detect patterns of association between Emotional Intelligence and Employee Performance.
The scale for measuring emotional intelligence was adopted from Schutte's Self-report Emotional Intelligence Test (SSEIT).

The Schutte SSEIT test was developed by Dr. Nicola Schutte et al. (1998), and is based on Salovey and Mayer's (1990) four-branch model of EQ, i.e. emotion perception, utilizing emotions, managing self-relevant emotions, and managing others' emotions. The Schutte Self-Report Emotional Intelligence Test (SSEIT) includes a 33-item self-report using a 1 (strongly disagree) to 5 (strongly agree) scale for responses. Each sub-test score is graded and then added together to give the total score for the participant. It has been tested for internal consistency, test-retest reliability, and validity in various settings, including workplace studies. The administration of the SSEIT is very simple. The SSEIT consists of 33 self-report items, making it a quick and efficient tool to assess EQ levels. Its simplicity allows large-scale workplace studies without high costs or time constraints. The scale evaluates Self-awareness, emotional regulation, social skills and empathy– all of which are linked to job performance, leadership effectiveness and teamwork. Studies have successfully used SSEIT in corporate and educational institutes to examine employee engagement, job satisfaction, leadership styles, and performance.

The scale for measuring employee performance and the three attributes of employee performance, i.e. attitude, behaviour and expertise were adapted from the scale proposed by Brady and Cronin (2001).

5.2 Data Collection:

The survey questionnaire in a google form was shared with respondents through mail and/or whats app. The questionnaire was preceded by a brief introduction of the research and contact details of the researchers. Respondents were either personally known to the researchers or were personal acquaintances of people known to the researchers. In all 57 valid responses were collected.

5.3 Sampling:

Two criterion that guided the choice of sampling method were that respondents should be easily accessible and willing to participate in the study to ensure a good response rate. Hence a convenience sample was selected. Convenience samples are common in business and management research. 78.9% of the sample comprised second year MBA students from a single B-School in Mumbai who were in customer facing roles during their summer internship with business organisations. Other professions represented in the sample included managers, finance professionals and educators. 57.9% of the respondents were male and 42.9% were female. 91.2% of the respondents were post graduates; 78.9% of the respondents were in the age group 21-30 years.

6. Analysis and Findings

H1: Emotional Intelligence directly influences Employee Performance
Regression analysis was used to assess the extent to which Emotional Intelligence (EI) serves as a predictor of Employee Performance (EP). The results indicate a strong positive relationship between EI and EP, wherein EI explains 56.4% of the variation in EP. The high R-squared value (0.564) suggests that EI is a major determinant of EP, and the significance level ($p < 0.001$) confirms the robustness of this relationship. Further, Spearman's Rank Correlation (0.725, $p < 0.001$) indicates a strong positive association between EI and EP. Kendall's Tau (0.566, $p < 0.001$) supports this finding and provides additional robustness against small sample sizes. The statistically significant p-values (< 0.001) confirm that the observed correlations are unlikely to have occurred by chance. Finally, the Chi-Square test results indicate a statistically significant association between EI and EP levels (Chi-Square Statistic = 24.03; Degrees of Freedom = 4; p-value = 7.89e-05 (< 0.001, highly significant). The findings suggest that higher levels of EI are strongly linked to higher levels of EP whereas lower EI levels are associated with lower performance outcomes.

H2: Emotional Intelligence directly influences attitudes of employees towards customers.

Analysis of Scatter Plots with Regression Trend Lines shows a positive correlation between Emotional Intelligence (EI Score) and Attitude. The regression trend line slopes upward, confirming that as EI increases, Attitude improves. Data points are somewhat spread out around the trend line, indicating moderate variability in the relationship, leading the

researchers to believe that while a strong EI level contributes to a better attitude in professional settings, but other factors might also influence attitude.

H3: Emotional Intelligence directly influences behaviours of employees towards customers.

The scatter plots and regression trend lines show a clear positive relationship between EI and Behavior. The data points are closely clustered around the trend line, suggesting a strong correlation. A steeper regression slope than the Attitude plot implies that EI has a greater impact on Behavior. This leads the researchers to believe that employees with high EI demonstrate better workplace behavior, reinforcing the importance of EI in professional conduct.

H4: Emotional Intelligence directly influences expertise of employees in interactions with customers.

The scatter plots and regression trend lines reveal a significant positive relationship between EI and Expertise. The tight clustering of data points near the trend line suggests a high degree of correlation. This is further supported by the highest R^2 value (0.48) from the regression analysis. This leads the researchers to believe that higher EI significantly contributes to demonstration of expertise, possibly because individuals with high EI are better at learning, problem-solving, and adapting to challenges.

7. Discussion and Implications for Managerial Practice

The findings suggest that employees with higher Emotional Intelligence exhibit significantly better performance. This relationship holds across multiple statistical methods, reinforcing the importance of EI in workplace performance.

Further, they suggest that the relationship between Emotional Intelligence and all three aspects of employee performance, viz. attitude, behavior and expertise is statistically significant and positively correlated. Behavior and Expertise show a stronger association with EI than Attitude. Variability exists, suggesting additional influencing factors beyond EI.

As modern workplaces become increasingly complex, the ability to understand and manage emotions is essential for both individual and organizational success. Organisations would do well to invest in emotional intelligence development through training and coaching.

8. Limitations

The study was conducted using convenience sampling method. Respondents were largely students who were in customer facing roles during their summer internships with business organisations. No doubt a larger and more representative sample would have enhanced the quality of the research.

9. Conclusion

The present research provides a comprehensive analysis of the link between emotional intelligence and employee performance in customer facing roles, offering evidence based insights for organisations.

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