# THE EFFECT OF MANAGERS' EMOTIONAL INTELLIGENCE DIMENSIONS ON EMPLOYEES' CAREER SUCCESS: A STUDY OF EMPLOYEES IN MNCS IN PENANG

by

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# KESAN DIMENSI KEPINTARAN EMOSI PENGURUS KE ATAS KEJAYAAN KERJAYA PEKERJA: KAJIAN PEKERJA DI MNCS DI PULAU PINANG

## ABSTRAK

Pulau Pinang menarik pelaburan modal asing yang tinggi bagi industry-industri perkilangan dan perkhidmatan dan akan memerlukan sumber bakat modal insan yang berkualiti tinggi untuk memenuhi keperluan semasa dan akan datang. Oleh itu, lebih perhatian perlu diberi untuk mengenal pasti faktor-faktor yang dapat menarik, mengekalkan dan membangunkan modal insan. Kejayaan kerjaya, sama ada subjektif atau objektif, telah didapati menjadi faktor utama dalam menentukan sama ada modal insan keluar atau masuk dari sebuah organisasi atau negara.

Kajian ini bertujuan untuk menkaji hubungan di antara dimensi kecerdasan emosi pengurus dan kejayaan kerjaya pekerja. Selain itu, tahap kawalan kerja pekerja akan dinilai untuk menentukan sama ada ia mempunyai kesan moderasi ke atas hubungan antara dimensi kecerdasan emosi pengurus dan kejayaan kerjaya pekerja. Banyak kajian telah menetapkan bahawa pengurus memainkan peranan yang penting dalam kejayaan kerjaya pekerja dan kualiti kecerdasan emosi pengurus mempunyai kesan positif kepada hasil kerja pekerja seperti sikap kerja, prestasi kerja, kelakuan kewarganegaraan organisasi dan kepuasan kerja. Walau bagaimanapun, tidak banyak penyelidikan yang diterbitkan memeriksa hubungan langung antara dimensi kecerdasan emosi pengurus dan kejayaan kerjaya pekerja. Kajian ini adalah tepat pada masanya kerana ia akan memberikan sokongan empirikal untuk pengurusan modal insan tempatan pekerja yang bekerja di syarikat-syarikat multinasional (MNC) yang beroperasi di Pulau Pinang, Malaysia.

Bagi mencapai objektif kajian, pendekatan kajian kuantitatif telah digunakan. Persampelan kemudahan telah digunakan untuk memilih responden dari sampel syarikat multinasional yang beroperasi di Pulau Pinang. Pengumpulan data dilakukan melalui soal selidik. Seterusnya, data akan dianalisis menggunakan model persamaan struktur PLS.

Kajian ini menunjukkan bahawa pengurusan diri pengurus dan kemahiran kognitif pengurus memainkan peranan penting kepada kejayaan kerjaya pekerja. Walau bagaimanapun, tahap kawalan kerja pekerja tidak mempunyai apa-apa kesan moderasi pada hubungan antara kecerdasan emosi pengurus dan kejayaan kerjaya pekerja. Kajian ini meningkatkan pandangan tradisional kecerdasan emosi pengurus dengan memberi penilaian dimensi kecerdasan emosi pengurusyang dianggap penting oleh pekerja untuk kejayaan kerjaya mereka. Tambahan pula, hasil kajian memberi pihak pengurusan dan kerjaya kaunselor bukti empirikal untuk mereka bentuk program pembangunan kerjaya untuk pengurus dari segi dimensi kecerdasan emosi.

# THE EFFECT OF MANAGERS’ EMOTIONAL INTELLIGENCE DIMENSIONS ON EMPLOYEES’ CAREER SUCCESS: A STUDY OF EMPLOYEES IN MNCS IN PENANG

## ABSTRACT

Penang draws in substantial foreign capital investments (FDIs) for the manufacturing and services industries and will require a continuous supply of high-quality talent to meet current and future human capital requirements. Hence, the need to place more emphasis on identifying the factors that can attract, retain and develop human capital. Career success, whether subjective or objective, has been found to be one of the key factors in this respect.

This study aims to examine the relationship between managers’ emotional intelligence dimensions and employees’ career success. Additionally, employees’ job control will also be examined to determine its effect on the relationship between managers’ emotional intelligence dimensions and employees’ career success. Numerous studies have established that managers play a critical role in employees’ career success and that the quality of managers’ emotional intelligence has a positive effect on employees’ work outcomes such as work attitude, job performance, organisational citizenship behaviour and job satisfaction. However, there is very little published research examining the direct relationship between managers’ emotional intelligence dimensions and employees’ career success. This study is timely as it will provide empirical support for local human capital management of employees working in multinational companies (MNCs) operating in Penang, Malaysia.

To achieve the research objectives, a cross-sectional quantitative research approach was employed. Convenience sampling was used to select respondents from the sample population of MNCs operating in Penang. Data collection was carried out using survey questionnaires which was then analysed using partial least squares-structural equation modeling.

Findings indicate that employees perceive managers' self-management and managers' cognitive skills to be important to their career success. However, it was surprising to find that employees' job control did not have any moderating effect on the relationship between managers' emotional intelligence dimensions and employees' career success. This study extends the traditional views on managers' emotional intelligence by providing an evaluation of the manager's emotional intelligence dimensions that employees perceive to be important to their career success. Furthermore, the findings provide management and career counsellors empirical evidence for designing career development programs to improve key managerial emotional intelligence dimensions.

# CHAPTER 1: INTRODUCTION

## 1.0 Introduction

> "Many think of management as cutting deals and laying people off and hiring people and buying and selling companies. That's not management, that's deal making. Management is the opportunity to help people become better people. Practiced that way, it's a magnificent profession."
>
> *Clayton M. Christensen (2013)*
> *Professor of Business Administration*
> *Harvard Business School*

What factors determine career success? Understanding these factors have been a focus area for researches and organisations as career success allow employees to fulfil their need for achievement and power (Maslow, 1943) or to improve their quality of life (Greenhaus & Powell, 2006; Greenhaus, Collins, & Shaw, 2003; Koubova & Buchko, 2013; Lau & Shaffer, 1999; Rose et al., 2006). As such, the importance of career success has resulted in numerous studies designed to identify these factors. Some of the factors that have been identified include demographics (Dolan, Bejarano, & Tzafrir, 2011; Greenhaus & Parasuraman, 1993; Mohd Rasdi, Ismail, & Garavan, 2011; Tharenou, Latimer, & Conroy, 1994), motivation (Judge et al., 1995; Ng, Eby, & Sorenson, 2005; O'Reilly & Chatman, 1994; Wayne et al., 1999), mentors (Allen, Lentz, & Day, 2006; Chao, Walz, & Gardner, 1992; Ng et al., 2005; Scandura & Schriesheim, 1994), personality and emotional intelligence (Brackett & Mayer, 2003; Sy & Côté, 2004; Wille, De Fruyt, & Feys, 2013) and managers (Eby, Butts, &

Lockwood, 2003; Inkson, Heising, & Rousseau, 2001; Kreitner & Kinicki, 2003; Wayne et al., 1999).

Although many factors of career success have already been identified, there is very little published research examining the relationship between managers' emotional intelligence dimensions and employees' career success. This research aims to extend the understanding of managers' emotional intelligence by assessing the effect managerial emotional intelligence dimensions on employees' career success. Given the importance of the issue coupled with limited literature that looks into testing the two key constructs especially in the context of MNCs in Malaysia, this research is deemed timely.

This chapter will introduce the background of the study, followed by the research objectives and research questions. Next, the significance of the study will be presented and finally, the organisation of the remaining chapters of this thesis is shown.

## 1.1 Background of the Study

For most employees, career is their main priority as it provides an income to meet their physiological and security needs (Maslow, 1943) and quality of life (Greenhaus & Powell, 2006; Greenhaus, Collins, & Shaw, 2003; Koubova & Buchko, 2013; Lau & Shaffer, 1999; Rose et al., 2006) in addition to providing a sense of identity and insights to short term and long term life and career goals (Bos, 2012). It is therefore, only natural that every employee wants to be successful in their careers. Employee career success can be defined as the positive work-related outcomes, whether intrinsic or extrinsic as a result of work experiences (Seibert & Kramer, 2001). Its importance to organisations and employees have resulted in numerous studies designed to identify factors that predict career success. For example, findings from research have indicated factors such as demographics (Dolan, Bejarano, & Tzafrir, 2011; Greenhaus & Parasuraman, 1993; Mohd Rasdi, Ismail, & Garavan, 2011; Tharenou, Latimer, & Conroy, 1994), motivation (Judge et al., 1995; Ng, Eby, & Sorenson, 2005; O'Reilly & Chatman, 1994; Wayne et al., 1999), mentors (Allen, Lentz, & Day, 2006; Chao, Walz, & Gardner, 1992; Ng et al., 2005; Scandura & Schriesheim, 1994), personality and emotional intelligence (Brackett & Mayer, 2003; Sy & Côté, 2004; Wille, De Fruyt, & Feys, 2013) and managers (Eby, Butts, & Lockwood, 2003; Inkson, Heising, & Rousseau, 2001; Kreitner & Kinicki, 2003; Wayne et al., 1999) play a significant role in determining career success.

Changes in the work environment have added another level of complexity to the ability to predict career outcomes (Beck, 2009; Cascio, 2003; Kidd, 1996). The work environment has transformed drastically over the past few decades, mainly due to the effects of globalisation, workforce diversity and technological advancement (Biemann , Zacher, & Feldman, 2012; Sullivan, 1999). Stability of career paths, loyalty to organisations and vice-versa are no longer the norm (Biemann, Fasang, & Grunow, 2011; Mills, Blossfeld, & Bernardi, 2006; Wakabayashi, Graen, Graen, & Graen, 1988) as the new work environment typically leads to internal restructuring resulting in redundancies of jobs and roles, offshoring and shared services consolidations (Valcour & Tolbert, 2003; Dalton, 1989).

The manager can and should play a mitigating role in helping employees navigate this new career reality as managers have a significant influence in persuading employees to transform and adapt to changes in the environment (Goleman, 1998;

Polychroniou, 2009; Yukl, 2002). Studies have shown that managers are able to use their organisational resources, greater knowledge, experience and status to develop and guide employees towards career success (Seibert et al., 2001; Wakabayashi et al., 1988), in addition to increased job satisfaction and productivity (Graen et al., 1982; Sy et al, 2006) and lower rates of employee turnover (Ferris, 1985; Maertz et al., 2007). Wakabayashi et al.'s (1988) study was noteworthy as it was a 13-year longitudinal investigation on the career progress of 71 college graduates, tracking them from the time they joined the organisation to middle-management. All of the graduates joined the same leading Japanese organisation at the same time and assessments were conducted at the third year, seventh year and finally, the thirteenth year. The results showed that an effective working relationship with their managers predicted career progress. This supports the findings from another study that showed that high quality manager-employee relationships positioned employees on the management track and upward the hierarchy (Breland, Treadway, Duke, & Adams, 2007; Erdogan, Kraimer, & Liden, 2004; Schein, 1971). Research confirms that organisations have moved away from offering a laundry list of training courses for employees and the concept of structured training programs as a means to develop employees. Instead, informal learning is increasingly encouraged where it was noted that as much as 70% of all work place learning is informal. The General Electric Company (GE), developed the 70:20:10 leadership development model that states development should comprise 70% on-the-job experiences, 20% learning through peers, mentoring or coaching, and only 10% through structured training programs (Leslie, 1997; Marsick, Watkins, Callahan, & Volpe, 2006).

Given that on-the-job training falls within the purview of managers, they have a critical role they play in understanding employees, their career goals and subsequently in providing opportunities, motivation and support to guide employees toward their goals. As such, researchers and organisations have been conducted numerous studies to assess the effect of manager’s emotional intelligence on employees’ work outcomes. Findings show high emotional intelligence in managers resulted in positive work attitudes and altruistic behaviours (Carmeli, 2003), which in turn resulted in their employees experiencing higher job satisfaction and performance (Boal & Hooijberg, 2000; Wong & Law, 2002). The rationale for these findings is that high emotional intelligence allow managers be more adept at appraising and regulating their own emotions and would therefore be able to better understand their employees. Consequently, this understanding enables the manager to help employees appraise and regulate their emotions as well as direct and motivate employees in a manner that facilitates better work outcomes such as employee work attitude, behaviour and job performance (Fredrickson, 2003; Liu & Liu, 2013) and organisational citizenship behaviour and job satisfaction (Wong & Law, 2002). Studies also show that managers with high emotional intelligence drive improved employee retention, engagement and organisational effectiveness (Cameron, Mora, Leutscher, & Calarco, 2011; Lyubomirsky, King, & Diener, 2005). In addition, a 1996 study found that when managers had high emotional intelligence, their departments over-attained targets by twenty percent (Goleman, 1998).

While these findings show a positive relationship between managers’ emotional intelligence and improvements in various employees work outcomes as mentioned above, there is very little published research assessing the relationship between managers’ emotional intelligence dimensions and employees’ career success.

## 1.2 Research Problem

Penang continues to draw in substantial foreign capital investments (FDIs) for the manufacturing and services industries. Penang’s share of FDI inflow more than doubled in 2014 to RM5.1 billion compared to 2013 and was the third largest recipient of foreign investments in Malaysia after Johor and Sarawak. Table 1.0 presents a summary of FDI inflows by state. In 2015, Penang is expecting to attract at least RM5.0 billion in FDIs (MIDA, 2014; Tan, 2015).

Table 1.0: Summary of FDI Inflow (2014 & 2013) by State

| State | 2014 | | 2013 | |
|---|---|---|---|---|
| | RM million | % | RM million | % |
| Johor D.T. | 7,866 | 20% | 11,533 | 38% |
| Sarawak | 8,402 | 21% | 6,824 | 22% |
| Pulau Pinang | 5,114 | 13% | 1,794 | 6% |
| Rest of Malaysia | 18,210 | 46% | 10,384 | 34% |
| Total | 39,592 | 100% | 30,535 | 100% |

Source: MIDA (2014)

Most of the FDIs are within the electrical and electronics (E&E) industries (MIDA, 2014). This is not surprising as most of the established MNCs in Penang are from the E&E industry which historically earned Penang the moniker “Asia’s Silicon Valley” (Athukorala, 2014). Although the E&E industry in Penang has undergone notable structural changes resulting from the loss of some production operations to lower costs locations such as China and Thailand due (Prema-chandra & Swarnim, 2011), this loss of opportunities and jobs has been somewhat mitigated by those same organisations moving into higher-value tasks in the value chain. For example, Osram, Motorola and Altera have their respective regional research and development (R&D)

hubs in Penang, whilst Intel and AMD are providing global shared services to their global offices (Athukorala, 2014; NEAC, 2010).

As such, Penang will require a continuous supply of high-quality talent to meet current and future human capital requirements. This is critical as the quality and supply of human capital is one of the more important criterion for MNCs when they evaluate potential investment destinations (Khazanah, 2013; MIDA, 2014; NEAC, 2010; Tan, 2015). This sentiment was echoed by the National Economic Advisory Council (NEAC), a government-sponsored council of economic advisers tasked with transforming Malaysia from a middle income nation to developed-nation status by 2020, which proposed an over-arching framework and strategic vision called the New Economic Model for Malaysia in 2010. In that report, one of the key themes was on attracting, retaining and developing human capital. The report suggests that salary and career progress could be factors in solving this issue. This suggestion is similar to findings in several studies on addressing the issue of human capital flight or brain drain. A study on how engineers decide on whether to remain in a country or leave, found that career advancement is one of the top five factors taken into consideration (Xenidis & Gallou, 2014). Another study on talent inflows and outflows found that in addition to career advancement, salary and status were the other deciding factors (Carr, Inkson, & Thorn, 2005). In Malaysia, this phenomenon is not new, a newspaper report from 2000 raised the issue of skilled IT professionals being attracted to countries that pay higher salaries and career opportunities (Sani, 2000). A recent article in the Star newspaper states that development opportunities and growth are important factors for retaining and attracting talent (Lim, 2012).

As such, since past research has established that managers play a critical role in employees' career success (Eby et al., 2003; Wakabayashi et al., 1988; Wayne et al., 1999); and that the quality of managers' emotional intelligence has a significant effect on employee work attitude, behaviour and job performance (Fredrickson, 2003; Liu & Liu, 2013) and organisational citizenship behaviour and job satisfaction (Wong & Law, 2002), this study aims to extend the understanding of managers' emotional intelligence by assessing the relationship between key managerial emotional intelligence dimensions and employees' career success. There is very little published research examining the direct relationship between managers' emotional intelligence dimensions and employees' career success. Moreover, this study is also timely as it will provide empirical support for local human capital management of employees working in MNCs operating in Penang, Malaysia.

Although most studies have found managers' emotional intelligence to have a positive effect on employee work outcomes, the results have not always been consistent. For example, a study conducted in China showed inconsistent findings where managers' emotional intelligence did not show any correlation to employees' organisational commitment and job performance but was significantly related to employees' job satisfaction (Lam & O'Higgins, 2012). Similarly, Sy et al. (2006) and Zampetakis and Moustakis (2011) found that job satisfaction was not influenced by managers' emotional intelligence and Wong & Law (2002) did not find any relationship between manager emotional intelligence and employee job performance. This indicates that there could be other factors that may influence the relationship between managers' emotional intelligence and positive employee work outcomes. Job control has been argued to influence positive employee outcomes. As such, employee job control will be examined to determine if it has a significant moderating effect on the relationship between managers' emotional intelligence dimensions and employees' career success.

## 1.3 Research Objectives

The primary objective of this study is to examine the relationship between key managerial emotional intelligence dimensions and employees' career success. There is currently very little published research assessing the relationship between managers' emotional intelligence dimensions and employees' career success. Employee job control will be assessed to determine if it has a significant moderating effect on the relationship between managers' emotional intelligence dimensions and employees' career success. This study therefore aims to meet these objectives:

(1) To determine the key managers' emotional intelligence dimensions that employees perceive to be important to their job success.

(2) To examine the relationship between key managers' emotional intelligence dimensions and employees' career success.

(3) To examine the moderating effect of job control on the relationship between managers' emotional intelligence dimensions and employees' career success.

## 1.4 Research Questions

To achieve the research objectives, the following questions will be addressed:

(1) Which key managers' emotional intelligence dimensions do employees perceive to be important to their career success?

(2) What is the relationship between managers' emotional intelligence dimensions and employees' career success?

(3) Does job control moderate the relationship between managers' emotional intelligence dimensions and employees' career success?

## 1.5 Significance of Study

Past research has established that managers play a critical role in employees' career success and that the quality of managers' emotional intelligence has a significant effect on employee work attitude, behaviour and job and organisational citizenship behaviour and job satisfaction. Although much has been discussed on the effect of managers' emotional intelligence in relation to employee work outcomes mentioned above, little is known about the effect of managers' emotional intelligence dimensions on employees' career success. Empirically-tested studies are scarce, especially in the context of MNCs operating in Penang, Malaysia. As such, this study aims to extend the understanding of managers' emotional intelligence dimensions by assessing the direct relationship between key managerial emotional intelligence dimensions and employees' career success. Furthermore, this study will also attempt to provide insight into theoretical and practical implications of developing managers' emotional intelligence dimensions in the Malaysian context. Additionally, employee job control will be assessed to determine if it has a significant moderating effect on the relationship between managers' emotional intelligence dimensions and employees' career success.

## 1.6 Definition of Key Terms

The following key terms are referred to throughout this study:

### 1.6.1 Emotional Intelligence

Salovey and Mayer (1990) were the first to introduce the term emotional intelligence which they conceptualized as describing skills that would effectively combine two very different mental processes which is the thinking process and the feeling process. This concept was further refined by Goleman (1998) who was instrumental in popularizing the concept through his seminal 1995 book “Emotional Intelligence”. He defines emotional intelligence as “the capacity for recognizing our own feelings and those of others, for motivating ourselves and for managing emotions well in ourselves and our relationships”. This study conceptualizes emotional intelligence as the ability to understand and control one’s emotions in order to influence and motivate one’s self or others which is in line with Goleman (1988).

### 1.6.2 Career Success

Siebert et al., (1999) defines career success as the positive perception of mental well-being, psychological, task outcomes or achievements as a result of work experiences over the entire work life. Career researchers include intrinsic and extrinsic measures of career success (Judge et al., 1999):

(1) Intrinsic career success is also referred to as subjective career success is the employee’s perception of satisfaction with the job and with career progress.

(2) Extrinsic career success is also referred to as objective career success and is the employee’s visible career progression such as salary and promotion.

### 1.6.3 Job Control

The degree of autonomy an employee exercises when coping with a task that has been assigned to that employee (Karasek, 1979; Abraham, 2000 ).

## 1.7 Summary and Organisation of Remaining Chapters

Chapter 1 provides an overview of this study. The research objectives and significance of the study act as a guide for the study. The remaining chapters are organized as follows: Chapter 2 presents an overview of the literature available regarding emotional intelligence, career success, and job control which will provide the foundation for the formulation of the theoretical framework and the hypothesis of the study. Chapter 3 outlines the research methodology of the study. This includes information on the research site, sample collected and the application of statistical analyses. Chapter 4 presents the results of the statistical analyses and lastly, Chapter 5 presents discussions on the findings, as well as outlining the limitations and implications of the study. Suggestions for future research are also included in this chapter.

# CHAPTER 2: LITERATURE REVIEW

## 2.0 Introduction

As stated at the outset, this study aims to examine and determine the key managerial emotional intelligence dimensions that employees perceive to be crucial to their career success. This study is in response to the need to attract, retain and develop human capital in order to meet the current and future human capital requirements of MNCs operating in Penang, Malaysia. Employees identified career success as a main priority in their lives (Bos, 2012) and is one of the determinants in an employees' decision whether to continue working in an organisation or country (Carr et al., 2005; Lim, 2012; Sani, 2000; Xendis & Gallou, 2014). Hence, this study intends to examine the effect between each dimension of the managers' emotional intelligence as an independent variable and employees' career success. In addition, this study will assess the effect of employees' job control as a moderator variable on the relationship between managers' emotional intelligence dimensions and employees' career success.

This chapter presents an overview of the literature available on emotional intelligence, career success and job control which will provide the foundation for the formulation of the theoretical framework and the hypothesis of the study

## 2.1 Leader-Member Exchange Theory (LMX)

This study assumes there is a high quality dyadic working relationship between managers and the employees in order for managers to have an impact on employees' career success. This sub-section of the literature review reviews available literature on the Leader-Member Exchange Theory (LMX).

LMX was introduced more than twenty five years ago (Dansereau, Graen & Haga, 1975) as a model of effective leadership though the development of leader and member relationships. LMX explores how leaders build and foster different relationships with different team member, resulting in the formation of two groups, an in-group and an out-group. The in-group members, typically an inner circle of trusted employees and advisors, are given higher responsibility, decision-making authority and access to resources. In exchange for these privileges, the in-group is expected to work harder, be more commitment to the organisation and tasks, accomplish objectives and take on more administrative responsibilities. In addition, full commitment and loyalty to the leader is expected. Conversely, the out-group is given lower levels of support, access and responsibilities (Graen & Uhl-Bien, 1991).

Graen & Uhl-Bien (1995) noted that LMX has evolved and changed since the time it was introduced in 1975. Initially, researchers were focused on assessing if an effective leader-member relationship can be applied to all team members. It was found that leaders do develop different levels of relationships with team members as an effective leader would want to fully utilise their time and resources to achieve organisational objectives (Dansereau, Graen & Haga, 1975). Next, researchers were interested in determining the factors and outcomes of a LMX relationship, for example, whether high quality LMX relationships would result in improved personal and organisation outcomes. It was found that relationships between leaders and team members go through three stages. The first, role taking stage occurs when leaders assess a new member's skills and abilities (Graen & Scandura, 1987). The second stage is role making, where leaders and team members define the member's role. The leader will provide opportunities to the team member, expecting them to work hard, accomplish the task, be competent and loyal. Based on the outcome, the leader sorts team members into two groups; the in-group for team members who have proven themselves and the out-Group for team members who were not able to perform up to the leader's expectations. The leader's attention will naturally gravitate to the in-group who will be offered more opportunities for challenging and interesting work in addition to additional training and greater prospects for advancement. The out-group, on the other hand, will be given work that is often restricted and unchallenging. Moreover, the out-group team members will typically have less access to the manager and also less opportunities for growth or advancement (Day & Crain, 1992; Liden, Wayne, & Stilwell, 1993). At the final stage, routinization, both leader and team member have a clear understanding of each other's roles and the quality of the relationship develop further over time (Liden et al., 1997). Leader characteristics and attributes have also been found to influence the level of LMX and team member work outcomes. High quality of LMX was found to correlate to positive team member outcomes, such as job performance (Gerstner & Day, 1997; Liden et al., 1997), job satisfaction Dansereau et al., 1975), organisational citizenship behaviour (Settoon, Bennett, & Liden, 1996), career success (Wakabayashi, 1988) and reduced turnover (Ferris, 1985; Gerstner & Day, 1997).

The LMX theory has also drawn some critics, primarily regarding the alienation of out-group team members. Lunenburg (2010) and Yukl (2002) found low quality dyadic relationships resulted in alienating the out-group team members. A team member that sees a leader differentiating between team members will over time, perceive inequity, in line with concepts of Equity Theory (Adams, 1965) which states that a member observes their outcome from a situation, in relation to their contributions to the input. They will then compare their input-outcome observations with the input-outcome of others. If inequity is perceived, the member will try to remedy the situation by reducing effort or if that fails, remove themselves from that situation, project or organisation. Lunenburg (2010) and Krietner and Keninki (2010) suggest building mutual trust between leaders and team members that supersedes the self-interest of either party by developing a relationship based on clear roles and expectations, in addition to a mutual commitment to the mission and vision and objectives of the organisation. This approach must be shared throughout the organisation. While the distinction between in-groups and out-groups is undesirable, leaders have to balance the need to be seen as fair and equitable and the need to fully utilise their time and resources to achieve organisational objectives (Dansereau, Graen & Haga, 1975). George & Jones (2008) suggest leaders develop as many high-quality LMX relationships with as many team members as possible with the aim of having as large an in-group and as small an outgroup as possible.

## 2.2 Emotional Intelligence Models

Daniel Goleman, a leading authority on emotional intelligence who popularized that concept through his seminal 1995 book, “Emotional Intelligence” used an old Japanese anecdote to describe emotional intelligence:

> “A belligerent samurai once challenged a Zen master to explain the concept of heaven and hell. The monk replied with scorn, "You're nothing but a lout - I can't waste my time with the likes of you!" His very honour attacked, the samurai flew into a rage and, pulling his sword from its scabbard, yelled "I could kill you for your impertinence." "That," the monk calmly replied, "is hell." Startled at seeing the truth in what the master pointed out about the fury that had him in its grip, the samurai calmed down, sheathed his sword, and bowed, thanking the monk for the insight. "And that," said the monk "is heaven." The sudden awakening of the samurai to his own agitated state illustrates the crucial difference between being caught up in a feeling and becoming aware that you are being swept away by it. Socrates's injunction "Know thyself" speaks to the keystone of emotional intelligence: awareness of one's own feelings as they occur.” *(Goleman, 1996).*

Salovey and Mayer (1990) were the first to introduce the term emotional intelligence which they described as skills that would effectively combine two very different mental processes which is the thinking process and the feeling process. In a later study, Salovey & Grewal (2005) four dimensions of emotional intelligence was introduced. Firstly, perceiving emotions is the ability to be aware and understand one’s own emotions in addition to emotions in people, voices and cultural artefacts. Next, using emotions is the ability to utilise emotions to be effective at cognitive activities such as thinking and problem solving. The third dimension is understanding emotions, which is the ability to understand and navigate through the complicated relationships between emotions. The last dimension is managing emotions which is the ability to regulate emotions in both one's self and others.

This concept was further refined by Goleman (1995) who defined emotional intelligence as "the capacity for recognizing our own feelings and those of others, for motivating ourselves and for managing emotions well in ourselves and our relationships". Goleman conceptualized emotional intelligence into five dimensions from the personal and social competencies perspectives. Three dimensions were introduced under personal competencies. Self-awareness, which is the ability to know one's self, self-regulation, which is the ability to manage and control one's emotions and self-motivation which encompasses drive for achievement, commitment and optimism. The two dimensions under social Competencies are empathy, which is the ability to be aware of others' emotions and finally, social skills which one's deftness at managing relationships.

Bar-On developed one of the first reliable measures of emotional intelligence, the Bar-On Emotional Quotient (EQ) Inventory, which is based on his concept of emotional intelligence from a personality, health and well-being perspective. His concept comprises five dimensions and fifteen subscales. The five components are intrapersonal EQ which includes emotional self-awareness, assertiveness and self-actualization, interpersonal EQ which includes empathy and interpersonal relationships, stress management EQ which includes controlling and managing stress, ,adaptability EQ which includes flexibility and problem solving and lastly, general mood EQ which includes optimism and happiness. (R. E. Bar-On & Parker, 2000).

Another measure of emotional intelligence, Emotional Competency Inventory (ECI) was developed by Goleman, Boyatzis and the Hay Group based on competency research by Goleman, Boyatzis & McKee (2002) which had suggested a model of emotional intelligence competencies arranged into four clusters. The self-awareness cluster included emotional self-awareness, accurate self-assessment and self-confidence; the self-management cluster included emotional self-control, achievement, adaptability and optimism; the social awareness cluster included empathy, service orientation and organisational awareness and finally the relationship management cluster included inspirational leadership, influence, conflict management, developing others and teamwork. The university version of the ECI (ECI-U) questionnaire clusters the cognitive competencies together under the cognitive cluster (Batista-Foguet et al., 2008). Table 2.1 summarizes the emotional intelligence concepts in this study, which based on the ECI-U.

While emotional intelligence has received acceptance from researchers and the public, it has also encountered some criticism. One of the main criticisms concerns the measurement of emotional intelligence. For example, Goleman (1995) who defines emotional intelligence by exclusion, reasons that if intelligence (IQ) tests show that IQ accounts twenty percent of the variance in performance, then the rest of the eighty percent variance is explained by emotional intelligence. Although of personality traits, such as getting along with others, self-motivation, persistence, controlling impulses, empathizing, and regulating one’s mood are included in Goleman’s (1995) assessment, it is unlikely that these differences can fully account for a person’s behaviour (Markin, 2005). Another related criticism is that the measurement models are self-reported. The questionnaires asks respondents to rate themselves on a series of descriptive statements, typically on a rating scale. Some studies have shown that self-perceptions of emotional intelligence can be inaccurate (Davis & Kraus, 1997; Matthews, Roberts, & Zeidner, 2004). One suggestion to overcome the drawbacks of self-report is to compare self-assessed responses to reports provided by respondents' peers (Costa & MacCrae, 1992).

Numerous studies to assess the effect of manager's emotional intelligence on employees' work outcomes. Findings show that managers with high emotional intelligence results in positive work attitudes and altruistic behaviours (Carmeli, 2003), which in turn results in their employees experiencing higher job satisfaction and performance (Boal & Hooijberg, 2000; Wong & Law, 2002). The rationale for these findings is that high emotional intelligence allows managers be more adept at appraising and regulating their own emotion and would therefore be able to better understand their employees. Consequently, this understanding enables the manager to help employees appraise and regulate their emotions as well as direct and motivate employees in a manner that facilitates better work outcomes such as employee work attitude, behaviour and job performance (Fredrickson, 2003; Liu & Liu, 2013) and organisational citizenship behaviour and job satisfaction (Wong & Law, 2002). Studies also show that managers with high emotional intelligence drive improved employee retention, engagement and organisational effectiveness (Cameron et al., 2011; Lyubomirsky et al., 2005). In addition, a 1996 study found that when managers had high emotional intelligence, their departments over-attained targets by twenty percent (Goleman, 1998).

There is currently very little published research assessing the relationship between managers' emotional intelligence dimensions and employees' career success.

Table 2.1: Dimensions of Emotional Intelligence

| EI Competency Cluster | EI Dimension | Description | Associated Abilities |
|---|---|---|---|
| Personal competence | Self-Awareness | The ability to detect/trace/label an emotion as it occurs. | Openness to candid feedback<br>Accurate self-assessment |
| | Self-Management | The ability to keep emotions under check and manage disturbing emotions effectively and still remain hopeful and optimistic despite setbacks and failures. | Self-control<br>Adaptability<br>Innovation<br>Achievement orientation<br>Commitment<br>Initiative/enthusiasm |
| Social Competence | Social Awareness (Empathy) | The ability to understand the emotional make-up of other people and getting the true feel of their thought processes. | Influence<br>Persuasion<br>Motivation of others<br>Political astuteness |
| | Social Skills | Proficiency in managing relationships and building rapport and networks. | Leadership<br>Communication<br>Cooperation/teamwork<br>Conflict management |
| Cognitive Cluster | Systems Thinking & Pattern Recognition | Analytical Competencies result in a framework or model being constructed that organizes the issues and needs in the situation and could provide ideas for what to do next to solve the problem. | Big Picture<br>Prioritization<br>Identifies Patterns |

Source: Batista et al. (2006)

## 2.3 Career Success

Siebert et al., (1999) defines career success as the positive perception of mental well-being, psychological, task outcomes or achievements as a result of work experiences over the entire work life. Career researchers include objective and subjective measures of career success (Judge et al., 1999). Objective career success is a traditional measurement of career success. It is directly observable by external indicators such as salary and number or promotions. On the other hand, subjective career success is employees' internal assessment of their career, measured against their personal goals and beliefs. Subjective career success is not observable and typical indicators job satisfaction and career satisfaction (Judge , 1999; Seibert & Kramer, 2001). Due to changes in the work environment (Kidd, 1996), subjective career success has become increasingly more important as a measurement of career success. Traditional objective career success measurements are being viewed as deficient because they do not account for outcomes such as work-life balance, comparative career success against peers or friends or feelings of fulfilment due to nature of the work (Heslin, 2005).

The importance of career success have resulted in numerous studies designed to identify factors that predict career success. Demographic factors such as gender, age, marital status and race can effect employees' career success. For example, women's career success may be restricted by family factors (Ng et al., 2005). Organisational factors such as organisational sponsorship and size have been found to effect employees' career success. Employees who received more support, resources and opportunities from their managers are more likely to reach higher levels of promotion and salary according to Wayne et al. (1999) and Ng et al. (2005). Personality and emotional intelligence has also been found to influence career success, in part because these traits can affect organisational sponsorship positively or negatively. Personality traits in particular, have been shown to have a significant influence on subjective career success due to self-perceptions of career success (Judge et al., 1999; Ng et al., 2005). Studies also found that the level and quality of employees' education, training and experience determines their career success (Judge et al., 1999; Ng et al., 2005). Seibert et al.'s (2001) social capital theory states that the number of contacts an employee has in other functions and at higher levels of the organisation affects the employee's career success. Similarly, the Leader-Member Exchange (LMX) theory says that a high quality working dyadic relationship between managers and the employees has a positive effect on employees' career success.

Research conducted to assess career management strategies for career success found that participating in organisational politics influenced career success positively (Judge & Bretz, 1994). Studies have also establish that mentoring is a significant predictor of career success (Turban & Dougherty, 1994).

## 2.4 Job Control

Job control can be defined as the degree of autonomy an employee exercises and the freedom to select the most appropriate skills when coping with a task that has been assigned to that employee. (Abraham, 2000; Karasek, 1979). According to Karasek (1979), challenging jobs can be stimulating but if those jobs were not associated with sufficient autonomy, it might result in a poor choice of coping response. On the other