

# **The Impact of Emotional Intelligence on the Competitiveness of a Company**

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<p>Abstract</p> <p>For the last couple of years, the concept of Emotional Intelligence has been gaining more attention. Nowadays, it is an intensively growing trend the value of which is still under intense and lively discussion.</p> <p>The objective of the given research was to investigate relatively new and insufficiently studied concept of Emotional Intelligence from a competitive angle and find out if there is any positive correlation between Emotional Intelligence and competitive advantage of the company.</p> <p>Within this case-study research, the focus was made on the British company from the educational industry. The research approach was qualitative and the data was collected through semi-structured in-depth interview. The respondent was an experienced and highly competent project manager and during the discussion, the role of emotions on the employee performance, its correlation with the competitive advantage of the company and the general attitude towards Emotional Intelligence and its applications were discussed.</p> <p>Despite the relative popularity of the concept, the results revealed, that understanding of it is mostly shallow and unclear. Even though the research showed a significant impact of emotions on the main working processes and as a result a considerable positive correlation between emotional intelligence and competitive advantage of the given company, the difficulties in the implementation and measurements were discovered as well. The findings of the present study demonstrated the value of the concept, and the interest of the company in Emotional Intelligence development at the workplace, however, another approach to implementation was also found and deliberated.</p>		
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## 1 Introduction

Emotions have always been the primary and inherent part of human being. They constantly affect many areas of one's personal and working life. However, for ages emotions were out of a scientific sight due to the lack of technological facilities, and only in the end of the 20<sup>th</sup> century representatives of Neurobiology, Neuropsychology and Psychology slowly began to provide any scientific explanations and interpretations regarding emotion nature, degree of influence on the human body, behaviour and performance (Goleman, 2005, p. 9).

From the beginning of the 21st century a topic of Emotional Intelligence has been gaining more and more attention. Published in 1995 Daniel Goleman's book called "Emotional Intelligence. Why It Can Matter More Than IQ?" that had gathered and interpreted scientific researches of that time in simple words, had boosted awareness and continuous discourse around it in the media space among people of all classes and industries. It in turn initiated more academic research in the sphere and nowadays the concept of Emotional Intelligence and its applications remains under high and lively discussion. Many authoritative business portals such as Forbes, Entrepreneur, World Economic Forum continues to define it as a strong trend, pivotal direction of modern and future management, determining and valuable characteristic of the corporate world in technological era (Jenkins, 2020; Bradberry, 2020; Forbes HR Council, 2019; Moore, 2019). Therefore, a clear actuality and opportuneness in the research of the nominated topic can be noticed.

The author's motivation behind the research is to analyse an impact of Emotional Intelligence applications on the modern corporate world. Within the framework of the research and in order to be more specific in the wide and still insufficiently studied field I would like to investigate the topic from the competitiveness angle. It is said, that modern organisations are forced to exist in the rapidly changing environment affected by globalisation, internationalisation, digitalisation and new media age (McGrath, 2013). Therefore, along with keeping an eye on trends and its integration companies are forced to constant redefining and updating their competitive strategy. (ibid.)

In order to gain long-lasting competitive advantage company has to be organizationally resilient, efficient and sustainable. One of the fundamental elements of Resilient Organization and business prosperity is “People Culture” – information flow within the company, quality of employees’ communication, core values (Kerr, 2016, p. 9). Emotions are an inseparable part of the human interaction therefore all the corporate activities around it such as negotiations, discussions, brainstorming and team or project management are the exact sphere of Emotional Intelligence application (Montgomery, 2015). Moreover, within a development of corporate structure companies are trying to maintain trust, openness, commitment, employee loyalty, effective communication through all management levels, appropriate leadership, well-being and comfort on the workplace and Emotional Intelligence practices are forecasted to facilitate the process.

At the moment of the given research skills associated with Emotional Intelligence is noticed to play an essential role in the Leadership coaching (Issah, 2018, p. 3), Conflict management (UKEssays, 2018), Organizational Change management, Knowledge management (Rechberg, 2019) and Talent management (Crisp, Reid & Reid, 2007) spheres of Business Administration. The main practical applications are usually workshops, coaching sessions, EQ-I or the EQ 360 assessments, feedback reporting, exercises for development and progress reviewing (Ackley, 2016, pp. 12-15).

The aim of the thesis is to explore the concept of Emotional Intelligence (EI), its correlation with competitiveness of the company and its value in modern Business Administration. Through the research the author is willing to examine if there is any relationship between EI and competitive advantage of a company. Since the objective is to investigate the consequences of EI development in real time context a case-study strategy was applied. For the purpose of the thesis the qualitative data collection through a semi-structured interview was chosen. The research classification is exploratory since the author is willing to study a relatively new concept in relation to competitiveness of a company, so the research question is following:

**How does Emotional Intelligence contribute to competitive advantage of a company?**

Within the limits of the research the author will focus on the educational industry due to the personal interest, increased demand on the market, constant developing and innovativeness of the sphere. The aim is to provide readers with useful data regarding refuted or confirmed importance and value of the concept in business world, investigate practical consequences and its contribution to competitive advantage.

The research will be conducted according to the following structure. In Literature Review a definition of the central concepts of EI and competitiveness will be revealed as well as historic notes about development of the term and its modern role and applications. In the following Methodology chapter philosophy behind all the choices regarding research planning, conduction, tactics, data collection and analysis methods are explained. Afterwards, the data gained in semi-structured interview will be presented in the Results chapter and analysed and summarized in Discussion.

## **2 Literature Review**

### **2.1 Emotional Intelligence**

#### **Development of the Term**

Familiarity with the concept of Emotional Intelligence should be started with an understanding of the term “intelligence”. According to Young (n. d., p. 711), in 1994 52 experts in the study of intelligence and related fields accepted the following definition of intelligence – “a very general mental capability that, among other things, involves the ability to reason, plan, solve problems, think abstractly, comprehend complex ideas, learn quickly and learn from experience”. They emphasize that It does not refer only to book learning, narrow academic skills or test-taking smarts, where rather it relates to a broader, deeper and entirely capability of grasping surroundings (Young, n.d., p. 712). However, American psychologist Locke (2005, p. 4) points out that the meaning of the term “intelligence” should be clearly distinguished from the term “rationality”. Intelligence focuses more on the capability to comprehend the abstractions, whereas rationality identifies how one’s mind is used, whether facts are taken seriously, and if thinking and logic are used to come up with conclusions (Locke, 2005, p. 4).

The concept of Emotional Intelligence is considered to be developed from the “social intelligence” construct originated from the Intelligence theory introduced by E. L. Thorndike in 1920. Former president of the Society for Industrial and Organizational Psychology Landy (2005, p. 414) sees Thorndike as one of the pioneers in theory and research of both animal and human intelligence in general. He describes Thorndike’s perception of intelligence as “combination of nature (via hereditary and congenital factors) and nurture (exposure to environments and experiences)” where some people have more neural connections or a more elaborated neural network than others, so that the former could be determined as more intelligent than later ones (Landy, 2005, p. 414).

According to Woodworth (1950, 251), Thorndike recognised three main directions of human intellectual development – abstract, mechanical and social bits of intelligence, whereas the first one identifies the ability to deal with ideas and thoughts, second enables to manage concrete situations and, social intelligence refers to the ability to interact with people. Derksen, Kramer and Katzko, (2002, pp.38-38) translate Thorndike's definition of social intelligence as a cognitive and behavioural element that implied another, different from the abstract–verbal and concrete–mechanical, intellectual capacity to understand and manage people. In the interpretation of Mayer and Salovey (1993, p. 435), this social capacity also involved an ability to perceive one’s own and others’ internal states, motives and behaviours and utilize that information to act toward them optimally. As it can be noticed, this social aspect of intelligence slightly reflects on the current perception of the current EQ understanding that will be discussed in detail later in the chapter.

Nevertheless, Landy (2005, pp. 414-416) claimed that a foundation for Thorndike’s distinction was based solely on the belief that intelligence, which is limited only by a number of neural connections possessed by a given individual, can be expressed in different ways, and should be measured accordingly. In the author’s opinion, Thorndike had never postponed the theory about “three kinds of intelligences”, and his concept of social intelligence was no more than “a way of helping the non-scientific reader understand that intelligence could manifest itself in many venues”. In addition, Landy declares Thorndike’s article as an action against narrow measures of intelligence



such as IQ tests and adds that anchoring this theoretical notion to the origin for future development of Emotional Intelligence is pure revisionism.

As the reader can notice, at the beginning of the previous century, the perception of intelligence was poorly studied and limited by mechanical area of skills. Therefore, only one way of human intelligence assessment was established - though application of a specially designed examination created by psychologists Binet and Simon in 1911, which today is known as an Intelligence Quotient (IQ) test. Goleman (2005, p. 81) with a reference to Gardner, a psychologist at Harvard University, notes that the period of the First World War became a starting point for "IQ category mind-set". The idea ingrained in society was strict and categorical – an individual is innately and unchangeably intelligent or unintelligent, so the test will only determine the type.

In 1983 the idea about the insolvency of IQ assessment was raised by already mentioned Howard Gardner in the book "Shattered Mind". According to Goleman (2005, pp. 81), through the multiple intelligence concepts Gardner argued that success and intelligence are not depending purely on the verbal and logical-mathematical abilities that are measured via IQ evaluation. From Gardner's point of view, it rather refers to the more complicated and indeterminable aspects of spatial thinking, cenesthesia, musical talent, capacities to interpersonal communication and inner psychological ability (Goleman, 2005, p. 82). The proposed idea empowered Thorndike's claims, created a new discourse and discovered a new direction for further research.

However, Goleman disputes with Gardner regarding the comprehension of human intelligence and the role of emotions in it. At that period, the human feelings were underestimated due to the perception of mindfulness and rationality dominance (Goleman, 2005, pp. 85-89). Goleman states that focus was made not on the process of feeling itself, but on the recognition of, interpretation of and knowledge about emotions and feelings. Such assumption contradicts to the fact that emotions exceed the language and cognition abilities and regularly guide and outmatch the reasonableness and consciousness, that illustrates the equality between mind and emotions (Goleman, 2005, pp. 85-89).

In 1985 the term of Emotional Intelligence was introduced to the public for the first time by Wayne Payne in a doctoral dissertation called “A Study of Emotion: Developing Emotional Intelligence; Self-integration; Relating to Fear, Pain and Desire”. In the dissertation, so alike to Thorndike, Payne (1985) distinguishes three realms of intelligence – rational, physical and emotional. He determines the term of emotional intelligence as “the faculty of and the capacity for understanding, reasoning, gaining insight; aptitude in grasping facts, meanings, truths, relationships, and solving problems”. The feelings there are facts, the meanings are felt meanings, the truths are emotional truths, the relationships are interpersonal relationships, and the problems we solve are emotional problems, that is, problems in the way we feel. (Payne, 1985). This concept became the foundation and then evaluated into modern comprehension of Emotional Intelligence.

### **Emotional Intelligence Today**

According to Petrides (2011, p. 657), today there are two approaches to Emotional Intelligence – ability-based and trait-based – where the determination is based on the measurement system applied. Ability-based Emotional Intelligence is explained as an emotion-related cognitive ability that intends to be assessed through maximum-performance tests. Referring to Day and Carroll (2004, p. 1444), this approach was introduced by the pioneers in Emotion Intelligence as a concept – J.D. Mayer and P. Salovey. Trait Emotional Intelligence was, in contrast, responds to emotion-related self-perceptions which are measured through self-reporting as personality questionnaires and promoted by Goleman and Bar-On (Day & Carroll, 2004, p. 1444).

In 1997 J. D. Mayer, an American personality psychologist at the University of New Hampshire, and P. Salovey, social psychologist and current president of Yale University, reassessed, adapted interpersonal abilities presented by Gardner and developed the final model of Emotional Intelligence. According to their definition, Emotional Intelligence is covered in four primary dimensions. (see Figure 1).

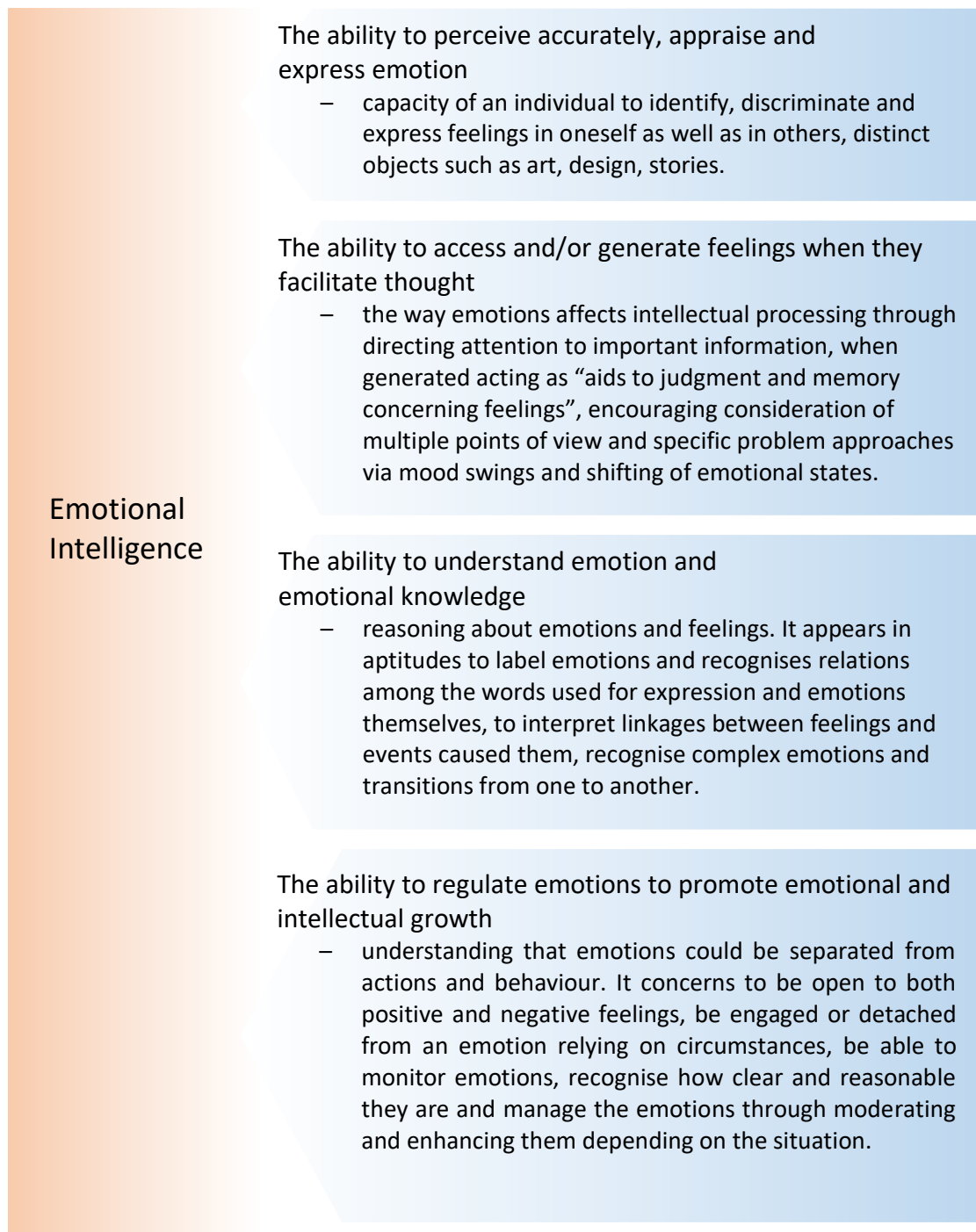


Figure 1. Primary dimensions of Emotional Intelligence according to Mayer and Salovey (adapted from Mayer & Salovey 1997, pp. 10-16)

These abilities should be considered as emotional competencies or achievements. It illustrates the gained emotion-related knowledge and can be evaluated through a comparison of one's abilities to a certain standard (Mayer & Salovey, 1997, pp. 10-16).

Trait approach to Emotion Intelligence defines Emotional Intelligence in a slightly different manner. Today there are three the most resonant and disputed models concerning Trait Emotional Intelligence can be identified – Goleman's, Bar-On's and Petrides and Furnham's. For more in-depth understanding and comparison of paradigms definitions and central areas of skills of each will be explained in brief.

According to Goleman's definition, Emotional Intelligence is non-conductive in nature ability to identify, assess and control one's own emotions, and the emotion of others. As it was mentioned earlier, Goleman (2005, p.91) identifies five key modules: (a) knowing one's emotions, (b) managing emotions, (c) motivating oneself, (d) recognising emotions in others, and (e) handling relationships. (See Figure 2)

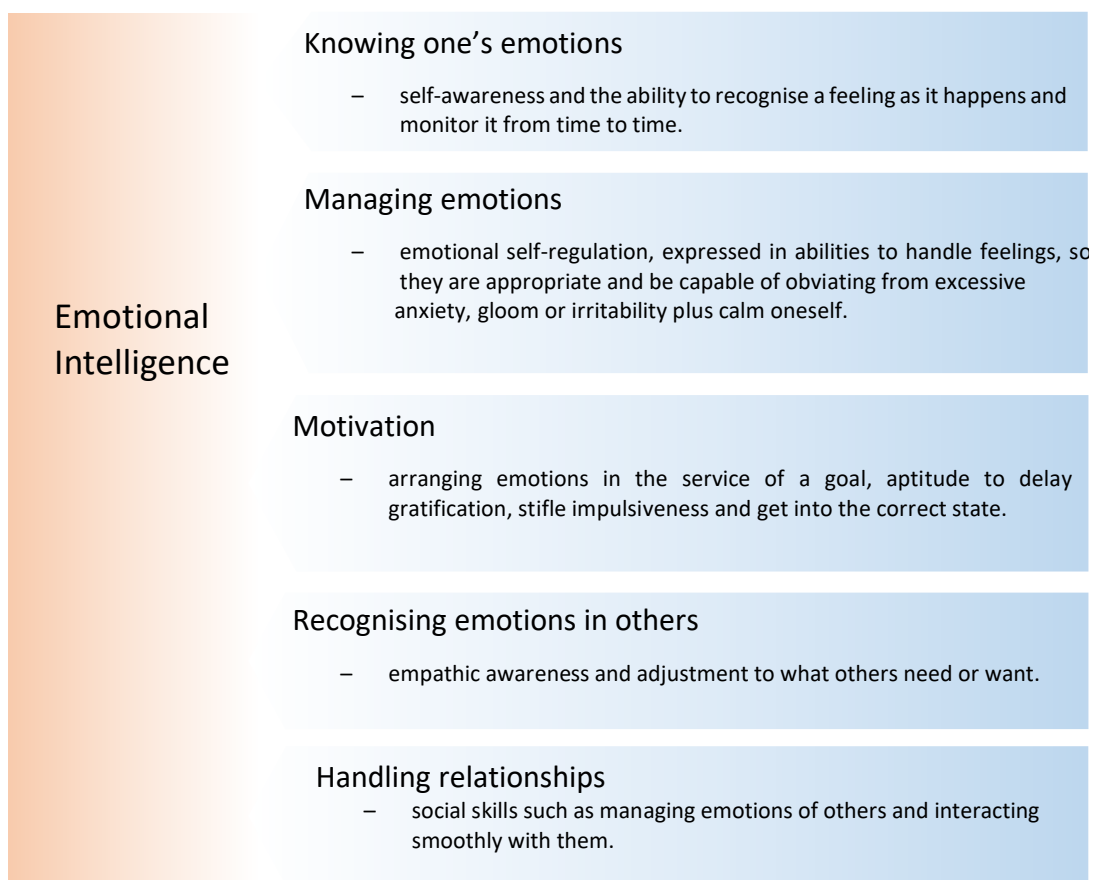


Figure 2. Five key modules of Emotional Intelligence according to Goleman (adapted from Mayer, Salvey, Caruso & Cherkasskiy, 2011, p. 535)

Bar-On's perception of Emotional Intelligence published in 1997 mostly developed from Goleman's. As it was cited by Mayer, Salvey, Caruso and Cherkasskiy (2011, p. 535), Bar-On (1997) determines Emotional Intelligence concept as array of non-cognitive capabilities, competencies and skills that influence one's ability to succeed in coping with environmental demands and pressures through (a) intrapersonal skills, (b) interpersonal skills, (c) adaptability scales, (d) stress-management scales, and (e) general mood. (See Figure 3)

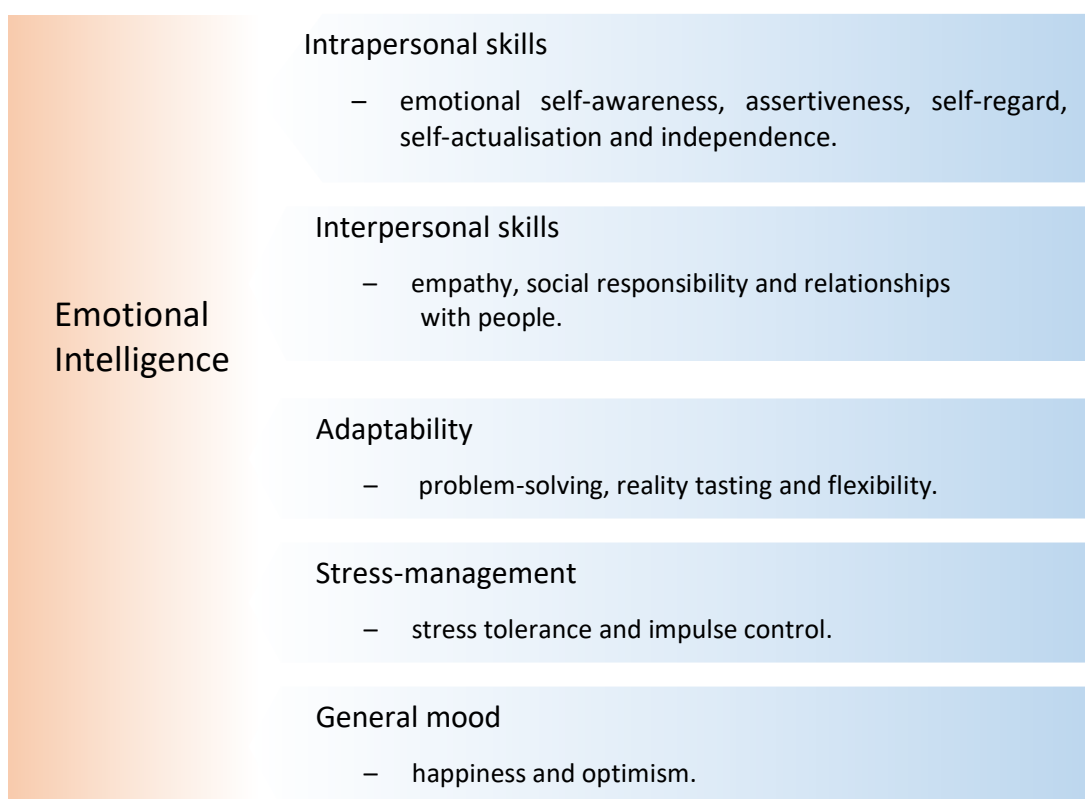


Figure 3. Five main competences of Emotional Intelligence according to Bar-On (adopted from Mayer, Salvey, Caruso & Cherkasskiy, 2011, p. 535)

As we can notice, Bar-On brings an individual's interaction with the environment and society to the first place and regards emotions more as tools to deal with risen "demands" and "pressure". In the interpretation of Mayer et al. (2011, p. 535), Bar-On accentuates the same skills and abilities noted by Goleman, but makes some additions and asserts them in his own way.

Finally, Petrides and Furnham's concept concerns Emotional Intelligence as "a constellation of emotion-related self-perceptions and dispositions, assessed through self-report". Their paradigm considers fifteen components, including all previously determined by Goleman and Bar-On. (See Figure 4 with facets and demonstration of the high scores)



Figure 4. High scores of components of Emotional Intelligence according to Petrides and Furnham (adopted from Mayer, Salovey, Carusso & Cherkasskiy, 2011, 535)

As we could notice all three conceptions are quite similar to each other and represent developed, extended and concretized versions of each other accordingly. However, despite continuous evolution of definition and its elements, the core perception of Emotional Intelligence itself is still under the considerable criticism and debate among scientists with strong arguments behind the claim. Previously introduced Landy (2005, pp. 411-413) earnestly speculates the science affiliation of the Emotional Intelligence concept due to inability to reanalyse, replicate or make verification of the research. The writer states that the databases used in the studies of Emotional Intelligence are limited for external access what makes the researches to “step outside of the scientific tent” (Landy, 2005, pp. 411-413). Also depended on variables for the research were chosen inappropriately, and the author strongly recommends in case of further studies pick it up more carefully (Landy, 2005, p. 422).

Reiterating incompetence of Emotional Intelligence, American psychologist Edwin Locke (2005, p. 3) also strongly designates that the whole concept of Emotional Intelligence is invalid in terms of distinguishing it as a discrete form of intelligence and its value for organizational leadership. There is still an absence of one clear and intelligible definition. Instead, comprehensions are continuously changing, and some of them appear to be all-inclusive and contradicted to the psychological fundamentals. In his article “Why Emotional Intelligence Is an Invalid Concept”, there is the assumption suggested – whether the Emotional Intelligence advocates are avoiding the contradictions between emotions and reasoning and under the concept it is purported “to be intelligent about emotions” instead of “reason with emotions”. If so, then they are referring not to the discrete form or type of the intelligence but rather to simple intelligence as the ability to grasp abstractions applied to specific “life domain” – emotions, and then it is the indicator of mastering which is known as the term “skill”. (Locke, 2005, p. 9). Locke (2005, p. 13) also rejects the idea of Emotional Intelligence about recognising the actual nature of emotions as drivers to actions leaning only on neuropsychology and brain structure. He states, that ideas have different attributes than neurons, whereas emotions are just product of subconscious ideas transmitting the value appraisals and stored knowledge of objects, what has neuropsychological aspect but is not determined by brain structure.

Despite the scientific contradictions, Locke (2005, p. 11) also refutes the Goleman's interpretation of the mission of leadership as creating good feelings in subordinates and the role of Emotional Intelligence in it. The author is convinced that employee morale is significant, but it should not be considered as a goal itself divorced from effectiveness. Leadership is still, in contrast with Goleman's view, more depending on rational thinking and actual intelligence, than on emotions, focused on knowing what is being done and what to do with goals achievement and making profitability (Locke, 2005, pp. 12-13).

Critics were reviewed and analysed in order to gain a more in-depth and objective understanding of the Emotional Intelligence with its positive and negative sides for conducting an unbiased and unprejudiced research. For this work, the Trait Emotional Intelligence model introduced by Petrides in 2009 was chosen. It is one of the most recent approaches to Emotional Intelligence rooting to the longstanding study of emotions, reflecting Goleman's perspective "of the popularisation of ideas that had long been researched in the scientific literature on personality" and basing on self-reports which lead to the broader domain of Trait Emotional Intelligence. Chosen model is regarded to have several advantages over other ones: (a) consideration of subjectivity of emotion experience, (b) integration of differential psychology theories without treating it as "novel entity detached from accumulated knowledge", (c) generality, absence of tidiness to specific proprietary tests and ability to make interpretation of data from any Emotional Intelligence questionnaire, (d) extendibility into cognate areas, and (e) support of empirical studies (Petrides, 2010, pp. 136-138).

Moreover, Petrides, Mikolajczak, Mavroveli, Sanchez-Ruiz, Furnham, and Pérez-González (2016, p. 4) mention the positive effect of Trait Emotional Intelligence on job performance and satisfaction, well-being at the workplace, leadership, engagement and counterproductive work behaviour. At the same time, the negative impact was revealed through researches on workers' stress and burnout within the working environment. Also, there is an ability to develop Trait Emotional Intelligence through the holding of training sessions is mentioned, it is proved, that with a specific limitation of conducted 50 studies, 90% of them came up with an affirmative result (Petrides et al., 2016, pp. 4-5). These aspects contribute to choosing of Trait Emotional Intelligence



model for this research due to providing more paths of implementation Emotional Intelligence practices and gaining more beneficial results within an organisation from a practical perspective.

## 2.2 Competitiveness

The term of the firm competitiveness or its competitive advantage still does not have its proper, accurate and worldwide accepted definition. Diverse economists and schools interpret it in different ways; however, for this research explanation presented by Copenhagen Business School was accepted. Competitiveness of the company is the out-performing of competitors in qualifying and making it in appropriate conditions for the ultimate company's ability to make a surplus (Copenhagen Business School, 2016). It derives from the term "competition" and matters only in a competitive environment. Porter (2008, p. xi) describes competition as one of the most powerful, intensified and pervasive forces for progress in many fields of human endeavour. He points out that in modern world as far as competition spread to all locations and sectors of society, all organizations in spheres, where there are growing needs and scarce recourses, must compete with each other to deliver unique value, whereas value should be considered as "ability to meet or exceed the needs of customers, and do so efficiently" (Porter, 2008, p. xi).

There is a framework presented by Porter known as the five-forces model which enables companies to assess competition in any industry correctly and create a sufficient long-term competitive strategy appropriately. Regarding Porter (2008, 3-4), competition should be contemplated wider than industry rivals and include other four forces: customers, suppliers, potential entrants and substitute products. Understanding these five competitive forces reveals the roots of profitability within an industry and allows companies to anticipate and influence competition over time. Based on the analysis and definition of the strength of each competitive force within a particular industry and its overall structure the appropriate long-term competitive strategy can be developed.

Porter (2008, p. 43), declares that competitive strategy is about being different – choosing a different set of activities for delivering unique value. From his point of view,

to stay demanded, outperform the rivals and be able to respond rapidly to market changes a company has to be flexible and establish the difference that it can preserve. According to the author, a strategy is a key to superior performance which can be determined through two essential components operational effectiveness and strategic positioning – and it is essential to have a clear understanding and ability to distinguish between them. The former term refers to assimilation and distribution of similar to competitor practices that company is capable to perform better than others, whereas the latter indicates the uniqueness of the competitive position that points on the different from rivals' operations or similar operations handled differently (Porter, 2008, p. 38).

Porter (2008, pp. 48-52) determines three distinct sources of strategic positioning: (a) variety-based positioning, (b) needs-based positioning and (c) access-based positioning. First one is related to offering a unique choice of products and services, meet only a subset of customer needs within a broad scope and matters only when a company can produce it in the best way using a distinctive set of activities. Needs-based positioning is about targeting a particular segment of buyers and serving most or all of their needs, where the core for success is not only satisfying but also differ from rivals – be unique and valuable. This type of strategic positioning arises when the same customer has diverse needs on different occasions, and a tailored set of activities can serve those needs best-considering groups' specialties. Finally, the third type, which is as notices by Porter is less frequent and less understood compared to other two, is segmenting customers according to the way of their accessibility, whereas under “access” anything that requires a different set of activities to reach them in the better way such as location or customer scale should be considered (Porter, 2008, p. 51).

Regarding Porter (2008, pp. 38-39) operational effectiveness, in contrast, is about organizing practices that allow the firm to utilize inputs better than competitors and it is partly related to but not limited by efficiency. Porter highlights, these constant improvements in operational effectiveness through the application of diverse technologies, managerial approaches, eliminating of wasted efforts are necessary to achieve superior profitability because of its effects on relative cost positions and levels of differentiation. However, he points out that it could be not sufficient enough due

to the rapid diffusion of best practices among competitors what leads to a destructive competition of constant, absolute improvement for no one and similarity between them (Porter, 2008, pp. 40-42).

According to Porter (1990), competitive advantage can be achieved through acts of innovations in both ways – new technologies and new ways of doing things. Porter notices that innovations can be expressed in diverse activities from enhanced product design to new ways of operating processes or training conductions. Also, he highlights that it with no doubt involves investments in skills and knowledge of the workforce.

Moreover, Porter points out the importance of the information, change implementation and appropriate leadership in the process of innovation and improvement. The author notices, that it is important to avoid institutionalizing of operating systems and management controls, working on “defeating what they (companies) have” and filtering out information regarding new approaches, modifications or departures from the norm. Therefore, competitive advantage also arises from the leadership, that harnesses and amplifies the forces to innovation and upgrading promotion.

### 2.3 Correlation between Emotional Intelligence and Competitiveness

To clarify correlation between Emotional Intelligence and Competitive advantage, the author is going to show its applications within leadership and human resources management, the connection of which was explained in the previous chapter. In the following subchapters, the correlation between EI and diverse competitive advantage components related to the working processes and human resources management will be explained in the detail.

#### **The Role of Emotional Intelligence in Creativity**

Knowledge-based creativity is considered to have a valuable impact on organisational competitiveness. According to Sulaiman et al. (2015, p. 106), today it is essential for a company survival to be flexible and be able to strategically create the required skills and knowledge to adapt to the environment. Therefore, the importance and

advantage of creativity are not narrowed only to facilitating upward thinking but also contributing to the development of knowledge from organisational action.

Significant attribute to the process and organisational innovations is flowing out of the knowledge creativity, competitiveness of which enables fast growing and increasing market share as skill and the effectiveness of labour enhances. Moreover, according to Sulaiman et al. (2015, p. 107), knowledge creation is a substantial share of economic growth estimated at 50% of total GDP growth depending on the country and other economic factors and therefore it is hard to forecast organisational growth without creativity which is central to innovation. OECD presented the positive effect of knowledge creativity on organisational enhancement in 2015. The developers of the project noticed that knowledge acquisition and creativity reflected on current realities are leading not only to a transformation of production scale but also to the creation of competence in diverse organisational tasks headed to growth and efficient services (Sulaiman et al., 2015, p. 108). According to OECD (2015), creativity supports generating new ideas, decreases innovative barriers and serves knowledge diffusion compatible with organisational structure.

There is a complex relationship between Emotional Intelligence and creativity. Regarding Carmeli, A., McKay, A. S. and Kaufman, J. C. (2013, pp. 3-4), the model of interaction is following: (a) Emotional Intelligence is positively related to generosity, (b) generosity is positively associated with vigour, (c) there is a positive relationship between vigour and creativity, and finally (d) relationship between Emotional Intelligence and Creativity is mediated through vigour and generosity. In the mentioned study, generosity is also called favour exchange and taken as a critical quality of kindness and understood as an interaction that gives assistance to others who are not able to obtain resources or perform tasks alone. Whereas vigour is a set of interrelated affective states or moods such as energy, calmness, happiness and so on which are experienced at the workplace and helpful for shaping the right working atmosphere.

Suggestions were made regarding the correlation between Emotional Intelligence and generosity are following – that ability to appraise oneself' and others' emotions

correctly, effectively manage them and being more emotionally astute are facilitating positive member interactions and favour exchange among colleagues. It supports the utilisation of senses in a certain way for a deeper understanding of surroundings and further enacting or for recognising emotions in others for predicting their potential emotional responses to favour exchange if needed. Carmeli et al. (2013, p. 3) emphasise that mentioned the capacity for generosity within the collective is vital for organisational life since work as a process is very interdependent and helping there becomes crucial for effective completing of the tasks. Finally, authors propose that individuals with high EI are more astute to other needs, ready to respond and establish high-quality interpersonal relationships what altogether lead to generosity (Carmeli et al., 2013, p. 3).

According to Carmeli et al. (2013, p. 4), the more there is generosity and support within organisations, the more significant increase in vigour among members will be proved. Carmeli et al. (2013) with a reference to Lawler, Thye and Yoon (2000) state, that there were greater positive emotions reported by members, and uncertainty about others' intentions was reduced. Then, assumptions related to the interaction between generosity and vigour and generosity as mediator between Emotional Intelligence and vigour were offered – “giving or engaging in a favor exchange not only engenders positive emotions about working relationships but also augments vigor, as the giver is likely to feel energized and invigorated, and his or her self-concept is reinforced”. Based on the previously mentioned assumption about association among Emotional Intelligence and generosity, logical chain about Emotional Intelligence influence on vigour can be noticed (Carmeli et al., 2013, pp. 4-5).

The correlation between vigour and creativity and Emotional Intelligence connection with creativity, as a result, was supposed following – people with a sense of vigour are likely to engage in the creative process and exhibit creative behaviours. It is flowing out of the model developed by Fredrickson in 1998 which stated that when people experience positive emotions, their intellectual and psychological resources expand and enable them to explore, search and generate new original ideas. It was proved through several empirical studies confirming positive relationships between creativity and moods, vitality, energy and subjective relational experiences (ibid. 5-6). Also,

Carmeli et al. (2013, pp. 5-6) refer to studies of Vosburg published in 1998 revealing that with trait-like positive moods human was more likely to have higher levels of divergent thinking and assumed that individual with sense of vigour has the energy, flexibility and expansive resources to pursue new things and generate novel, useful ideas. Finally, the last hypothesis was formulated – individuals with high level of Emotional Intelligence manage and regulate their emotions to drive creativity, and the pathway through which Emotional Intelligence enhances creativity is “encompasses generosity and positive affective state of vigour”.

Results of the Carmeli et al. (2013) reinforced and proved assumptions regarding positive, but a way more complicated than it was suggested the impact of Emotional Intelligence on creativity. The conclusion was made that emotionally intelligent people represent more valuable human capital since they can interact with other generously, support and help others, establish more qualitative relationships in terms of organisational settings. Altogether it will lead to vigorous feeling and sense of engagement and will be revealed through the higher level of creativity, what as I already mentioned before concerning Sulaiman et al. (2015, pp. 16-17) is closely linked with a competitive advantage. “If organisational members (leaders, followers, co-workers) use and regulate their emotions properly, they can create a trusting and cohesive environment where sharing ideas will not involve possible repercussions and backlash, but will make them feel vigorous, and enable them to better maximise their motivation and creative potential” (Sulaiman et al.,2005, p.17).

### **Emotional Intelligence as Part of Knowledge Management**

Beside the Emotional Intelligence influence on organisational effectiveness through creativity, it also contributes to organisational structure and culture through being a valuable part of management disciplines such as Knowledge Management and Change Management, also known as Management of Change or Organizational Transformation.

Knowledge Management (KM) is management approach the aim of which is to advocate an integrated approach to identifying, capturing, evaluating, retrieving and

further sharing of information assets which may contain procedures, documents, databases, policies and finally expertise and experience in individual workers (Duhon, 1998, p. 12). According to Andreeva and Kianto (2012), KM can be introduced as a combination of technical and human aspects referring to out of direct managerial control knowledge processes and practices, which can be manipulable and controllable by conscious and intentional management activities. Referring to Lazovic (2012, pp. 801-802), Knowledge Management represents the center of all strategic planning regarding improvement the value of human resources and figuring out the most effective way of encouraging its potential, where knowledge stands for corporal value which cannot be produced on a command and must be nurtured, respected and as creativity and innovation motivated in appropriate ways. The research conducted by Andreeva and Kianto (2012) revealed that through HRM and ICT practices KM has a valuable positive impact on financial and innovation performance, competitiveness and its success. Regarding the conclusions of empirical study, management of knowledge through concrete and systematic enough management activities which not limited by provision of appropriate ICT systems to help with knowledge work processes, but also with HRM incentives to empower and motivate people to share, create and apply what they know acts as enabler of high performance (ibid).

Emotional Intelligence, as it was mentioned earlier, makes a valuable contribution to KM discipline. Regarding Lazovic (2012), Emotional Intelligence supplies knowledge sharing processes via increasing of employees' impact, engagement and productivity through correlation with both leadership, social and decision-making skills. According to her studies, Emotional Intelligence acts as an added value in leading people, which can be revealed through stimulation of employees' potential and contributes to more effective management. Lazovic (2012, p. 801) states, that the quality of interpersonal relations is essential when it comes to dedication to acquiring new knowledge in the organisation. These relations, in turn, are highly depended on the extent of emotional intelligence of key people due to the influence of Emotional Intelligence on the self-development of the manager and his/her leadership qualities. This effect becomes visible in establishing positive and committed relations with subordinates, creating specific trustful organisational culture which decreases resilience and improves flexibility, develops empathic communication, supports synergy what leads to

encouragement of employee creativity, generating new innovative solutions and emotional affiliation to an organisation (Lazovic, 2012, pp. 798-799).

Correlation between Knowledge Management practices and innovativeness in the organisation with the role of Emotional Intelligence in it was also mentioned by Vuori and Huy (2015, pp. 1-6). The authors highlight that innovation requires highly effective information sharing between various groups within a company, which through distributed attention and certain shared emotions tend to have an influence on innovation processes and shift the organisational focuses.

Moreover, making conclusions based on the Goleman's theory presented earlier, Lazovic (2012, p. 800) highlights, that the idea of integrating the Emotional Intelligence model into leadership and knowledge management theory is aimed to present the importance of the connection between our rational mind and emotional triggers for preventing the domination of the latter upon us. Also, emphasis is made on the benefit of the combination of these concepts for building more effective working environment partly based on the perception that "anyone who wants to become a successful manager/leader, must learn at first how to manage/lead himself/herself, and then set an example in leading others successfully". Lazovic (2012, p. 800) also mentions Goleman findings, that employees under emotionally intelligent leadership are more willing to integrate into high Emotional Intelligence teams, where they will be more open to supporting each other, establishing more empathic relationships, exchanging ideas, transferring knowledge and taking responsibility for cooperative tasks. Altogether it will lead to three main benefits for organization: (a) creation of healthy relationships through open conversation and honest assessment of behavioural and emotional aspects in organizational culture, (b) generation of new habits among employees such as verbalization of needs or respectful attitude towards colleagues in an attempt to replicate the behaviour of team leaders, and finally (c) improvement in willingness to take risks through all levels of organization due to integrity of a manager (Lazovic, 2012, p. 801).

Lazovic (2012, pp. 802-805), summarizing the research, presents a platform for an adequate knowledge transform – synergy, which is described as "state in which two



or more things working together in a particularly fruitful way produce an effect greater than the sum of their individual effects” and the importance of relations between different parts, which are an essential component of the total is highlighted. Referring to Lazovic (2012, p. 802), Dziechciarz (2003) declares that synergy model is essential for management, it enables to activate, release and combine creative forces of employees and the practice in managing leader’s emotions and an inner view is required. Emotional Intelligence and its role in leadership becomes obvious, fundamental and lead to quality interpersonal relationships between manager and subordinator and subsequently to effective knowledge transfer. Concluding the research, Lazovic (2012, p.804) provided the evidence, that emotional intelligence plays the valuable role in knowledge management, especially regarding knowledge sharing through the positive effect on leaders' performance, productivity, ability to react and resolve the conflicts and built by him/her working culture and employee loyalty. The main responsibility of a manager is creation of company’s culture oriented on retention of knowledge by individuals and promotion of the whole potential of employees, where the Emotional Intelligence affects all levels of organization and leads to synergistic effects enabling employee commitment to achieve common goals (Lazovic, 2012, pp. 804-805) and innovate more effectively (Tuomo & Vuori, 2016, pp. 9-15).

### **The role of Emotional Intelligence in Management of Change**

Besides Knowledge Management approach there is Change Management (organisational approach, not the one used in IT systems management) can be considered, also known as Management of Change or Organizational Transformation disciplines. There is a specific correlation between KM and Change Management processes, which will be revealed further in this chapter, but the Emotional Intelligence applications are remaining to be significant from one approach to another.

Association of Change Management Professionals (ACMP) defines Change Management (2018, p. 9) as “the practice of applying a structured approach to the transition of an organisation from a current state to a future state to achieve expected benefits”. Actually, it is used as a term for combining all approaches, processes, tools and

techniques which are directed to prepare, support and help to adapt workers on the way to achieving the goals of an organisation.

Feher (2004, p. 20) notices, that knowledge processes and projects occurring under KM set of activities are changing organisation through modification of daily routine, behaviour and even organisational structure, what altogether leads to consideration of Change Management practices. The author also emphasises the importance of Change Management techniques integration, arguing that otherwise, employees may resist, block the changes and leave the company. Moreover, Feher (2004, pp. 20-21) stresses the importance of making change through small steps and engagement of the employees themselves in decision-making process where the role of fair communication and trust increases, because during continuous changes, which always requires renewal and adaptation, workers are more likely to be exhausted what can result in detriment of an organization.

To understand correctly Organizational Change Management in practice, the main activities included in the approach will be revealed. ACMP (2018, p. 17) distinguishes two main levels which should be addressed in terms of Change Management – individual and organisational – and manages following organisational areas – technology, system, structure, culture and people (Garg & Singh 2002, p. 15). For conducting Change Management process in a more effective way both of the levels have been taken into consideration and the proper order of actions should be planned, organized, directed, controlled and supported by appropriate policies (Gill 2003, pp. 307-308). Attention to all additional parts as training, coaching, information flow, leadership support, rewards and reinforcement at the same time is required (ACMP, 2018, p. 20).

If Change Management is handled accurately, it can have a valuable impact on the performance and competitiveness of an organisation. Garg and Jain in 2008 through empirical study revealed the correlation between Change Management practices and competitiveness of the company. According to their publication, Competitiveness Index (CI) of organisation which is based on its performance, assets, priorities and processes is depended on the areas regulated under Change Management that leads

to the conclusion, that improvements in Change Management processes will positively affect CI (Garg & Jain, 2008, p. 59).

The level of Emotion Intelligence within an organisation directly affects the processes related to the implementation of changes at the workplace through eliciting of strong emotions among both managers and subordinates. Green (n.d.) reports, that there is a variety of reasons for the negative perception of changes where some of them could be the necessity of learning a new job role, worries about job security, fear of reorganisation and uncertainty. According to Huy (2011, p. 1389), as far as consideration of changes especially strategic ones addresses and shifts the underlying assumptions about the nature of the company, it can trigger strong defence mechanisms represented through negative emotions – the more strategic change extends to be opposition to core organizational values, the more intense the negative emotions raised among workers are. The process causes anxiety, anger, threat and fear which tend to spread more rapidly than positive ones and affect employee behaviours and productivity as well negatively.

The idea of the positive effect of Emotional Intelligence development on Change Management was also stated by already mentioned professor and psychologist Dr Green in the article in the Change Management Review-Journal. Green (N. d.) reflects on the real experience of TDC pilot in IRS organisation in 2017, which successfully implemented compelled changes by dint of the Emotional Intelligence development practice addressed to the sceptical, hesitant and resistant to change workforce. According to his article, in IRS the Emotional Intelligent program based on Bar-On's model was arranged, which was aimed to develop Stress Management Composite – Flexibility, Stress Tolerance and Optimism. Altogether it would address "how well one can cope with the emotions associated with change and unfamiliar or unpredictable circumstances while remaining hopeful about the future and resilient in the face of setbacks and obstacles". Comments of pilot participants revealed that all the objectives were achieved and the valuable contribution of Emotional Intelligence in Change Management was highlighted. (Green, n.d.)

Also, former professor of Organisational Behaviour and Human Resource Management and Director of Executive Development Programmes Gill (2003, pp. 307-309) additionally emphasizes the role of leadership in Change Management. He professes the view, that lack of commitment and resistance to change can be caused not only by poor change management but also by lack of effective management to introduce change successfully. Though the author upholds that a change in an organisation requires attention to both leadership and management, and with reference to Kotler (1990), explains that management reduces the risks, maintains the system effectively operating, whereas leadership creates useful change. Additionally, Lawrence, E., Ruppel, C. P. and Tworoger, L. C. (2014, p. 271) also noted, that during conduction of the empirical study, participated employees report the valuable role of effective leadership in keeping a team motivated, focused and fuelling their efforts.

However, even extremely allocating the leadership in Change Management, Gill (2003), as well as Lawrence et al. (2014), still advocate the importance of EI. Firstly, Gill (2003, pp. 308-311) claims the emotions of employees as the most powerful forces of resistance. Secondly, in his Change Leadership Model, the author distinguishes an entire dimension related to EI of the leader. He assures that effective leader should be able to understand oneself and other people, display self-control, self-confidence and use personal power instead of positional one and authority. What is more, EI is determined as a key to promote the shared values, support vision, mission and strategies, and to empower and inspire employees around. When, Lawrence et al. (2014, p. 271) for successful execution of change initiatives, motivation and long-term commitment recommend leaders to undertake emotion work and receive support to express and acknowledge emotional reactions. McDowell (n. d.) while commenting the work of Lawrence et al. (2014), also accentuates that leaders can enhance employee engagement and reduce the resistance with proactive management of emotions.

## 2.4 Theoretical Framework

Based on all the information gained and presented in the Chapter “Correlation between Emotional Intelligence and Competitiveness” I have developed the final and more detailed Theoretical Framework for the research that presented below (See Figure 5).

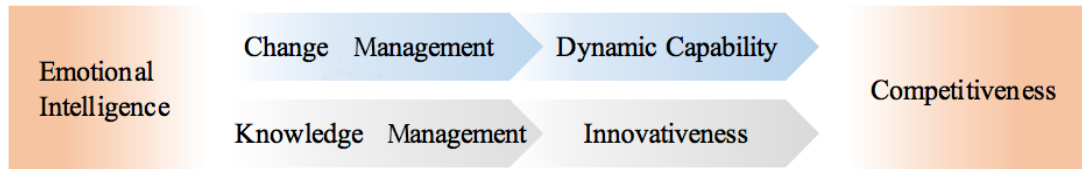


Figure 5. Theoretical Framework.

On the Figure 5 the following connection between Emotional Intelligence and Competitiveness can be seen. It was suggested based on the analysed secondary data presented in the Literature Review. Emotional Intelligence applications may contribute to competitive advantage of the company in two ways – through Organizational Change Management and Knowledge Management practices. In terms of Change Management, as it was noticed earlier in the chapter, Emotional Intelligence can positively influence management of emotions triggered by the implementation of change in the organization. It, in turn, can lead to the facilitation of a firm’s ability to integrate, build, and rearrange competences to address rapidly changing environment (Dynamic Capability) and as a result stimulate competitive advantage on the market. Regarding Knowledge Management, Emotional Intelligence applications on the workplace can facilitate interpersonal relationships that are essential for stimulation creativity and knowledge sharing and creation processes. That will improve firm’s innovativeness on the market and as a result will gain competitive advantage.

The Theoretical Framework illustrates the idea which I will be analysing through conduction of the research. It schematically reveals the prospective representation of the exact way and spheres of influence through which Emotional Intelligence positively affects the competitiveness of the company, which were explained more in detail in the previous chapter. It presents all the data in more summary, succinctly and

visual way. Practically, Theoretical Framework will be taken as a guide to the whole research conduction from development and organising the semi-structured interview questions to findings processing and analysing.

### **3 Methodology**

The purpose of this chapter is to clarify the choices under planning and conduction processes of the given research. It reveals and describes theory and logic behind methods and techniques applied on the all stages. Methodology provides a reader with a justification of the research approach and design, its context, data collection and data analysis methods.

#### **3.1 Research Design**

Research design is an overall plan of the research – a chosen by the author guidance on the way to meet the research objectives and answer research question. It outlines for the reader the research strategy, data collection techniques, analysis procedures and the time horizons and describes the reasons behind it. The research design is defined and derived from the research philosophy of the author, her approach and the research purpose along with research questions and objectives that were set in the beginning (Lewis, Saunders and Thornhill, 2009, p.136)

##### **Research purpose**

As it was already mentioned prior in the study, the purpose of the research is to investigate if there is any positive relation between Emotional Intelligence practices applied at the workplace and enhancement of competitive advantage of the company. Since the concept of EI is not studied comprehensively yet, the given research includes a deep exploration of the whole EI idea, its practical applications and consequences. Hence, theoretically the purpose of the research can be identified as Exploratory. According to Robson (2002, p. 59), exploratory research focuses on the clarification of the phenomenon, discovery of new insights and diverse perspectives. Exploratory purpose entails three principal ways – a search of the literature, ‘experts’ or focus-groups interviews, and allows a researcher to be flexible and adaptable to change as the research progresses (Lewis, Saunders & Thornhill, 2009, p. 140).

### **Research strategy**

In order to meet research objectives within limitations of resources and fulfil the research purpose, case study research strategy was chosen. According to Robson (2002, p. 178), a single case study research can be defined as an empirical investigation of a particular phenomenon in real life context by means of multiple sources of evidence. Yin (2003, p. 14) notices, that Case Study research is used especially when the boundaries between phenomenon and the context are not clearly evident, due to either belief that contextual conditions are highly pertinent to the phenomenon or phenomenon and context are not distinguishable enough. In terms of this study Case Research strategy was chosen due to both – logical explanation behind it that discussed further in the chapter and difficulty in separation between context of the IT corporate culture and the concept of Emotional Intelligence practices, since the concept is quite new and poorly defined. Another reason behind the choice is opportunities to gain a rich understanding of the context and the processes enacted that are prescribed by this strategy (Morris & Wood, 1991), as well as to explore and explain the presumed causal links interventions that are too complicated for conduction via survey or experimental strategies and have no clear, single set of outcomes (Yin, 2003, p. 16).

### **Research context**

As it was announced in the Introduction chapter, the context of the given research is focused on the educational sphere, and if more precisely – educational services. Education industry combines public, non-profit or for-profit establishments whose primary objective is to provide education. The industry of educational services was chosen as one of the growing and increasing in value sectors, that at the same time are constantly demanded and developing. Regarding KenResearch (2020), nowadays industry is large, demanding and growing with multiple sorts of franchise opportunities available, that are driven by the growth in the competitive landscape, rise in emphasis on higher education and rise in blue-collar work. Also, KenResearch highlights the combined impact of technological development coupled with globalization that raised the level of customer participation and a significant increase

in demand over high-value educational services that altogether resulted in market growth.

Within the industry the research was conducted within the UK educational sector. According to Department for Education, Department for International Trade, Hinds and Stuart (2019) British educational sector is one of the most profitable international assets with almost £20bn generated revenue to the UK economy, exports of which growing year-on-year alongside with other exports like cars, advertising and insurance. Nowadays, Great Britain is one of the global leaders in the sector with interest of the British Government in maintaining, support and growth stimulation of the offer on the global market. The above factors led to the conclusion that companies in the British education sector may have more opportunities and resources to maintain effective operations, which may include investing in corporate culture and human resources management and, as a result, in emotional intelligence practices implementation.

In the scope of British educational sector the choice was made on the non-profit organization, the name of which couldn't be revealed in the given research due to the ethical reasons and the will of the company. However, the company exists on the market for more than one hundred years and remains to be one of the global leaders in skills development and apprenticeship.

### 3.2 Research Methods

According to Johannesson and Perjons (2014, p. 39), the research strategy should be complemented with research methods that guide the research on the more detailed level – providing tools to related to data collection and data analysis.

#### **Data collection**

Data collection methods are used in order to serve the core activity of an empirical research – collect data about the phenomenon under investigation. Data can be classified by the sources of the collected data – primary and secondary – and by the nature of data – numeric (quantitative) or non-numeric (qualitative). The data collection methods vary based on the way of collection and the most widely used are



– questioners, interviews, focus groups, observation studies and documents studies. (Johannesson & Perjons, 2014, p. 55)

Within a given research project, primary and secondary data were obtained. Primary data can be defined as a raw data that wasn't yet interpreted or assembled and was accessed with one of the research methods, while secondary one was collected and described for other purposes and accessed via companies, libraries or Internet (Bush, Hair and Ortinau, 2006, p. 42). In terms of this study, Secondary data was utilized throughout the research in order to support theories, background and frameworks, and Primary data was used in an examination of research objective. The picks in sources of the secondary data were based on the authority, recognizably of the authors, and value of their contribution to the field. As regarding primary sources, the interviewee was chosen based on degree of accordance to the defined criteria – highly qualified project manager in the big prosperous UK company from educational sector that is known for caring attitude towards employees and that is able to invest in corporate culture.

For the purpose of this research, the mono method of qualitative data collection was applied. According to Lewis, Saunders & Thornhill (2009, p. 151) qualitative data collection can be used a synonym to any data collection or data analysis procedure that generates or uses non-numerical data.

A particular technique that was chosen for the exploratory purpose of the research is a semi-structured interview. An Interview is a communication session between a researcher and a respondent in which a researcher controls the agenda by asking questions of the respondent. An interview was applied to this study because it is effective way for gathering complex and sensitive information that will be provided with emotions, attitudes, opinions and experiences from the respondents. (Johannesson & Perjons, 2014, p. 57). In semi-structured interviews a researcher has a list of themes and questions to be cover, although an omission of some questions or additional questions can be asked, and an order can be changed depending on the flow of the conversation (Lewis, Saunders & Thornhill, 2009, 320). This data collection technique was chosen due to a flexibility in conduction that allows a researcher to adjust to a respondent and gain more information. In addition, this way of data

collection creates a trustful relationship between participants and facilitates an open and empathic discussion with a motivation to share the stories (Bailey, Hennink & Hutter, 2011, p.109).

In order to conduct a semi-structured interview properly, a list of questions was designed in advance to the session and can be found in Appendix 1. All the types of questions were applied - open questions, probing and specific. Open questions were used so as an interviewee could define and describe the phenomenon in extensive and developmental answer that may reveal attitudes and obtain the facts. Probing questions were generated to explore more explanations, reasons or meanings without judgement to supplement open questions. Finally, in order to obtain specific information on a question specific questions were acquired. (Lewis, Saunders & Thornhill, 2009, 337-p. 339).

All the data was recorded via audio-recording system on the phone and the laptop, the contextual data was recorded, terms of confidentiality and anonymity were discussed and the permission for the record was asked beforehand (Saunders & Thornhill, 2009, p. 334).

### **Data Analysis**

Data analysis is a necessary procedure for deriving a valuable information from the collected data to describe or explain some phenomenon under investigation. A researcher needs to transform large volume of data into manageable and meaningful pieces of information: the raw data should be prepared, interpreted, analysed. There are two kinds of data analysis – qualitative and quantitative – within this research, the former was chosen. (Johannesson & Perjons, 2014, p. 61)

Qualitative data analysis is used with non-numeric data such as text, sound, images, and video clips that is used to describe the phenomena. For the purpose and the objectives of this research, the Content Analysis was chosen as a data analysis method. Based on the Theoretical framework, five variables were used to analyse the data and they were representing: contribution to Innovativeness, contribution to dynamic capability, contribution to the quality of the processes, correlation with competitive advantage, and absence of correlation with competitive advantage.

When primary qualitative data was collected via semi-structured interview, the exact words of the interviewee and interviewer were transcribed in a Word document for further analysis simplification. Thereafter, the whole text was coded according to created codes representing the variables. Coding is used to refer a chunk of data to the selected topic and makes it easier to interpret, analyse and summarize collected information (Medelyan, 2020). Then, coded information was compared with the data presented in the Literature Review and Theoretical Framework chapters in order to summarize and derive conclusions regarding the research question, purpose and objectives.

### 3.3 Verification of the Results

There are several issues that affect the quality of a research and need to be considered and addressed in working with qualitative data – validity, reliability and generalizability.

According to Lewis, Saunders & Thornhill (2009, p. 326), in relation to qualitative research, reliability is concerned with whether alternative researchers would reveal similar information and accept the research as credible and trustworthy. Also, reliability is associated with issues regarding both types of biases – interviewer's and interviewee's – whether the non-verbal behavior, formulation of questions asked, atmosphere and other factors affected the collected data or own beliefs imposed on the presented results. To minimize reliability issues, a certain preparation and planning was held.

In order to prevent interviewee biases appropriateness of a location, appearance of the interviewer and approach to questioning were taken to consideration before the interview conduction. According to Lewis, Saunders & Thornhill (2009, pp. 329-330), the place where the interview is taken and an appearance of the interviewer may influence the collected data. In terms of location personal safety of all participants should be guaranteed, and comfortable and convenient places should be found where issues of disturbance and external noise are prevented beforehand. Regarding the appearance, it affects a perception of the interviewer, her creditability and the reliability of the provided information. Within the given research the interview was

conducted via Skype that provided participants an opportunity to choose the most convenient, comfortable and appropriate surroundings, assure flexibility and safety during the COVID-19 Pandemic. The researcher was dressed in a similar style to an interviewee in order to match the setting and prevent bias related to appearance.

To reduce interviewer biases in data conduction of the semi-structured interview and interpretation of the results the topic of the research was thoroughly studied beforehand, the research design with the reasons behind the choice of strategy and methods were explained in the Methodology Chapter. In addition, to prevent inaccurate analysis of the collected data clarifying questions were constantly asked throughout the interview.

Generalizability and validity of the results can become another issue in qualitatively based interview studies. Generalizability addresses the degree to which the findings can be generalized from the study sample to the entire population (Polit, & Hungler, 1991, p. 645). Validity refers to the extent to which the researcher gains access to participants' knowledge and experience and is able to infer a meaning that participant intended from the language that was used (Lewis, Saunders & Thornhill, 2009, 337-p. 327). In order to address the generalizability issue of the research, the author notifies the readers that a case studies with data collected via semi-structured interviews cannot be used to make generalizations about entire population, especially when the results were based on the small and unrepresentative number of cases (Lewis, Saunders & Thornhill, 2009, 337-p. 327). The author also highlights, that the current research was conducted in order to reflect reality at the particular moment in time, in the particular company, therefore the research findings may be subject to change.

## **4 Results**

In this chapter, the results of the data analysis will be presented in four subchapters correlating with Theoretical Framework – Competition and competitive advantage of the company, Emotions and innovativeness, Emotions and dynamic capability, company's perception of EI. In the first subchapter, the competition surroundings will be discussed with all the factors influencing its position on the market. In the second, the role of emotions in the stimulation of innovativeness and working processes will

be presented, as well as its impact in building a competitive advantage. In the third, the findings regarding the interconnection emotions, dynamic capability and competitive advantage of the company will be represented. Finally, to drive a conclusion from the presented impact of diverse emotions on the working processes, findings regarding an EI concept as a tool for a competitive advantage enhancement, general attitude towards EI in the company will be given with information about existing practices, applications and consequences.

### **Competition and Competitive advantage of the company**

Competition and competitive advantage were discussed in the first place. The primary competition in the academic field of the chosen company is for colleges because they are the customers that make decisions regarding product use – whether the courses in the educational program would be provided by the given company or its competitors. Indirectly, the company also competes for a student as the end-user of the product – colleges are looking for attractive and demanded courses since the more students are interested in the course – the more will apply for the program. Just like in any company, the competition on the market is quite high and it is important for the company to remain "at the forefront of the competition".

A competitive advantage of the company is built on the prosperity of the two areas – course development and operational processes. Course development boils down to the mentioned attractiveness of the courses for the students. It is mostly related to the content of the course, relevance and opportuneness, innovativeness, compliance with accepted standards and regulations and industry validation. Operational processes are concentrated on the process convenience and affordability - costs for colleges for registration and examination, the usability of application processes, the flexibility of examination, etc.

Course development is paramount in terms of competitive advantage, and it is highly dependent on people involved in the process. The process is organized via group discussions and group-projects, where participants and external contractors are selected by the area of competence, calcification and reliability. However, according to the respondent, effectiveness and innovativeness of the accepted solutions and swiftness of the processes are also determined by the attitude of the participants to

the process. That is the area of Emotional Intelligence influence on the competitive advantage through the impact on the quality of the working process, that will be discussed in the following subchapter “Emotional Intelligence and Innovativeness” in detail.

Another significant component of competitive advantage in both course development and operational processes is innovativeness. It relates to the internal innovations in the company, innovativeness of the processes mentioned before and adaptation of external innovations in the field of activity. The interviewee points out that current competition is highly based on the degree of innovation and technology implementation in the educational process, and it is vital to keep an eye on the new methods and tendencies. Therefore, the company integrates many modern and diverse methods related to the final product, as well as innovates the organizational procedures within the company in order to enhance the working processes or according to governmental regulations since it is a certifying company under government regulations, and the state constantly changes financing procedures and regulatory requirements. As a result, in addition to the fact that the company must always bring its system processes in line with the new requirements of the state, and in order to maintain its competitive position, it must also follow the development of the market, the emergence of trends and new players in the educational sphere.

### **Emotions and Innovativeness**

As it was mentioned by the respondent, the emotional aspect is a significant component of the working and innovation processes, so the practical impact can be noticed. The main areas that are positively or negatively affected by emotions are effectiveness, productivity, efficiency, decision-making and time consumption, whereas the main contributors are general atmosphere, relationships in the group, positive emotions, negative emotions and loyalty.

According to the respondent, the overall atmosphere in the company noticeably affects the working process in terms of willingness of employees to participate in the development projects, that are usually extra workload to the regular activity. As soon as there are hard times for the company followed by common tension, uncertainty

and anxiety – employees' attention is fully taken, and it becomes extremely difficult to get them involved in any other activities that basically enhance the final product. At the same time, "benevolent atmosphere" that is expressed in mutual support and absence of internal competition among employees in the company, conversely, has a positive impact on the development projects. It increases trust and openness in communication since workers have an interest in the "common goal and prosperity" instead of individual promotion or recognition and reduce cunning and conflicts.

In addition, strong positive emotions themselves have a favourable effect on development processes. According to the respondent's observations, sincere enthusiasm, interest, involvement and motivation have a huge impact on efficiency and speed of work, creativity, concentration, initiative and innovation. Pure enthusiasm and interest are expressed in the degree of attention that people pay to the project, the intensity of work and, as a result, in the contribution made. As it was pointed out by the speaker, enthusiasm actually triggers the motivation and concentration of the participant. This makes the process powerful, where each participant is strongly focused on the goal and motivated by the positive social contribution made by the end product, that all resources are invested in the project.

However, the enthusiasm impact is not solely positive, there is also the "reverse side of the coin". The extreme initiative makes people involved in every process in the company, that can be outside of the employee's area of competence, responsibility or awareness – it distracts and irritates. Moreover, interviewee's experience demonstrates, that it complicates and slows down decision-making, since employees, who did not participate in a long-lasting project, but suddenly appeared in the discussion process, confuse partakers with questions and sow doubts about the already analysed nuances that are poorly fixed in the memory. This initiates the additional discussion, which delays the decision-making process and distracts attention.

Moreover, any positive correlation between enthusiasm and creativity potential wasn't observed as well. The interviewee suggests that creative potential is more dependent on the nature of the task and personality of a particular individual. Adjustment and correction work do not imply any creative potential, while creative

approach to product development or solving a certain complicated problem will be depended on the one's character and predisposition to solving complex issues and thinking out-of-the-box.

What goes to the negative emotions, they also affect the processes ambiguously. The only useful contribution noted by the respondent was related to the stress caused by increased responsibility or high probability of harm for the end-user. According to the respondent, students and responsibility to them is an extremely strong component in employee's motivation in general. Every time, when an unexpected incident occurs that affects a student, people will be ready to work nights and give their best to the last in order to solve the issue and provide the end-user with a proper product, while the financial risk for the company will not motivate at the same level. So, in the given context, that kind of stress would be the source of forces mobilization and lead to the more effective and productive results, however stress caused by other reasons would work in the opposite way.

Emotions such as anxiety, fear, worry and tension impact the innovation processes highly negatively – from severe stagnation to the likelihood of project suspension. One of the issues is personal worries that due to lack of stress management are projected onto other project team members. It can be expressed as an extreme stubbornness or even aggressive and irritable attitude at the brainstorming session, that would spoil the process and results; or it can be complete isolation from the process and distraction of other participants, which will also affect the quality of work. Inability to work properly and productively can also trigger the group managers that are responsible for processes coordination and interaction in the group with regulations regarding common brainstorm practices, that also would affect final results of the session. As it was reported, people experiencing anxiety have less productivity - in the same amount of time they manage to do less; they also distract others because they need to talk and altogether it hinders the process.

It was said that positive emotions are not the main aspect for creative potential occurrence, however the impact of negative emotions on creativity and thinking “out-of-the-box” was mentioned. According to the respondent, in case of a person being diverted by inner worries, they would less likely approach the problem from different



angles. The concentration is engrossed, and people of unconventional thinking are following the process “with one eye open”, missing the fact of extraordinary cases and “moving along a well-trodden road”.

Another case that was given as an example – negative experiences associated with reorganizations. In the company, departments that fall under cuts are announced in advance, that makes every employee from the risk group nervous, and "it becomes impossible to work with each one of them". Referring to 15 years of working experience in the company and going through two massive reorganizations, the interviewee shared the following:

*"The tension affects seriously, it completely occupies all employees' thoughts – people forget to do what they have promised, there is a need for constant monitoring in order to get at least any result, while close monitoring also causes only irritability, anger and hostility."*

In addition, even over control may be pointless, because requests, reminders, and planning may also fail to produce any results. According to the speaker, that particular tension leads to complete disorganization and absence of “ability to work”, that rarely but possibly can result into a suspension induced by long-lasting stagnation of the progress.

### **Emotions and Dynamic Capability**

Now, as the impact of emotions on the innovativeness of the working processes and final solutions was presented, collected data regarding the correlation between emotional aspect and implementation of organizational innovations and changes will be revealed. As it was already mentioned, organizational changes and innovations within the company happen all the time – however, from the interviewee words, it is also important to integrate the innovations or reorganizations appropriately “without any productivity losses”. The respondent notices a need in respective change management in terms of consistent and orderly implementation and addressing feelings of block and resistance, which is consideration of emotional aspect within dynamic capability of the workforce. Yet the most fundamental changes are the reorganizations and, in that case, emotions are more like consequences that affect other processes than vice versa. However, in terms of smaller changes that are

happening more frequently, but with a big amount of procedures simultaneously - emotions are the aspects that influence the process of implementation.

Based on the interviewee's experience, emotions affect the process of implementation in terms of intensiveness – acceptance and swiftness. The speaker shares, that it is hard for an employee to cope with a great number of innovations implemented at the same time, and when it happens “oversaturation” transforms into blocking and resistance, that affect the execution of each innovation - a person is no longer able to perceive new information, which does not allow the company to carry out the next solution and appropriately manage the just implemented one. In the respondent's opinion, has to be addressed in order to develop constantly and effectively, and without productivity losses.

Moreover, emotions are affecting dynamic capability of the company on the level of decision-making processes. Stress and fear caused by high responsibility when making an important and serious decision lead to postponing the decision itself. As it was noticed, the postponement is caused not by lack of data, analysis or unresolved questions, but because of fear and a subconscious desire to remove responsibility and pass it on to another. So, in that particular situation stress leads to the time-wasting and stagnation, preventing development and potential prosperity.

Although, there was an emotion mentioned that affects innovation implementation positively – it is loyalty. It can be any kind of loyalty: loyalty to the company, loyalty to company's activity and social impact, loyalty to students or even loyalty to the “teaching predestination” – either way, it positively influences the processes of innovation implementation. It was noticed, those loyal workers would “swallow any number of changes at once and find a way to manage it”. Another question is that it is made to their own detriment and may lead to a certain managerial intent and overuse.

## The role of EI implementations in the company

As the reader can see, various emotions through innovativeness and dynamic capabilities influence the competitive advantage of the company in different ways. An illustration was created to schematically show and sum up the findings regarding role of emotions on the working processes based on the speaker's observations. (See Figure 6.)

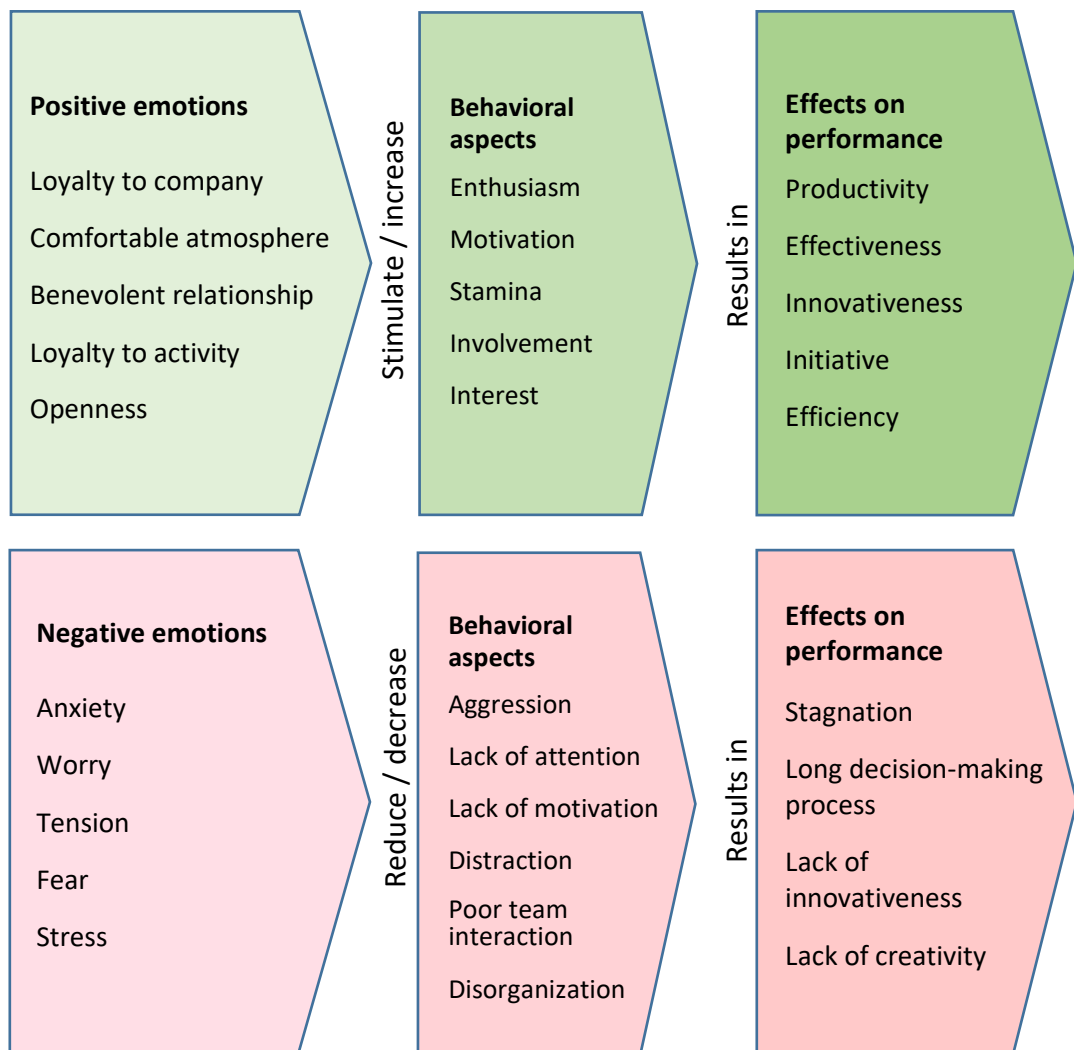


Figure 6. The impact of emotions on working processes. Summary.

The interviewee admitted the “undoubtable” practical impact of emotions and indicated that “with highly developed emotional intelligence of co-workers there would be fewer interfering situations, since people would understand their emotions better, manage them appropriately and at least separate co-working from private with

prevention of projecting one on another". Therefore, in this final subchapter collected data related to the Emotional Intelligence concept, its influence and practices within this particular company will be presented.

First of all, the definition of Emotional Intelligence was discussed. According to the interviewee's understanding, Emotional Intelligence is sort of an individual's competence that is related to the fact that "each person is responsible for their own emotions and for managing them" and can be developed. The speaker sees the practical impact of the emotions on the working process and certainly observes the necessity to address them in order to receive a higher input. Moreover, the interviewee as a project manager considers emotional aspects in the project plan, so that she appraises that in the beginning the progress will be rapid due to common enthusiasm and motivation, whereas in half of the year the progress will be slowed down due to the "weathering of enthusiasm" and the loss of attention to other company activities and projects.

The respondent highlighted that in her own perspective Emotional Intelligence is a responsibility of the worker and it is in his interest in the first place to improve that skill. She pointed out that personally perceives it on the same level with technical and professional skills or qualifications, and treats it as the responsibility of the worker, rather than the company. From her perspective, Emotional Intelligence should be a trait by which person will be selected for work, instead of being a trait developed in the workplace. However, she also points out that it is one of the characteristics that can be quite hard to evaluate before hiring.

However, the company's directorate attitude towards EI is dissimilar. According to the interviewee, the company takes employees' emotions into consideration and "at least tries" to help people manage them appropriately. Directorates of the company involve external consultants, test and implement diverse practices, invest money and working time towards EI management and development.

What goes to the practices applied in the company, there are quite many of them, however, it was noted that they are not named as "EI" directly. First of all, the company provides employees with professional psychological consultations on demand. It is organized as a telephone line that is accessible for anyone at any time. The respondent

shared uncertainty regarding the effectiveness and demand of the practice because she doesn't possess any statistics regarding the frequency of calls or proofs of the actual help – “the opportunity is still there open, but even with that practise emotional issues are not completely resolved”.

Another practice is once a fortnight half an hour group discussion of 5-6 people to share personal successes, failures and problems. There are middle managers involved in the process, however, people in the groups are not necessarily working together on the same project or subordinating each other. Meetings are only regulated via schedule in order to keep it systematic and permanent and the aim is to discuss any emotional experiences with topics free of choice with or without connection to work – to speak it out, to share, to be heard, supported and to mutually help each other.

It was reported, that direct lectures, workshops, and discussions motivate people to think about the role of emotions in their lives, or better deal with their own emotions, or understand the emotions of others better are not yet practicing. However, the company is open to test different approaches to the emotional aspect – the interviewee highlights that company considers employee's emotions as a significant part of the corporate culture, therefore managers regularly involve external consultants and coaches for establishing of effective communication, support and expertise in order to perform even hard activities such as reorganizations in the less harmful way possible for all partakers.

Another activity that is related to the management of emotional experience in the company is practices aimed at Equality & Diversity development. As it was noticed, there are many people of different ethnic backgrounds, so in order to create a pleasant and inoffensive working environment, special seminars called “Lived Experience” were organized. On the seminars employees voluntarily share unpleasant experiences and cases of blatant racism, discrimination and any other harassment based on nationality with people who are “in the same boat” with them. It is done so that people can speak out, release accumulated negative emotions, get support and spread the awareness among people, who may have done offensive actions unconsciously and accidentally. In the nearest future, employees are planning to create a guiding booklet of summary

with examples based on the collected information for prevention of the offensive discriminative behaviour at the workplace.

Finally, the company tries to address inevitable negative feelings such as anxiety, fear and loneliness caused by COVID-19 Pandemic and enforced self-isolation. According to the speaker, now when income decreases, as well as financing and turnovers employees, are terrified and frustrated. To help employees to recover and reduce stress company frequently and transparently keeps workers updated, shares results of the past months with all the threats and opportunities, and always highlights positive aspects – and based on the interviewee's words, it actually helps to calm the atmosphere down and make people feel and work better.

As for the consequences and results of the practices listed earlier, the respondent highlights openness, supportive working environment and effective communication flow among all management levels. She pointed out that these trusting and benevolent relationships stimulated through group discussions contribute to the openness between managers and subordinates, that allows sharing the worst and the best details easily and effectively. Also, besides reducing negative impacts on the working processes and increasing positive ones, altogether the mentioned practices lead to employees' loyalty to the company and high duration of employment. According to the respondent, such a caring attitude that is also expressed through EI practices implementation increases loyalty that positively affects other processes, that were discussed earlier.

However, the respondent observes, that at the moment the company effectively utilizes emotional aspects rather than develops them, and through that it positively affects competitiveness in the first place. Even though the company is interested in EI development as well, for now, it is not the primary goal. Also, the difficulty in the measurement of the effectiveness was mentioned. On the example of Change Management practices that were held for a certain period of time, it was discussed that at the end of the projects or innovation implementation with EI and Change Management applications there still will be the same result as without them.

According to the interviewee, the importance of practices execution is clear, but the system behind the evaluation of the executions are still questionable in order to be fully implemented.

## **5 Discussion**

In this chapter the main findings will be summarized, clarified and assessed in the light of literature, then managerial applications will be presented, and at the end of the chapter limitations of the given research and recommendations for future research can be found.

The objective of the thesis was to explore Emotional Intelligence concept, its correlation with the competitive advantage of a company. The research question was how does emotional intelligence contribute to the competitive advantage of the company.

In order to answer the question, the focus was made on the one particular company from one of the rapidly developing spheres - educational. The due to ethical reasons and the will of the respondent the company name couldn't be disclosed in the study. The data was collected via an in-depth semi-structured interview with a Project Manager of the company, then it was analysed and presented in the Results chapter.

### **5.1 The Main Findings**

The purpose of the given study was to investigate if there is any positive relation between Emotional Intelligence practices applied at the workplace and facilitation of the company's competitiveness in the real circumstances. The gained results can provide readers with useful information regarding the practical consequences of EI practices, change their perception of the concept and its value in the Business field and suggest new perspectives on the components of competitive advantage.

Firstly, in the current study, the impact of emotions on performance was detected and the dependence of the innovativeness and dynamic capability, that are directly connected with the competitiveness of the company, on emotions was practically observed. The research showed the impact of emotions on productivity, effectiveness,

engagement and decision-making as it was stated by Lazovic (2012), and also motivation. Likewise, it was mentioned in the research of Carmeli et al (2013, pp. 5-6) the findings of the given study revealed that people experiencing positive emotions indeed are more likely to have energy, flexibility and more creative thinking towards solutions. However, in addition to the results of Carmeli et al (2013), this research discovered the mentioned positive burst of energy caused also by stress which cannot be connected to the “positive mood”. Therefore, it was confirmed, that the EI as an ability to appraise oneself and others’ emotions correctly, manage and consciously separate them from the process would contribute to the competitive advantage of the company.

Within the research, the EI concept was explored and its correlation with a competitive advantage on the practice was proved as it had been suggested. Based on the interviewee observations, the benefits of the high level of EI, which is within this particular company was more gained via selection rather than development, include the establishment of supporting and trustful relationships with colleagues, enhancement of loyalty, decrease in disorganization and stagnation, that all together lead to more effective info flow among the employees, openness and better productivity and innovativeness, as it was assumed in the study of Carmeli (2013) and Lazovic (2012) as well. The impact of emotions like anxiety, anger, threat and fear, as well as the influence of positive emotions like enthusiasm, loyalty and engagement on the employee behaviours and productivity mentioned in the studies of Huy (2011) was revealed in the case of the given company, however, the practical drawbacks of the positive emotions and good aspects of the negative ones were also surprisingly discovered.

Regarding the EI role in Organizational Management, the research confirmed suggested correlation between EI and Dynamic Capability. The findings revealed similar to presented by Feher (2004, pp. 20-21) results related to the feelings of resistance, block on practice if changes in the company implemented in an inconsistent and ill-conceived way. The positive correlation between EI and change implementation was observed as well.

Also, the study has revealed the current awareness around the EI concept. It was discovered that at the moment of the current study the EI concept is familiar to the



corporate world, however, understanding of the concept is still approximate and shallow, that can discourage the implementation of practices aimed at developing EI in the workplace. Nevertheless, the attention to the emotions of employees and their role in the company's work processes was noticed - the company makes efforts to address them via certain practices aimed at emotion management, but it is not officially identified as EI activities even within the company. Currently, development of EI at the workplace is considered to be desirable, but not necessary and primary at the first place in the company and therefore there are no particular EI workshops, seminars, EQ-I or EQ 360 assessments in the company that could be applied in the corporate culture according to Ackley (2016, pp. 12-15)

Moreover, a different attitude towards EI development within a company was revealed. From the perspective of hiring based on the trait rather than the development of it within the company, the benefits are radically opposite for managers and subordinates. On the one hand, it can ease the enhance the working process without any extra efforts. On another hand, it will raise the competition between job-candidates and between hired employees within the company, that can lead to negative consequences revealed at the research. Finally, the research revealed the difficulties in practical applications related to the verification of effectiveness and measurements of the impact of the practices, that can be very useful for exited readers.

The findings of the given study are addressed to project managers, change managers, human resources managers and all of the employees who are responsible for the establishment of appropriate corporate culture, management of human interactions within the company, leading of the project groups, running innovation activities and change implementations in organizations. The research can contribute to raising awareness around the concept, clarification of the meanings behind it and demonstration of practical consequences and applications. On the basis of the shared educational company's experience presented by the study, managers can gain insights into the practical value of the emotions and EI development in the working process, and observe the difficulties of practices implementation and measurements. Altogether these factors will help managers to approach working processes and competitive advantage components from a diverse and more comprehensive

perspective and assess the opportunities and risks in case of implementation of EI practices

## 5.2 Limitations and Recommendations for Further Research

There are several limitations of the thesis that can affect results. First of all, it is the problem of rare practical applications of the investigated phenomenon. Since the concept of Emotional Intelligence is new and at the same time complicated subject, there is highly increased awareness around it during recent years, but still very low and rare implications of the practices. Also, it is not easy to find a company that indicates the applications of EI development in organization. Therefore, the fact that all the results were based on the data provided by the only respondent within the particular company of the certain industry, therefore any generalized conclusions can't be made. Even though the results and findings still can be applicable to the other business spheres, the reliability of the given research can be questionable.

Reliability can be also subjected to doubt because of the ethical issue. The fact that the author cannot reveal the name and the facts regarding the respondent's company reduces authority and credibility of the collected results and opinions. However, the author decided to sacrifice these aspects for the sake of conducting an interview with a very professional erudite and highly competent specialist of a well-known company in order to receive bigger amount of data from wider and more intelligent perspective.

Another reliability issue could be the potential biases of the author due to the lack of experience in the conduction of academic researches and expertise in the psychological field. Since the topic is deeply correlated with emotions, mental health and psychology, the author of the thesis could be rarely inaccurate in terms. However, the author pursued the goal to be as objective and unbiased as possible and have gained quite strong expertise in the mentioned fields while was working on the thesis.

However, all the mentioned aspects serve as the perfect base for further research.

The given thesis once more proved the importance and relevance of the concept to the corporate business world, showed the high interest in the subject, also revealed difficulties and main blocks against implementation, that demonstrates lack of research in the field and many opportunities to discover. The wider scope of

industries, companies and wider range of employees could be investigated in the further studies, the concept can be examined from diverse angles and perspectives, and experts of different fields can be involved in the process to make further results more comprehensive and widely applicable.

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## Appendices

### Appendix 1. Guidance to semi-structured interview

1. What makes competitive advantage of your company? What are the factors that contribute at most?
2. Which role do people play in building competitive advantage?
3. Are you familiar with Emotional Intelligence concept?
4. How do emotions affect your professional life?
5. How does positive moods affect it?
6. How does anxiety/fear/threat and anger affect your working process?
7. When you experience positive emotions do you feel that your intellectual resources expand and enable you to explore search and generate new ideas more effectively?
8. How do they affect working processes in the company?
9. How EI can be applied to management in your company? If no, why not?
10. Does your company apply EI practices at the workplace? If yes – which and how? If not – how can it be applied and is it necessary?
11. Are you familiar with Knowledge Management concept?
12. How is Innovativeness linked with competitive advantage of your company?
13. How is Innovativeness being stimulated at your company?
14. How are team-work sessions/projects organized in your company (discussions, brainstorm, meetings, briefings)?
15. What are the factors that support the processes? What are the factors that aggravate it?
16. How can these processes be developed?
17. What are the characteristics that make an effective working team?
18. How EI development would affect team interaction?
19. How improved relationships in a team affect working process in your company? Any correlation with innovativeness/productivity/effectiveness/involvement/creativity?
20. How does trusting and cohesive environment affect motivation and creative potential?
21. Are you familiar with the concept of Organizational Change Management?

22. How are changes implemented in your company?
23. How adaptability or dynamic capability to changing environment related to competitive advantage of your company?
24. Which role does leadership play in competitive advantage of your company?
25. How emotions affect information flow in your company?
26. How willingness to take risks related to the competitive advantage of your company?
27. Do change implementations in your firm trigger resilience and block emotions? How is it addressed? How management of emotions can influence the process?
28. How loyalty of employees related to competitive advantage of your company?
29. How would Emotional Intelligence applications on the workplace affect competitive advantage of your company on the market, in which way and how?
30. Should company invest into EI development at the workplace?