



**A Study on the influence of Emotionally Intelligent leaders on the work performance of  
the Islamic Banks in the UAE**

دراسة حول تأثير القيادة ذات الذكاء العاطفي على الاداء الوظيفي في المصارف الاسلامية في دولة الامارات العربية  
المتحدة

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## **ABSTRACT**

This dissertation aims at exploring the role of Emotional Intelligence (EI) competences in predicting job performance within the Islamic banks in the UAE. The paper is the first study in the UAE context that explores the role of EI leaders in influencing performance effectiveness in Islamic banking. This study consists of two main concepts: Job performance and EI. A self-administrated questionnaire was developed by combining two scales. The first one was Wong and Law Emotional Intelligence Scale (2002), and the second one was Welbourne and Johnson Erez (1998) scale. The questionnaire used to survey the employees of 6 Islamic banking organisations in the United Arab Emirates. The data were collected using an online application.

The factors of the two main variables (EI and Job Performance) were indentified to analyse the relationship between them. EI consists of 4 factors: Self Emotional Appraisal (SEA), other's Emotional Appraisal (OEA), Regulation of Emotions (ROE) and Use of Emotions (UOE). Job Performance consists of 5 factors: Job, Career, Innovator, Team and Organization.

The correlation and regression analysis were used to test and identify the relationship between leaders EI and job performance. The results revealed a significant and positive relationship between leader's EI and job performance of the employees of the Islamic banks. Five hypotheses linked between the EI and Job performance factors were selected to be studied in this paper and it was found that EI have a strong positive relationship with the Job performance factors. The sample consisted of only Islamic banks responses and it is limited to evaluate the EI leaders and job performance in the Islamic Banks in the UAE.

**Keywords:** Emotional Intelligence, Emotional Competency, Job Performance, United Arab Emirates, Islamic Banking.

## المخلص

هذه الدراسة تهدف وللمرة الاولى في الوطن العربي الى توضيح دور القيادة ذات الذكاء العاطفي و تأثيرها على الاداء الوظيفي في المصارف الاسلاميه في دولة الامارات العربية المتحده. هذا البحث يحتوي على مفهومين رئيسين هما الذكاء العاطفي و الاداء الوظيفي. تم انشاء استبيان الكتروني بعد الدمج بين استبيانين موثقين. الاستبيان الاول للباحثين ونغ و لو (Wong and Law, 2002) لقياس الذكاء العاطفي والآخر للباحثين ولبورن و ايرز ( Welbourne and Erez, 1998) لقياس الاداء الوظيفي. تم توزيع الاستبيان على موظفين 6 مصارف اسلاميه في دوله الامارات وجمعت المعلومات عن طريق برنامج الكتروني.

لدراسة العلاقة بين المفهومين الاساسين (الذكاء العاطفي و الاداء الوظيفي) تم استخلاص العوامل المتغيره لكل منهما, الذكاء العاطفي يتكون من 4 عوامل: التقييم العاطفي الذاتي, التقييم العاطفي للآخرين, تنظيم العواطف و استخدام العواطف. الاداء الوظيفي يتكون من العوامل التالية: الوظيفة, الحياة الوظيفية, الابداع, الفريق والمنظمة.

تم تحليل الارتباط والانحدار بين المفهومين في هذا البحث لدراسة وتحديد العلاقة بين القيادة ذات الذكاء العاطفي و الاداء الوظيفي. هذا البحث كشف عن وجود علاقة ايجابية واضحة بين الذكاء العاطفي والاداء الوظيفي. تم تحديد خمس فرضيات ربطت بين العناصر من كل المفهومين لدراستها في هذا البحث التي وجدت علاقة ايجابية بين قياده ذات الذكاء العاطفي و الاداء الوظيفي في المصارف الاسلاميه في دولة الامارات المتحده.

المشاركين في هذا الاستبيان يمثلون فقط الموظفين في المصارف الاسلاميه للدوله. هذه الدراسة لبحث تأثير القيادة ذات الذكاء العاطفي على الاداء الوظيفي للمصارف الاسلاميه في دولة الامارات

**الكلمات الرئيسية:** الذكاء العاطفي, الاداء الوظيفي,مهارات الذكاء العاطفي, الامارات العربية المتحده, البنوك الاسلاميه

## **DEDICATION**

I dedicate this thesis to my parents. Without their patience, understanding, support and most of all love, the completion of this work would not have been possible.

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This dissertation would not have been possible without the guidance and the support of several individuals who in one way or another contributed and extended their valuable assistance in the preparation and completion of this study.

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## **Chapter1: INTRODUCTION**

### **1.1: Introduction**

Many studies have posited the importance of Emotional Intelligence (EI) in work performance (Abraham, 2004; Austin, 2004; Carmeli, 2003; Gabril and Griffiths, 2002; Higgs, 2004; Law, Wong and Song, 2004; Lyons and Schneider, 2005; Sy, Tram and O'Hara, 2006 and Varca, 2004). The interest in EI concept is peaked by a desire of most organizations to improve employee performance. This paper intends to examine the role of EI leaders in influencing performance effectiveness within the Islamic Banking in the UAE. It will relate the concept of EI with work performance. It proposed that leaders with different levels of EI will significantly influence the performance through its difference dimensions. EI is portrayed through four dimensions including self awareness, self-management, social awareness and relationship management as observed by Jones (2012).

As a novel leadership approach, EI has made it possible for most individuals to achieve success in handling the effects of internal and external environments in the modern-day business place (Emmerling, Shanwal, and Mandal, 2008). In most instances, the ability of a leader to appreciate the intrinsic and extrinsic aspects which influence decision, actions and contingencies remains the most reliable approach to succeeding in his objectives. EI provides a leader with a multiplicity of competences and capabilities, allowing apply multipronged strategies to simple and complicated challenges in the workplace. As a result, the unique approach to establishment of solutions is the sole source of success, considering that the leader remains proactive.

Financial institutions have only recently witnessed an energetic, speed-paced, and highly competitive environment. A study in 2003 showed that Islamic financial institutions are experiencing exponential growth, characterised by more than 160 institutions are currently

operating globally (Dar, 2003). Most of banks adapting Islamic financial principles were initially established in the countries in the Middle-East. In view of its success, the numbers of conventional banks that have recently observed the benefits of the Islamic financial services globally are in an increase including in emerging institutions in the developed countries. Islamic banks adapt a principle of interest free trading. Consequently, the sharing of profit and loss in handling their business deals and projects required financial investments, whereas, the contemporary banks adapt conventional interest-based principle in performing their business (Ariff, 1988).

This approach to banking and provision of financial services provides a novel challenge to any individuals and system in the world. Actually, there was a major tussle in the integration of Islamic Banking into the mainstream financial services category due to the difference in principles. This is because of the need to develop new and custom designed approaches to determining performance, computing returns and reporting outcomes. As a result, challenges in the determination of profit and loss sharing ratios and the determination of when to share such profits and losses introduced a catalogue of challenges, due to its amorphous nature.

In this study, an investigation into the impact of EI as an approach to establishing solutions to challenges posed by Islamic banking. Focus is directed towards identification of the influence of the leaders applying the principles of EI in the banking institutions in the UAE.

## **1.2 Problem Statement**

The Islamic banking sector has been growing at a very rapid momentum, particularly in the Gulf region. The financial results for Islamic banks have confirmed the view that the industry is not intrinsically better positioned than its conventional counterpart to take advantage of the global recovery. The sector has benefited from its lack of direct exposure to sub-prime mortgage

assets (Islamic Finance, 2010). For this and many other reasons banks should focus on leadership.

The banking business is associated with dealing with customers from different backgrounds, expectations and needs. Therefore, to increase your customers' satisfaction, it is essential improve job performance. EI competences are very important for managers particularly at senior levels working in the banking sector. Managers have to maintain and develop EI competences and to master it in order to be embedded in their subordinate beliefs and behaviours so it is becomes a part of the organisation culture cascaded to employees at lower levels i.e. Shareholders, and internal customers i.e. their employees.

### **1.3 Rationale of this study**

Management practices and initiatives vary in their effectiveness within a particular organisation from another. One of the basic reasons for the effectiveness of the outcome of these practices and initiatives is due to the culture of the organisation in relation to its business nature and people perceptions i.e. their employees and customers. Islamic banking systems work in accordance with certain conservative factors stipulated within the Sharia Law. Majority of the employees who join these organisations are of the same conservative type and are wary of conventional banks even though the latter provides better financial packages. Therefore, it is naturally expected that effective relationship between team members and their leaders is a key factor in enhancing employee morale and motivation for a better performance. Hence, it is important that top management appreciates this fact and establish the terrain for establishment of mutual relationship. EI is an area that needs to be explored and investigated to see whether the development of competence related to EI can optimise the effectiveness of the relationship between leaders and subordinates and the reflection of which on the job performance. This paper

aims to explore and identify the relationship between leaders EI and Islamic banks work performance in the UAE. The question needs to be addressed how the impact of EI on job performance in maximizing productivity, gaining employees loyalty and enhancing overall work environment.

#### **1.4 Scope of Research**

The scope of this report is limited to evaluate EI leaders and work performance of the Islamic Banks. A succinct analysis of the aspect of Islamic banking has not been done, since it is not the subject of this study. However, sufficient direction has been given to the intrinsic and intricate aspects of EI in order to ensure that the users of the information understand the elements and aspects of the leadership approach.

#### **1.5 Study objectives**

Research objectives identify the specific reasons why the researcher deems the study important. Research objectives provide a basis for the aspects that the current research is expected to contribute to the knowledge base. As a result, these direct the study and ensure that the researcher remains focused on the specific problem statement, research questions, principles established in the literature review and the assigned methodology. The relevant research objectives include the following.

- Identification of what EI leadership is
- Identify the impact of EI type leadership styles in the workplace
- Identify the application of EI leadership in UAE Islamic banking institutions

## **1.6: Research Questions**

Research questions normally set the boundaries for data collection and analysis. The questions play a role in the achievement of the objectives of the study by linking the issues identified in the problem statement, findings in the literature review and the subsequent data collated during the survey. As a result, the questions provide a breakdown of the elements of the research topic in order to ensure all the elements of the question is well-analyzed. The applicable research questions for this research project are included here under.

- What is the impact of EI leadership approach on the organisation overall performance?
- Is there a significant relationship between self emotional appraisal and staff innovator?
- Is there a significant relationship between regulation of emotions and the team's performance?
- Is there a significant relationship between Others' Emotional Appraisal and job performance?
- Does the use of emotions influence the organisation performance?

## **CHAPTER2: LITREATURE REVIEW**

### **2.1 Emotional Intelligence**

The EI concept was initially introduced in 1990 by Mayer and Salovey. It was defined as an application of social intelligence and classified into a form of four connected cognitive abilities established according to certain emotional data and signs, “A subset of social intelligence that involves the ability to monitor one’s own and others feelings and emotions, to discriminate among them, and to use this information to guide ones thinking and actions” (p. 189). Goleman who brought the subject to public interest in his book “EI: why it can matter more than IQ”, explained it as the awareness of one’s own and other people’s emotions, and the ability to react appropriately.

Since then many researchers found an association between EI and different important work related behaviours led the exploration of many definitions on the same concept. In 1999, Dulewicz and Higgs explained that workplace EI is related to the ability of controlling own emotions and reactions to influence certain key individuals and to equalize the outcome of one’s motives and driven with his/her own conscientiousness and moral attitudes. They suggested that EI (Emotional and social competencies), IQ (Intellectual competencies) and MQ (Management competencies) have a great influence on leadership. At the same period Bar-On defined EI as “one’s ability to deal with daily environment challenges and helps predicts one’s success in life including professional and personals pursuits” (p. 1). Goleman et al., (2009) proposed that EI and IQ are important determination for effective leadership. In 2009 a study was conducted to prove the influence of EI on organisation climate as stated by Momeni “More than 70% of the employees’ perceptions of organisational climate result directly from a manager’s morale and

behaviour” (p. 35). She explains it as “the understanding and recognition of oneself and others’ abilities, perception and attitude”.

## **2.2 EI models and Measuring tools**

The interest in the concept of EI has become very popular, resulted in adapting its models in many organisations aiming towards improving the quality of their work place. Different models of EI have led to the exploration of different measurement tools to assess the construct. The 4 main models developed are; Ability EI model, Mixed models of EI (sometimes subsumed under trait EI), Bar-On model and Trait EI model.

### **2.2.1 Ability EI model**

Based on the ability model, EI is a form of abilities and skills that equip people to foresee, observe, utilize, recognize, and control emotions (Mayer and Salovey, 1997; Mayer et al., 2000). They organize the abilities in hierarchically from the simple to the more complex psychological processes. These abilities were independent of characters and competent and the most desirable tendency of acting and/or reacting (Mayer et al., 1999).

Mayer and Salovey (1997) referred to 4 branches ability-based EI model. They have proposed that EI consists from the following:

- 1) The degree of individuals perception ability in situation associated with emotions whether elated to own self and or others, with objects, art, and stories (emotional perception);
- 2) The degree of individuals’ ability in generating, using, and expressing emotional feelings in order to convey feelings in various mental applications and situations. (Emotional facilitation);

- 3) The degree of individuals ability in realizing emotional data, how emotions from and develop through relationship progression and the ability to define appropriate rationalization and interpretation for emotional meanings (Emotional understanding);
- 4) The degree of individuals ability to be open to feelings for a more effective control whether within own self or and in other people for a more effective personal understanding and richness of growth (emotional management).

In accordance with the ability-based EI model EI is a cognitive ability similar to any other types of intelligence (Mayer et al., 1999). The ability approach sees emotions as richness sources for navigating the social environment and how making sense out of it (Salovey and Grewal, 2005). The strong argument is evolved and based on the meaning that EI implies many more aspects of materializing aptitude consisting emotions (Cartwright and Pappas, 2008).

The ability of individuals is different in handling information of emotional nature and the same when they relate emotional processing to a wider cognition. The following adaptive behaviours can be witnessed from such ability.

**Table 1: EI Abilities by Salovey et al., (2004)**

Dimensions	Descriptions
Perceiving emotions	Ability to identify emotion in one's physical and psychological states
	Ability to identify emotion in other people
	Ability to express emotions accurately and to express needs related to them
	Ability to discriminate between accurate/honest and inaccurate/dishonest feelings
Using Emotions to Facilitate Thought	Ability to redirect and prioritise thinking on the basis of associated feelings
	Ability to generate emotions to facilitate judgment and memory
	Ability to capitalise on mood changes to appreciate multiple points of view
	Ability to use emotional states to facilitate problem solving and creativity
Understanding Emotions	Ability to understand relationships among various emotions
	Ability to perceive the causes and consequences of emotions
	Ability to understand complex feelings, emotional blends, and contradictory states
	Ability to understand transitions among emotions
Managing Emotions	Ability to be open to feelings, both pleasant and unpleasant
	Ability to monitor and reflect on emotions
	Ability to engage in, prolong, or detach from an emotional state
	Ability to manage emotions in oneself
	Ability to manage emotions in others

The ability model of EI is criticized due to lack of feasibility and potential applicability within business working environment (Bardberry and Su, 2006)

In 1998, the Mayer, Salovey and Caruso test (MSCEIT) was developed and it was the most comprehensive measure for the ability model. The test is “a performance measure, based on

the number the correct answers given, and assesses how well an individual solves emotion-laden problems across four domains, including the perception, use understanding and management of emotions”.(Cartwright and Pappas, 2008, p. 155). In addition to the total score, there are scores for each of the other branches. It was revealed that there was a low correlation between MSCEIT and other self report measures based on the ability models as referred to by Brackett et al. (2006) and the mixed model ability as referred to by Brackett and Mayer (2003). The idea that a different and independent construct from personality and traditional intelligence was supported by evidence and performance is not related to self-reported test results of EI at a large scale.

### **2.2.2 Mixed EI model**

The framework of personal competencies as proposed by Goleman is a product that stemmed from the concept of EI. To score perfectly on the whole areas of strength and qualities is not possible since everyone suffers from certain limitations. In order to achieve excellent performance, the following skills must build within individuals:

- Self-awareness
- Self-regulation
- Motivation
- Empathy
- Social skills.

Those domains were streamlined to four dimensions in Goleman book *Primal Leadership*. His focus was that EI has a wide mixture of competences and capabilities that result in leadership performance. The competencies are listed in to the followings: personal (controlling our feelings) and, social skills (controlling our feelings about others). Each of the competencies is outlined and breakdown into areas. The framework developed by Goleman was simplified in

Goleman et al., (2009) in his book “Primal Leadership”, which arranged them into a matrix of four domains only. These four components of the matrix are self awareness, social awareness, self management and relation management.

**Table2: Emotional Competence Framework Abilities by Goleman (1998)**

THE EMOTIONAL COMPETENCE FRAMEWORK		
Personal Skills (how we manage ourselves)	Self-awareness Self-confidence	A strong sense of one’s self-worth and capabilities
	Self-Management Achievement orientation Initiative Conscientiousness Self-control Adaptability	The guiding drive to meet an internal standard of excellence Display pro-activity Taking personal responsibility for own performance Keeping disruptive emotions and impulses in check Being flexible and responding to change
Social skills (how we manage relationships)	Social Awareness Empathy	Sensing the feelings and perspectives of others, takes an active interest in their concerns
	Social Skills Influence Communication Leadership Conflict management Building bonds Developing others	Wielding effective tactics for persuasion Listening openly and sending convincing messages Inspiring and guiding individuals and groups Negotiating and resolving disagreements Nurturing instrumental relationships Sensing the development needs of others and bolstering their abilities

He defined those competencies as: “A learned capability based on EI those results in outstanding performance at work” (p. 23). So leader can learn these abilities as they are not innate talent. The model of EI proposed by Goleman was criticized in purely "pop psychology" (Mayer et al., 2008).

This model can be tested by “The Emotional Competency Inventory” (ECI), which was created in 1998 by Goleman: a 360 degree tool for evaluating individuals within workforce in organisation (Individual Feedback Reports) or evaluating the organisation in a holistic way (Work Force Audits). It was proved globally and found the ECI-360 was more effective in interpreting physical expression in actual situations within working environment in comparison to the MSCEIT. The former has more benefits to handle and easy to administrate for surveying purposes. The ECI-360 has the additional advantages of being approachable for survey respondents and of being easy to administer. Furthermore, it has collected data in a 360 model presenting totally and in a very detailed manner than EQ-I.

### **2.2.3 Bar on model:**

In 1997, Bar-On introduced to the public for the first time EQ-I “a self-report instrument” to be used as a tool for evaluations. It measure “an array of non-cognitive capabilities, competencies and skills that influence one’s ability to succeed in coping with environmental demands and pressures” (p. 14) and assess area of strength to enable certain individual to build and posses a more well-being emotions than their counterparts.

The Bar-On model provides theoretically, the basis for the EQ-I. It was originally created to evaluate various areas of this model in order to examine its applicability. The EI in this model is an integration of related competences and abilities aiming to determine the effectiveness of individuals in understanding and expressing own selves and others in order to be in a comfortable position to appreciate frequent pressures (Bar-On, 2006)

#### **2.2.4 Trait EI model**

In 2000, Petrides and Furnham defined the trait EI as "a constellation of emotional self-perceptions located at the lower levels of personality" (p. 320). They proposed that there is a theoretical difference between the ability based model and a trait based model of EI. Trait EI (or trait emotional self-efficacy) is related to self awareness of an individual and it is evaluated by self reports that refers to real ability of an individual that indicates rejection to a measurement of a scientific ground at a high standard (Petrides, 2009). Trait EI investigates the personality framework. "Trait emotional self-efficacy" is the alternative title for trait construct.

The trait EI is a model of general nature and it includes the Goleman and Bar-On models. The theory of EI as a personality trait results in a concept which is not a classification of human cognitive ability. This leads to an important difference linked with its operational construction, principle and its hypotheses (Petrides and Furnham, 2000).

#### **2.3 Job Performance**

Job performance is a primarily measure of the extent to which a person's participation leads to fulfilment of the objectives of the organization (Campbell, 1983). These goals cannot be achieved unless employees carry out a number of 'contextual' functions; most of them not necessarily relate to their job responsibilities. However, these are essential from the organisation point of view (Katz, 1964). Performance has been defined;

- In terms of the fulfilment and completion of a well-determined activities (Bommer et al., 1995)
- In terms of the cumulative aggregated it a collective weight of different behavioural of the organization that an employee perform at a specific time scale (Motowidlo et al., 1997). Researchers (Bandura and Jourden, 1991; Bycio et al., 1990; Haque and Ali,

1998) Job Performance is the most widely surveyed variable in both organisational behaviour and human resource management studies

Motowidlo and Borman have aligned job performance with the following aspects:

- Task performance related to the way in which behaviour effect the completion of job and it forms from two processes;
  - Execution technical processes
  - Maintaining and servicing technical requirements.
- Contextual activities refers to “interpersonal behaviours or actions that add advantages to the organisation” and are treated as a key facilitator for the fulfilment of task components and it basic requirements (Borman and Motowidlo, 1993). Obeying organisational rules and procedures, helping and cooperating with others and participating voluntarily in task activities are some of the activities classified under contextual performance. (Motowidlo et al., 1997). All of these have led to highlight the key factors behind raising awareness on the overall performance within the working environment.

Borman and Motowidlo (1993) thought that capacity of performance of job is to be magnified to include both contextual performances as well task performance. Both went further to say that individual performance with regard to the contextual performance is a key factor for evaluation within the performance appraisal process. Therefore, contextual performance has earned a high value in studies related to appraisal of performance (Arvey and Murphy 1998; Harrison et al., 2006).

Any performance management extends its effectiveness from the performance measurement system on the accomplishment of the organisational goals. These goals are to enhance performance of both people and organisations. Since there is a gap in the literature with

regard to the generic factors to measure job performance (authors and researchers tend to construct factors underlying job performance specifically to tailor with their specific research needs), Welbourne, Johnson and Erez (1998) have taken the initiative to investigate the general factors underlying the job performance dimensions. They utilize two related theories, namely Role Theory and Identity Theory and suggest five dimensions of job performance known as Role-Based Performance Scale (RBPS), which has been refined and tested by the authors. RBPS assesses different facets of job incumbent's roles, which consist of job, career, innovator, team and organisation role (Othman et al., 2008).

## **2.4 Performance Management and Appraisals**

The process of Performance appraisal is of a complex nature that reflects and determines areas of variances in employees level of productivity (Landy and Farr, 1980), communication in both ways between appraisers and appraisees (Nathan et al., 1991), and organisational contexts (Borman, 1978). Since performance appraisal exists within a social context, there will be various aspects affect the process of performance appraisals such as those identified by Wang et al., (2008).

- Similarities of characteristic and attitude between appraisers and the people being appraised.
- interactions between managers and their employees, and
- interdependence along between individuals (Mitchell, 1983)

Performance has been associated with annual appraisals that assess the full year's effort for each employee in terms of numbers. Over the last two decades, numerous developments have occurred in the understanding and theory of performance appraisal globally. It is a common understanding amongst the respective practitioners that performance appraisals are subjective

processes regardless the efforts aiming to transform this belief. This is true as the appraisers' criteria, expectations, data, gathering and ability of processing with regard to their employees and other various factors.

The performance appraisal is underestimated if it is seen as a matter to be equated with annual appraisals. It is beyond the process where the employees effort is decreased and transferred to number by appraisers without a real consideration from the high level of authorities to the context in which ratings are given serious injustice is obviously observed from deal with numbers and not with the people i.e. the heart of the organisation and its core of focus for its effectiveness. Changing name does not serve the purpose. The key important factor is to understand the nature, potential, and complexities of performance management systems (Rao, 2008).

Performance management was defined as “a natural process of management contributes to the effective management of individuals and teams to achieve high levels of organisational performance. As such, it establishes shared understanding about what is to be achieved and an approach to leading and developing people which will ensure that it is achieved” (Armstrong and Baron, 2004, p.2). They explained it as “a strategy which relates to every activity of the organisation set in the context of its human resource policies, culture, style, and communications systems. The nature of the strategy depends on the organisational context and can vary from organisation to organisation” (p.7)

Bilgin (2007), the appraising of individual performance should be carried out along with critical focus on other aspects of the organisation to create a meaningful system. It is a continuous and an integrated process that enhances, communicates and brings to the knowledge of all stake holders the future direction of the organisation. It highlights its core competencies

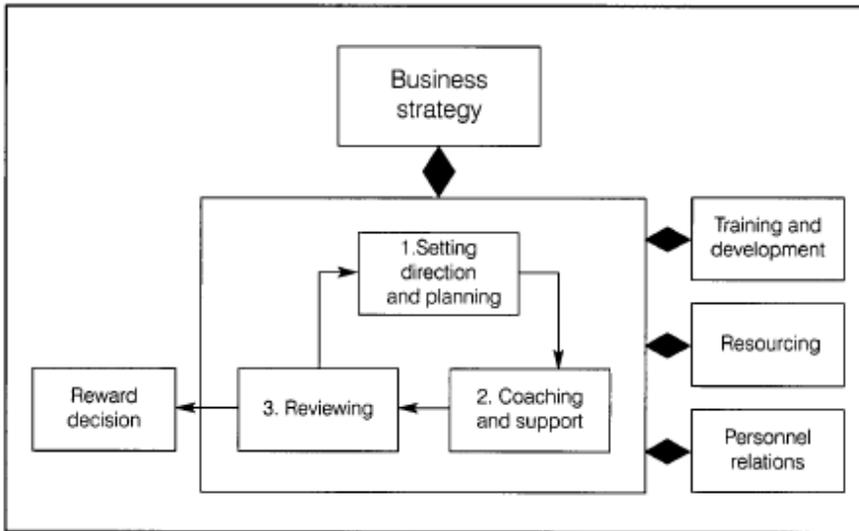
and its values of the organisation that facilitates to establish a horizon of understanding. Further, it highlights roles and outcomes of individuals that lead to key performance indicators with regard to strategies and objectives. Finally, it ensures that performance is effectively fulfilled.

It is a wider range of processes in order to guarantee the implementation of the following are fulfilled in a more effective manner. (Beardwell and Holden, 2001, p. 538- 540):

- Objectives setting of individual, team, sections and organization
- Performance appraisal system
- Reward schemes
- Training and development strategies and plans
- Feedback, communication and coaching
- Individual career planning
- Processes ensuring the effectiveness of performance management scheme

For the performance management to be systematic and integrated, Beardwell and Holden listed certain steps to be activated within the context of the organisation performance system process. These activities are demonstrated through the following diagram;

*Figure 1: Performance Management Cycle by Beardwell and Holden (2001)*



These activities should be adapted as a standard element of the communication between employees and their managers throughout the year and not only via the yearly performance appraisal (Bilgin, 2007). Performance is arguably a company-dominated criterion; however, outcomes have in fact a much broader affect. The following are affected by the performance outcome;

- environmental issues,
- job satisfaction, and
- contribution to community activities

In order to ensure comprehensive outcomes of improvement related to both internal and external stakeholders of an organisation, these issues should be given equal attention. If the concern is limited to an organisation performance only, this may lose its importance. However, if the implicit theory of HRM is that outcomes are fulfilled through effective optimization in comparison to sufficient utilization of human resources, this may be given valuable weight. In

general, this might not be enough as a mass of research shows that there is no strong relation between performance and job satisfaction (Staw, 1986).

The concept of 'the balanced scorecard' is considered by certain practitioners as an effective tool to take the interests of all stakeholders into a performance management. The implication of such a system into organisations is that it is far below the acceptable standard to focus on a single part of performance at the account of the other parts that may have of an equal importance. In the balanced scorecard importance is given to aspects related to the financial part of the organisation, customer and other constituencies' part of the employees (Bilgin, 2007). Therefore, understanding the various implications of work environment and contextual performance on factors such as employees' turnover intention and the possibility of promotional opportunities are real contributions to the appraisal research and studies.

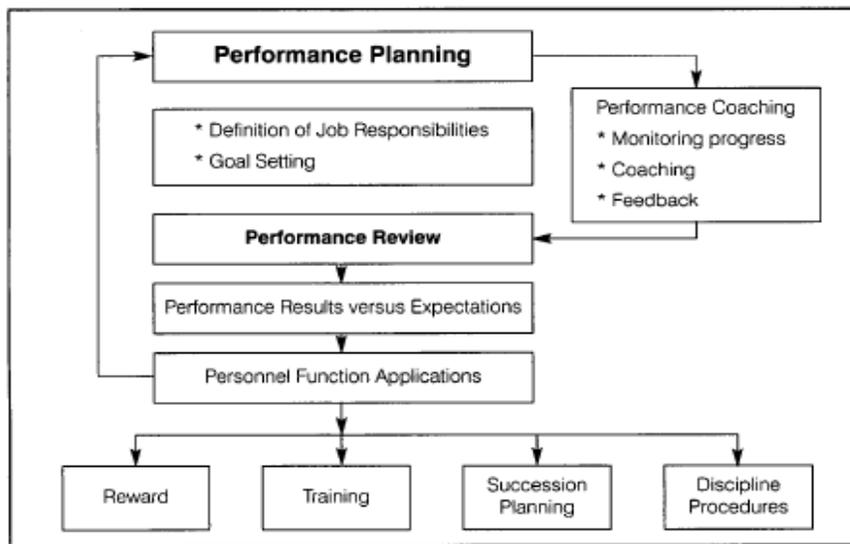
## **2.5 The Performance Management Process**

According to Bilgin (2007), the Performance Management process can be seen as “an integrated cycle of performance planning (definition of job responsibilities, setting performance expectations, goal or objective setting at the beginning of the period) (p. 98)”; it consists of two types:

- Coaching for performance i.e. feedback, assuring, development
- Review of performance i.e. yearly formal performance appraisal

This carried out between personnel and the managers to observe and record the progress of the individual resources and track organisation performance that helps in providing details for the personnel functions. It works as a complete process and ensures that personnel: (Beardwell and Holden, 2001)

**Figure2: Performance Management Process by Hartle (1994)**



- Individuals prior awareness of what was expected of them and how their contributions will fit into the "big picture"
- Individuals involvement in setting the objectives expected to fulfil
- Appropriate and constant support and coaching by supervisors
- Individuals understanding on how their performance is evaluated and individuals ability to track how well they are doing
- Challenging objectives make individuals feel important but attainable to maintain right level of motivation
- Appropriate recognition and reward for individuals and teams achievements

### **2.5.1 Performance measurements**

Performance measurement has been used by organisations that seek for improvements for years; however, organisations have not always used measurement to strengthen their progress or to improve the investments in various ranges of stakeholders, including citizens, interest groups,

legislators, and businessmen among others (Nyhan et al., 1995). Hence, investigating the validity of management of within the public sector prevails. Thus, organisation should pay attention and enhance rational performance-improving strategies in organisations (Hatry and Wholey, 1992), the literature on performance measurements find these plans as a foundation to success. In addition, the innovative and industrious organisations do not depend on only in implementing one good program. Instead, they implement a comprehensive approach that has advanced management techniques integrated into it, thus resulting to improvement in productivity. Performance measurement are normally used to evaluate and assess in setting goals, validate required resource and measure outcome, estimate and organize resources, build up organisation enhancement plans and motivate employee to enhance performance (Holzer and Yang, 2004).

## **2.6 Emotional Intelligence and Job Performance**

EI is a key indicator of performance. Integrating EI with the appropriate criterion (e.g. contextual performance) may help to clarify a controversy with regard to the appropriate factor of personality and EI to performance of employees and provide organisations with a reliable tool for selecting and judging employees (Shaffer, 2005) and prompting employees (Mayer, 2001; Zeidner et al., 2004). Over the past thirty years, others streams of research have emerged that move the focus beyond task performance to consider divers forms of employee performance. These include organisational citizenship behaviours (Konovsky and Organ, 1996), contextual performance (Borman and Motowidlo, 1993), pro- social organisational behaviours (Brief and Motorwidlo, 1986), and extra role behaviour (Scholl et al., 1987) each of these lines of inquires have played a role in raising the knowledge about what make an input to overall performance in the organisations (Shafeer, 2005).

In 1995, Ashforth and Humphrey claimed that “emotions are an integral and inseparable part of organisational life” that management should pay high carefulness on the emotional experience of the employee. Most of organisations interpersonal communication is related to the completions of assigned activities, e.g. offering customer with services, cooperating and coordinating with colleagues, reporting to supervisors and receiving instructions. Employee who can take more advantage from the antecedent- and response-focused emotional management more appropriately and control own interactions with others more effectively are the ones who enjoy high standards of EI (Wong and Law, 2002). Ashkanasy and Hooper (1999) suggested that social interaction is a necessary component of an affective commitment to other people and questioned how expressing positive feelings is associated, at a high probability, with successful performance at work. Abraham (1999), concluded that EI is directly related to performance this was based on her study of salesmen of an insurance company where the performance of the optimistic salesmen was better than pessimistic salesmen. These studies and Goleman’s (1998) found that EI is related to job performance (Wong and Law, 2002). Some acknowledge exists on the relationship between individual and organisational performance with the emotional behaviour of the leadership and this influence can be either be positive or negative (Macaleer and Jones, 2002).

In 1993, Kelley and Caplan conducted a study on a research groups in Bell Laboratories to investigate the relationship between EI and performance. The study results in line with the idea that EI distinguishes high from average level of performance individuals. Even though every participating individual had high rates of IQ, certain individuals were rated by other assessors as ‘stars’.

It was concluded that academic achievements and IQ scores were not the indicators of the 'stars'. EI abilities can predict the employee's performance and the employees with 'stars' ratings. In 1998, Dulewicz and Higgs had studied the relationship between cognitive and EI competencies with work performance in comparison with the career progression. The scoring of team performance in relation to customer service was high and positive with an average MEIS score ( $r = 0.58$ ). A similar study conducted in Australia and 44 work teams participated, Jordan et al., (2002), the focus of the study was to explore the relationship between EI and the performance over a period of nine weeks. During the early weeks the high performed teams were the once scored high in EI. By the end of the period, however, the levels of performance of all the teams were equal. It was concluded that "emotionally intelligent individuals were able to form cohesive and effective work teams more quickly than less emotionally intelligent members of teams". In 2003, Slaski and Cartwright also examined the same relationship and found a weak and positive correlation between EI scores and performance measures among on a group of managers in an organisation in UK from the retailing sector. In 2004, Law et al., found evidence support the findings that supervisor with high level of EI were predictive of high level of job performance and in the same year Rooy and Viewsvaran found a moderate and significant correlations of 0.23 between the two variables (Cartwright and Pappas, 2008).

The claims about the effectiveness of Emotional Intelligent leaders in organisations performance have been criticized by those who found unsatisfactory prove and low correlations and reliability between EI and performance as basic for annulled EI tests unless research reveals the effectiveness and sufficiency of EI measures (i.e. Newsome et al., 2000; Barrett et al., 2001; Zeidner et al., 2004). Despite the criticisms, propose that there is no relationship between EI and

job performance, this can be due the validity of the available EI measures that used by personnel is their selection decisions.

## 2.7 Conclusion

In 1995, Goleman stated that the successful life of an individual depends on who the individual deals with his/her feelings and the feelings of others rather than how smart he/she is in terms of cognitive intelligence. A large body of research work has investigated the relationship between EI and different work related activities. Some have found a positive relationship between EI with work performance (Abraham, 2004; Austin, 2004; Carmeli, 2003; Gabriel and Griffiths, 2002; Higgs, 2000; Law et al., 2004; Lyons and Schneider, 2005; Sy, Tram and O' Hara, 2006; Varca, 2004). And some practical studies have observed a weak but instant link between EI and job performance (e.g., Van Rooy and Viswesvaran 2004).

Assumptions have highlighted that adult IQ is fixed over time at some levels. Personality is collection of stable behaviour. Researchers believes that EI levels can be increased, improved and developed through experience and trainings Mayer and Salovey (1997) and Goleman (1998). Intelligence is the ability to learn a skill and learning a skill depend on the academic knowledge (Cartwright and Pappas, 2008). Organisations that need to improve the workplace performance focuses on leadership skills and abilities Goleman (1998).

EI is the independent variable and job performance is the dependent variable. In this research paper, we will study the bond between the leadership EI and work performance and what factors are supporting either of the below hypotheses:

**HO:** There is no significant relationship between the EI leadership and work performance of within the Islamic banks in the UAE.

**HA:** There is a significant relationship between the EI leadership and work performance within the Islamic banks in the UAE.

## **CHAPTER3: METHODOLOGY**

### **3.1: Introduction**

This chapter addresses the methods used in the study, the participant, methodology, measures, data collected and hypotheses.

### **3.2: Participants and Sample Size**

The basic tool to measure the effect of Emotional Intelligent leaders on the performance of Islamic banks in the UAE is by using a self-administered questionnaire (quantitative approach). The questionnaire was developed through a website. It consists of 4 pages; the first page for the introduction, the second page was for collecting the demographical data, third and fourth page for collecting details about the items in the two dimensional variables. A link to the questionnaire was created and distributed in an email to the different employees in the 6 Islamic banks in the UAE (Sharjah Islamic bank, Dubai Islamic Bank, Emirate Islamic Bank, Ajman Islamic Bank, Hilal bank and Noor Bank) in March 2010. These organisations are of a medium size population. The participants were asked to give their own answers and were assured that the collected data will be used for research purpose only. The collected back questionnaire details were entered in the SPSS application to be analyzed. A final turnaround of 567 was achieved. The participants are from a variety of departments, educational level, job status and nationalities, and from different hierarchical levels in the organisations (from top, middle and bottom management of the organisations). Participation in the study was voluntary.

### **3.3: Measures**

The aim of this study is to explore the relationship between the two main global variables of this research paper EI and Performance.

### **3.3.1 Demographic variables:**

The following factors were used: Gender, marital status, education level, age, no. of years worked in the current organisation, no. of years worked in the current job, job status and nationality. The demographic and career variables were measured using a scales developed by the researchers ranged between two points (e.g. gender) to six points (e.g. educational level)

### **3.3.2 Emotional Intelligence**

The used scale is the Wong and Law EI Scale (WLEIS) (Wong and Law 2002). This 16-item self-report scale is based on Salovey and Mayer's (1990) original conceptualisation of EI and has proven very reliable and valid in numerous studies in recent years (Law et al., 2008). It consists of the followings:

- Self Emotional Appraisal (SEA): The individuals' ability to understand their deep emotions and be able to express these emotions naturally.
- Others' Emotional Appraisal (OEA): The ability to perceive and understand the emotions of those people around them.
- Regulation of Emotions (ROE): The ability of people to regulate their emotions, which will enable a more rapid recovery form psychological distress.
- Use of Emotions (UOE): the ability of individual to make use of their emotions by directing them towards constructive activities and personal performance.

### **3.3.3 Performance**

This variable is measured using likert's 5-points scale. This was assessed with role-based performance scales (5 items) that developed by Welbourne, Johnson Erez (1998)

- Job
- Career

- Innovator
- Team
- Organisation

### 3.4 Hypotheses

Based on the above factors the following **hypotheses** were selected for testing:

**H<sup>1</sup>:** EI leaders have a significant impact on the organisation overall job performance

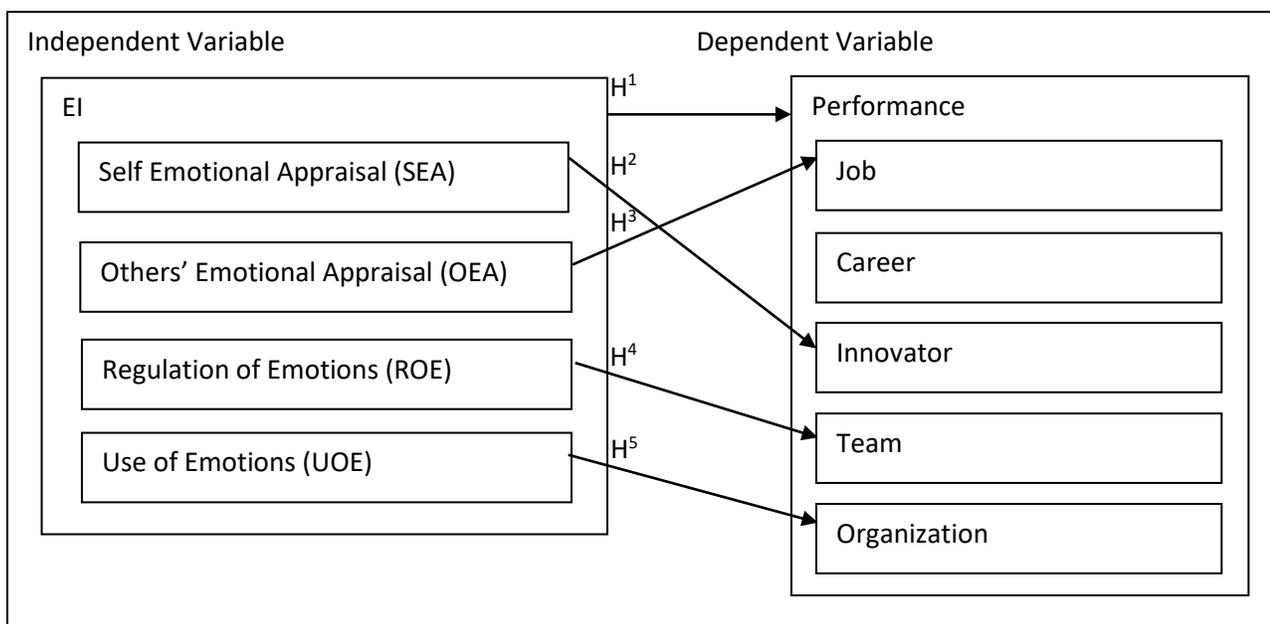
**H<sup>2</sup>:** There is no significant relationship between self emotional appraisal and staff innovator

**H<sup>3</sup>:** There is a significant relationship between regulation of emotions and the team's performance

**H<sup>4</sup>:** There is no significant relationship between Others' Emotional Appraisal and job performance

**H<sup>5</sup>:** Use of Emotions will significantly influence the organisation performance.

**Figure3: The Study Hypothesis**



## **Chapter 4: DATA ANALYSIS, FINDINGS AND DISCUSSION**

### **4.1: Introduction**

This study investigates the effects of EI leaders on the performance of the employees of the Islamic banking organisations in the UAE. This chapter discusses the findings of the data collected, by describing the demographical data, test the reliability of the scales used, examining the hypotheses chosen and finally discuss and analysis the findings. Hypotheses are initially tested using the correlation test. The regression analysis was also applied to support the finding of the initial test.

### **4.2 Demographical Data**

As seen from the table below (Table3) five hundred and sixty four employees participated in the study, of whom, 378 were male and 186 female. The sample represents a divers of employees from different age groups (4.3% were 47-57 years, 61.7% were between 25 and 35). Majority of the employees were working in their current organisations between 2 to 7 years (71.3%). 1.1% of participant are still in their current positions for the last 20 years or above. 138 of the employees co-opted in the study were UAE national that is 24.5%. Furthermore, 66 of the survey participant were from the first level of job status while 86.2% were from the middle level and only 12 participants were from the lower level. . Moreover, none of the participant was less than a high school degree holder. 30 were holding a high school degree, 9.6% held College degree, 38.3% held graduate degree, 24.5% held higher diploma and 22.3% held masters degree and above.



Nationalities								
Total	567	558	567	567	567	567	567	567

### 4.3 Reliability of Study Measures

The reliability of the study measures the internal consistency and assesses the psychometric properties of the variable's scales. This is obtained using the reliability test. As can be seen from table(4), the Cronbach's alpha for the two global variables are found reliable as it is .69 for Emotional Intelligent and .80 for work performance. Since reliability values over 0.60 are generally considered to be reliable by many researchers. Similarly the table shows that most of the values are above 0.60 which is considered to be reliable. Thus we can conclude that the reliability of measures is at satisfactory level.

**Table4: Reliability statistics**

Reliability Statistics

Variable	Cronbach's Alpha
EI	.65
Performance	.80
SEA	.75
OEA	.76
ROE	.80
UOE	.84
Job	.80
Career	.15
Innovator	.78
Team	.58
Organisation	.70

### 4.3.1 Reliability of EI Scale

The EI global variable in this study consists of 16 items as can be referred to in table5 that shows the mean, standard division and alpha value if item deleted. The mean values are between 1.59 and 2.33, the standard divisions values are between 0.56 and 0.97 for the performance items. To maximize the overall alpha value we can delete the item OEA3 (I am sensitive to the feelings and emotions of others) to change it from 0.69 to 0.85. Thus, it's suggested not delete the item as the overall value is generally accepted.

*Table5: Mean, std. Division and Cronbach's alpha if item delete of EI items*

#### Item Statistics

	Mean	Std. Deviation	Cronbach's Alpha if Item Deleted
SEA1	1.76	.56	.84
SEA2	1.70	.66	.83
SEA3	1.68	.61	.83
SEA4	1.68	.73	.84
OEA1	2.03	.72	.84
OEA2	1.97	.77	.84
OEA3	1.85	.73	.85
OEA4	2.08	.62	.84
ROE1	2.00	.70	.84
ROE2	1.97	.82	.83
ROE3	1.83	.74	.83
ROE4	1.59	.61	.83
UOE1	2.23	.86	.83
UOE2	2.14	.80	.83
UOE3	2.33	.97	.84
UOE4	2.09	.78	.84

### 4.3.2 Reliability of Performance Scale

The performance global variable consists of 21 items based on scale used for this study. The overall alpha value is (.80). Table6 shows the mean, standard deviation and alpha value if item deleted of performance components. The mean values are between 1.43 and 2.34, the standard deviations values are between 0.47 and 1.07 for the performance items. To maximize the overall alpha value we can delete the item career4 (Seeking out career opportunities) to move the alpha value from 0.80 to 0.89, however, It's suggested not to delete it as the overall value is generally accepted.

**Table6: Mean, std. Division and Cronbach's alpha if item deleted of Performance items**

Item Statistics

	Mean	Std. Deviation	Cronbach's Alpha if Item Deleted
Job1	1.55	.50	.86
Job2	1.62	.63	.87
Job3	1.77	.51	.87
Job4	1.68	.47	.87
Job5	1.70	.50	.87
Career1	2.34	1.04	.87
Career2	2.08	.87	.87
Career3	2.04	.94	.87
Career4	2.17	1.07	.89
Innovator1	1.74	.52	.87
Innovator2	1.83	.78	.87
Innovator3	1.81	.62	.87
Innovator4	1.83	.70	.87
Team1	1.53	.70	.86
Team2	1.87	.62	.87
Team3	1.62	.56	.87
Team4	1.64	.65	.87
Organisation1	1.51	.58	.87
Organisation2	1.43	.57	.86

Organisation3	1.70	.58	.87
Organisation4	1.64	.62	.87

#### 4.4 Correlation and Regression Analysis for Hypothesis

To study the influence of EI factors on the performance factors the correlation test was conducted. The regression analysis was also performed to support the result for each of the hypothesis selected in this paper. The regression analysis test is a significant test that is implemented to support and predict to which extent each of the independent factors can explain the dependant variables.

**H<sup>1</sup>:** EI leaders have a significant impact on the organisation overall performance

**Table7: Correlation and Regression Analysis H1**

Correlations								
				Performance				
Emotional		Pearson Correlation		.528**				
		Sig. (2-tailed)		.000				
		N		47				

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Standardized Coefficients	F	t	Sig.
					Beta			
1	.528 <sup>a</sup>	.279	.263	6.57035	.528	17.431	4.175	.000 <sup>a</sup>

a. Predictors: (Constant), Emotional

b. Dependent Variable: Performance

In order to examine  $H^1$  the correlation and multiple regression tests were applied. Table7 shows some of the result of the correlation analysis and regression test between the EI, the independent variable and performance, the dependent variable. As can be seen from this table, the R value= 0.53 is highly significant at 0.01 level and the significant value is 0.00, indicating that the EI significantly explain the variance in performance. The Adjusted R Square is the proportion of variance in the dependent variable that can be predicted from the independent variables. The Adjusted R square value of 0.26 indicates that EI factors has a strong relationship with performance, and explains 26.3% of the variance in this construct. The F Value is (17.43) which is significant. The t value is (t= 4.18) and the p value associated with this value is very small (0.00). Since the p value is smaller than 0.01, it can be concluded that the independent variable reliably predicts the dependent variable and the relationship between them is highly significant. The beta value of the predictor (EI) shows the value of significant the predictor have over the dependent variable (Performance). Looking at the beta value from the summary provided below shows it is 0.53 which considered as a high. Moreover, the positive sign of this relationship indicates that the high level of EI of the participant from the Islamic banking employees in the UAE will increase the level of performance of their organisations. Thus, it can be concluded that the null hypothesis  $H_0^1$  is accepted. This finding indicates that leaders with high level of Emotional Intelligent can create an environment that is more productive and of a high level of performance.

**H<sup>2</sup>:** There is no significant relationship between self emotional appraisal and staff innovator

***Table8: Correlation and Regression Analysis H2***

Correlations		Innovator
SEA	Pearson Correlation	.212**
	Sig. (2-tailed)	.006
	N	166

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Standardized Coefficients	F	t	Sig.
					Beta			
1	.212 <sup>a</sup>	.045	.039	1.81143	.212	7.681	2.771	.006 <sup>a</sup>

in... and the p value associated

a. Predictors: (Constant), SEA  
 b. Dependent Variable: Innovator

considering that the independent variable (SEA) reliably predict the dependent variable (Innovator) and the relationship between them is highly significant. The table shows also the correlation value, R= 0.21 and this is highly significant at level 0.01. The adjusted R Square value is .036 which means that the predictor influences the dependent variable and can explain 3.6 % of variance. In addition, the positive sign of this relationship shows that the more of self emotional appraisal the more chances for innovation will exists. From the findings it can be seen that self of emotional appraisal can highly explain and influence the variance in innovation and this consequently rejects the hypotheses **H<sub>0</sub><sup>2</sup>**.

**H<sub>3</sub>**: There is a significant relationship between regulation of emotions and the team's performance

**Table9: Correlation and Regression Analysis H3**

ROE		Team
Pearson Correlation		.517**
Sig. (2-tailed)		.000
N		175

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Standardized Coefficients	F	t	Sig.
					Beta			
1	.517 <sup>a</sup>	.268	.263	1.51548	.517	63.182	7.949	.000 <sup>a</sup>

a. Predictors: (Constant), ROE

b. Dependent Variable: Team

From table9, it can be seen that the regulation of emotions tends to influence the variance in variable team. The F value is 63.18 which is significant. The t value 7.95 and p value associated with it value is very small (0.00). Since the p value is smaller than 0.01, it can be concluded that the independent variable (ROE) reliably predicts the dependent variable (Team) and the relationship between them is highly significant. The R value 0.52 which is highly significant at level 0.01 or less. The R square is 0.27 and the adjusted R square value is 0.26 which explains 26.3 % of variance indicates that there is a relationship between the variables. In

addition, the sign of this relationship shows that the higher in regulation of emotion the higher in the performance of the teams of the survey participants. Therefore, from the both tests the correlation and the regression, and the value of R it can be explained with a statistical evidence that the employees' ability to perceive their emotion is influenced by team's performance. Accordingly, hypotheses  $H_0^3$  is also accepted.

**H<sup>4</sup>**: There is no significant relationship between Others' Emotional Appraisal and job performance

***Table10: Correlation and Regression Analysis H4***

Correlations

		OEA
Job	Pearson Correlation	.298*
	Sig. (2-tailed)	.020
	N	61

\*. Correlation is significant at the 0.05 level (2-tailed).

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Standardized Coefficients	F	t	Sig.
					Beta			
1	.298 <sup>a</sup>	.089	.073	1.97771	.298	5.746	2.397	.020 <sup>a</sup>

a. Predictors: (Constant), OEA

b. Dependent Variable: Job

Table 10 gives an idea about the result of the correlation analysis and regression test relevant to other's emotional appraisal and job performance. As can be seen from this table, The F value equals to 5.75 which is significant. The t value 2.40 and p value associated with this value is higher than (0.05) p is 0.20. The R value= 0.30 and the significant value is (.020) which is significant, indicating that other's emotional appraisals can significantly explain the variance in job performance. The R square is 0.09, the Adjusted R square is 0.07, and the Adjusted R-Square is the proportion of variance in the dependent variable (Job) which can be predicted from the independent variables (OEA). From the results, it is correct to conclude that the null

hypothesis  $H_0^4$  is not supported. This finding indicates that other's emotional appraisals have a significant impact on the job performance of the Islamic Banking organisations in the UAE.

$H^5$ : Use of Emotions will significantly influence the organisation performance.

**Table11: Correlation and Regression Analysis H5**

Correlations		Organisation
UOE	Pearson Correlation	.316*
	Sig. (2-tailed)	.016
	N	58

\*. Correlation is significant at the 0.05 level (2-tailed).

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Standardized Coefficients	F	t	Sig.
					Beta			
1	.316 <sup>a</sup>	.100	.084	1.76574	.316	6.228	2.496	.016 <sup>a</sup>

a. Predictors: (Constant), OEA

b. Dependent Variable: Performance

The above table shows that use of emotion tends to influence the variance in organisations performance. As can be seen from table11, the F value is 6.23 and it is significant. The t value 2.50 and the p value associated with it is very high  $p > 0.05$  ( $p = 0.016$ ). The

correlation value,  $R = 0.32$  and this is highly significant at level 0.05. The adjusted R Square value is .084 which means that the predictor influences the dependent variable and can explain 8.4 % of variance. Therefore, this indicates the existence of a relationship between use of emotions and organisation performance. In addition, the positive sign of this relationship reveals that the higher use of emotions, the higher in organisation performance. Therefore, from the both tests the correlation and the regression, and the value of R it can be explained that the use of emotion is highly influencing the organisation performance. As a result, hypothesis  $H_0^5$  is supported.

#### **4.5 Findings and Discussions**

The results of this study take us forward to understand the role of EI on the performance of the Islamic banking organisations in the UAE. It highlights the relationship between EI abilities and performance that suggested having a relationship on the success of the organisations. All the EI abilities were found to be associated with the performance variables (innovation, team, job and organisation). Findings from this research provide an evidence for the validity of EI to predict job performance as reported by different researchers (e.g. Carmeli and Josman, 2006, p. 414) “we found a greater magnitude effect for EI on performance”, similarly found by others i.e. (Côté and Miners, 2006; Abraham, 2004; Austin, 2004 and Law et al., 2004). From the first hypothesis analysis it reveals that Emotional Intelligent people can contribute in increasing the performance of the Islamic banks organisations in the UAE. This can be explained through the type of competences they have developed to create various channels aiming to ease the communication between colleagues and subordinates.

Since the effective communication has a strong impact on the manner in which they influence people ability to accept change, managers with EI competences can direct any certain

individuals to change their beliefs toward collective understanding for making long term change on organisational strategies and plans. EI leaders guide their employees with unsatisfactory level of performance by highlighting their weaknesses and areas require improvement to help them improve for better performance. EI people show their feelings, communicate openly and recognize emotions of others simply, which enable subordinates and colleagues receive the information in a very precise and clear manner. Therefore, objectives and issues are fulfilled and sorted out at early stages before it complicates further.

Motivation is considered a factor related to EI but is not a component part of EI construct (Christie et al., 2007). EI leaders use different methods to motivate their teams as they believe that employees are motivated through a multiplicity of methods. The ability to recognize the emotions of others inclines them to find the key motivator for each individual member of their team and when it can be used to obtain the performance required. Moreover, their role in the team is as team players not only as supervisors. This creates a feeling of confidence and trust between the members. In addition, this facilitates creating a better working environment where subordinates believe in their managers and willingly ready to stay after working hours to participate to complete the assigned tasks on time with regardless of any scarification employees may go through.

Showing care and understanding for employees' interests, expectations and knowing the motivating drivers lead to a mutual trust between EI leaders and their employees. This builds a solid ground for an environment with less conflict between team members within an organisation. Emotionally intelligent leaders acts and communicate in a more stimulating and creative ways with their team members. Employees become highly motivated to recognise and suggest innovative ideas and strategic plans and objectives when their leaders/ managers

accepting their ideas even though these are different from their bosses' ideas (Regio et al., 2007). Employees' motivation enhances and gets accelerated to seek alternative and a better ways of working methods. Accordingly, this is in turn resulting in high creative work methods and more innovative environment.

Nevertheless, employees are likely to react in a defensive way if they receive rejections and disagreement from their leaders on the ideas they come up with. Or even when their leaders lose control over their emotions they may stop participating in giving ideas or suggestions that may do good to the organisation.

Leaders with empathy exude consideration and respect to their subordinates. They guide their employees to manage their emotions on how to be creative and solve problems or use an opportunity. This encourages followers to provide more and new approaches in solving issues and coming up with different solutions. They can operate and think without help from their leaders and with a higher level of confidence, fearless of scold for being original or coming up with imaginative and unrealistic suggestions. If an employee is satisfied emotionally and feels respected he/she is more likely to reciprocate (Settoon et al., 1996). Helping the organisation and leaders to deal with issues and use the opportunities is a sign of high level of commitment (Regio et al., 2007). This considered as an evidence for the second hypothesis of this paper which is the significant positive relationship between self emotional appraisals and innovator. Individuals with the ability to recognise their inner emotions and be able to show these emotions transparently are more creative and innovative in their jobs that reflected on various aspects of the organisation as a whole.

Innovation or creativity is not a straight forward process. According to Easterby-Smith, Crossan and Niccolini (2000), creative learning is clearly a complicated process containing a

various mixture of logical, insightful, emotional and social interactions. Similarly, a number of studies have fairly established that emotion contributes very importantly in employees' readiness to be creative and innovative (Amabile et al., 2005; Fenwick, 2003; Fong, 2006; Fredrickson, 1998, 2001; and Park, 2005). Studies have shown that EI is related to innovation and creativity (Stough and DeGuara, 2003; Suliaman and Al-Shaikh, 2006). Employees with high EI will result in high innovator however employees with low EI are low innovators. Employee that are emotionally intelligence have the ability to indentify, realize, control the negative and positive feelings by the way of finding association among available elements to find novel and creative solution to the problem at hand (Othman et al., 2009).

Another contribution of this study is that team performance increases by the increase in the regulation of emotions. Leaders' ability to manage their feelings and emotions, can supply their subordinate to accomplish a quick recovery form psychological pressures has an impact on the team productivity that aim toward achieving the firm's objectives. EI leaders set goals and try to achieve them, they are competent, self-motivated and always encourage themselves to do the best. This enables them to work with colleagues and team individuals for the effectiveness of the organisation.

The fourth hypothesis is the relationship between Others' Emotional Appraisal and performing tasks specifically related to a particular one's job description (Welbourne et al., 1998). The ability to perceive and understand the emotions of individuals of own surrounding, realizing their counterparts and their employees emotions from their behaviour, excellent observer of others' emotions, sensitive to the feelings and emotions of others and have high understanding of the emotions of their associated people will result in a positive impact on the

work output quantity, quality and accuracy. Employees with these abilities achieve high performance in their jobs.

The ability of individuals is closely linked to their use of emotions and direct such towards constructive activities resulting in high personal performance. Use of emotion as a skill for the leaders themselves will have an impact on the organisation performance. This is particularly true as they can overcome any negative emotion in a very efficient way so long term negativisms are not reflected on the organisation performance.

## **CHAPTER 5: CONCLUSION AND RECOMMENDATIONS:**

### **5.1 Conclusion**

This paper examines the relationship between leaders displaying EI and job performance within the Islamic Banks in the UAE. The study was performed through a survey-type questionnaire provided to 564 respondents from 6 different banking institutions in the UAE. The sample was selected randomly from the banking institutions which provide Islamic banking products. The study aimed at identifying the intrinsic aspects of EI, identifying the impact of EI leadership at the workplace and relating that to the institutions providing Islamic Banking in the UAE.

Findings from the study were collated and analyzed through SPSS. The design of the questionnaire sought to identify five pertinent issues including what the impact of EI leadership approach on the organisation overall performance was; whether there was a significant relationship between self emotional appraisal and staff innovator; whether there was a significant relationship between regulation of emotions and the team's performance; whether there was a significant relationship between others' Emotional Appraisal and job performance and whether the use of emotions influence the organisation performance

Findings from the study were analysed through Correlation and regression measures, with the findings presented in both graphical and tabular format. Many organisations began to investigate and identify the factors that help in increasing the performance of the individuals and ultimately, organisation performance. This led to growing interest in the EI. The exploration of EI has shown how slight changes in the managerial behaviour can impact the work performance. Consequently, leaders are key players in improving and enhancing the overall organisation

performance when they are in a position to understand their emotion feelings and the emotions of their team members and how it influences thought and behaviour

Theoretically, EI proves with evidences addition good knowledge to the existing about the diverse options of performance. It plays a salient role in influencing job role, team role, innovator role and organisation role toward an extent that is required by types of services to which they are associated. “EI can help in advancing performance at the employee level, the team/group level and organisation level performance”.

Since it has been proven through different studies; EI affected employees’ job satisfaction and performance others found that EI was associated with commitment. Moreover, high EI was characteristically related to positive moods and higher self esteem as well as happiness our study add more evidence that Emotional Intelligent leaders are important in play critical role in improving job performance by creating healthy environment in which employees can be more committed, with high self esteem and produce voluntarily better performance

## **5.2 Recommendations**

EI has been cited as a vital element to the success of the organizations. Selection of leaders with very high EI abilities should be given high importance within Islamic banks to ensure better job performance. This adds more responsibilities on HR of Islamic Banks to introduce an appropriate method to examine the EI competences for the new applicants joining this sector. Recommendations for the Islamic banking in UAE are outlined here under.

- Developing current leaders who lack certain abilities of EI need to be incorporated and given priority in the future development plans of these organisations. More focus should be giving to SEA and OEA abilities because “human capital is equipped to pursue particular strategies of customer intimacy, care and nurturing”

- Redesigning of employee performance appraisal system in order to assist managers in highlighting areas that require attention for improving the job performance of individuals and teams. This can be also used as a tool to recognize and reward employees who demonstrate using EI abilities as key indicators as part of their job performance.
- Promoting the development of EI across the organisations in order to ensure a perfect fit between the capabilities of the leaders and the rest of the individuals in the institutions. This provides an avenue through which employees amplify the efforts of the management. Through this approach, employees are able to create an organisation-wide appreciation of EI, thereby inculcating this to the organisational culture.

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## **Appendices**

### **APPENDIX 1: Sample of the email sent to the survey's participant**

Dear colleagues,

I would like to invite you to participate in my online survey. The goal of my research is to investigate the influence of EI leaders on the work performance of Islamic Banks in the UAE.

You can find the questionnaire at the following link:

<http://www.surveymonkey.com/s/NBCSNGN>

You can rest assured that your responses will be anonymous and treated absolutely confidential.

The results of the analysis will be strictly used by me for a study purposes only. I seek your assistance to be as open, fair, honest as possible as you can in your responses

It would be great if you could forward the link to your colleagues and friends in other Islamic banks in the UAE (e.g. Ajman Bank, Noor Bank, Emirates Islamic Bank, Al Hilal, ADIB, SIB and DIB)

Your experience and viewpoint would be a great support for this research. Thank you very much for your participation.

Warm wishes,

Amna Sembajj

## **APPENDIX 2: Questionnaire items used in the study**

### The Role-Based Performance Scale

#### JOB (doing things specifically related to one's job description)

1. Quantity of work output.
2. Quality of work output.
3. Accuracy of work.
4. Customer service provided (internal and external).

#### CAREER (obtaining the necessary skills to progress through one's organisation)

5. Obtaining personal career goals.
6. Developing skills needed for his/her future career.
7. Making progress in his/her career.
8. Seeking out career opportunities.

#### INNOVATOR (creativity and innovation in one's job and the organisation as a whole)

9. Coming up with new ideas.
10. Working to implement new ideas.
11. Finding improved ways to do things.
12. Creating better processes and routines.

#### TEAM (working with co-workers and team members, toward success of the firm)

13. Working as part of a team or work group.
14. Seeking information from others in his/her work group.
15. making sure his/her work group succeeds.
16. Responding to the needs of others in his/her work group.

ORGANISATION (going above the call of duty in one's concern for the firm)

17. Doing things that helps others when it's not part of his/her job.
18. Working for the overall good of the company.
19. Doing things to promote the company.
20. Helping so that the company is a good place to be.

Development Process and Items in the Wong and Law EI Scale (WLEIS)

Items in the WLEIS were generated, tested and cross-validated through a rigorous development process. The process started with three groups of MBA and undergraduate students trained on the EI construct generating items according to the four-dimensional definition of EI as proposed by Davies et al., (1998). Inappropriate items were deleted according to three criteria, resulting in a total of 9 items for each dimension. Items were further eliminated on the basis of their factor loadings on their respective factors as well as their correlations with selected criterion variables using a sample of 189 university students. Sixteen items (four items per dimension) were selected as a result. This 16-item scale was cross-validated with were selected as a result. This 16-item scale was cross-validated with nonteaching employees from a university, and 149 supervisor–subordinate dyads (60 middle- and upper-level managers). The entire development process is described in Wong and Law (2002) in detail.

The 16 items in WLEIS are as follows:

Self-Emotions Appraisal (SEA)

1. I have a good sense of why I have certain feelings most of the time.
2. I have good understanding of my own emotions.
3. I really understand what I feel.

4. I always know whether or not I am happy.

#### Others-Emotions Appraisal (OEA)

5. I always know my friends' emotions from their behavior.

6. I am a good observer of others' emotions.

7. I am sensitive to the feelings and emotions of others.

8. I have good understanding of the emotions of people around me.

#### Use of Emotion (UOE)

9. I always set goals for myself and then try my best to achieve them.

10. I always tell myself I am a competent person.

11. I am a self-motivating person.

12. I would always encourage myself to try my best.

#### Regulation of Emotion (ROE)

13. I am able to control my temper so that I can handle difficulties rationally.

14. I am quite capable of controlling my own emotions.

15. I can always calm down quickly when I am very angry.

16. I have good control of my own emotions.

## APPENDIX 3: Snapshots of the online

The influence of Emotional Intelligence leaders on the work performance of Islamic Banks in UAE [Exit this survey](#)

### 1. Cover Page

Dear Sir/ Madam,

This questionnaire gives you the opportunity to express your views on a wide range of issues related to the work conditions. Please note that there is no right or wrong answer.

The questionnaire will be used to collect the primary data needed for a research study. Therefore, we seek your assistance to be as open, fair, honest as possible as you can in your responses.

The researcher assure you that no individuals will be identified from their responses and there are no requests for confidential information included in the questionnaire. The results of the analysis will be strictly used by the researchers for study purposes only.

The questionnaire comprises three parts:

1. General information
2. Emotional intelligence
3. Performance

Thank you  
Researcher

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### 2. PART ONE: GENERAL INFORMATION

\*1. Gender

Male  Female

\*2. Marital Status

Married  Unmarried

\*3. Education

Less than high school  High school  College degree  Graduate degree  High Diploma  Masters or above

\*4. Age

Less than 25  25 - 35  36 - 46  47 - 57  58 or above

\*5. No. of years worked in current organization

One year or less  2 - 7  8 - 13  14 - 19  20 years or above

\*6. No. of years worked in the position or job

One year or less  2 - 7  8 - 13  14 - 19  20 years or above

\*7. Job Status

First level  Middle level  Lower level

**3. PART TWO: EMOTIONAL INTELLIGENCE**

**1. Emotional Intelligence**

	strongly agree	agree	undecided	disagree	strongly disagree
I have a good sense of why I have certain feelings most of the time	<input type="radio"/>				
I have good understanding of my own emotions	<input type="radio"/>				
I really understand what I feel	<input type="radio"/>				
I always know whether or not I am happy	<input type="radio"/>				
I always know my friends' emotions from their behavior	<input type="radio"/>				
I am a good observer of others' emotions	<input type="radio"/>				
I am sensitive to the feelings and emotions of others	<input type="radio"/>				
I have good understanding of the emotions of people around me	<input type="radio"/>				
I always set goals for myself and then try my best to achieve them	<input type="radio"/>				
I always tell myself I am a competent person	<input type="radio"/>				
I am a self-motivating person	<input type="radio"/>				
I would always encourage myself to try my best	<input type="radio"/>				

**4. PART THREE: PERFORMANCE**

**1. Performance**

	Strongly Agree	Agree	Undecided	Disagree	Strongly disagree
My quality of work output is of a satisfactory level.	<input type="radio"/>				
My quantity of work output is of a satisfactory level.	<input type="radio"/>				
I am satisfied with the accuracy of my work.	<input type="radio"/>				
I provide a satisfactory level of services to my internal customers.	<input type="radio"/>				
I provide a satisfactory level of services to my external customers	<input type="radio"/>				
I believe that personal career goals can be obtained through my current employer	<input type="radio"/>				
Opportunities to develop my needed skills are available for me	<input type="radio"/>				
I am making progress in my career.	<input type="radio"/>				
I am seeking out career opportunities.	<input type="radio"/>				
I come up with new ideas.	<input type="radio"/>				
I am working to implement new ideas.	<input type="radio"/>				

